

**Financial Guaranty Insurance Company (“FGIC”), New York State Insurance Department Counsel to Participate in Conference Call to Discuss Exchange Offer for Certain Securities Insured by FGIC**

NEW YORK, October 7, 2010 – Sharps SP I LLC (the “Offeror”) today announced that a conference call will be held on Tuesday, October 12, 2010 at 11 a.m., New York time, to discuss the offer to exchange (the “Offer”) certain residential mortgage-backed securities and asset-backed securities (collectively, the “Eligible Insured Securities”) insured by FGIC. Participants in the conference call will include counsel to the New York State Insurance Department (the “NYID”), representatives from FGIC management and certain of its advisors engaged in connection with the Offer. Among the topics to be discussed are the consequences in the event that the conditions to the Offer, which expires on October 22, 2010, are not satisfied. Only holders of Eligible Insured Securities that have previously submitted eligibility letters confirming their status to participate in the Offer are invited to participate in the conference call and can obtain the dial-in information and access code for the conference call by contacting Global Bondholder Services Corporation at (866) 794-2200 or (212) 430-3774.

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The Offer is being conducted only with qualified institutional buyers (“Qualified Institutional Buyers”) as defined in Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”), that are also qualified purchasers (“Qualified Purchasers”) as defined in Section 2(a)(51) under the Investment Company Act of 1940, as amended. The certificates that may be issued pursuant to the offer have not been and, at the time of the closing of the transaction, will not be registered under the Securities Act or any state securities laws. The certificates may not be offered, sold or transferred in or outside of the United States except in reliance on the exemption from the registration requirements of the Securities Act afforded by Rule 144A thereunder and in accordance with applicable state and foreign securities laws to Qualified Institutional Buyers that are also Qualified Purchasers.

This press release does not constitute an offer to purchase any securities or a solicitation of an offer to sell any securities. The offers are being made only pursuant to the offer to exchange and related letter of transmittal and only to such persons and in such jurisdictions as are permitted under applicable law.

About FGIC

FGIC is a wholly owned subsidiary of FGIC Corporation, an insurance holding company that filed a voluntary petition for relief under Chapter 11 of the U.S. Bankruptcy Code in August 2010. Please visit [www.fgic.com](http://www.fgic.com) for more information.

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FORWARD-LOOKING STATEMENTS

This press release contains “forward-looking statements” – that is, statements related to possible future events. Forward-looking statements often address expectations and beliefs as to future performance, results and business plans. You should not place undue reliance on forward-looking statements because they speak only as of the date they are made and are necessarily subject to risks and uncertainties that could cause actual results and performance to differ materially from those expressed or implied by such forward-looking statements. Among the factors that could cause FGIC’s actual results or performance to differ are, without limitation: (1) FGIC’s ability to close the Offer within the time frame and on the terms required by the NYID or otherwise; (2) FGIC’s current negative policyholders’ surplus and FGIC’s ability to restore and maintain the statutory required minimum policyholders’ surplus even if it closes the Offer and other contemplated restructuring transactions; (3) the extent to which FGIC is able to pursue and achieve other strategic alternatives, either with or without the participation of potential investors and other third parties; (4) the results of FGIC’s other loss mitigation efforts, including FGIC’s ability to consummate contemplated transactions with certain counterparties on certain credit default swaps and other obligations insured by FGIC; (5) a decision by the NYID or FGIC’s other regulators to take further regulatory action such as rehabilitation or liquidation of FGIC by the NYID at any time due to FGIC’s current failure to maintain the statutory required minimum policyholders’ surplus or

otherwise; (6) legislative and regulatory developments within the United States and abroad, including the effect of new pronouncements by accounting authorities; (7) fluctuations in the economic, credit, interest rate or other environments in the United States or abroad; (8) potential consequences of FGIC's continued suspension of claim payments or FGIC's inability to recommence claim payments or other delay in its recommencement of claim payments in full of due and unpaid amounts under its policies, such as the risk of defaults under FGIC-insured credit default swaps, non-payment of premiums and other amounts owed to FGIC and possible limitations on FGIC's rights under other agreements; (9) the impact on FGIC, including its ownership, operations and management, due to FGIC Corporation's filing under Chapter 11 of the U.S. Bankruptcy Code; (10) higher losses on FGIC-insured obligations due to deterioration in the performance of residential mortgage loans or otherwise; (11) possible defaults and/or additional ratings downgrades or other adverse actions with respect to mortgage-backed securities or other obligations insured by FGIC; (12) the commencement of new litigation or the outcome of current and new litigation; (13) further deterioration in general economic conditions, including as a result of the financial crisis as well as inflation, interest rates, foreign currency exchange rates and other factors and the effects of disruption or economic contraction due to catastrophic events or terrorist acts; and (14) other risks and uncertainties that have not been identified by FGIC at this time. Forward-looking statements are based upon FGIC management's current expectations and beliefs concerning future events. FGIC undertakes no obligation to update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law.