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FGIC Develops Proposed Plan of Rehabilitation and is in Discussions with the New York State Department of Financial Services

NEW YORK, December 2, 2011 – Financial Guaranty Insurance Company (“FGIC”), in consultation with a group of investors holding securities guaranteed by FGIC, has developed a proposed plan of rehabilitation for FGIC (the “Proposed Plan”) under Article 74 of the New York Insurance Law (“Article 74”), for consideration by the New York State Department of Financial Services (the “DFS”) and its Liquidation Bureau. The DFS and its Liquidation Bureau have retained counsel and a financial advisor to assist in their review of the Proposed Plan, in contemplation of an Article 74 proceeding. We anticipate continuing to work closely with the DFS and its Liquidation Bureau to facilitate the review of the Proposed Plan. Our goal is for this review to be completed within the next three months.

New York State’s Superintendent of Financial Services (the “Superintendent”) has sole authority and discretion to seek commencement of an Article 74 proceeding involving FGIC and to obtain an order of rehabilitation or liquidation of FGIC. There can be no assurance given as to what actions the Superintendent, the DFS, or its Liquidation Bureau may take with respect to FGIC and when such actions may be taken, or that the Proposed Plan would form the basis of any Article 74 proceeding involving FGIC.

FORWARD-LOOKING STATEMENTS

This notice 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. 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.