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Offer to Exchange Certain Securities Insured by Financial Guaranty Insurance Company (“FGIC”) Has Terminated

NEW YORK, October 25, 2010 – Shaps SP I LLC today announced that it did not receive sufficient participation from eligible holders in its offer to exchange (the “Offer”) certain residential mortgage-backed securities and asset-backed securities insured by FGIC (collectively, the “Eligible Insured Securities”) to satisfy the conditions necessary to complete the Offer. In accordance with previous announcements, the Offer has not been extended beyond the October 22, 2010 expiration date. Consequently, the Offer has terminated in accordance with its terms and none of the tendered Eligible Insured Securities have been accepted. As a result, the conditions for successfully effectuating FGIC’s current surplus restoration plan have not been satisfied.

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This press release does not constitute an offer to purchase any securities or a solicitation of an offer to sell any securities.

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 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 current negative policyholders’ surplus and FGIC’s ability to restore and maintain the statutory required minimum policyholders’ surplus; (2) 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; (3) 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; (4) a decision by the New York State Insurance Department (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; (5) legislative and regulatory developments within the United States and abroad, including the effect of new pronouncements by accounting authorities; (6) fluctuations in the economic, credit, interest rate or



other environments in the United States or abroad; (7) 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; (8) 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; (9) higher losses on FGIC-insured obligations due to deterioration in the performance of residential mortgage loans or otherwise; (10) possible defaults and/or additional ratings downgrades or other adverse actions with respect to mortgage-backed securities or other obligations insured by FGIC; (11) the commencement of new litigation or the outcome of current and new litigation; (12) 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 (13) 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.