

QUARTERLY STATEMENT
OF THE
**FINANCIAL GUARANTY INSURANCE
COMPANY**

2019

OF
New York
IN THE STATE OF
New York
TO THE
INSURANCE DEPARTMENT
OF THE
STATE OF
AS OF
MARCH 31, 2019

PROPERTY AND CASUALTY

2019



QUARTERLY STATEMENT

AS OF MARCH 31, 2019
OF THE CONDITION AND AFFAIRS OF THE

FINANCIAL GUARANTY INSURANCE COMPANY

NAIC Group Code 00000 (Current Period) , 00000 (Prior Period) NAIC Company Code 12815 Employer's ID Number 13-2710717

Organized under the Laws of New York , State of Domicile or Port of Entry New York
Country of Domicile United States

Incorporated/Organized 04/10/1972 Commenced Business 07/01/1972

Statutory Home Office 463 7th Avenue , New York, NY, US 10018
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 463 7th Avenue , New York, NY, US 10018 212-312-3000
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 463 7th Avenue , New York, NY, US 10018
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 463 7th Avenue , New York, NY, US 10018 212-312-3041
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address http://www.fgic.com

Statutory Statement Contact Karen L. Brenner 212-312-3041
(Name) (Area Code) (Telephone Number) (Extension)
karen.brenner@fgic.com 212-312-3093
(E-Mail Address) (Fax Number)

OFFICERS

Name	Title	Name	Title
<u>Timothy S. Travers</u>	<u>Chief Executive Officer</u>	<u>A. Edward Turi, III</u>	<u>Executive Vice President and General Counsel</u>
<u>Karen L. Brenner</u>	<u>Vice President and Controller</u>		

OTHER OFFICERS

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DIRECTORS OR TRUSTEES

<u>Jamie B. Stewart, Jr., Chairman</u>	<u>Derek M. Donnelly</u>	<u>Cono R. Fusco</u>	<u>Edward J. Grzybowski</u>
<u>Paula A. Price</u>	<u>Timothy S. Travers</u>	<u>A. Edward Turi, III</u>	

State of New York

County of New York

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Timothy S. Travers A. Edward Turi, III Karen L. Brenner
Chief Executive Officer Executive Vice President and General Counsel Vice President and Controller

a. Is this an original filing? Yes [X] No []

b. If no:
1. State the amendment number _____
2. Date filed _____
3. Number of pages attached _____

Subscribed and sworn to before me this 9th day of May 2019

Camille A. Taylor

Camille A. Taylor
Notary Public, State of New York
No. 01TA4994058
Qualified in New York County
Commission Expires March 30, 2022

STATEMENT AS OF MARCH 31, 2019 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	2,043,008,275	0	2,043,008,275	1,955,076,932
2. Stocks:				
2.1 Preferred stocks	0	0	0	0
2.2 Common stocks	33,200,000	0	33,200,000	154,348,390
3. Mortgage loans on real estate:				
3.1 First liens	0	0	0	0
3.2 Other than first liens	0	0	0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$0 encumbrances)	0	0	0	0
4.2 Properties held for the production of income (less \$0 encumbrances)	0	0	0	0
4.3 Properties held for sale (less \$0 encumbrances)	0	0	0	0
5. Cash (\$9,264,426), cash equivalents (\$67,102,350) and short-term investments (\$327,001)	76,693,777	0	76,693,777	41,922,750
6. Contract loans (including \$0 premium notes)	0	0	0	0
7. Derivatives	0	0	0	0
8. Other invested assets	8,863,169	0	8,863,169	8,864,891
9. Receivables for securities	2,076,653	0	2,076,653	0
10. Securities lending reinvested collateral assets	0	0	0	0
11. Aggregate write-ins for invested assets	48,212,932	0	48,212,932	43,243,945
12. Subtotals, cash and invested assets (Lines 1 to 11)	2,212,054,806	0	2,212,054,806	2,203,456,908
13. Title plants less \$0 charged off (for Title insurers only)	0	0	0	0
14. Investment income due and accrued	20,429,412	0	20,429,412	19,445,814
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	0	0	0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$0 earned but unbilled premiums)	0	0	0	0
15.3 Accrued retrospective premiums (\$0) and contracts subject to redetermination (\$0)	0	0	0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	14,679	0	14,679	19,373
16.2 Funds held by or deposited with reinsured companies	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	6,534,653	0	6,534,653	5,815,727
18.2 Net deferred tax asset	5,032,482	5,032,482	0	0
19. Guaranty funds receivable or on deposit	0	0	0	0
20. Electronic data processing equipment and software	132,917	132,917	0	0
21. Furniture and equipment, including health care delivery assets (\$0)	326,208	326,208	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates	277,229	0	277,229	718,343
24. Health care (\$0) and other amounts receivable	0	0	0	0
25. Aggregate write-ins for other-than-invested assets	21,147	0	21,147	33,776
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	2,244,823,533	5,491,607	2,239,331,926	2,229,489,941
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0	0
28. Total (Lines 26 and 27)	2,244,823,533	5,491,607	2,239,331,926	2,229,489,941
DETAILS OF WRITE-INS				
1101. Other Invested Assets	48,212,932	0	48,212,932	43,243,945
1102.	0	0	0	0
1103.	0	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	48,212,932	0	48,212,932	43,243,945
2501. Premium Taxes and State Income Tax Refunds	21,147	0	21,147	21,369
2502. Miscellaneous Receivables	0	0	0	12,407
2503.	0	0	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	21,147	0	21,147	33,776

STATEMENT AS OF MARCH 31, 2019 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$0)	1,720,032,149	1,717,794,832
2. Reinsurance payable on paid losses and loss adjustment expenses	0	0
3. Loss adjustment expenses	14,175,007	16,646,170
4. Commissions payable, contingent commissions and other similar charges	0	0
5. Other expenses (excluding taxes, licenses and fees)	17,965,003	23,768,735
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	2,010	0
7.1 Current federal and foreign income taxes (including \$0 on realized capital gains (losses))	10,080	9,564
7.2 Net deferred tax liability	0	0
8. Borrowed money \$0 and interest thereon \$0	0	0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$986,416 and including warranty reserves of \$0 and accrued accident and health experience rating refunds including \$0 for medical loss ratio rebate per the Public Health Service Act)	39,335,132	39,343,216
10. Advance premium	0	0
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions)	145,546	679
13. Funds held by company under reinsurance treaties	0	0
14. Amounts withheld or retained by company for account of others	0	0
15. Remittances and items not allocated	0	0
16. Provision for reinsurance (including \$0 certified)	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates	0	0
18. Drafts outstanding	0	0
19. Payable to parent, subsidiaries and affiliates	0	0
20. Derivatives	0	0
21. Payable for securities	7,812,062	0
22. Payable for securities lending	0	0
23. Liability for amounts held under uninsured plans	0	0
24. Capital notes \$0 and interest thereon \$0	0	0
25. Aggregate write-ins for liabilities	373,454,937	365,526,745
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	2,172,931,926	2,163,089,941
27. Protected cell liabilities	0	0
28. Total liabilities (Lines 26 and 27)	2,172,931,926	2,163,089,941
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock	15,000,000	15,000,000
31. Preferred capital stock	300,000,000	300,000,000
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes	0	0
34. Gross paid in and contributed surplus	0	0
35. Unassigned funds (surplus)	(248,600,000)	(248,600,000)
36. Less treasury stock, at cost:		
36.1 .....0 shares common (value included in Line 30 \$0)	0	0
36.2 .....0 shares preferred (value included in Line 31 \$0)	0	0
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	66,400,000	66,400,000
38. Totals (Page 2, Line 28, Col. 3)	2,239,331,926	2,229,489,941
DETAILS OF WRITE-INS		
2501. Contingency Reserve.....	373,259,259	365,355,197
2502. Other Liabilities.....	195,678	171,548
2503.	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	373,454,937	365,526,745
2901.	0	0
2902.	0	0
2903.	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0
3201.	0	0
3202.	0	0
3203.	0	0
3298. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	0	0

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 1,948,463)	1,814,615	2,033,286	6,895,137
1.2 Assumed (written \$ 0)	0	0	0
1.3 Ceded (written \$ 212,758)	70,825	39,879	369,900
1.4 Net (written \$ 1,735,705)	1,743,790	1,993,407	6,525,237
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 0):			
2.1 Direct	19,286,369	19,349,319	47,103,188
2.2 Assumed	0	0	0
2.3 Ceded	269,768	314,570	368,113
2.4 Net	19,016,601	19,034,749	46,735,075
3. Loss adjustment expenses incurred	15,480	2,727,004	3,189,903
4. Other underwriting expenses incurred	6,675,331	8,018,359	25,894,356
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	25,707,412	29,780,112	75,819,334
7. Net income of protected cells	0	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(23,963,622)	(27,786,705)	(69,294,097)
INVESTMENT INCOME			
9. Net investment income earned	19,252,977	20,534,210	80,515,465
10. Net realized capital gains (losses) less capital gains tax of \$ 4,666,910	17,556,471	12,141,838	20,305,752
11. Net investment gain (loss) (Lines 9 + 10)	36,809,448	32,676,048	100,821,217
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 0 amount charged off \$ 0)	0	0	0
13. Finance and service charges not included in premiums	0	0	0
14. Aggregate write-ins for miscellaneous income	(8,415,173)	2,355,141	7,033,467
15. Total other income (Lines 12 through 14)	(8,415,173)	2,355,141	7,033,467
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	4,430,653	7,244,484	38,560,587
17. Dividends to policyholders	0	0	0
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	4,430,653	7,244,484	38,560,587
19. Federal and foreign income taxes incurred	(5,385,836)	(4,667,622)	(11,149,930)
20. Net income (Line 18 minus Line 19)(to Line 22)	9,816,489	11,912,106	49,710,517
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	66,400,000	66,400,000	66,400,000
22. Net income (from Line 20)	9,816,489	11,912,106	49,710,517
23. Net transfers (to) from Protected Cell accounts	0	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ (411,953)	(1,549,726)	(2,762,878)	(15,051,641)
25. Change in net unrealized foreign exchange capital gain (loss)	(2,145)	(1,694)	2,745
26. Change in net deferred income tax	(1,130,878)	(2,172,288)	(9,752,480)
27. Change in nonadmitted assets	770,323	1,510,178	5,985,075
28. Change in provision for reinsurance	0	0	0
29. Change in surplus notes	0	0	0
30. Surplus (contributed to) withdrawn from protected cells	0	0	0
31. Cumulative effect of changes in accounting principles	0	0	0
32. Capital changes:			
32.1 Paid in	0	0	0
32.2 Transferred from surplus (Stock Dividend)	0	0	0
32.3 Transferred to surplus	0	0	0
33. Surplus adjustments:			
33.1 Paid in	0	0	0
33.2 Transferred to capital (Stock Dividend)	0	0	0
33.3 Transferred from capital	0	0	0
34. Net remittances from or (to) Home Office	0	0	0
35. Dividends to stockholders	0	0	0
36. Change in treasury stock	0	0	0
37. Aggregate write-ins for gains and losses in surplus	(7,904,063)	(8,485,424)	(30,894,216)
38. Change in surplus as regards policyholders (Lines 22 through 37)	0	0	0
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	66,400,000	66,400,000	66,400,000
DETAILS OF WRITE-INS			
0501.	0	0	0
0502.	0	0	0
0503.	0	0	0
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0
1401. Salvage and Subrogation Income	(8,511,129)	2,309,848	6,416,564
1402. Other Income	95,956	45,293	616,903
1403.	0	0	0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	(8,415,173)	2,355,141	7,033,467
3701. (Increase) Decrease in Contingency Reserves	(7,904,063)	(8,485,424)	(30,894,216)
3702.	0	0	0
3703.	0	0	0
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)	(7,904,063)	(8,485,424)	(30,894,216)

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance.....	1,904,703	2,101,413	4,955,471
2. Net investment income	20,600,531	23,760,668	90,885,955
3. Miscellaneous income	3,505,474	2,646,405	12,546,884
4. Total (Lines 1 to 3)	26,010,708	28,508,486	108,388,310
5. Benefit and loss related payments	16,779,284	22,077,299	172,789,453
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	15,014,164	16,974,490	40,558,566
8. Dividends paid to policyholders	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses).....	0	(408)	0
10. Total (Lines 5 through 9)	31,793,448	39,051,381	213,348,019
11. Net cash from operations (Line 4 minus Line 10)	(5,782,740)	(10,542,895)	(104,959,709)
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	124,524,327	268,342,402	716,388,002
12.2 Stocks	135,559,283	0	25,000,000
12.3 Mortgage loans	0	0	0
12.4 Real estate	0	0	0
12.5 Other invested assets	3,161,207	3,902,010	14,502,172
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	402	0	(9,218)
12.7 Miscellaneous proceeds	3,761,656	0	2,452,837
12.8 Total investment proceeds (Lines 12.1 to 12.7)	267,006,875	272,244,411	758,333,792
13. Cost of investments acquired (long-term only):			
13.1 Bonds	208,878,883	216,971,963	683,231,401
13.2 Stocks	0	620,755	3,129,395
13.3 Mortgage loans	0	0	0
13.4 Real estate	0	0	0
13.5 Other invested assets	18,079,233	705,380	35,426,136
13.6 Miscellaneous applications	0	19,564,585	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	226,958,116	237,862,683	721,786,932
14. Net increase (or decrease) in contract loans and premium notes	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	40,048,759	34,381,728	36,546,860
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	0	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0	0
16.3 Borrowed funds	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0	0
16.5 Dividends to stockholders	0	0	0
16.6 Other cash provided (applied).....	505,007	550,555	663,461
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	505,007	550,555	663,461
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	34,771,026	24,389,388	(67,749,388)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	41,922,750	109,672,138	109,672,138
19.2 End of period (Line 18 plus Line 19.1)	76,693,777	134,061,526	41,922,750

STATEMENT AS OF MARCH 31, 2019 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

Organization and Background

Financial Guaranty Insurance Company (the "Company" or "FGIC"), a New York stock insurance corporation, is a wholly owned subsidiary of FGIC Corporation ("FGIC Corp."), a Delaware corporation which emerged from a proceeding under Chapter 11 of the United States Bankruptcy Code on April 19, 2013.

FGIC previously issued financial guaranty insurance policies insuring public finance, structured finance and other obligations, but it is no longer engaged in the business of writing new insurance policies. FGIC operates in accordance with the terms and conditions set forth in the Rehabilitation Plan (defined below). FGIC's primary regulator is the New York State Department of Financial Services (the "NYSDFS"). FGIC UK Limited ("FGIC UK"), a wholly owned United Kingdom insurance subsidiary of FGIC, previously issued financial guaranties covering public finance, structured finance and other obligations, but it is no longer engaged in the business of writing new financial guaranties. FGIC UK's primary regulator is the UK Prudential Regulation Authority.

On June 28, 2012, the Supreme Court of the State of New York (the "Rehabilitation Court") issued an order pursuant to Article 74 of the New York Insurance Law (the "NYIL") placing FGIC in rehabilitation and appointing the Superintendent of Financial Services of the State of New York as FGIC's rehabilitator.

On June 11, 2013, the Rehabilitation Court approved the First Amended Plan of Rehabilitation for FGIC, dated June 4, 2013, together with all exhibits and the plan supplement thereto (as the same may be amended from time to time, collectively, the "Rehabilitation Plan") in an order issued pursuant to Article 74 of the NYIL. The Rehabilitation Plan became effective on August 19, 2013 (the "Effective Date"), whereupon FGIC's rehabilitation proceeding terminated. By notice dated on the Effective Date, FGIC's rehabilitator set the initial cash payment percentage ("CPP") at 17%.

On the Effective Date, FGIC emerged from its rehabilitation proceeding as a solvent insurance company under the NYIL, with its policies restructured in a manner intended to ensure it remains solvent and the Rehabilitation Plan became the exclusive means for resolving and paying (i) all policy claims, whenever arising, (ii) all other claims arising during, or relating to, the period prior to the Effective Date and (iii) all equity interests in FGIC in existence as of the commencement date of FGIC's rehabilitation proceeding (June 28, 2012), in each case other than claims (including policy claims) paid in full by FGIC prior to such date. Claims arising during or relating to the period on and after the Effective Date (other than policy claims) are not covered by the Rehabilitation Plan and will be resolved and paid by FGIC in the ordinary course of business.

As of the Effective Date, any and all policies in force as of the Effective Date (except for certain policies that were novated on that date) were automatically modified by the Rehabilitation Plan.

The Rehabilitation Plan, including the restructured policy terms attached to the Rehabilitation Plan as Exhibit B (the "Restructured Policy Terms"), supersedes any and all provisions of each policy that are inconsistent with the Rehabilitation Plan. FGIC is responsible for administering, reviewing, verifying, reconciling, objecting to, compromising or otherwise resolving all claims (including policy claims) not resolved prior to the Effective Date, in each case in compliance with the Rehabilitation Plan and any applicable guidelines the NYSDFS has issued or may issue to carry out the purposes and effects of the Rehabilitation Plan ("NYSDFS Guidelines").

With respect to any policy claim permitted by FGIC, pursuant to the Rehabilitation Plan and the applicable policy (as modified by the Rehabilitation Plan), FGIC is obligated to pay in cash to the applicable policy payee only an upfront amount equal to the product of the then-existing CPP and the amount of such permitted policy claim (subject to any setoff rights FGIC may have). The portion of such permitted policy claim not paid or deemed to be paid by FGIC generally comprises a deferred payment obligation ("DPO") with respect to the applicable policy. The DPO with respect to any policy generally represents the aggregate amount of all permitted policy claims under such policy minus the aggregate amount paid, or deemed to be paid, in cash by FGIC with respect to such policy (other than DPO Accretion, defined below) from and after the Effective Date, subject to further adjustments as provided in the Rehabilitation Plan. From and after the Effective Date, each policy with an outstanding DPO accrues an amount ("DPO Accretion") in accordance with the Rehabilitation Plan based on such DPO at a rate of 3% per annum (on a daily basis on the basis of a 365-day year). The DPO for any policy and any related DPO Accretion shall only be payable by FGIC when, if and to the extent provided in the Restructured Policy Terms and the Rehabilitation Plan. In the absence of an upward adjustment of the CPP, FGIC shall have no obligation to pay any portion of any DPO or DPO Accretion.

FGIC is required to re-evaluate the CPP (at least annually) pursuant to the procedures set forth in the Restructured Policy Terms to determine whether the CPP should remain the same or be adjusted upward or downward (each, a "CPP Revaluation"). All CPP Revaluations require review and approval by the board of directors of FGIC, and any change in the CPP (among other things) requires the approval of the NYSDFS. In August 2018, in connection with FGIC's annual CPP Revaluation for 2018, the NYSDFS approved an upward adjustment to the CPP from 33% to 38.5%.

The percentage of permitted policy claims that FGIC ultimately pays in cash in accordance with the Rehabilitation Plan, and the timing of any such payments, are subject to various factors and the outcome of future events, including the performance of FGIC's insured and investment portfolios and the results of FGIC's litigation and other loss mitigation efforts, and no assurance can be given with respect to the amount of any such percentage or the timing of any such payments. Based on the magnitude of FGIC's accrued and projected policy claims, while the CPP may further increase over time, FGIC expects to make payments in cash pursuant to the Rehabilitation Plan of only a fractional portion of its permitted policy claims and it does not expect to make any payments pursuant to the Rehabilitation Plan with respect to non-policy claims or equity interests.

References to and descriptions of provisions of the Restructured Policy Terms, the Rehabilitation Plan (and related agreements) and orders of the Rehabilitation Court included in these Financial Statements are merely summaries thereof, and do not contain all information necessary to fully understand such provisions and orders. Please refer to the specific terms, requirements and conditions of the Restructured Policy Terms, the Rehabilitation Plan (and related agreements) and orders of the Rehabilitation Court for a full understanding thereof, which in all cases shall govern, rather than any summary description contained in these Financial Statements.

STATEMENT AS OF MARCH 31, 2019 OF THE FINANCIAL GUARANTY INSURANCE COMPANY
NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The accompanying financial statements of the Company have been prepared in conformity with statutory accounting practices prescribed or permitted by the NYSDFS as well as those accounting practices detailed in NYSDFS Guidelines, as described below ("SAP").

NYSDFS Guidelines

Pursuant to the provisions of the Rehabilitation Plan, the NYSDFS has issued NYSDFS Guidelines that define certain accounting practices for FGIC for reporting periods ending on or after the Effective Date. In accordance with such NYSDFS Guidelines, for reporting periods ending on or after the Effective Date, FGIC records loss reserves at the applicable reporting date in an amount equal to the excess of (i) the amount of FGIC's admitted assets minus FGIC's minimum required statutory surplus to policyholders at the reporting date (the "Minimum Surplus Amount," currently \$66.4 million) over (ii) the sum of FGIC's statutory reserves excluding loss reserves (e.g., unearned premiums, contingency reserves, loss adjustment expense reserves) and other liabilities. In accordance with such NYSDFS Guidelines, the loss reserve amount comprises the total amount of (i) the sum, net of reinsurance, of (x) the total amount of all policy claims submitted to FGIC in accordance with the Rehabilitation Plan that are unpaid (excluding any portions of such policy claims that are being disputed by FGIC) and (y) the net present value of the total amount of all policy claims that the Company expects to receive in the future in accordance with the Rehabilitation Plan (using the prescribed statutory discount rate which is based on the average rate of return on FGIC's admitted assets) (such sum is referred to as the "Claims Reserve"), (ii) the DPO for all policies at such reporting date and (iii) the DPO Accretion for all policies at such reporting date, minus an adjustment (the "Policy Revision Adjustment") in an amount that will permit FGIC to report a surplus to policyholders at such reporting date equal to the Minimum Surplus Amount (See also Note 25, Changes in Incurred Losses and Loss Adjustment Expenses).

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of New York is shown below:

<u>NET INCOME</u>	<u>SSAP #</u>	<u>F/S Page</u>	<u>F/S Line #</u>	<u>2019</u>	<u>2018</u>
(1) Company state basis (Page 4, Line 20, Columns 1 & 3)	XXX	XXX	XXX	\$ 9,816,489	\$ 49,710,517
(2) State Prescribed Practices that are an increase/(decrease) from NAIC SAP:				\$	\$
(3) State Permitted Practices that are an increase/(decrease) from NAIC SAP:				\$	\$
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	<u>\$ 9,816,489</u>	<u>\$ 49,710,517</u>
<u>SURPLUS</u>					
(5) Company state basis (Page 3, Line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 66,400,000	\$ 66,400,000
(6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP:				\$	\$
(7) State Permitted Practices that are an increase/(decrease) from NAIC SAP:				\$	\$
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	<u>\$ 66,400,000</u>	<u>\$ 66,400,000</u>

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with SAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying Notes. Actual results could differ from those estimates, and those differences could be material.

C. Accounting Policies - No significant changes

- (2) There have been no changes in the measurement method of SVO-Identified investments since the prior annual statement.
- (6) All loan-backed and structured securities (e.g., asset-backed and mortgage-backed securities) are valued at amortized cost using the interest method, including anticipated prepayments. All such securities are adjusted for the effects of changes in prepayment assumptions on the related accretion of discount or amortization of premium of such securities using the retrospective method.

D. Going Concern - None

2. Accounting Changes and Corrections of Errors

Certain 2018 amounts have been reclassified to conform to the 2019 presentation.

There were no changes in accounting principles and/or corrections of errors during the three months ended March 31, 2019.

3. Business Combinations and Goodwill

None

4. Discontinued Operations

None

STATEMENT AS OF MARCH 31, 2019 OF THE FINANCIAL GUARANTY INSURANCE COMPANY
NOTES TO FINANCIAL STATEMENTS

5. Investments

- A. Mortgage Loans, including Mezzanine Real Estate Loans - None
- B. Debt Restructuring - None
- C. Reverse Mortgages - None
- D. Loan-Backed Securities

- (1) Prepayment assumptions for loan-backed and structured securities are obtained from dealer surveys or internal estimates and are based on the current interest rate and economic environment.
- (2) The following summarizes those securities held at March 31, 2019 for which OTTI was recorded during the three months ended March 31, 2019:

	(1) Amortized Cost Basis Before Other-Than-Temporary Impairment	(2) Other-Than-Temporary Impairment Recognized in Loss	(3) Fair Value 1 - 2
OTTI recognized 1 st Quarter			
a. Intent to sell	\$ 5,571,916	\$ 119,819	\$ 5,452,097
b. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	\$ 0	\$ 0	\$ 0
c. Total 1 st Quarter	\$ 5,571,916	\$ 119,819	\$ 5,452,097
OTTI recognized 2 nd Quarter			
d. Intent to sell	\$ 0	\$ 0	\$ 0
e. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	\$ 0	\$ 0	\$ 0
f. Total 2 nd Quarter	\$ 0	\$ 0	\$ 0
OTTI recognized 3 rd Quarter			
g. Intent to sell	\$ 0	\$ 0	\$ 0
h. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	\$ 0	\$ 0	\$ 0
i. Total 3 rd Quarter	\$ 0	\$ 0	\$ 0
OTTI recognized 4 th Quarter			
j. Intent to sell	\$ 0	\$ 0	\$ 0
k. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	\$ 0	\$ 0	\$ 0
l. Total 4 th Quarter	\$ 0	\$ 0	\$ 0
m. Annual Aggregate Total		\$ 119,819	

(3) None

(4)

a. The aggregate amount of unrealized losses:		
	1. Less than 12 Months	\$ 258,518
	2. 12 Months or Longer	\$ 4,187,965
b. The aggregate related fair value of securities with unrealized losses:		
	1. Less than 12 Months	\$ 49,814,720
	2. 12 Months or Longer	\$ 178,704,377

- (5) For all investments in loan-backed and structured securities acquired prior to October 1, 2015, a decline in the fair value of any such security below its cost basis as of a reporting date is automatically treated as an other-than-temporary impairment ("OTTI").

FGIC conducts an impairment review no less than quarterly for all investments in loan-backed and structured securities acquired on or after October 1, 2015, in each case which have fair values lower than their respective cost bases as of the review date. The analysis of a security's decline in value is performed at the lot level. FGIC first determines whether it intends to sell the security. For loan-backed and structured securities, FGIC also determines whether it is more likely than not that it will be unable to hold the security for a period of time to recover its amortized cost basis. The impairment for any loan-backed and structured security that FGIC determines it intends to sell or it is more likely than not that it will be unable to hold for a period of time to recover its amortized cost basis, is considered to be an OTTI.

For loan-backed and structured securities that the Company does not intend to sell and has not determined that it is unable to hold until recovery of their amortized cost bases, the Company estimates the cash flows expected to be collected over the term of each security as of the review date and calculates the present value of those expected cash flows using a discount rate equal to the original effective yield of the security, or in the case of floating rate securities, the then-current coupon. If the present value of future expected cash flows is less than the amortized cost basis of the security, the carrying value of such security is reduced to such present value as of the reporting date, establishing a new cost basis, with a charge to realized loss at such date for the entire reduction. Such realized losses are recorded through income and the new cost basis is not adjusted for subsequent recoveries in fair value. Amortization of premium or discount, as applicable, from the date the security is written down is based on the new cost basis.

- E. Dollar Repurchase Agreements and/or Securities Lending Transactions - None
- F. Repurchase Agreements Transactions Accounted for as Secured Borrowing - None
- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing - None
- H. Repurchase Agreements Transactions Accounted for as a Sale - None
- I. Reverse Repurchase Agreements Transactions Accounted for as a Sale - None
- J. Real Estate - None
- K. Low-Income Housing Tax Credits - None

STATEMENT AS OF MARCH 31, 2019 OF THE FINANCIAL GUARANTY INSURANCE COMPANY
NOTES TO FINANCIAL STATEMENTS

L. Restricted Assets

(1) Restricted Assets (Including Pledged)

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted						6	7	
	Current Year					Total From Prior Year			Increase/ (Decrease) (5 minus 6)
	1	2	3	4	5				
Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)					
a. Subject to contractual obligation for which liability is not shown	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		
b. Collateral held under security lending agreements	0	0	0	0	0	0	0		
c. Subject to repurchase agreements	0	0	0	0	0	0	0		
d. Subject to reverse repurchase agreements	0	0	0	0	0	0	0		
e. Subject to dollar repurchase agreements	0	0	0	0	0	0	0		
f. Subject to dollar reverse repurchase agreements	0	0	0	0	0	0	0		
g. Placed under option contracts	0	0	0	0	0	0	0		
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock	0	0	0	0	0	0	0		
i. FHLB capital stock	0	0	0	0	0	0	0		
j. On deposit with states	4,429,345	0	0	0	4,429,345	4,345,985	83,360		
k. On deposit with other regulatory bodies	0	0	0	0	0	0	0		
l. Pledged as collateral to FHLB (including assets backing funding agreements)	0	0	0	0	0	0	0		
m. Pledged as collateral not captured in other categories	0	0	0	0	0	0	0		
n. Other restricted assets	34,776,214	0	0	0	34,776,214	35,002,705	(226,491)		
o. Total Restricted Assets	\$ 39,205,559	\$ 0	\$ 0	\$ 0	\$ 39,205,559	\$ 39,348,690	\$ (143,131)		

(a) Subset of column 1
(b) Subset of column 3

Restricted Asset Category	Current Year			
	8	9	Percentage	
	Total Nonadmitted Restricted	Total Admitted Restricted (5 minus 8)	Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	Admitted Restricted to Total Admitted Assets (d)
a. Subject to contractual obligation for which liability is not shown	\$ 0	\$ 0	0.0 %	0.0 %
b. Collateral held under security lending agreements	0	0	0.0	0.0
c. Subject to repurchase agreements	0	0	0.0	0.0
d. Subject to reverse repurchase agreements	0	0	0.0	0.0
e. Subject to dollar repurchase agreements	0	0	0.0	0.0
f. Subject to dollar reverse repurchase agreements	0	0	0.0	0.0
g. Placed under option contracts	0	0	0.0	0.0
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock	0	0	0.0	0.0
i. FHLB capital stock	0	0	0.0	0.0
j. On deposit with states	0	4,429,345	0.2	0.2
k. On deposit with other regulatory bodies	0	0	0.0	0.0
l. Pledged as collateral to FHLB (including assets backing funding agreements)	0	0	0.0	0.0
m. Pledged as collateral not captured in other categories	0	0	0.0	0.0
n. Other restricted assets	0	34,776,214	1.5	1.6
o. Total Restricted Assets	\$ 0	\$ 39,205,559	1.7 %	1.8 %

(c) Column 5 divided by Asset Page, Column 1 Line 28
(d) Column 9 divided by Asset Page, Column 3 Line 28

(2) None

(3) Detail of Other Restricted Assets (Contracts that Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in the Aggregate)

Description of Assets	Gross (Admitted & Nonadmitted) Restricted						8	Percentage		
	Current Year					Total From Prior Year		Total Current Year Admitted Restricted	9	10
	1	2	3	4	5					
Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)		Increase/ (Decrease) (5 minus 6)	Gross (Admitted & Nonadmitted) Restricted to Total Assets	Admitted Restricted to Total Admitted Assets		
On deposit with institutional trustee	\$ 34,776,214	\$ 0	\$ 0	\$ 0	\$ 34,776,214	\$ 35,002,705	\$ (226,491)	\$ 34,776,214	1.5 %	1.6 %
Total (c)	\$ 34,776,214	\$ 0	\$ 0	\$ 0	\$ 34,776,214	\$ 35,002,705	\$ (226,491)	\$ 34,776,214	1.5 %	1.6 %

(a) Subset of column 1
(b) Subset of column 3
(c) Total Line for Columns 1 through 7 should equal 5L(1)n Columns 1 through 7 respectively and Total Line for Columns 8 through 10 should equal 5L(1)n Columns 9 through 11 respectively

(4) None

M. Working Capital Finance Investments - None

N. Offsetting and Netting of Assets and Liabilities - None

O. Structured Notes - None

P. 5GI Securities - None

STATEMENT AS OF MARCH 31, 2019 OF THE FINANCIAL GUARANTY INSURANCE COMPANY
NOTES TO FINANCIAL STATEMENTS

Q. Short Sales - None

R. Prepayment Penalty and Acceleration Fees - None

The amortized cost and fair value of the Company's admitted investments in bonds, surplus notes, common stocks, other invested assets, short-term investments and cash equivalents are as follows:

	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Fair Value
March 31, 2019				
Bonds:				
Obligations of states and political subdivisions	\$ 187,555,816	\$ 18,697,552	\$ (808,937)	\$ 205,444,431
Loan-backed and structured securities	412,270,199	3,305,408	(4,446,483)	411,129,124
US Treasury securities and obligations of U.S. government corporations and agencies	199,067,578	6,909,930	(2,564,250)	203,413,258
Corporate	1,244,114,682	35,655,945	(7,181,266)	1,272,589,361
Total bonds	2,043,008,275	64,568,835	(15,000,936)	2,092,576,174
Surplus notes	8,863,169	664,593	-	9,527,762
Common stocks	-	-	-	-
Other invested assets	48,212,932	27,102,197	-	75,315,129
Short-term investments	327,001	408	-	327,409
Cash equivalents	67,102,350	-	-	67,102,350
Total	\$ 2,167,513,727	\$ 92,336,033	\$ (15,000,936)	\$ 2,244,848,824

	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Fair Value
December 31, 2018				
Bonds:				
Obligations of states and political subdivisions	\$ 220,123,779	\$ 14,727,799	\$ (1,460,941)	\$ 233,390,637
Loan-backed and structured securities	398,855,152	1,379,410	(9,475,585)	390,758,977
US Treasury securities and obligations of U.S. government corporations and agencies	205,577,160	3,400,323	(4,635,859)	204,341,624
Corporate	1,130,520,842	9,820,738	(25,546,544)	1,114,795,036
Total bonds	1,955,076,933	29,328,270	(41,118,929)	1,943,286,274
Surplus notes	8,864,891	-	(25,139)	8,839,752
Common stocks	114,739,004	6,740,927	(331,541)	121,148,390
Other invested assets	43,243,945	29,079,839	-	72,323,784
Short-term investments	749,953	458	-	750,411
Cash equivalents	30,717,253	-	-	30,717,253
Total	\$ 2,153,391,979	\$ 65,149,494	\$ (41,475,609)	\$ 2,177,065,864

The Company has recorded OTTI of \$1.0 million and \$1.3 million on certain bonds for the three months ended March 31, 2019 and 2018, respectively. OTTI on bonds is included in "Net realized capital gains or losses net of tax" in the statutory-basis statements of operations and represents the difference between the cost bases of these securities and their fair values (or, in the case of loan-backed and structured securities, the present value of expected cash flows) at the reporting date. The Company has recorded OTTI of \$11.9 million and \$0.3 million on other invested assets for the three months ended March 31, 2019 and 2018, respectively. OTTI on other invested assets is included in "Other income" in the statutory-basis statements of operations and represents the difference between the cost bases of these securities and their fair values at the reporting date.

The amortized cost and fair value of investments in bonds (including loan-backed and structured securities) at March 31, 2019, by contractual maturity date, are shown below. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Amortized Cost	Fair Value
Due in one year	\$ 27,480,419	\$ 27,568,154
Due after one through five years	537,493,434	547,735,686
Due after five years through ten years	418,578,386	427,481,520
Due after ten years	647,185,837	678,661,690
Loan-backed and structured securities	412,270,199	411,129,124
Total	\$ 2,043,008,275	\$ 2,092,576,174

STATEMENT AS OF MARCH 31, 2019 OF THE FINANCIAL GUARANTY INSURANCE COMPANY
NOTES TO FINANCIAL STATEMENTS

Net investment income was derived from the following sources:

	Three Months Ended	
	March 31,	
	2019	2018
Income from bonds	\$ 19,283,131	\$ 20,014,906
Income from common stocks	-	620,756
Income from surplus notes	102,709	(69,974)
Income from cash, cash equivalents and short-term investments	384,277	460,489
Total investment income	19,770,117	21,026,177
Investment expenses	(517,140)	(491,967)
Net investment income	<u>\$ 19,252,977</u>	<u>\$ 20,534,210</u>

For the three months ended March 31, 2019 and 2018, proceeds from dispositions of investments in bonds carried at amortized cost were \$124.5 million and \$268.3 million, respectively. For the three months ended March 31, 2019 and 2018, gross realized gains on such dispositions were \$3.8 million and \$17.0 million, respectively. For the three months ended March 31, 2019 and 2018, gross realized losses on such dispositions were \$1.4 million and \$0.3, respectively.

For the three months ended March 31, 2019 and 2018, proceeds from dispositions of investments in common stocks were \$135.6 million and \$0.0 million, respectively. Gross realized gains on such dispositions were \$20.9 million and \$0.0 million, for the three months ended March 31, 2019 and 2018, respectively. There were no gross realized losses on such dispositions for the three months ended March 31, 2019 and 2018, respectively. The Company sold all its investments in common stocks in February 2019.

The carrying values of the Company's investment in the common stock of SCA entities were \$33.2 million as of both March 31, 2019 and December 31, 2018. In July 2018, the Company dissolved an SCA entity that was not conducting any active business. The Company recorded a realized gain of \$13.3 million from such dissolution.

6. Joint Ventures, Partnerships and Limited Liability Companies

No significant changes

7. Investment Income

All investment income due and accrued was admitted at March 31, 2019 and December 31, 2018.

8. Derivative Instruments

None

9. Income Taxes

A. The components of the net deferred tax asset/(liability) at March 31 are as follows:

1.

		3/31/2019		
		(1)	(2)	(3)
		Ordinary	Capital	(Col 1+2) Total
(a)	Gross Deferred Tax Assets	\$ 734,437,519	\$ 11,634,222	\$ 746,071,741
(b)	Statutory Valuation Allowance Adjustments	\$ 467,285,030	\$ 11,565,067	\$ 478,850,097
(c)	Adjusted Gross Deferred Tax Assets (1a - 1b)	\$ 267,152,489	\$ 69,155	\$ 267,221,644
(d)	Deferred Tax Assets Nonadmitted	\$ 5,032,482	\$ 0	\$ 5,032,482
(e)	Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$ 262,120,007	\$ 69,155	\$ 262,189,162
(f)	Deferred Tax Liabilities	\$ 262,120,007	\$ 69,155	\$ 262,189,162
(g)	Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$ 0	\$ 0	\$ 0

		12/31/2018		
		(4)	(5)	(6)
		Ordinary	Capital	(Col 4+5) Total
(a)	Gross Deferred Tax Assets	\$ 742,607,795	\$ 9,387,307	\$ 751,995,102
(b)	Statutory Valuation Allowance Adjustments	\$ 471,090,373	\$ 9,272,517	\$ 480,362,890
(c)	Adjusted Gross Deferred Tax Assets (1a - 1b)	\$ 271,517,422	\$ 114,790	\$ 271,632,212
(d)	Deferred Tax Assets Nonadmitted	\$ 5,751,408	\$ 0	\$ 5,751,408
(e)	Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$ 265,766,014	\$ 114,790	\$ 265,880,804
(f)	Deferred Tax Liabilities	\$ 265,766,014	\$ 114,790	\$ 265,880,804
(g)	Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$ 0	\$ 0	\$ 0

		Change		
		(7)	(8)	(9)
		(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
(a)	Gross Deferred Tax Assets	\$ (8,170,276)	\$ 2,246,915	\$ (5,923,361)
(b)	Statutory Valuation Allowance Adjustments	\$ (3,805,343)	\$ 2,292,550	\$ (1,512,793)
(c)	Adjusted Gross Deferred Tax Assets (1a - 1b)	\$ (4,364,933)	\$ (45,635)	\$ (4,410,568)
(d)	Deferred Tax Assets Nonadmitted	\$ (718,926)	\$ 0	\$ (718,926)
(e)	Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$ (3,646,007)	\$ (45,635)	\$ (3,691,642)
(f)	Deferred Tax Liabilities	\$ (3,646,007)	\$ (45,635)	\$ (3,691,642)
(g)	Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$ 0	\$ 0	\$ 0

STATEMENT AS OF MARCH 31, 2019 OF THE FINANCIAL GUARANTY INSURANCE COMPANY
NOTES TO FINANCIAL STATEMENTS

In accordance with SSAP 101, *Income Taxes, A Replacement of SSAP No. 10R and SSAP No. 10* ("SSAP 101"), the Company evaluates its deferred income tax asset to determine whether a valuation allowance is required. SSAP 101 requires that companies assess whether a valuation allowance should be established based on the consideration of all available evidence using a "more likely than not" standard. In making such judgments, significant weight is given to evidence that can be objectively verified. Management believes it is more likely than not that the amortization of the net unearned premium reserve, collection of future installment premiums on contracts already written, and income from the investment portfolio will not generate sufficient taxable income to realize the entire deferred tax asset that currently exists. Accordingly, a valuation allowance of \$478.9 million was established against the Company's domestic net deferred tax asset as of March 31, 2019. This resulted in a net deferred tax asset of \$5.0 million, which relates to the Company's AMT credit carryforward discussed above. Such net deferred tax asset is not admitted under SAP. The Company will continue to analyze the need for a valuation allowance on a quarterly basis. The Company's tax returns are subject to routine audits by the Internal Revenue Service and other taxing authorities.

- (2) None
- (3) None
- (4) None

B. None

C. Current income taxes incurred consist of the following major components:

	(1) 3/31/2019	(2) 12/31/2018	(3) (Col 1-2) Change
1. Current Income Tax			
(a) Federal	\$ (5,385,836)	\$ (11,149,930)	\$ 5,764,094
(b) Foreign	\$ 0	\$ 0	\$ 0
(c) Subtotal	\$ (5,385,836)	\$ (11,149,930)	\$ 5,764,094
(d) Federal income tax on net capital gains	\$ 4,666,910	\$ 5,397,732	\$ (730,822)
(e) Utilization of capital loss carry-forwards	\$ 0	\$ 0	\$ 0
(f) Other	\$ 0	\$ 0	\$ 0
(g) Federal and foreign income taxes incurred	\$ (718,926)	\$ (5,752,198)	\$ 5,033,272

The tax effects of temporary differences that give rise to significant portions of the net deferred tax asset at March 31, 2019 and December 31, 2018 are presented below by tax component.

2. Deferred Tax Assets:			
(a) Ordinary			
(1) Discounting of unpaid losses	\$ 0	\$ 0	\$ 0
(2) Unearned premium reserve	\$ 826,038	\$ 826,207	\$ (169)
(3) Policyholder reserves	\$ 0	\$ 0	\$ 0
(4) Investments	\$ 0	\$ 0	\$ 0
(5) Deferred acquisition costs	\$ 0	\$ 0	\$ 0
(6) Policyholder dividends accrual	\$ 0	\$ 0	\$ 0
(7) Fixed assets	\$ 0	\$ 0	\$ 0
(8) Compensation and benefits accrual	\$ 1,245,602	\$ 2,668,936	\$ (1,423,334)
(9) Pension accrual	\$ 0	\$ 0	\$ 0
(10) Receivables - nonadmitted	\$ 0	\$ 0	\$ 0
(11) Net operating loss carry-forward	\$ 693,616,746	\$ 700,074,218	\$ (6,457,472)
(12) Tax credit carry-forward	\$ 5,841,896	\$ 6,560,822	\$ (718,926)
(13) Other (including items <5% of total ordinary tax assets)	\$ 13,277,943	\$ 12,848,318	\$ 429,625
(14) Unrealized loss - subsidiary	\$ 19,629,294	\$ 19,629,294	\$ 0
(99) Subtotal	\$ 734,437,519	\$ 742,607,795	\$ (8,170,276)
(b) Statutory valuation allowance adjustment	\$ 467,285,030	\$ 471,090,373	\$ (3,805,343)
(c) Nonadmitted	\$ 5,032,482	\$ 5,751,408	\$ (718,926)
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	\$ 262,120,007	\$ 265,766,014	\$ (3,646,007)
(e) Capital:			
(1) Investments	\$ 11,634,222	\$ 9,387,307	\$ 2,246,915
(2) Net capital loss carry-forward	\$ 0	\$ 0	\$ 0
(3) Real estate	\$ 0	\$ 0	\$ 0
(4) Other (including items <5% of total capital tax assets)	\$ 0	\$ 0	\$ 0
(99) Subtotal	\$ 11,634,222	\$ 9,387,307	\$ 2,246,915
(f) Statutory valuation allowance adjustment	\$ 11,565,067	\$ 9,272,517	\$ 2,292,550
(g) Nonadmitted	\$ 0	\$ 0	\$ 0
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	\$ 69,155	\$ 114,790	\$ (45,635)
(i) Admitted deferred tax assets (2d + 2h)	\$ 262,189,162	\$ 265,880,804	\$ (3,691,642)
3. Deferred Tax Liabilities:			
(a) Ordinary			
(1) Investments	\$ 533,601	\$ 533,601	\$ 0
(2) Fixed assets	\$ 421,857	\$ 420,986	\$ 871
(3) Deferred and uncollected premium	\$ 0	\$ 0	\$ 0
(4) Policyholder reserves	\$ 0	\$ 0	\$ 0
(5) Other (including items <5% of total ordinary tax liabilities)	\$ 212	\$ 7,102	\$ (6,890)
(6) Tax basis losses incurred adjustment	\$ 261,164,337	\$ 264,804,325	\$ (3,639,988)
(99) Subtotal	\$ 262,120,007	\$ 265,766,013	\$ (3,646,006)
(b) Capital:			
(1) Investments	\$ 69,155	\$ 114,791	\$ (45,636)
(2) Real estate	\$ 0	\$ 0	\$ 0
(3) Other (including items <5% of total capital tax liabilities)	\$ 0	\$ 0	\$ 0
(99) Subtotal	\$ 69,155	\$ 114,791	\$ (45,636)
(c) Deferred tax liabilities (3a99 + 3b99)	\$ 262,189,162	\$ 265,880,804	\$ (3,691,642)
4. Net deferred tax assets/liabilities (2i - 3c)	\$ 0	\$ 0	\$ 0

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(5) The change in net deferred income taxes is composed of the following:

	March 31, 2019	December 31, 2018	Change
Current:			
Total adjusted gross deferred tax assets	\$ 267,221,644	\$ 271,632,212	\$ (4,410,568)
Less: Total gross deferred tax liabilities	262,189,162	265,880,804	(3,691,642)
Net deferred tax asset	<u>\$ 5,032,482</u>	<u>\$ 5,751,408</u>	\$ (718,926)
Less: tax effect of net unrealized gains (losses)			411,953
Change in net deferred income taxes			<u>\$ (1,130,879)</u>

D. The following is a reconciliation of current federal income taxes computed at the statutory rate on income before provision for federal income taxes and the provision for current federal income taxes:

	Three Months Ended March 31,	
	2019	2018
Income taxes computed at the statutory rate on income before provision for federal income taxes	\$ 1,910,488	\$ (551,731)
Tax effect of:		
Tax-exempt interest	-	(90,916)
Change in valuation allowance	(1,512,793)	1,387,323
Other, net	14,258	(10,239)
Expense for federal income taxes	<u>\$ 411,953</u>	<u>\$ 734,437</u>
Federal income tax benefit	(718,926)	(1,437,852)
Expense related to change in net deferred income taxes	1,130,879	2,172,289
Total statutory income taxes	<u>\$ 411,953</u>	<u>\$ 734,437</u>

E. As of March 31, 2019, the Company had a domestic net operating loss ("NOL") carryforward of \$3,302.9 million for federal income tax purposes, which will be available (subject to certain limitations) to offset future taxable income. If not used, the NOL carryforward will start expiring in 2029 through 2037 depending on the originating year.

As of March 31, 2019, the Company had an AMT credit carryforward of \$5.0 million for federal income tax purposes. In the absence of offsetting taxable income, the Company may claim a refund of 50% of the then remaining AMT credit carryforward in each tax year through 2020 and 100% of the then remaining AMT credit carryforward in 2021. The Company has recognized the AMT credit as a current period recoverable to the extent it relates to refundable AMT credits for the 2019 tax year. The remaining AMT credit carryforward has been recognized as a deferred tax asset.

	March 31, 2019
Gross AMT credit recognized as:	
Current period recoverable	\$ 718,926
Deferred tax asset	5,032,482
Beginning balance of AMT credit carryforward	5,751,408
Amounts recovered	(718,926)
Adjustments	-
Ending balance of AMT credit carryforward	<u>5,032,482</u>
Non-admitted	-
Ending balance of AMT credit carryforward	<u>\$ 5,032,482</u>

As of March 31, 2019, the Company had a foreign tax credit carryforward of \$0.8 million, which will be available to offset future foreign tax. If not used, the foreign tax credit carryforward will start expiring in 2034 through 2036 depending on the originating year.

The amount of federal income taxes incurred and available for recoupment in the event of future losses is \$0.

F. FGIC Corp. files a consolidated U.S. federal income tax return which includes FGIC. The method of allocation between FGIC Corp. and FGIC is determined under an amended and restated income tax allocation agreement approved by the NYSDFS and is based upon separate return calculations.

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10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

- A. No significant changes
- B. None
- C. None
- D. No significant changes
- E. None
- F. The Company is a party to cost-sharing agreements with FGIC Corp. and FGIC UK, pursuant to which the Company may provide these affiliates with management, administrative and other services, the Company may incur and pay costs and other expenses that benefit these affiliates, and these affiliates are obligated to pay the Company for the allocated cost of such services and to reimburse the Company for their allocated share of such expenses paid by the Company. Such shared costs and expenses are allocated to affiliates and vary depending on the assumptions underlying the allocations.

The Company is a party to an amended and restated income tax allocation agreement with FGIC Corp. (see Note 9, Income Taxes).

The assets provided by the City of Detroit, Michigan in connection with the settlement of certain claims related to the FGIC-insured certificates of participation (the "COPs") issued by the Detroit Retirement Systems Funding Trust 2005 and the Detroit Retirement Systems Funding Trust 2006 (together, the "COPs Trusts") pursuant to Detroit's bankruptcy plan were transferred to Gotham Motown Recovery, LLC ("GMR"), a Delaware limited liability company formed in 2016 for the purpose of owning, managing, administering, and otherwise dealing with such assets. FGIC is the managing member of GMR and as such is entitled to receive expense reimbursement from GMR, but such membership interest does not entitle FGIC to receive any distributions made by GMR or to any direct economic ownership of GMR. The COPs Trusts are members of GMR holding in the aggregate a 100% economic interest in GMR on behalf of the holders of the COPs (including FGIC to the extent it has acquired or will acquire COPs by paying policy claims in cash or otherwise acquires COPs). All distributions made by GMR are payable to the COPs Trust Members, which in turn generally pay such distributions to the holders of the COPs. FGIC currently owns 38.5% of the COPs by virtue of having paid policy claims in cash, and accordingly is currently entitled to receive 38.5% of all payments on the COPs made by the Trusts. All such payments received by FGIC are recorded as reductions to losses incurred when received. In accordance with SAP, FGIC does not assign any value as an asset to its membership interest in GMR or its ownership of COPs. Expense reimbursements that FGIC receives from GMR in connection with acting as the managing member of GMR are recorded as reductions to other underwriting expenses.

- G. No significant changes
- H.-J. None
- K.-L. Not Applicable
- M. No significant changes
- N.-O. Not Applicable

11. Debt

None

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

- A-D. None
- E. No significant changes
- F.-I. Not Applicable

13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

No significant changes

14. Liabilities, Contingencies and Assessments

- A-F. No significant changes
- G. Legal Proceedings

FGIC may be involved from time to time in various legal proceedings filed against it. In addition, FGIC has received, and may in the future receive, various subpoenas, regulatory inquiries, requests for information and document preservation letters. Defending against legal proceedings and responding to subpoenas, regulatory inquiries, requests for information and document preservation letters may involve significant expense and diversion of management's attention and other FGIC resources.

FGIC has asserted, and from time to time may assert, claims in legal or arbitration proceedings against third parties to recover losses already incurred by FGIC or to mitigate future losses that FGIC may incur, including the lawsuits described below. The amount of losses that FGIC may recover or mitigate as a result of these proceedings is uncertain, although, in the event of favorable outcomes or settlements, such amount could be material to FGIC's results of operations, financial position, profitability or cash flows.

In *Financial Guaranty Insurance Company v. The Putnam Advisory Company, LLC* (U.S. District Court for the Southern District of New York, filed October 1, 2012 and thereafter amended on November 19, 2012), FGIC sued The Putnam Advisory Company ("Putnam"), alleging fraud, negligent misrepresentation and negligence by Putnam in connection with the Pyxis ABS CDO 2006-1 transaction for which Putnam acted as collateral manager. On September 10, 2013, FGIC's

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complaint was dismissed, with leave to file a further amended complaint. On September 30, 2013, FGIC filed a further amended complaint. On April 28, 2014, the District Court granted Putnam's motion to dismiss FGIC's claims. On April 15, 2015, the United States Court of Appeals for the Second Circuit vacated the District Court's dismissal of FGIC's complaint and remanded the case for further proceedings. On May 18, 2015, Putnam filed its answer to the complaint. On September 21, 2018, FGIC filed a motion for summary judgment as to its claims arising from Putnam's negligent misrepresentation and negligence, and Putnam filed a motion for summary judgment as to FGIC's claims. These summary judgment motions were argued on November 14, 2018.

In *Financial Guaranty Insurance Company v. Morgan Stanley ABS Capital I Inc. and Morgan Stanley Mortgage Capital Holdings LLC*, (N.Y. Sup.Ct., Index No. 652853/2014, filed on September 19, 2014), FGIC sued Morgan Stanley ABS Capital I Inc. ("MSAC") and Morgan Stanley Mortgage Capital Holdings LLC ("MSMC"), alleging, *inter alia*, that defendants breached various warranties and affirmative covenants in connection with the securitization transaction known as Basket of Aggregated Residential NIMS 2007-1, including their obligations to repurchase breaching net interest margin securities that collateralized the insured securities, and to reimburse FGIC for payments made under the related FGIC policy. On January 19, 2017, the trial court denied in its entirety defendants' motion to dismiss FGIC's claims. On March 1, 2017, defendants filed their answer to the complaint. On September 13, 2018, the Appellate Division of the Supreme Court of New York, First Department, affirmed the trial court's decision denying defendants' motion to dismiss.

In *Financial Guaranty Insurance Company v. Morgan Stanley, et al.*, (N.Y. Sup.Ct., Index No. 652914/2014, filed on September 23, 2014), FGIC sued MSAC, MSMC, Morgan Stanley (MS) and Morgan Stanley & Co. LLC (collectively, "Morgan Stanley"), and Saxon Mortgage Services, Inc. ("Saxon"), alleging, *inter alia*, that (i) Morgan Stanley fraudulently induced FGIC to insure the RMBS transaction known as MSAC 2007-NC4; (ii) MSAC, MSMC and MS breached various warranties and affirmative covenants, including their obligations to repurchase breaching or fraudulent mortgage loans and to reimburse FGIC for payments made under the related FGIC policy; and (iii) Saxon and MS breached their warranties and obligations under the Pooling and Servicing Agreement for the MSAC 2007-NC4 transaction, including their obligation to provide notice of breaching mortgage loans. On January 23, 2017, the trial court denied in its entirety defendant's motion to dismiss FGIC's claims. On March 1, 2017, defendants filed their answer to the complaint. On September 13, 2018, the Appellate Division of the Supreme Court of New York, First Department, modified the decision of the trial court and granted defendants' motion to dismiss FGIC's fraud claim, but otherwise affirmed the trial court's decision denying defendants' motions to dismiss. On December 20, 2018, FGIC's motion for leave to reargue or appeal this dismissal was denied by the Appellate Division. On February 26, 2019, FGIC filed a motion seeking leave to amend its complaint (i) to expressly plead that Morgan Stanley was grossly negligent and (ii) to assert a cause of action related to Morgan Stanley's failure to notify FGIC of breaches of warranties that Morgan Stanley discovered. This motion has been fully briefed.

In *Assured Guaranty Corp., et al. v. Commonwealth of Puerto Rico, et al.*, (D.P.R., Case No. 17-00156-LTS, filed on June 3, 2017, and thereafter amended on July 23, 2017), FGIC, Assured Guaranty Corp., Assured Guaranty Municipal Corp., and National Public Finance Guarantee Corporation commenced an adversary proceeding in the PRHTA Title III case seeking to enforce the special revenue protections of the U.S. Bankruptcy Code (11 U.S.C. §§ 902, 922(d), 928(a)), which Congress incorporated into Title III proceedings under PROMESA, with respect to special revenues pledged to secure the repayment of PRHTA bonds. Plaintiffs seek (i) a declaration that defendants have violated Sections 922(d) and 928(a) of the U.S. Bankruptcy Code, and that efforts to compel defendants to transfer such pledged revenues to pay for debt service on PRHTA bonds are not stayed, (ii) injunctive relief prohibiting defendants from taking or causing to be taken any action that would further violate Sections 922(d) and 928(a) of the U.S. Bankruptcy Code and ordering defendants to remit revenues securing the PRHTA Bonds in accordance with such Sections, and (iii) declaratory relief that all funds held in the PRHTA bond reserve accounts are property of the PRHTA bondholders and are being improperly withheld. On January 30, 2018, the District Court granted defendants' motion to dismiss this adversary proceeding. On March 26, 2019, the United States Court of Appeals for the First Circuit affirmed the District Court's dismissal of this adversary proceeding. On April 9, 2019, FGIC and the other plaintiffs filed a petition for panel rehearing or rehearing *en banc* of this decision.

In *Assured Guaranty Corp., et al. v. Commonwealth of Puerto Rico, et al.*, (D.P.R., Case No. 18-00059-LTS, filed on May 23, 2018), FGIC, Assured Guaranty Corp., and Assured Guaranty Municipal Corp. commenced an adversary proceeding in the Commonwealth of Puerto Rico's Title III case seeking a judgment declaring that the revised fiscal plan for the Commonwealth that was certified by the Oversight Board on April 29, 2018, is unlawful and unconstitutional based on, among other things, violations of various provisions of PROMESA and the Contracts, Takings and Due Process Clauses of the U.S. Constitution, and declaring that the Oversight Board cannot use the revised fiscal plan as the basis for proposing a plan of adjustment in the Commonwealth's Title III case. On August 13, 2018, this adversary proceeding was stayed by judicial order until the pending appeal of the dismissal of a separate lawsuit challenging the fiscal plan is decided by the United States Court of Appeals for the First Circuit.

In *The Financial Oversight and Management Board for Puerto Rico, et al v. Autonomy Master Fund Limited, et al.* (D.P.R. Case No. 19-00291, filed on May 2, 2019), the Oversight Board and the Official Committee of Unsecured Creditors commenced an adversary proceeding in the Commonwealth's Title III case against numerous parties, including FGIC and other insurers and holders of the Commonwealth's general obligation and guaranteed debt, seeking, among other things, declaratory judgments that such parties do not hold consensual or statutory liens against the Commonwealth's good faith, credit, and taxing power, available resources, allocable revenues or property tax revenues, and that such parties' claims, to the extent they are valid, are unsecured.

In *Financial Guaranty Insurance Company v. Alejandro García Padilla, et al.*, (D.P.R., Case No. 3:16-cv-01095, filed on January 19, 2016), FGIC commenced an action for declaratory judgment and injunctive relief seeking, *inter alia*, to invalidate the executive orders issued by the Governor of Puerto Rico on November 30 and December 7, 2015, authorizing the Commonwealth's Treasury Department to clawback certain revenues assigned or pledged to secure the payment of bonds issued by PRIFA, PRHTA and PRCCDA, including bonds insured by FGIC, on the grounds that they are preempted by federal law and/or violate the Contracts, Due Process, Takings, and Equal Protection Clause of the United States Constitution. On January 21, 2016, FGIC's action was consolidated with an analogous action brought by Assured Guaranty Corp., Assured Guaranty Municipal Corp., and Ambac Assurance Corporation. On October 4, 2016, the District Court entered an order denying all defendants' motions to dismiss FGIC's claims, except that it dismissed FGIC's preemption-based claim. This action was subject to the PROMESA Stay, and it is now stayed by the commencement of the Commonwealth's PROMESA Title III proceeding.

On March 16, 2017, FGIC filed a motion for leave to intervene as a plaintiff in *Lex Claims, LLC, et al. v. The Commonwealth of Puerto Rico, et al.*, (D.P.R. Case No. 3:16-cv-02374, filed on July 20, 2016), which case was filed by a group of holders of the Commonwealth's general obligation bonds challenging, *inter alia*, the validity of the Puerto Rico Emergency Moratorium and Financial Rehabilitation Act, related executive orders, and the availability of resources pledged to pay bonds issued by the Puerto Rico Sales Tax Financing Corporation (also known by its acronym in Spanish, "COFINA"). Before the District Court ruled on FGIC's motion to intervene, the United States Court of Appeals for the First Circuit, on April 4, 2017, ruled that the PROMESA Stay applied to all claims asserted by the original plaintiffs in this action. Therefore, FGIC's motion for

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leave to intervene was similarly subject to the PROMESA Stay, and it is now stayed by the commencement of the Commonwealth's PROMESA Title III proceeding.

15. Leases

- A. No significant changes
- B. None

16. Information About Financial Instruments With Off-Balance-Sheet Risk And Financial Instruments With Concentrations of Credit Risk

No significant changes

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

None

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

Not Applicable

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

None

20. Fair Value Measurements

SSAP 100R specifies a fair value hierarchy based on whether the inputs to valuation techniques used to measure fair value are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions about market participants' assumptions based on the best information available in the circumstances. The fair value hierarchy prioritizes model inputs into three broad levels: quoted prices for identical instruments in active markets are Level 1 inputs; quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets are Level 2 inputs; and model-driven valuations in which one or more significant inputs or significant value drivers are unobservable are Level 3 inputs.

A.

(1) Fair Value Measurements at Reporting Date

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
a. Assets at fair value					
Obligations of states and political subdivisions	\$ 0	\$ 205,444,431	\$ 0	\$ 0	\$ 205,444,431
Loan-backed and structured securities	\$ 0	\$ 411,129,124	\$ 0	\$ 0	\$ 411,129,124
US Treasury securities and obligations of US government corporations and agencies	\$ 0	\$ 203,413,258	\$ 0	\$ 0	\$ 203,413,258
Corporate	\$ 0	\$ 1,272,589,361	\$ 0	\$ 0	\$ 1,272,589,361
Surplus notes	\$ 0	\$ 9,527,762	\$ 0	\$ 0	\$ 9,527,762
Common stocks	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other invested assets	\$ 0	\$ 0	\$ 75,315,129	\$ 0	\$ 75,315,129
Short-term investments	\$ 0	\$ 327,409	\$ 0	\$ 0	\$ 327,409
Cash equivalents	\$ 0	\$ 67,102,350	\$ 0	\$ 0	\$ 67,102,350
Total assets at fair value/NAV	\$ 0	\$ 2,169,533,695	\$ 75,315,129	\$ 0	\$ 2,244,848,824

(2) Not Applicable

(3) Transfers among Levels 1, 2 and 3 are recognized at the end of the period in which the transfer occurs. The Company reviews the classification of financial instruments in Levels 1, 2 and 3 quarterly to determine whether a transfer is necessary. There have been no transfers into or out of Levels 1, 2 or 3 during the period.

(4) No significant changes

B. None

C.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	\$ 2,092,576,174	\$ 2,043,008,275	\$ 0	\$ 2,092,576,174	\$ 0	\$ 0	\$ 0
Surplus notes	\$ 9,527,762	\$ 8,863,169	\$ 0	\$ 9,527,762	\$ 0	\$ 0	\$ 0
Common stocks	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other invested assets	\$ 75,315,129	\$ 48,212,932	\$ 0	\$ 0	\$ 75,315,129	\$ 0	\$ 0
Short-term investments	\$ 327,409	\$ 327,001	\$ 0	\$ 327,409	\$ 0	\$ 0	\$ 0
Cash equivalents	\$ 67,102,350	\$ 67,102,350	\$ 0	\$ 67,102,350	\$ 0	\$ 0	\$ 0

D. No significant changes

21. Other Items

- A.-D. None
- E. Not Applicable
- F. No significant changes
- G. None

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22. Events Subsequent

Subsequent events described elsewhere in the notes to these financial statements include in Note 25, Changes in Incurred Losses and Loss Adjustment Expenses, information about developments concerning FGIC's Puerto Rico-related insured exposures and in Note 14, Liabilities, Contingencies and Assessments, information about developments concerning certain legal proceedings.

The date through which subsequent events have been evaluated is May 9, 2019, the date the statutory-basis financial statements were available to be issued.

23. Reinsurance

No significant changes

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

None

25. Changes in Incurred Losses and Loss Adjustment Expenses

Loss reserves comprise the total amount of (i) the Claims Reserve, (ii) the DPO for all policies and (iii) the DPO Accretion for all policies, minus the Policy Revision Adjustment. The Policy Revision Adjustment shown in the table below is prescribed by NYSDFS Guidelines and reflects the reduction in the loss reserve components necessary to reflect a Minimum Surplus Amount of \$66.4 million.

The loss reserve components as of March 31, 2019 and December 31, 2018 are summarized as follows:

	March 31, 2019	December 31, 2018
	<i>(In Thousands)</i>	
Claims Reserve	\$ 1,288,558	\$ 1,334,365
DPO	1,469,344	1,453,824
DPO Accretion	217,480	206,171
Total	2,975,382	2,994,360
Policy Revision Adjustment	(1,255,350)	(1,276,565)
Loss reserves, net balance at end of period	\$ 1,720,032	\$ 1,717,795

Claims Reserve

The Claims Reserve is calculated on a policy-by-policy basis for insured obligations, net of reinsurance, as of the reporting date (using the prescribed statutory discount rate which is based on the average rate of return on the Company's admitted assets, which was 4.60% at both March 31, 2019 and December 31, 2018). The amount of the discount applied to the Claims Reserve as of March 31, 2019 and December 31, 2018 was \$911.7 million and \$934.5 million, respectively. The amount of the discount decreased by \$22.8 and \$34.5 for the three months ended March 31, 2019 and the year ended December 31, 2018, respectively. Any decrease (increase) in the amount of the discount is recorded as an increase (decrease) to losses incurred.

Activity related to the Claims Reserve for the three months ended March 31, 2019 and the year ended December 31, 2018 is summarized as follows:

	March 31, 2019	December 31, 2018
	<i>(In Thousands)</i>	
Claims Reserve, beginning of period	\$ 1,334,365	\$ 1,518,188
Total Claims Reserve released related to:		
Current year	-	-
Prior years	(13,507)	(56,595)
Total released	(13,507)	(56,595)
Paid related to:		
Current year	-	-
Prior years	(16,780)	(42,797)
Total paid	(16,780)	(42,797)
DPO related to policy claims paid at the applicable CPP, less DPO reductions:		
Current year	-	-
Prior years	(15,520)	(84,431)
Total related to DPO	(15,520)	(84,431)
Claims Reserve, end of period	\$ 1,288,558	\$ 1,334,365

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As of March 31, 2019, FGIC's Claims Reserve was attributable nearly entirely to its Puerto Rico-related insured exposures and certain residential mortgage-backed securities ("RMBS") insured by FGIC. The Claims Reserve decreased \$45.8 million to \$1,288.6 million at March 31, 2019 from \$1,334.4 million at December 31, 2018. The Claims Reserve released of \$13.5 million for the three months ended March 31, 2019 was primarily driven by decreases in estimated losses for certain FGIC-insured floating rate RMBS due to forward interest rate movements and for certain FGIC-insured second lien RMBS due to improved loan performance, which were partially offset by a decrease in the amount of the discount applied to the Claims Reserve.

The following table shows the gross and net par in force for FGIC's Puerto Rico-related insured exposures as of March 31, 2019:

	Gross Par In Force*	Net Par In Force*
<i>(In Thousands)</i>		
Puerto Rico General Obligation	\$ 206,055	\$ 204,007
Puerto Rico Convention Center District Authority	97,075	97,075
Puerto Rico Highways and Transportation Authority (Trans Revs - Senior)	381,220	353,549
Puerto Rico Highways and Transportation Authority (Trans Revs - Subordinate)	34,260	34,260
Puerto Rico Infrastructure Financing Authority**	335,480	335,480
Total	\$ 1,054,090	\$ 1,024,371

* With respect to any FGIC-insured exposure, (i) gross par in force is based on the outstanding principal amount of such exposure, as of the date of determination, but, if such exposure has been the subject of any permitted policy claim paid by FGIC at the CPP in accordance with the Rehabilitation Plan, the gross par in force is reduced by the total amount of all such permitted policy claims relating to principal (without duplication of any other actual reductions), not merely by the CPP portion thereof paid in cash, since the Rehabilitation Plan prohibits future policy claims for that principal amount or interest thereon, and (ii) net par in force means the gross par in force for such exposure net of any related reinsurance.

** Includes capital appreciation bonds (CABs) using their total original principal amount of \$111.2 million. As of March 31, 2019, the total accreted value of these CABs was \$210.0 million.

The following table shows the scheduled net debt service due on FGIC's Puerto Rico-related insured exposures as of March 31, 2019, for each of the years presented:

	Puerto Rico General Obligation	Puerto Rico Convention Central District Authority	Puerto Rico Highways and Transportation Authority (Trans Revs - Senior)	Puerto Rico Highways and Transportation Authority (Trans Revs - Subordinate)	Puerto Rico Infrastructure Financing Authority	Total
<i>(In Thousands)</i>						
2019	\$ 21,190	\$ 2,378	\$ 23,161	\$ 7,925	\$ 48,582	\$ 103,236
2020	25,968	4,755	24,820	12,571	54,716	122,830
2021	95,179	19,075	38,486	17,258	54,712	224,710
2022	60,170	19,073	47,226	-	54,713	181,182
2023	1,579	19,076	28,866	-	8,045	57,566
Thereafter	38,038	57,221	440,097	-	490,801	1,026,157
Total	\$ 242,124	\$ 121,578	\$ 602,656	\$ 37,754	\$ 711,569	\$ 1,715,681

FGIC's Puerto Rico-related insured exposures are subject to significant stress and credit deterioration arising from Puerto Rico's fiscal, financial, liquidity and other challenges. There is substantial uncertainty as to Puerto Rico's ability and willingness to pay its various debt service obligations, as discussed below.

Puerto Rico has defaulted on all semi-annual debt service payments on FGIC-insured Puerto Rico Infrastructure Financing Authority ("PRIFA") bonds due from and after January 1, 2016, FGIC-insured General Obligation ("GO") and GO Guaranteed bonds due from and after July 1, 2016, and FGIC-insured Puerto Rico Highways and Transportation Authority ("PRHTA") and Puerto Rico Convention Center District Authority ("PRCCDA") bonds due from and after July 1, 2017. Due to Puerto Rico's defaults, FGIC has made payments in accordance with the terms of its related policies (as modified by the Rehabilitation Plan) in respect of aggregate policy claims of approximately \$253.9 million through March 31, 2019. To the extent Puerto Rico continues to fail to pay scheduled debt service on FGIC-insured exposures as and when due, FGIC would be obligated to pay the related claims under its policies (as modified by the Rehabilitation Plan), and such claims could be material. While FGIC will seek to recover any claim payments it makes, there can be no assurance that FGIC will be able to recover any such payments.

On June 30, 2016, the President of the United States signed into law the Puerto Rico Oversight Management and Economic Stability Act ("PROMESA"). PROMESA, among other things, established the Financial Oversight and Management Board (the "Oversight Board") with broad responsibilities and authority for (i) overseeing the development of budgets and fiscal plans for the Commonwealth and its instrumentalities and (ii) initiating judicial processes under Title III of PROMESA to restructure the debts of the Commonwealth and its instrumentalities, by accessing multiple sections of the U.S. Bankruptcy Code (including cramdown provisions) that were not previously available to Puerto Rico. PROMESA also set forth collective action provisions intended to facilitate consensual debt restructurings pursuant to Title VI of PROMESA. PROMESA

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NOTES TO FINANCIAL STATEMENTS

provided for an automatic stay of debt-related litigation and other enforcement actions upon its enactment (the "PROMESA Stay"), which expired on May 1, 2017.

On May 3, 2017, the Oversight Board filed a petition in the U.S. District Court for the District of Puerto Rico and thereby commenced a debt adjustment proceeding for the Commonwealth of Puerto Rico under Title III of PROMESA. On May 21, 2017, the Oversight Board filed a petition in the U.S. District Court for the District of Puerto Rico and thereby commenced a debt adjustment proceeding for PRHTA under Title III of PROMESA. The terms and timing for any final outcome of these Title III proceedings are uncertain but could materially impact FGIC.

On June 14, 2017, the federal judge hearing the Title III cases entered an order designating a mediation team comprising five sitting federal judges to facilitate confidential settlement negotiations of any and all issues and proceedings arising in the Title III cases. FGIC has participated in mediation and negotiations concerning its Puerto Rico-related exposures.

During September 2017, the Commonwealth was battered by Hurricane Irma and Hurricane Maria (the "Hurricanes"). The Hurricanes caused widespread devastation in the Commonwealth, and the rebuilding and economic recovery of Puerto Rico could take years and will be directly impacted by the timing and amount of aid and other assistance provided by the federal government. The aftereffects of the Hurricanes delayed the Title III proceedings and led to revisions of the terms of the fiscal plans of the Commonwealth and PRHTA certified by the Oversight Board pursuant to PROMESA.

The Oversight Board has certified several fiscal plans for the Commonwealth and PRHTA. On May 9, 2019, the Oversight Board certified a revised fiscal plan for the Commonwealth, which projects budgetary surpluses. As was the case with prior certified fiscal plans, this revised fiscal plan does not provide a high degree of detail regarding the underlying data, assumptions and rationales supporting those assumptions, which hinders the reconciliation and verification of the financial projections. Consequently, it is difficult to predict with any certainty the ability and willingness of the Oversight Board and Commonwealth to pay, or allocate or appropriate funds for payment, of the existing contractual debt service obligations of the Commonwealth and its authorities and public corporations, including PRIFA and PRCCDA, shown in the revised fiscal plan.

On April 20, 2018, the Oversight Board certified a revised fiscal plan for PRHTA, which shows limited capacity to pay PRHTA's existing contractual debt service obligations over the six-year period covered by such revised fiscal plan.

The Oversight Board may revise these certified fiscal plans if it determines that revisions are warranted. It is unclear, however, whether, or to what extent, the Oversight Board may revise these certified fiscal plans in the future. The nature and extent of any such revisions could be material to FGIC, since the final certified fiscal plans for the Commonwealth and PRHTA are intended to serve as the basis for the plans of adjustment in their respective Title III proceedings.

On February 15, 2019, the United States Court of Appeals for the First Circuit held that members of the Oversight Board were not appointed in compliance with the Appointments Clause of the U.S. Constitution, but it declined to invalidate any prior actions of the Oversight Board, including the PROMESA Title III proceedings commenced by the Oversight Board. The First Circuit delayed the effectiveness of its Appointments Clause ruling for 90 days so as to allow President Trump and the U.S. Senate to appoint members of the Oversight Board in compliance with the Appointments Clause. On May 6, 2019, the First Circuit extended this stay of its ruling by 60 days, until July 15, 2019. On April 23, 2019, the Oversight Board filed a petition with the Supreme Court of the United States to review the First Circuit's ruling that the appointment of the Oversight Board's members was unconstitutional.

FGIC has commenced various legal proceedings and taken various legal actions against the Commonwealth, the Oversight Board and others with respect to actions taken (or not taken) that affect the Puerto Rico-related exposures it insures, including those discussed in Note 14, Liabilities, Contingencies and Assessments.

The ultimate impact of the Hurricanes (and the amount and timing of any federal aid or other assistance for the Commonwealth), PROMESA (including the Title III proceedings that have been or may be filed and legal challenges that have been or may be brought), laws enacted by the Commonwealth, executive orders issued by the Governor of Puerto Rico, and actions taken (or not taken) by the Oversight Board or the Commonwealth, on Puerto Rico and its fiscal, financial, liquidity and other challenges, including the payment or restructuring of its debt obligations (including those insured by FGIC), is uncertain, but could be material to FGIC.

As of March 31, 2019, FGIC's Claims Reserve for its Puerto Rico-related insured exposures was based on various factors and assumptions, including the possible timing and outcome of the Title III proceedings that have been or may be filed and legal challenges that have been or may be brought, the nature, timing and impact of recovery and relief efforts relating to the Hurricanes (including the amount and timing of any federal aid or other assistance for the Commonwealth), and the impact of actions taken (or not taken) by the Oversight Board or the Commonwealth, and other matters, including those highlighted above. The establishment of such Claims Reserve is an inherently uncertain process involving numerous assumptions, estimates and subjective judgments by management about the outcome of future events. Rulings, outcomes or other developments relating to, or otherwise affecting, Puerto Rico may lead to changes in the Claims Reserve for FGIC's Puerto Rico-related insured exposures and the policy claims that FGIC may be required to pay under its related policies, and such changes could be material. It is impossible to predict with any certainty how or when Puerto Rico will be able to resolve its debt and other challenges, and any such resolution could have a material effect on FGIC's Claims Reserve and the related policy claims that FGIC would be required to pay.

The Company believes that the Claims Reserve as of March 31, 2019 is adequate. However, the establishment of the Claims Reserve is an inherently uncertain process involving numerous assumptions, estimates and subjective judgments by management about the outcome of future events. Rulings, outcomes or other developments relating to, or otherwise affecting, Puerto Rico may lead to changes in the Claims Reserve for FGIC's Puerto Rico-related insured exposures and the policy claims that FGIC may be required to pay under its related policies, and such changes could be material. It is impossible to predict with any certainty how or when Puerto Rico will be able to resolve its debt and other challenges, and any such resolution could have a material effect on FGIC's Claims Reserve and the related policy claims that FGIC would be required to pay. Actual loan performance and other RMBS-related developments may lead to changes in the Claims Reserve for insured RMBS, including as to default frequency and liquidation values for loans supporting the insured RMBS, future interest rate movements, the amount and timing of collateral cash flows, and the priority of application of those cash flows under the transactions documents.

Small changes in the assumptions, estimates or judgments used by management, which may arise from, among other things, further deterioration in FGIC-insured Puerto Rico-related exposures or the performance of FGIC-insured RMBS, interest rate movements, or changes in the ability or willingness of insured obligors (including Puerto Rico-related entities) to pay their debt service obligations, could result in significant changes in the Company's loss expectations and the related Claims Reserve. These changes will not affect the Company's loss reserve or operating results as long as a Policy Revision Adjustment is required to be made. There can be no assurance that the Company's estimate of the Claims Reserve is

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accurate. Accordingly, there can be no assurance that the total amount of policy claims permitted by the Company after March 31, 2019 will not exceed or be less than its Claims Reserve at March 31, 2019, and it is possible that they could significantly exceed such reserve.

In RMBS, asset-backed securities and other securitization transactions insured by FGIC, the structure of the waterfall of cash flows in the transaction documents and applicable terms and conditions of the Rehabilitation Plan may permit FGIC to recover claims paid from subsequent cash flows. The projected recoveries found in Note 36B, Financial Guaranty Insurance, reflect FGIC's current estimate of these recoveries, but there can be no assurance that such recoveries will be received by FGIC. The Company's insured obligations are structured to provide for rights and remedies in order to mitigate claim loss exposure. Loss mitigation activities may include making repurchase claims or pursuing other claims for breaches of representations and warranties by the originator or others, obtaining appraisals of collateral or reviews of loan files, enforcing collateral provisions and covenants of the servicer or others, more frequent meetings with the issuer or servicer, evaluating the financial position of the originator or servicer, renegotiating financial covenants, triggers, or terms of servicing, enforcing rights to remove and replace the servicer, evaluating restructuring plans or bankruptcy proceedings, and commencing litigation or arbitration proceedings as and where appropriate.

There can be no assurance that any loss mitigation efforts will be successful, or as to the magnitude of any benefit that might be derived from any such efforts that are successful.

In accordance with the Rehabilitation Plan, each reinsurer is obligated to pay FGIC in full in cash for such reinsurer's reinsured portion of the entire amount of each permitted policy claim covered by the reinsurance, in each case without giving effect to the modification of FGIC's policy obligations and regardless of the amount paid in cash by FGIC on account of such policy claim. Any reinsurance recoverable on losses is calculated in a manner consistent with the calculation of the gross Claims Reserve and reflected in the Claims Reserve as a reduction of the liability.

DPO

Activity in the DPO for the three months ended March 31, 2019 and the year ended December 31, 2018 is summarized as follows:

	March 31, 2019	December 31, 2018
<i>(In Thousands)</i>		
DPO, beginning of period	\$ 1,453,824	\$ 1,484,761
Payments of DPO	-	(138,789)
DPO related to policy claims paid at the applicable CPP, less DPO reductions	15,520	84,431
DPO increases related to amounts recovered by FGIC	-	23,421
DPO, end of period	\$ 1,469,344	\$ 1,453,824

DPO Accretion

Activity in the DPO Accretion for the three months ended March 31, 2019 and the year ended December 31, 2018 is summarized as follows:

	March 31, 2019	December 31, 2018
<i>(In Thousands)</i>		
DPO Accretion, beginning of period	\$ 206,171	\$ 171,972
DPO Accretion for the period	11,309	48,825
Payment of DPO Accretion	-	(14,626)
DPO Accretion, end of period	\$ 217,480	\$ 206,171

Policy Revision Adjustment

Activity in the Policy Revision Adjustment for the three months ended March 31, 2019 and the year ended December 31, 2018 is summarized as follows:

	March 31, 2019	December 31, 2018
<i>(In Thousands)</i>		
Policy Revision Adjustment, beginning of period	\$ (1,276,565)	\$ (1,331,071)
Decrease in Policy Revision Adjustment	21,215	54,506
Policy Revision Adjustment, end of period	\$ (1,255,350)	\$ (1,276,565)

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Loss Adjustment Expense Reserve

The Company estimates a loss adjustment expense reserve based on the ultimate future net cost, determined using internally developed estimates, of the efforts involved in managing and mitigating existing and future policy claims and recovering or mitigating its policy losses and liabilities.

Activity in the loss adjustment expense reserve for the three months ended March 31, 2019 and the year ended December 31, 2018 is summarized as follows:

	March 31, 2019	December 31, 2018
	<i>(In Thousands)</i>	
Net balance at beginning of period	\$ 16,646	\$ 26,828
Incurred related to:		
Current year	-	-
Prior years	15	3,190
Total incurred	<u>15</u>	<u>3,190</u>
Paid related to:		
Current year	-	-
Prior years	(2,487)	(13,372)
Total paid	<u>(2,487)</u>	<u>(13,372)</u>
Net balance at end of period	<u>\$ 14,174</u>	<u>\$ 16,646</u>

26. Intercompany Pooling Arrangements

None

27. Structured Settlements

Not Applicable

28. Health Care Receivables

Not Applicable

29. Participating Policies

None

30. Premium Deficiency Reserves

None

31. High Deductibles

None

32. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

No significant changes

33. Asbestos/Environmental Reserves

None

34. Subscriber Savings Accounts

None

35. Multiple Peril Crop Insurance

None

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36. Financial Guaranty Insurance

A. No significant changes

B. Schedule of insured financial obligations at the end of the period

		Surveillance Categories			
		2	3	4	Total
1.	Number of policies	14	0	81	95
2.	Remaining weighted-average contract period (in years)	2.5	0.0	9.4	XXX
Insured contractual payments outstanding:					
3a.	Principal	\$ 105,916,423	\$ 0	\$ 3,294,147,737	\$ 3,400,064,160
3b.	Interest	9,196,354	0	1,530,480,185	1,539,676,539
3c.	Total	<u>\$ 115,112,777</u>	<u>\$ 0</u>	<u>\$ 4,824,627,922</u>	<u>\$ 4,939,740,699</u>
4.	Gross claim liability	\$ 0	\$ 0	\$ 2,429,414,723	\$ 2,429,414,723
Less:					
5a.	Gross potential recoveries	0	0	172,962,013	172,962,013
5b.	Discount, net	0	0	934,367,194	934,367,194
6.	Net claim liability	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,322,085,516</u>	<u>\$ 1,322,085,516</u>
7.	Unearned premium revenue	\$ 8,568	\$ 0	\$ 27,161,456	\$ 27,170,024
8.	Reinsurance recoverables	\$ 0	\$ 0	\$ 14,679	\$ 14,679

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes [] No []
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change:
- 3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No []
If yes, complete Schedule Y, Parts 1 and 1A.
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No [X]
- 3.3 If the response to 3.2 is yes, provide a brief description of those changes.
.....
- 3.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes [] No [X]
- 3.5 If the response to 3.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.....
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
If yes, complete and file the merger history data file with the NAIC for the annual filing corresponding to this period.
- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [] No [] NA [X]
If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made.12/31/2016
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.12/31/2016
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).05/30/2018
- 6.4 By what department or departments?
New York State Department of Financial Services.....
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [] No [] NA [X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [] No [] NA [X]
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]
- 7.2 If yes, give full information:
.....
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?..... Yes [] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
.....
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?..... Yes [] No [X]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC

GENERAL INTERROGATORIES

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes No
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 - (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 - (c) Compliance with applicable governmental laws, rules and regulations;
 - (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 - (e) Accountability for adherence to the code.

9.11 If the response to 9.1 is No, please explain:
.....

- 9.2 Has the code of ethics for senior managers been amended? Yes No

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
.....

- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes No

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).
.....

FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes No

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$8,156

INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes No

11.2 If yes, give full and complete information relating thereto:
.....

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$0

13. Amount of real estate and mortgages held in short-term investments: \$0

- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes No

14.2 If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$0	\$0
14.22 Preferred Stock	\$0	\$0
14.23 Common Stock	\$33,200,000	\$33,200,000
14.24 Short-Term Investments	\$0	\$0
14.25 Mortgage Loans on Real Estate	\$0	\$0
14.26 All Other	\$0	\$0
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$33,200,000	\$33,200,000
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$0	\$0

- 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes No

- 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes No

If no, attach a description with this statement.

16 For the reporting entity's security lending program, state the amount of the following as of the current statement date:

16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	\$0
16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	\$0
16.3 Total payable for securities lending reported on the liability page	\$0

GENERAL INTERROGATORIES

17. Excluding items in Schedule E – Part 3 – Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity’s offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*?

Yes [X] No []

17.1 For all agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:

1 Name of Custodian(s)	2 Custodian Address
State Street Global Services.....	801 Pennsylvania Ave., Kansas City, MO 64105.....
Newport Trust Company.....	570 Lexington Ave., Suite 1903 New York, NY 10022.....

17.2 For all agreements that do not comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter?

Yes [] No [X]

17.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

17.5 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. [“...that have access to the investment accounts”; “...handle securities”]

1 Name of Firm or Individual	2 Affiliation
Wellington Management Company, LLP.....	U.....

17.5097 For those firms/individuals listed in the table for Question 17.5, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a “U”) manage more than 10% of the reporting entity’s assets?

Yes [X] No []

17.5098 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a “U”) listed in the table for Question 17.5, does the total assets under management aggregate to more than 50% of the reporting entity’s assets?

Yes [X] No []

17.6 For those firms or individuals listed in the table for 17.5 with an affiliation code of “A” (affiliated) or “U” (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
106595.....	Wellington Management Company, LLP.....	549300YHP12TEZNLX41.....	Securities and Exchange Commission.....	NO.....

18.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed?

Yes [X] No []

18.2 If no, list exceptions:

.....

19. By self-designating 5GI securities, the reporting entity is certifying the following elements for each self-designated 5GI security:

- Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or
- a. PL security is not available.
- b. Issuer or obligor is current on all contracted interest and principal payments.
- c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5GI securities?.....

Yes [] No [X]

20. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:

- a. The security was purchased prior to January 1, 2018.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is
- c. shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
- d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

Has the reporting entity self-designated PLGI securities?.....

Yes [] No [X]

SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Type of Reinsurer	6 Certified Reinsurer Rating (1 through 6)	7 Effective Date of Certified Reinsurer Rating
NONE						

STATEMENT AS OF MARCH 31, 2019 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date – Allocated by States and Territories

States, etc.	1 Active Status (a)	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year To Date	3 Prior Year To Date	4 Current Year To Date	5 Prior Year To Date	6 Current Year To Date	7 Prior Year To Date
1. Alabama	AL	N	0	0	0	496,391	525,185
2. Alaska	AK	N	0	0	0	0	0
3. Arizona	AZ	N	0	0	0	0	0
4. Arkansas	AR	N	0	0	0	0	0
5. California	CA	N	0	0	0	0	0
6. Colorado	CO	N	0	0	0	0	0
7. Connecticut	CT	N	0	0	0	0	0
8. Delaware	DE	N	0	0	0	0	0
9. Dist. Columbia	DC	N	0	0	0	0	0
10. Florida	FL	N	0	0	0	1,308,927	1,381,463
11. Georgia	GA	N	12,563	12,835	0	0	0
12. Hawaii	HI	N	0	0	0	0	0
13. Idaho	ID	N	0	0	0	0	0
14. Illinois	IL	N	214	4,065	0	0	0
15. Indiana	IN	N	0	0	0	0	0
16. Iowa	IA	N	0	0	0	0	0
17. Kansas	KS	N	0	0	0	0	0
18. Kentucky	KY	N	0	0	0	0	0
19. Louisiana	LA	N	0	0	0	0	0
20. Maine	ME	N	0	0	0	0	0
21. Maryland	MD	N	0	0	0	0	0
22. Massachusetts	MA	N	0	30	0	0	0
23. Michigan	MI	N	0	0	0	786,342,280	825,538,901
24. Minnesota	MN	L	0	32	0	0	0
25. Mississippi	MS	N	0	0	0	0	0
26. Missouri	MO	N	0	0	0	0	0
27. Montana	MT	N	0	0	0	0	0
28. Nebraska	NE	N	0	0	0	0	0
29. Nevada	NV	N	0	0	0	0	0
30. New Hampshire	NH	N	0	0	0	0	0
31. New Jersey	NJ	L	0	0	0	0	0
32. New Mexico	NM	N	0	0	0	0	0
33. New York	NY	L	1,446,195	1,590,190	8,400,693	14,615,529	(31,877,108) 31,367,199
34. No. Carolina	NC	N	0	0	0	0	0
35. No. Dakota	ND	N	0	0	0	0	0
36. Ohio	OH	N	0	0	0	0	0
37. Oklahoma	OK	N	0	0	0	0	0
38. Oregon	OR	N	0	0	0	0	0
39. Pennsylvania	PA	L	0	0	0	0	0
40. Rhode Island	RI	L	0	0	0	0	0
41. So. Carolina	SC	N	0	0	0	0	0
42. So. Dakota	SD	N	0	0	0	0	0
43. Tennessee	TN	N	0	0	0	0	0
44. Texas	TX	L	0	0	0	1,917,320	2,027,477
45. Utah	UT	N	0	0	0	0	0
46. Vermont	VT	N	0	0	0	0	0
47. Virginia	VA	N	0	0	0	0	0
48. Washington	WA	N	0	0	0	0	0
49. West Virginia	WV	N	0	0	0	0	0
50. Wisconsin	WI	N	0	0	0	0	0
51. Wyoming	WY	N	0	0	0	0	0
52. American Samoa	AS	N	0	0	0	0	0
53. Guam	GU	N	0	0	0	0	0
54. Puerto Rico	PR	L	0	0	9,161,283	8,256,756	984,595,258 1,004,418,753
55. U.S. Virgin Islands	VI	N	0	0	0	0	0
56. Northern Mariana Islands	MP	N	0	0	0	0	0
57. Canada	CAN	N	0	0	0	0	0
58. Aggregate Other Alien	OT	XXX	489,491	595,342	0	0	0
59. Totals	XXX		1,948,463	2,202,494	17,561,976	22,872,285	1,742,783,068 1,865,258,978
DETAILS OF WRITE-INS							
58001. AUS Australia	XXX		0	65,374	0	0	0
58002. GBR United Kingdom	XXX		489,491	529,968	0	0	0
58003.	XXX		0	0	0	0	0
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX		0	0	0	0	0
58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX		489,491	595,342	0	0	0

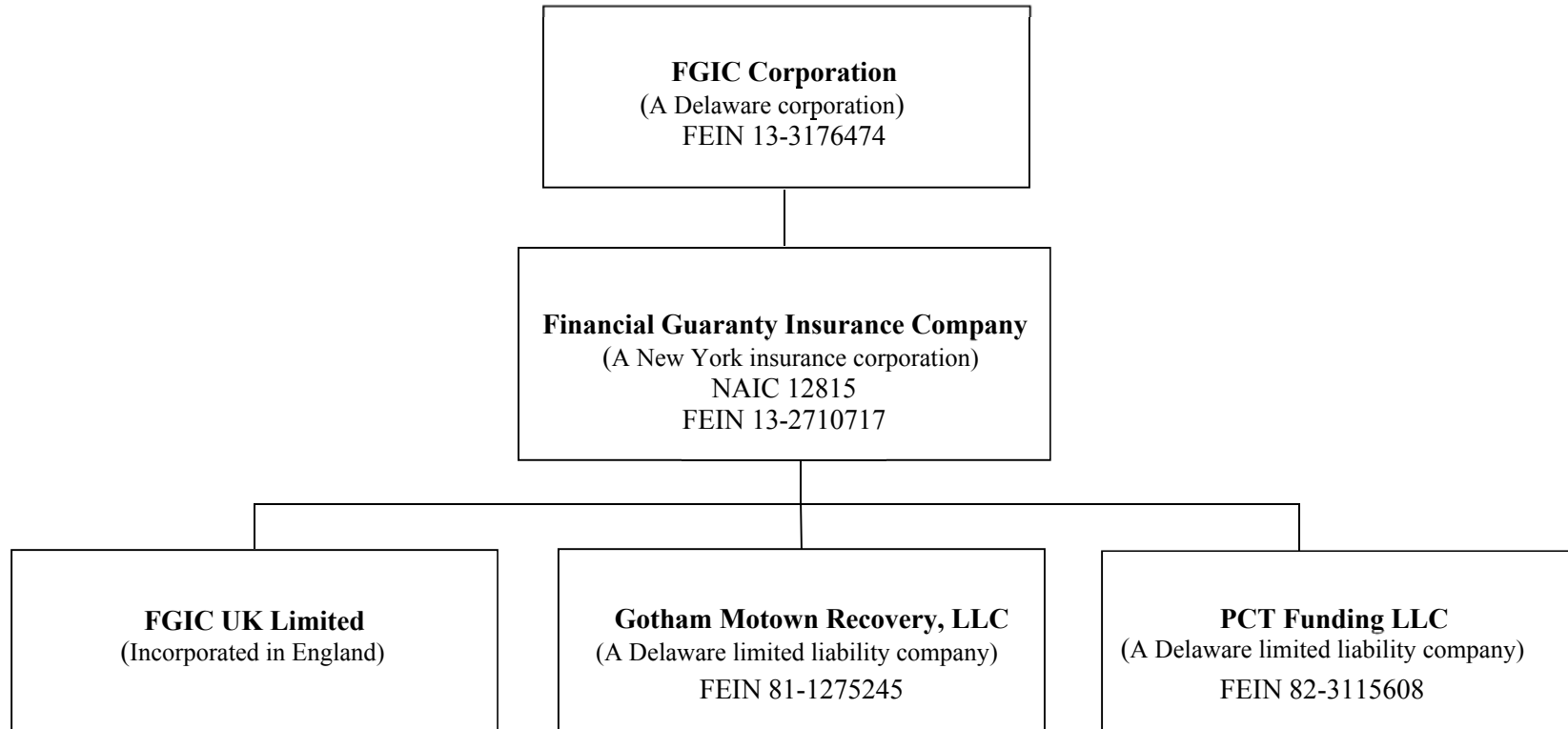
(a) Active Status Counts

L – Licensed or Chartered – Licensed insurance carrier or domiciled RRG 7 R – Registered – Non-domiciled RRGs 0
 E – Eligible – Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile – See DSLI) 0 Q – Qualified – Qualified or accredited reinsurer 0
 D – Domestic Surplus Lines Insurer (DSLII) – Reporting entities authorized to write surplus lines in the state of domicile 0 N – None of the above – Not allowed to write business in the state 50

Line 33, New York business column 6, Current Year to Date Direct Losses Unpaid and column 7, Prior Year to Date Direct Losses Unpaid includes losses unpaid of \$(1,255,350,132) and \$(1,347,895,735), respectively, which represents the Policy Revision Adjustment ("PRA") as of March 31, 2019 and 2018 in accordance with NYSDFS Guidelines.

SCHEDULE Y: INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART

FGIC Group Organization Structure Chart (as of 3/31/19)



All ownership interests are 100%, except for Gotham where FGIC is the managing member and holds a 38.5% indirect beneficial ownership interest by virtue of having paid policy claims on the Detroit Pension COPs.

PART 1 - LOSS EXPERIENCE

Line of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire	0	0	0.0	0.0
2. Allied lines	0	0	0.0	0.0
3. Farmowners multiple peril	0	0	0.0	0.0
4. Homeowners multiple peril	0	0	0.0	0.0
5. Commercial multiple peril	0	0	0.0	0.0
6. Mortgage guaranty	0	0	0.0	0.0
8. Ocean marine	0	0	0.0	0.0
9. Inland marine	0	0	0.0	0.0
10. Financial guaranty	1,814,615	(1,928,445)	(106.3)	1,779.1
11.1 Medical professional liability -occurrence	0	0	0.0	0.0
11.2 Medical professional liability -claims made	0	0	0.0	0.0
12. Earthquake	0	0	0.0	0.0
13. Group accident and health	0	0	0.0	0.0
14. Credit accident and health	0	0	0.0	0.0
15. Other accident and health	0	0	0.0	0.0
16. Workers' compensation	0	0	0.0	0.0
17.1 Other liability occurrence	0	0	0.0	0.0
17.2 Other liability-claims made	0	0	0.0	0.0
17.3 Excess Workers' Compensation	0	0	0.0	0.0
18.1 Products liability-occurrence	0	0	0.0	0.0
18.2 Products liability-claims made	0	0	0.0	0.0
19.1,19.2 Private passenger auto liability	0	0	0.0	0.0
19.3,19.4 Commercial auto liability	0	0	0.0	0.0
21. Auto physical damage	0	0	0.0	0.0
22. Aircraft (all perils)	0	0	0.0	0.0
23. Fidelity	0	0	0.0	0.0
24. Surety	0	0	0.0	0.0
26. Burglary and theft	0	0	0.0	0.0
27. Boiler and machinery	0	0	0.0	0.0
28. Credit	0	0	0.0	0.0
29. International	0	0	0.0	0.0
30. Warranty	0	0	0.0	0.0
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	21,214,814	0.0	0.0
35. TOTALS	1,814,615	19,286,369	1,062.8	951.6
DETAILS OF WRITE-INS				
3401. Policy Revision Adjustment ("PRA") - NYSDFS Guidelines	0	21,214,814	0.0	0.0
3402.	0	0	0.0	0.0
3403.	0	0	0.0	0.0
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0.0	0.0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	21,214,814	0.0	0.0

PART 2 - DIRECT PREMIUMS WRITTEN

Line of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire	0	0	0
2. Allied lines	0	0	0
3. Farmowners multiple peril	0	0	0
4. Homeowners multiple peril	0	0	0
5. Commercial multiple peril	0	0	0
6. Mortgage guaranty	0	0	0
8. Ocean marine	0	0	0
9. Inland marine	0	0	0
10. Financial guaranty	1,948,463	1,948,463	2,202,494
11.1 Medical professional liability-occurrence	0	0	0
11.2 Medical professional liability-claims made	0	0	0
12. Earthquake	0	0	0
13. Group accident and health	0	0	0
14. Credit accident and health	0	0	0
15. Other accident and health	0	0	0
16. Workers' compensation	0	0	0
17.1 Other liability occurrence	0	0	0
17.2 Other liability-claims made	0	0	0
17.3 Excess Workers' Compensation	0	0	0
18.1 Products liability-occurrence	0	0	0
18.2 Products liability-claims made	0	0	0
19.1,19.2 Private passenger auto liability	0	0	0
19.3,19.4 Commercial auto liability	0	0	0
21. Auto physical damage	0	0	0
22. Aircraft (all perils)	0	0	0
23. Fidelity	0	0	0
24. Surety	0	0	0
26. Burglary and theft	0	0	0
27. Boiler and machinery	0	0	0
28. Credit	0	0	0
29. International	0	0	0
30. Warranty	0	0	0
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	0	0
35. TOTALS	1,948,463	1,948,463	2,202,494
DETAILS OF WRITE-INS			
3401.	0	0	0
3402.	0	0	0
3403.	0	0	0
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0

STATEMENT AS OF MARCH 31, 2019 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2019 Loss and LAE Payments on Claims Reported as of Prior Year-End	2019 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2019 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols.7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (Cols. 11 + 12)
1. 2016 + Prior	3,011,006	(1,276,565)	1,734,441	19,266	0	19,266	2,989,557	0	(1,255,350)	1,734,207	(2,183)	21,215	19,032
2. 2017	0	0	0	0	0	0	0	0	0	0	0	0	0
3. Subtotals 2017 + prior	3,011,006	(1,276,565)	1,734,441	19,266	0	19,266	2,989,557	0	(1,255,350)	1,734,207	(2,183)	21,215	19,032
4. 2018	0	0	0	0	0	0	0	0	0	0	0	0	0
5. Subtotals 2018 + prior	3,011,006	(1,276,565)	1,734,441	19,266	0	19,266	2,989,557	0	(1,255,350)	1,734,207	(2,183)	21,215	19,032
6. 2019	XXX	XXX	XXX	XXX	0	0	XXX	0	0	0	XXX	XXX	XXX
7. Totals	3,011,006	(1,276,565)	1,734,441	19,266	0	19,266	2,989,557	0	(1,255,350)	1,734,207	(2,183)	21,215	19,032
8. Prior Year-End Surplus As Regards Policyholders	66,400												
											Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1. (0.1)	2. (1.7)	3. 1.1
													Col. 13, Line 7 Line 8
													4. 28.7

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.




Response

- | | |
|--|---------------------------|
| 1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement? |SEE EXPLANATION..... |
| 2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement? |NO..... |
| 3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement? |NO..... |
| 4. Will the Director and Officer Insurance Coverage Supplement be filed with the state of domicile and the NAIC with this statement? |NO..... |

Explanation:

1. Company is a US entity

Bar Code:

- | | |
|----|--|
| 2. | 
1 2 8 1 5 2 0 1 9 4 5 5 0 0 0 0 1 |
| 3. | 
1 2 8 1 5 2 0 1 9 3 6 5 0 0 0 0 1 |
| 4. | 
1 2 8 1 5 2 0 1 9 5 0 5 0 0 0 0 1 |

OVERFLOW PAGE FOR WRITE-INS

SCHEDULE A – VERIFICATION

Real Estate

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	.0	.0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....	.0	.0
2.2 Additional investment made after acquisition .....	.0	.0
3. Current year change in encumbrances .....	.0	.0
4. Total gain (loss) on disposals .....	.0	.0
5. Deduct amounts received on disposals .....	.0	.0
6. Total foreign exchange change in book/adjusted carrying value .....	.0	.0
7. Deduct current year's other-than-temporary impairment recognized .....	.0	.0
8. Deduct current year's depreciation .....	.0	.0
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8) .....	.0	.0
10. Deduct total nonadmitted amounts .....	.0	.0
11. Statement value at end of current period (Line 9 minus Line 10)	0	0

NONE

SCHEDULE B – VERIFICATION

Mortgage Loans

	1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year .....	.0	.0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....	.0	.0
2.2 Additional investment made after acquisition .....	.0	.0
3. Capitalized deferred interest and other .....	.0	.0
4. Accrual of discount .....	.0	.0
5. Unrealized valuation increase (decrease) .....	.0	.0
6. Total gain (loss) on disposals .....	.0	.0
7. Deduct amounts received on disposals .....	.0	.0
8. Deduct amortization of premium and mortgage interest points and commitment fees .....	.0	.0
9. Total foreign exchange change in book value/recorded investment excluding accrued interest .....	.0	.0
10. Deduct current year's other-than-temporary impairment recognized .....	.0	.0
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) .....	.0	.0
12. Total valuation allowance .....	.0	.0
13. Subtotal (Line 11 plus Line 12) .....	.0	.0
14. Deduct total nonadmitted amounts .....	.0	.0
15. Statement value at end of current period (Line 13 minus Line 14)	0	0

NONE

SCHEDULE BA – VERIFICATION

Other Long-Term Invested Assets

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	8,864,891	8,871,669
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....	.0	600,940
2.2 Additional investment made after acquisition .....	.0	.0
3. Capitalized deferred interest and other .....	.0	.0
4. Accrual of discount .....	.0	.0
5. Unrealized valuation increase (decrease) .....	.0	.0
6. Total gain (loss) on disposals .....	.0	133,540
7. Deduct amounts received on disposals .....	.0	543,550
8. Deduct amortization of premium and depreciation	1,722	197,708
9. Total foreign exchange change in book/adjusted carrying value .....	.0	.0
10. Deduct current year's other-than-temporary impairment recognized .....	.0	.0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7+8+9-10)	8,863,169	8,864,891
12. Deduct total nonadmitted amounts .....	.0	.0
13. Statement value at end of current period (Line 11 minus Line 12)	8,863,169	8,864,891

SCHEDULE D – VERIFICATION

Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	2,109,425,322	2,182,334,949
2. Cost of bonds and stocks acquired	208,878,883	821,861,366
3. Accrual of discount	769,686	2,158,086
4. Unrealized valuation increase (decrease)	(1,961,679)	(19,052,711)
5. Total gain (loss) on disposals	23,176,386	14,817,426
6. Deduct consideration for bonds and stocks disposed of	260,083,610	875,087,630
7. Deduct amortization of premium	3,043,306	10,422,706
8. Total foreign exchange change in book/adjusted carrying value .....	.0	.0
9. Deduct current year's other-than-temporary impairment recognized	953,408	7,353,598
10. Total investment income recognized as a result of prepayment penalties and/or acceleration fees .....	.0	170,139
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9+10)	2,076,208,275	2,109,425,322
12. Deduct total nonadmitted amounts .....	.0	.0
13. Statement value at end of current period (Line 11 minus Line 12)	2,076,208,275	2,109,425,322

STATEMENT AS OF MARCH 31, 2019 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a).....	1,309,618,007	85,336,645	94,833,194	9,860,187	1,309,981,645	0	0	1,309,618,007
2. NAIC 2 (a).....	542,427,648	17,337,561	22,076,714	(14,576,111)	523,112,384	0	0	542,427,648
3. NAIC 3 (a).....	66,460,293	72,396,551	2,723,134	3,780,409	139,914,119	0	0	66,460,293
4. NAIC 4 (a).....	36,816,937	33,808,126	2,417,112	(2,427,205)	65,780,745	0	0	36,816,937
5. NAIC 5 (a).....	504,000	0	542,547	38,547	0	0	0	504,000
6. NAIC 6 (a).....	0	0	0	4,546,383	4,546,383	0	0	0
7. Total Bonds	1,955,826,884	208,878,883	122,592,701	1,222,210	2,043,335,276	0	0	1,955,826,884
PREFERRED STOCK								
8. NAIC 1.....	0	0	0	0	0	0	0	0
9. NAIC 2.....	0	0	0	0	0	0	0	0
10. NAIC 3.....	0	0	0	0	0	0	0	0
11. NAIC 4.....	0	0	0	0	0	0	0	0
12. NAIC 5.....	0	0	0	0	0	0	0	0
13. NAIC 6.....	0	0	0	0	0	0	0	0
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock	1,955,826,884	208,878,883	122,592,701	1,222,210	2,043,335,276	0	0	1,955,826,884

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$327,001 ; NAIC 2 \$0 ; NAIC 3 \$0 ; NAIC 4 \$0 ; NAIC 5 \$0 ; NAIC 6 \$0

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SCHEDULE DA - PART 1

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	327,001	XXX	325,243	0	0

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	749,953	0
2. Cost of short-term investments acquired	0	82,288,015
3. Accrual of discount	1,530	552,524
4. Unrealized valuation increase (decrease).....	0	0
5. Total gain (loss) on disposals	402	(9,745)
6. Deduct consideration received on disposals	424,884	82,080,841
7. Deduct amortization of premium.....	0	0
8. Total foreign exchange change in book/adjusted carrying value.....	0	0
9. Deduct current year's other-than-temporary impairment recognized.....	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	327,001	749,953
11. Deduct total nonadmitted amounts.....	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	327,001	749,953

Schedule DB - Part A - Verification

NONE

Schedule DB - Part B - Verification

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Verification

NONE

SCHEDULE E – PART 2 – VERIFICATION

(Cash Equivalents)

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	30,717,253	90,438,008
2. Cost of cash equivalents acquired	249,955,129	789,662,699
3. Accrual of discount	0	125,543
4. Unrealized valuation increase (decrease)	0	0
5. Total gain (loss) on disposals.....	0	527
6. Deduct consideration received on disposals	213,570,032	849,509,524
7. Deduct amortization of premium	0	0
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other than temporary impairment recognized	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	67,102,350	30,717,253
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	67,102,350	30,717,253

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

Schedule BA - Part 2

NONE

Schedule BA - Part 3

NONE

STATEMENT AS OF MARCH 31, 2019 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation and Administrative Symbol/Market Indicator ^(a)
Bonds - U.S. Governments									
912810-EE-4	UNITED STATES TREASURY		02/05/2019	JP Morgan	XXX	10,596,094	10,000,000	404,212	1
912810-SA-7	UNITED STATES TREASURY		01/02/2019	Nomura	XXX	4,377,905	4,375,000	50,645	1
912810-SF-6	UNITED STATES TREASURY		03/05/2019	FEDERAL RESERVE BANK OF BOSTON	XXX	9,151,894	9,345,000	14,715	1
0599999	Bonds - U.S. Governments					24,125,893	23,720,000	469,572	XXX
Bonds - All Other Governments									
Bonds - U.S. States, Territories and Possessions									
Bonds - U.S. Political Subdivisions of States, Territories and Possessions									
Bonds - U.S. Special Revenue									
Bonds - Industrial and Miscellaneous (Unaffiliated)									
00130H-BT-1	AES CORP		02/28/2019	Bank of America Merrill Lynch	XXX	668,118	660,000	9,742	3FE
001546-AT-7	AK STEEL CORP		02/28/2019	JANE STREET EXECUTION SERVICES LLC	XXX	671,918	650,000	6,635	4FE
00489L-AC-7	ACRISURE LLC		03/19/2019	Jefferies & Co., Inc	XXX	272,288	265,000	3,050	4FE
007903-AX-5	ADVANCED MICRO DEVICES INC		03/21/2019	FREIMARK BLAIR & COMPANY, INC/	XXX	1,390,750	1,250,000	10,417	4FE
013817-AW-1	ALCOA INC		02/28/2019	RBC	XXX	666,650	670,000	14,593	3FE
02004W-AC-5	ALLYA 191 A3 - ABS		02/05/2019	JP Morgan	XXX	5,549,330	5,550,000	0	1FE
023135-BF-2	AMAZON.COM INC		02/01/2019	MORGAN SECURITIES-FIXED INC	XXX	5,503,029	5,450,000	95,621	1FE
025880-AB-4	AMXCA 191 A - ABS		02/07/2019	BZW SECS	XXX	3,219,457	3,220,000	0	1FE
02665W-CO-2	AMERICAN HONDA FINANCE CORP	C	02/01/2019	SMBC SECURITIES INC	XXX	5,493,312	5,400,000	62,531	1FE
030981-AH-7	AMERIGAS PARTNERS LP		03/08/2019	MARKETAXESS	XXX	35,265	35,000	613	3FE
032177-AF-4	AMSTED INDUSTRIES INC		03/05/2019	SAMUEL A RAMIREZ & COMPANY INC	XXX	668,950	680,000	17,463	3FE
03523T-BU-1	ANHEUSER-BUSCH INBEV WORLDWIDE INC	C	01/10/2019	Bank of America Merrill Lynch	XXX	4,487,490	4,500,000	0	2FE
038522-AK-4	ARAMARK		03/20/2019	VARIOUS	XXX	3,156,815	3,070,000	26,088	3FE
03969A-AH-3	ARDAGH PACKAGING FINANCE PLC	C	03/01/2019	JANE STREET EXECUTION SERVICES LLC	XXX	668,098	660,000	9,327	3FE
05352A-AA-8	AVANTOR INC		03/19/2019	VARIOUS	XXX	1,285,025	1,250,000	33,575	4FE
053773-BB-2	AVIS BUDGET CAR RENTAL LLC		03/01/2019	Citi Bank	XXX	668,278	650,000	17,726	4FE
05401A-AD-3	AVOLON HOLDINGS FUNDING LTD	C	03/01/2019	JANE STREET EXECUTION SERVICES LLC	XXX	677,879	660,000	385	3FE
05453G-AA-3	AXALTA COATING SYSTEMS LLC		03/01/2019	JANE STREET EXECUTION SERVICES LLC	XXX	1,030,247	1,030,000	2,790	4FE
095796-AA-6	BLUE RACER MIDSTREAM LLC		02/28/2019	JANE STREET EXECUTION SERVICES LLC	XXX	662,136	650,000	12,054	4FE
09739D-AC-4	BOISE CASCADE CO		02/28/2019	FUNB FUNDS II	XXX	670,004	680,000	319	3FE
11135F-AE-1	BROADCOM INC		03/29/2019	JP Morgan	XXX	5,613,210	5,655,000	0	2FE
120111-BM-0	STANDARD INDUSTRIES INC (DELAWARE)		03/08/2019	MARKETAXESS	XXX	16,120	16,000	280	3FE
1248EP-BP-7	CCO HOLDINGS LLC		03/04/2019	Bank of America Merrill Lynch	XXX	2,654,300	2,540,000	64,250	3FE
12508E-AD-3	CDK GLOBAL INC		03/28/2019	MARKETAXESS	XXX	669,383	650,000	14,986	3FE
12513G-BA-6	CDW LLC		03/01/2019	SUMRIDGE PARTNERS LLC	XXX	1,340,160	1,280,000	18,382	3FE
12527G-AC-7	CF INDUSTRIES INC		02/28/2019	JP Morgan	XXX	678,993	700,000	6,239	3FE
126307-AT-4	CSC HOLDINGS LLC		03/21/2019	JANE STREET EXECUTION SERVICES LLC	XXX	2,242,582	2,180,000	16,872	3FE
14315L-AA-2	CGMS 143RR A1A - CDO	C	02/14/2019	SOCIETE GENERALE	XXX	2,478,750	2,500,000	5,828	1FE
15135B-AJ-0	CENTENE CORP		02/28/2019	DBC-FI	XXX	677,504	670,000	4,332	3FE
156700-BA-3	CENTURYLINK INC		03/04/2019	JP Morgan	XXX	1,307,952	1,240,000	40,042	4FE
16412X-AD-7	CHENIERE CORPUS CHRISTI HOLDINGS LLC		03/20/2019	VARIOUS	XXX	2,012,040	1,800,000	26,717	3FE
171798-AE-1	CIMAREX ENERGY CO		03/06/2019	JP Morgan	XXX	1,582,813	1,585,000	0	2FE
201723-AK-9	COMMERCIAL METALS CO		03/01/2019	JP Morgan	XXX	674,900	680,000	10,129	3FE
20826F-AQ-9	CONOCOPHILLIPS CO		02/01/2019	MORGAN SECURITIES-FIXED INC	XXX	4,540,889	4,150,000	79,888	1FE
228189-AB-2	CROWN AMERICAS LLC		03/20/2019	VARIOUS	XXX	1,340,630	1,320,000	9,799	3FE
25278X-AE-9	DIAMONDBACK ENERGY INC		03/20/2019	VARIOUS	XXX	1,999,872	1,960,000	34,897	3FE
28414H-AC-7	ELANCO ANIMAL HEALTH INC		03/20/2019	VARIOUS	XXX	2,712,033	2,650,000	7,369	3FE
29273D-AA-8	ENDO DAC	C	02/28/2019	Bank of America Merrill Lynch	XXX	673,551	670,000	15,198	3FE
29444U-AP-1	EQUINIX INC		03/05/2019	SUMRIDGE PARTNERS LLC	XXX	671,226	646,000	6,810	3FE
33767D-AA-3	FIRSTCASH INC		03/05/2019	FUNB FUNDS II	XXX	673,398	660,000	9,460	3FE
34407D-AC-3	FLY LEASING LTD	C	03/08/2019	VARIOUS	XXX	669,466	700,000	14,954	4FE
36256U-AD-0	GMALT 191 A3 - ABS		02/13/2019	FUNB FUNDS II	XXX	1,769,722	1,770,000	0	1FE
37247D-AP-1	GENWORTH FINANCIAL INC		03/05/2019	GOLDMAN	XXX	651,500	668,000	23,062	4FE
380355-AB-3	GOEASY LTD		02/28/2019	JANE STREET EXECUTION SERVICES LLC	XXX	665,771	630,000	16,951	3FE
38869P-AL-8	GRAPHIC PACKAGING INTERNATIONAL INC		03/25/2019	VARIOUS	XXX	900,985	878,000	15,467	3FE
404119-BR-9	HCA INC		02/28/2019	BZW SECS	XXX	2,707,875	2,610,000	12,860	3FE
410345-AJ-1	HANESBRANDS INC		02/28/2019	JANE STREET EXECUTION SERVICES LLC	XXX	669,745	670,000	9,382	3FE
432833-AB-7	HILTON DOMESTIC OPERATING COMPANY INC		03/04/2019	Bank of America Merrill Lynch	XXX	1,339,875	1,350,000	797	3FE

STATEMENT AS OF MARCH 31, 2019 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation and Administrative Symbol/Market Indicator ^(a)
43814W-AC-9	HAROT 191 A3 - ABS		02/19/2019	Bank of America Merrill Lynch	XXX	3,524,906	3,525,000	0	1FE
453140-AB-1	IMPERIAL TOBACCO FINANCE PLC	C	02/14/2019	BNP Paribas	XXX	1,543,966	1,565,000	1,217	2FE
453140-AE-5	IMPERIAL TOBACCO FINANCE PLC	C	02/15/2019	Morgan Stanley	XXX	4,110,082	4,110,000	12,416	2FE
458140-AM-2	INTEL CORP		02/19/2019	USBANC	XXX	5,542,064	5,550,000	27,473	1FE
45824T-AR-6	INTELSAT JACKSON HOLDINGS SA	C	03/05/2019	JP Morgan	XXX	675,534	648,000	3,168	4FE
46115H-AT-4	INTESA SANPAOLO SPA	C	02/28/2019	MORGAN SECURITIES-FIXED INC.	XXX	673,656	725,000	6,871	3FE
46284P-AP-9	IRON MOUNTAIN INC.		02/28/2019	GOLDMAN	XXX	343,502	340,000	1,032	4FE
469815-AH-7	JACOBS ENTERTAINMENT INC.		03/01/2019	FREIMARK BLAIR & COMPANY, INC/	XXX	673,600	640,000	4,760	4FE
48250N-AA-3	KFC HOLDING CO.		03/28/2019	VARIOUS	XXX	685,244	680,000	9,905	4FE
483007-AH-3	KAISER ALUMINUM CORP		03/01/2019	DBC-FI	XXX	669,429	650,000	11,668	3FE
48666K-AR-0	KB HOME		03/01/2019	Citi Bank	XXX	664,058	610,000	21,604	3FE
489399-AG-0	KENNEDY WILSON INC.		03/01/2019	FUNB FUNDS II	XXX	1,331,843	1,350,000	33,928	4FE
501797-AJ-3	L BRANDS INC.		02/28/2019	SUMRIDGE PARTNERS LLC	XXX	667,689	670,000	14,552	3FE
501889-AB-5	LKO CORP		03/20/2019	FREIMARK BLAIR & COMPANY, INC/	XXX	1,323,581	1,315,000	20,719	4FE
50200R-AA-1	LHMC FINCO SARL	C	02/28/2019	JANE STREET EXECUTION SERVICES LLC	XXX	668,291	650,000	10,522	4FE
505742-AF-3	LADDER CAPITAL FINANCE HOLDINGS LLLP		03/08/2019	FUNB FUNDS II	XXX	1,001,119	980,000	25,296	3FE
516806-AD-8	LAREDO PETROLEUM - DALLAS INC.		03/01/2019	GOLDMAN	XXX	678,263	710,000	5,547	4FE
526057-CR-3	LENNAR CORP		03/20/2019	VARIOUS	XXX	2,010,850	1,900,000	35,855	3FE
527298-BK-8	LEVEL 3 FINANCING INC.		02/28/2019	Citi Bank	XXX	677,739	670,000	4,902	3FE
552848-AF-0	MGIC INVESTMENT CORP		02/28/2019	Citi Bank	XXX	683,118	650,000	1,973	3FE
552953-CC-3	MGM RESORTS INTERNATIONAL		02/28/2019	BZW SECS	XXX	1,332,294	1,270,000	35,772	3FE
55354G-AA-8	MSCI INC		03/21/2019	Bank of America Merrill Lynch	XXX	1,346,703	1,300,000	22,940	3FE
59562V-AY-3	BERKSHIRE HATHAWAY ENERGY CO.		02/06/2019	SCOTIABANK	XXX	2,741,982	2,675,000	23,128	1FE
629377-BY-7	NRG ENERGY INC.		03/08/2019	MARKETAXESS	XXX	284,969	275,000	6,254	3FE
637342-NP-6	NATIONAL RURAL UTILITIES COOPERATIVE FIN		02/01/2019	FUNB FUNDS II	XXX	4,610,801	4,650,000	78,172	1FE
63938C-AB-4	NAVIENT CORP		03/08/2019	VARIOUS	XXX	2,004,783	2,083,000	45,959	3FE
64110L-AG-1	NETFLIX INC.		03/21/2019	VARIOUS	XXX	1,409,896	1,320,000	3,674	3FE
65479K-AD-2	NAROT 19A A3 - ABS		02/05/2019	Bank of Tokyo Mitsubishi	XXX	6,404,030	6,405,000	0	1FE
670001-AA-4	NOVELIS CORP	C	02/28/2019	JANE STREET EXECUTION SERVICES LLC	XXX	676,285	670,000	2,210	4FE
67054L-AC-1	SFR GROUP SA	C	02/28/2019	MARKETAXESS	XXX	681,897	680,000	2,243	4FE
67059T-AC-9	NUSTAR LOGISTICS LPNSYUSUS		03/01/2019	WILLIAM BLAIR & COMPANY, L.L.C.	XXX	685,644	680,000	3,051	3FE
67091G-AA-1	OCI NV	C	03/22/2019	VARIOUS	XXX	1,317,652	1,265,000	34,889	3FE
680665-AH-9	OLIN CORP		03/01/2019	JP Morgan	XXX	684,750	660,000	2,017	3FE
68245X-AC-3	1011778 BC UNLIMITED LIABILITY CO.		03/01/2019	Bank of America Merrill Lynch	XXX	366,563	375,000	2,214	4FE
701885-AD-7	PARSLEY ENERGY LLC		02/28/2019	JANE STREET EXECUTION SERVICES LLC	XXX	673,765	670,000	4,902	4FE
70457L-AA-2	PEABODY SECURITIES FINANCE CORP.		03/01/2019	JANE STREET EXECUTION SERVICES LLC	XXX	669,643	660,000	17,050	3FE
724479-AJ-9	PITNEY BOWES INC.		03/21/2019	JANE STREET EXECUTION SERVICES LLC	XXX	335,880	360,000	463	3FE
74733V-AC-4	QEP RESOURCES INC.		03/01/2019	FUNB FUNDS II	XXX	1,324,174	1,370,000	24,774	3FE
748767-AF-7	QUINTILES TRANSNATIONAL CORP		03/01/2019	MORGAN SECURITIES-FIXED INC.	XXX	675,675	660,000	9,831	3FE
761735-AT-6	REYNOLDS GROUP ISSUER INC.	C	03/19/2019	VARIOUS	XXX	1,343,577	1,335,000	10,243	4FE
78454L-AH-3	SM ENERGY CO.		03/01/2019	RBC	XXX	1,004,302	1,070,000	7,431	3FE
78469X-AD-9	SPX FLOW INC.		02/28/2019	BZW SECS	XXX	675,025	670,000	1,989	4FE
81211K-AW-0	SEALED AIR CORP.		03/01/2019	JANE STREET EXECUTION SERVICES LLC	XXX	673,075	650,000	8,698	3FE
81725W-AH-6	SENSATA TECHNOLOGIES BV		03/21/2019	Bank of America Merrill Lynch	XXX	1,340,052	1,255,000	26,269	3FE
817565-CB-8	SERVICE CORPORATION INTERNATIONAL		03/01/2019	JANE STREET EXECUTION SERVICES LLC	XXX	1,005,235	980,000	16,095	3FE
829259-AR-1	SINCLAIR TELEVISION GROUP INC.		03/21/2019	VARIOUS	XXX	2,677,278	2,640,000	19,763	4FE
843830-AF-7	SOUTHERN STAR CENTRAL CORP.		03/22/2019	LIQUIDNET, INC.	XXX	676,266	675,000	6,823	3FE
85172F-AP-4	SPRINGLEAF FINANCE CORP.		03/07/2019	GOLDMAN SACHS AND CO. LLC.	XXX	2,030,100	2,010,000	6,498	3FE
858119-BD-1	STEEL DYNAMICS INC.		02/28/2019	MARKETAXESS	XXX	1,000,671	970,000	22,674	3FE
86765L-AJ-6	SUNOCO LP		03/05/2019	GOLDMAN	XXX	681,584	670,000	4,718	3FE
87470L-AA-9	TALLGRASS ENERGY PARTNERS LP		03/01/2019	GOLDMAN	XXX	666,855	650,000	16,882	3FE
87612B-BB-7	TARGA RESOURCES PARTNERS LP		02/28/2019	JANE STREET EXECUTION SERVICES LLC	XXX	680,378	670,000	3,148	3FE
877249-AD-4	TAYLOR MORRISON COMMUNITIES INC.		03/01/2019	LIQUIDNET, INC.	XXX	666,231	670,000	419	3FE
88158U-AA-6	TERVITA ESCROW CORP.		02/28/2019	JANE STREET EXECUTION SERVICES LLC	XXX	668,774	670,000	13,198	4FE
89172Y-AA-8	TPMT 163 A1 - CMO/RMBS		03/21/2019	Bank of America Merrill Lynch	XXX	2,208,873	2,245,360	3,368	1FM
89239A-AD-5	TAOT 19A A3 - ABS		02/05/2019	Bank of Tokyo Mitsubishi	XXX	7,623,611	7,625,000	0	1FE
893800-AA-0	TRANSOCEAN GUARDIAN LTD.	C	03/20/2019	VARIOUS	XXX	2,699,789	2,646,945	25,744	4FE
89469A-AC-8	TREEHOUSE FOODS INC.		02/28/2019	MARKETAXESS	XXX	684,941	660,000	2,090	4FE
90320M-AA-3	UPCB FINANCE IV LIMITED	C	03/21/2019	GOLDMAN	XXX	2,694,344	2,640,000	23,590	3FE

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STATEMENT AS OF MARCH 31, 2019 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation and Administrative Symbol/Market Indicator (a)
911365-BB-9	UNITED RENTALS (NORTH AMERICA) INC.		03/07/2019	GOLDMAN	XXX	2,332,425	2,270,000	42,058	3FE
914906-AR-3	UNIVISION COMMUNICATIONS INC.		03/05/2019	Bank of America Merrill Lynch	XXX	671,821	736,000	11,735	4FE
91911K-AK-8	VALEANT PHARMACEUTICALS INTERNATIONAL IN		02/28/2019	Bank of America Merrill Lynch	XXX	1,320,313	1,250,000	41,076	3FE
92660F-AG-9	VIDEOTRON LTD.		03/07/2019	JANE STREET EXECUTION SERVICES LLC	XXX	1,333,965	1,280,000	16,436	3FE
92769V-AG-4	VIRGIN MEDIA FINANCE PLC	C	03/20/2019	MORGAN SECURITIES-FIXED INC.	XXX	1,326,000	1,300,000	13,912	4FE
92933B-AM-6	WMG ACQUISITION CORP		03/21/2019	VARIOUS	XXX	2,639,878	2,610,000	49,117	3FE
95081Q-AM-6	WESCO DISTRIBUTION INC.		03/01/2019	WILLIAM BLAIR & COMPANY, L.L.C.	XXX	673,350	670,000	8,003	4FE
966387-AP-7	WHITING PETROLEUM CORP.		03/01/2019	MARKETAXESS	XXX	989,428	980,000	26,201	4FE
96926D-AU-4	WILLIAM LYON HOMES INC.		03/05/2019	JP Morgan	XXX	661,493	700,000	700	4FE
98212B-AE-3	WPX ENERGY INC.		03/01/2019	FUND FUNDS II	XXX	997,722	990,000	24,544	4FE
983130-AV-7	WYNN LAS VEGAS LLC		03/28/2019	FREIMARK BLAIR & COMPANY, INC/	XXX	1,333,125	1,350,000	6,188	4FE
984121-CJ-0	XEROX CORP.		03/01/2019	GOLDMAN	XXX	1,016,316	1,090,000	12,656	3FE
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)						184,752,989	182,402,305	1,833,087	XXX
Bonds - Hybrid Securities									
Bonds - Parent, Subsidiaries and Affiliates									
Bonds - SVO Identified Funds									
Bonds - Bank Loans									
8399997 - Subtotals - Bonds - Part 3						208,878,883	206,122,305	2,302,659	XXX
8399999 - Subtotals - Bonds						208,878,883	206,122,305	2,302,659	XXX
Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)									
Preferred Stocks - Parent, Subsidiaries and Affiliates									
Common Stocks - Industrial and Miscellaneous									
Common Stocks - Parent, Subsidiaries and Affiliates									
Common Stocks - Mutual Funds									
9999999 Totals						208,878,883	XXX	2,302,659	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues0 .

E04.2

STATEMENT AS OF MARCH 31, 2019 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation and Administrative Symbol/Market Indicator ⁽⁶⁾
Bonds - U.S. Governments																					
912810-EQ-7	UNITED STATES TREASURY		02/04/2019	SOCIETE GENERALE	.XXX	1,041,117	900,000	1,074,938	971,149	0	(1,316)	0	(1,316)	0	969,832	0	71,285	71,285	26,596	08/15/2023	1
912810-EV-6	UNITED STATES TREASURY		02/04/2019	FUNB FUNDS II	.XXX	1,667,020	1,330,000	1,389,670	1,362,963	0	(386)	0	(386)	0	1,362,577	0	304,443	304,443	43,234	08/15/2025	1
Bank of America Merrill Lynch																					
912810-PW-2	UNITED STATES TREASURY		02/04/2019	Lynch	.XXX	6,090,234	5,000,000	5,900,390	5,891,974	0	(3,202)	0	(3,202)	0	5,888,772	0	201,463	201,463	103,431	02/15/2038	1
912810-QA-9	UNITED STATES TREASURY		02/01/2019	CITADEL	.XXX	7,841,210	7,175,000	7,820,470	7,777,965	0	(2,026)	0	(2,026)	0	7,775,939	0	65,271	65,271	118,056	02/15/2039	1
Bank of America Merrill Lynch																					
912810-QY-7	UNITED STATES TREASURY		02/04/2019	Lynch	.XXX	6,174,746	6,500,000	6,122,949	6,131,403	0	1,017	0	1,017	0	6,132,419	0	42,327	42,327	40,490	11/15/2042	1
912810-RK-6	UNITED STATES TREASURY		02/01/2019	DBC-FI	.XXX	7,507,609	8,300,000	8,501,016	8,489,391	0	(482)	0	(482)	0	8,488,909	0	(981,299)	(981,299)	97,548	02/15/2045	1
0599999 - Bonds - U.S. Governments						30,321,937	29,205,000	30,809,432	30,624,845	0	(6,396)	0	(6,396)	0	30,618,449	0	(296,512)	(296,512)	429,355	XXX	XXX
Bonds - All Other Governments																					
Bonds - U.S. States, Territories and Possessions																					
68607L-XQ-5	OREGON ST		02/04/2019	MORGAN SECURITIES-FIXED INC.	.XXX	2,468,549	2,125,000	2,583,171	2,475,475	0	(3,552)	0	(3,552)	0	2,471,922	0	(3,373)	(3,373)	22,606	06/01/2027	1FE
1799999 - Bonds - U.S. States, Territories and Possessions						2,468,549	2,125,000	2,583,171	2,475,475	0	(3,552)	0	(3,552)	0	2,471,922	0	(3,373)	(3,373)	22,606	XXX	XXX
Bonds - U.S. Political Subdivisions of States, Territories and Possessions																					
54438C-NZ-1	LOS ANGELES CALIF CMNTY COLLEGE DIST		02/01/2019	Bank of America Merrill Lynch	.XXX	6,730,997	4,940,000	6,885,174	6,753,831	0	(4,327)	0	(4,327)	0	6,749,504	0	(18,507)	(18,507)	166,643	08/01/2042	1FE
2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions						6,730,997	4,940,000	6,885,174	6,753,831	0	(4,327)	0	(4,327)	0	6,749,504	0	(18,507)	(18,507)	166,643	XXX	XXX
Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																					
3128K8-NN-2	FH A47597 - RMBS		03/01/2019	Paydown	.XXX	4,120	4,120	3,958	3,920	0	210	0	210	0	4,120	0	0	0	27	11/01/2035	1
3128M8-U8-5	FH G06607 - RMBS		03/01/2019	Paydown	.XXX	458,417	458,417	477,717	477,915	0	(19,565)	0	(19,565)	0	458,417	0	0	0	1,456	06/01/2041	1
3128MJ-S6-8	FH G08540 - RMBS		03/01/2019	Paydown	.XXX	72,859	72,859	70,317	70,328	0	2,551	0	2,551	0	72,859	0	0	0	179	08/01/2043	1
3128MJ-SY-7	FH G08534 - RMBS		03/01/2019	Paydown	.XXX	68,821	68,821	66,414	66,424	0	2,418	0	2,418	0	68,821	0	0	0	166	06/01/2043	1
31297U-AZ-3	FH A38124 - RMBS		03/01/2019	Paydown	.XXX	45,904	45,904	45,647	45,647	0	257	0	257	0	45,904	0	0	0	410	09/01/2035	1
3132GK-Z0-2	FH Q04651 - RMBS		02/01/2019	VARIOUS	.XXX	430,707	418,709	426,601	426,538	0	(123)	0	(123)	0	426,416	0	4,291	4,291	2,497	11/01/2041	1
3132HN-UT-4	FH Q12394 - RMBS		03/01/2019	Paydown	.XXX	255,957	255,957	242,861	243,365	0	12,624	0	12,624	0	255,957	0	0	0	759	11/01/2042	1
3138AF-XA-3	FN A12472 - RMBS		02/01/2019	VARIOUS	.XXX	3,985,982	3,814,002	3,969,000	3,967,845	0	(2,033)	0	(2,033)	0	3,965,812	0	20,170	20,170	25,611	05/01/2041	1
3138AV-P6-6	FN AJ4044 - RMBS		02/01/2019	VARIOUS	.XXX	9,628,412	9,329,539	9,530,573	9,528,647	0	(2,225)	0	(2,225)	0	9,526,422	0	101,990	101,990	47,697	10/01/2041	1
3138LG-YY-6	FN AN4326 - CMBS/RMBS		03/01/2019	Paydown	.XXX	50,843	50,843	51,535	51,379	0	(536)	0	(536)	0	50,843	0	0	0	147	01/01/2027	1
3138NY-DD-4	FN AR1899 - RMBS		03/01/2019	Paydown	.XXX	19,750	19,750	19,611	19,611	0	140	0	140	0	19,750	0	0	0	59	01/01/2043	1
3138W4-SW-2	FN AR6832 - RMBS		03/01/2019	Paydown	.XXX	335,121	335,121	328,879	328,518	0	6,611	0	6,611	0	335,121	0	0	0	1,554	02/01/2043	1
3138WP-GY-4	FN AT2014 - RMBS		03/01/2019	Paydown	.XXX	15,820	15,820	15,272	15,274	0	550	0	550	0	15,820	0	0	0	41	04/01/2043	1
31402C-4H-2	FN Z25424 - RMBS		02/01/2019	VARIOUS	.XXX	178,734	164,877	165,368	165,368	0	(9)	0	(9)	0	165,359	0	13,375	13,375	1,004	04/01/2034	1
31402C-WR-9	FN Z25256 - RMBS		02/01/2019	VARIOUS	.XXX	160,611	148,635	148,403	148,051	0	32	0	32	0	148,084	0	12,528	12,528	896	02/01/2034	1
31402D-KH-2	FN Z25796 - RMBS		02/01/2019	VARIOUS	.XXX	2,189	2,147	2,137	2,137	0	2	0	2	0	2,139	0	49	49	16	09/01/2019	1
31402D-P7-9	FN Z25946 - RMBS		02/01/2019	VARIOUS	.XXX	238,613	220,095	218,651	218,159	0	28	0	28	0	218,187	0	20,426	20,426	1,340	11/01/2034	1
31402Q-SZ-5	FN Z35036 - RMBS		02/01/2019	VARIOUS	.XXX	238,670	220,125	218,492	217,977	0	28	0	28	0	218,005	0	20,665	20,665	1,341	12/01/2034	1
31402Q-WA-5	FN Z35141 - RMBS		02/01/2019	VARIOUS	.XXX	197,881	182,532	176,585	176,154	0	96	0	96	0	176,250	0	21,631	21,631	1,111	01/01/2035	1
31402R-D2-2	FN Z35521 - RMBS		02/01/2019	VARIOUS	.XXX	4,016	3,941	3,923	3,923	0	3	0	3	0	3,926	0	90	90	30	03/01/2020	1
31403C-ZZ-3	FN Z45192 - RMBS		02/01/2019	VARIOUS	.XXX	1,352	1,326	1,322	1,320	0	1	0	1	0	1,321	0	31	31	10	06/01/2020	1
31403J-YU-4	FN Z50523 - RMBS		02/01/2019	VARIOUS	.XXX	95	95	97	95	0	0	0	0	0	95	0	0	0	0	01/01/2019	1
31403K-SM-6	FN Z51224 - RMBS		02/01/2019	VARIOUS	.XXX	99,622	91,816	93,997	93,449	0	(7)	0	(7)	0	93,442	0	6,180	6,180	561	02/01/2034	1
31403W-BU-0	FN Z59751 - RMBS		02/01/2019	VARIOUS	.XXX	30,188	27,823	28,144	28,354	0	(2)	0	(2)	0	28,351	0	1,837	1,837	170	01/01/2034	1
31403X-YW-9	FN Z61325 - RMBS		02/01/2019	VARIOUS	.XXX	1,271	1,254	1,249	1,249	0	2	0	2	0	1,251	0	19	19	8	04/01/2019	1
31404A-G5-7	FN Z62620 - RMBS		02/01/2019	VARIOUS	.XXX	58,263	53,703	55,020	54,777	0	(6)	0	(6)	0	54,770	0	3,493	3,493	328	12/01/2033	1
31404B-36-5	FN Z64099 - RMBS		02/01/2019	VARIOUS	.XXX	139,729	131,554	132,191	131,819	0	(3)	0	(3)	0	131,815	0	7,914	7,914	984	03/01/2034	1
31404B-0D-7	FN Z63752 - RMBS		02/01/2019	VARIOUS	.XXX	39,206	36,138	36,121	36,035	0	0	0	0	0	36,035	0	3,171	3,171	221	01/01/2034	1
31404V-VP-0	FN Z80122 - RMBS		02/01/2019	VARIOUS	.XXX	71,872	67,664	66,184	66,093	0	11	0	11	0	66,104	0	5,768	5,768	506	05/01/2034	1
31405F-4E-9	FN Z88421 - RMBS		02/01/2019	VARIOUS	.XXX	387	379	377	377	0	0	0	0	0	378	0	9	9	3	09/01/2019	1
31405F-4M-1	FN Z88428 - RMBS		02/01/2019	VARIOUS	.XXX	565	554	552	552	0	0	0	0	0	552	0	13	13	4	09/01/2019	1
31406G-YR-4	FN Z80920 - RMBS		02/01/2019	VARIOUS	.XXX	153,297	141,282	142,540	142,489	0	(5)	0	(5)	0	142,484	0	10,813	10,813	863	03/01/2035	1
31410C-0T-2	FN Z85266 - RMBS		03/01/2019	Paydown	.XXX	47,881	47,881	48,360	48,020	0	(139)	0	(139)	0	47,881	0	0	0	3	05/01/2036	1
61075T-LK-2	CORP REV OREGON HEALTH SCIENCES		02/01/2019	BZW SECS	.XXX	4,671,737	4,215,000	4,204,420	4,205,042	0	18	0	18	0	4,205,060	0	466,677	466,677	122,298	07/01/2045	1FE
685869-EJ-4	UNIV REV		02/01/2019	BZW SECS	.XXX	8,468,850	7,500,000	7,500,000	7,500,000	0	0	0	0	0	7,500,000	0	968,850	968,850	222,917	07/01/2045	1FE
Bank of America Merrill Lynch																					
74442P-HD-0	PUBLIC FIN AUTH WIS REV SUCCESSOR AGENCY TO THE REDEVELOPMENT AG		02/08/2019	Lynch	.XXX	5,060,100	5,000,000	5,000,000	5,000,000	0	0	0	0	0	5,000,000	0	60,100	60,100	131,035	07/01/2040	1FE
798170-AJ-5	UNIVERSITY N C CHARLOTTE REV		02/04/2019	RBC	.XXX	3,681,473	3,730,000	3,639,249	3,646,690	0	938	0	938	0	3,647,628	0	33,845	33,845	60,878	08/01/2026	1FE
914716-VG-7	REVENUE		02/01/2019	FUNB FUNDS																	

STATEMENT AS OF MARCH 31, 2019 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22	
										11	12	13	14	15								
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation and Administrative Symbol/Market Indicator ^(a)	
00817Y-AP-3	AETNA INC		01/02/2019	FUNB FUNDS I	.XXX	1,733,690	1,810,000	1,726,948	1,726,948	.0	.19	.0	.19	.0	1,726,967	.0	6,723	6,723	26,031	03/15/2044	2FE	
03524B-AE-6	ANHEUSER-BUSCH INBEV FINANCE INC	C.	03/28/2019	MORGAN SECURITIES-FIXED INC	.XXX	2,064,320	2,000,000	1,959,926	1,959,926	.0	1,814	.0	1,814	.0	1,961,740	.0	102,580	102,580	49,333	02/01/2024	2FE	
055300-AF-7	BAT INTERNATIONAL FINANCE PLC	C.	02/14/2019	BNP Paribas	.XXX	10,368,015	10,500,000	10,095,908	10,095,908	.0	14,942	.0	14,942	.0	10,110,850	.0	257,165	257,165	68,250	06/07/2022	2FE	
12543D-AY-6	CHS/COMMUNITY HEALTH SYSTEMS INC		03/25/2019	JP Morgan	.XXX	777,594	835,000	778,638	758,848	24,957	2,375	.0	27,332	.0	786,180	.0	(8,586)	(8,586)	25,659	03/31/2023	4FE	
151020-AU-8	CELGENE CORP		01/08/2019	VARIOUS	.XXX	6,251,255	6,325,000	6,134,985	6,127,637	.0	114	.0	114	.0	6,127,751	.0	123,504	123,504	127,056	08/15/2045	2FE	
222070-AB-0	COTY INC		01/18/2019	VARIOUS	.XXX	57,688	65,000	55,900	55,900	.0	32	.0	32	.0	55,932	.0	1,756	1,756	1,036	04/15/2026	4FE	
247367-BH-7	DELTA AIR LINES INC - ABS		02/10/2019	Paydown	.XXX	48,641	48,641	52,226	52,226	.0	(3,585)	.0	(3,585)	.0	48,641	.0	.0	.0	.0	02/10/2024	1FE	
364725-BC-4	TEGNA INC		03/05/2019	VARIOUS	.XXX	682,361	690,000	668,438	668,438	.0	466	.0	466	.0	668,904	.0	13,457	13,457	10,127	09/15/2024	3FE	
372546-AV-3	GEORGE WASHINGTON UNIVERSITY		02/01/2019	BZW SECS	.XXX	2,524,307	2,775,000	2,435,756	2,446,704	.0	601	.0	601	.0	2,447,305	.0	77,001	77,001	38,256	09/15/2046	1FE	
384802-AB-0	W W GRAINGER INC		03/22/2019	DBC-FI	.XXX	4,297,193	4,065,000	4,061,707	4,062,009	.0	13	.0	13	.0	4,062,023	.0	235,170	235,170	51,942	06/15/2045	1FE	
45672N-AF-8	INFOR (US) INC		02/15/2019	Call @ 101.44	.XXX	304,314	300,000	300,000	300,000	.0	.0	.0	.0	.0	300,000	.0	4,314	4,314	8,625	08/15/2020	4FE	
483050-AB-9	KAISER FOUNDATION		02/07/2019	Bank of America Merrill Lynch	.XXX	4,598,734	4,070,000	4,569,410	4,536,875	.0	(1,359)	.0	(1,359)	.0	4,535,515	.0	63,219	63,219	71,649	04/01/2042	1FE	
51769R-AA-2	LAS VEGAS MONORAIL CO		01/15/2019	Paydown	.XXX	1,084	1,084	.0	.0	.0	1,084	.0	1,084	.0	1,084	.0	.0	.0	.0	07/15/2019	1FE	
530715-AJ-0	LIBERTY MEDIA CORPORATION		03/21/2019	VARIOUS	.XXX	346,625	340,000	331,500	331,500	.0	101	.0	101	.0	331,601	.0	15,024	15,024	15,139	02/01/2030	3FE	
644535-AF-3	NEW GOLD INC (NEW)		01/10/2019	JANE STREET EXECUTION SERVICES LLC	.XXX	531,918	600,000	507,720	504,000	38,093	454	.0	38,547	.0	542,547	.0	(10,629)	(10,629)	6,146	11/15/2022	5FE	
67590N-AL-8	OCT20 20R AR - CDO		02/12/2019	Paydown	.XXX	339,034	339,034	340,591	341,625	.0	(2,591)	.0	(2,591)	.0	339,034	.0	.0	.0	.0	08/12/2026	1FE	
837004-OK-4	SOUTH CAROLINA ELECTRIC & GAS CO		02/26/2019	Tender Offer	.XXX	1,567,608	1,550,000	1,546,807	1,546,957	.0	9	.0	9	.0	1,546,966	.0	20,642	20,642	12,533	06/15/2046	1FE	
887317-AZ-8	TIME WARNER INC		03/22/2019	FREIMARK BLAIR & COMPANY, INC/	.XXX	2,157,762	2,150,000	2,148,947	2,149,388	.0	18	.0	18	.0	2,149,406	.0	8,355	8,355	58,087	01/15/2026	2FE	
90783V-AA-3	UNION PACIFIC RAILROAD COMPANY 2005-1 PA		01/02/2019	Paydown	.XXX	48,786	48,786	46,657	47,317	.0	1,469	.0	1,469	.0	48,786	.0	.0	.0	.0	01/02/2029	1FE	
911312-AJ-5	UNITED PARCEL SERVICE INC		01/30/2019	COR	.XXX	1,436,483	1,150,000	1,492,263	1,482,575	.0	(996)	.0	(996)	.0	1,481,579	.0	(45,096)	(45,096)	35,650	01/15/2038	1FE	
92047N-AC-5	VALVOLINE INC		02/12/2019	GOLDMAN	.XXX	1,656,675	1,665,000	1,739,250	1,627,538	.0	96,008	.0	96,008	.0	1,722,630	.0	(65,955)	(65,955)	53,164	07/15/2024	3FE	
98954U-AB-9	ZIGGO BOND FINANCE BV	C.	02/06/2019	GOLDMAN	.XXX	1,176,315	1,275,000	1,275,000	1,115,625	159,375	.0	.0	159,375	.0	1,275,000	.0	(98,685)	(98,685)	43,138	01/15/2027	4FE	
8399999 - Bonds - Industrial and Miscellaneous (Unaffiliated)						42,970,399	42,802,545	42,268,575	41,937,941	318,433	14,065	0	332,498	0	42,270,439	0	699,960	699,960	701,822	XXX	XXX	
Bonds - Hybrid Securities																						
Bonds - Parent, Subsidiaries, and Affiliates																						
Bonds - SVO Identified Funds																						
Bonds - Bank Loans																						
8399997 - Subtotals - Bonds - Part 4						124,524,327	118,751,228	122,587,917	121,847,977	318,433	1,839	0	320,271	0	122,168,219	0	2,356,108	2,356,108	2,012,107	2,012,107	XXX	XXX
8399999 - Subtotals - Bonds						124,524,327	118,751,228	122,587,917	121,847,977	318,433	1,839	0	320,271	0	122,168,219	0	2,356,108	2,356,108	2,012,107	2,012,107	XXX	XXX
Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)																						
Preferred Stocks - Parent, Subsidiaries, and Affiliates																						
Common Stocks - Industrial and Miscellaneous (Unaffiliated)																						
Common Stocks - Parent, Subsidiaries, and Affiliates																						
Common Stock - Mutual Funds																						
922040-20-9	YANGUARD INSTL INDX INSP		02/25/2019	DIRECT	.532	356,596	135,559,283	.XXX	114,739,004	121,148,390	(6,409,386)	.0	(6,409,386)	.0	114,739,004	.0	20,820,279	20,820,279	.0	XXX	U	
9299999 - Common Stocks - Mutual Funds						135,559,283	XXX	114,739,004	121,148,390	(6,409,386)	0	0	(6,409,386)	0	114,739,004	0	20,820,279	20,820,279	0	XXX	XXX	
9799997 - Subtotals - Common Stocks - Part 4						135,559,283	XXX	114,739,004	121,148,390	(6,409,386)	0	0	(6,409,386)	0	114,739,004	0	20,820,279	20,820,279	0	XXX	XXX	
9799999 - Subtotals - Common Stocks						135,559,283	XXX	114,739,004	121,148,390	(6,409,386)	0	0	(6,409,386)	0	114,739,004	0	20,820,279	20,820,279	0	XXX	XXX	
9899999 - Subtotals - Preferred and Common Stocks						135,559,283	XXX	114,739,004	121,148,390	(6,409,386)	0	0	(6,409,386)	0	114,739,004	0	20,820,279	20,820,279	0	XXX	XXX	
9999999 Totals						260,083,610	XXX	237,326,922	242,996,367	(6,090,953)	1,839	0	(6,089,115)	0	236,907,223	0	23,176,386	23,176,386	2,012,107	2,012,107	XXX	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues1

E05.1

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part D - Section 1

NONE

Schedule DB - Part D - Section 2

NONE

Schedule DL - Part 1

NONE

Schedule DL - Part 2

NONE

STATEMENT AS OF MARCH 31, 2019 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1	2	3	4	5	6	7	8	9
CUSIP	Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Amount Received During Year
Bonds - U.S. Governments - Issuer Obligations								
Bonds - U.S. Governments - Residential Mortgage-Backed Securities								
Bonds - U.S. Governments - Commercial Mortgage-Backed Securities								
Bonds - U.S. Governments - Other Loan-Backed and Structured Securities								
Bonds - All Other Governments - Issuer Obligations								
Bonds - All Other Governments - Residential Mortgage-Backed Securities								
Bonds - All Other Governments - Commercial Mortgage-Backed Securities								
Bonds - All Other Governments - Other Loan-Backed and Structured Securities								
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations								
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed) - Residential Mortgage-Backed Securities								
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed) - Commercial Mortgage-Backed Securities								
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed) - Other Loan-Backed and Structured Securities								
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations								
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Residential Mortgage-Backed Securities								
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Commercial Mortgage-Backed Securities								
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Other Loan-Backed and Structured Securities								
Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Issuer Obligations								
Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Residential Mortgage-Backed Securities								
Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Commercial Mortgage-Backed Securities								
Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Other Loan-Backed and Structured Securities								
Bonds - Industrial and Miscellaneous - Issuer Obligations								
Bonds - Industrial and Miscellaneous (Unaffiliated) - Residential Mortgage-Backed Securities								
Bonds - Industrial and Miscellaneous (Unaffiliated) - Commercial Mortgage-Backed Securities								
Bonds - Industrial and Miscellaneous (Unaffiliated) - Other Loan-Backed and Structured Securities								
Bonds - Hybrid Securities - Issuer Obligations								
Bonds - Hybrid Securities - Residential Mortgage-Backed Securities								
Bonds - Hybrid Securities - Commercial Mortgage-Backed Securities								
Bonds - Hybrid Securities - Other Loan-Backed and Structured Securities								
Bonds - Parent, Subsidiaries and Affiliates Bonds - Issuer Obligations								
Bonds - Parent, Subsidiaries and Affiliates Bonds - Residential Mortgage-Backed Securities								
Bonds - Parent, Subsidiaries and Affiliates Bonds - Commercial Mortgage-Backed Securities								
Bonds - Parent, Subsidiaries and Affiliates Bonds - Other Loan-Backed and Structured Securities								
Bonds - SVO Identified Funds - Exchange Traded Funds - as Identified by the SVO								
Bonds - SVO Identified Funds - Bond Mutual Funds - as Identified by the SVO								
Bonds - Bank Loans - Bank Loans - Issued								
Bonds - Bank Loans - Bank Loans - Acquired								
Sweep Accounts								
Exempt Money Market Mutual Funds - as Identified by SVO								
31607A-80-2..... FIDELITY IMM:TRS O INSTL.....			.02/28/2019.....	2.310.....	XXX.....	51,617.....	101.....	287.....
60934N-87-2..... FEDERATED TREAS OBL SVC.....		SD.....	.03/01/2019.....	2.050.....	XXX.....	3.....	0.....	1.....
94975H-29-6..... WELLS FRGO TREASURY PLUS CL I MMF.....		SD.....	.03/04/2019.....	2.270.....	XXX.....	35,060.....	68.....	193.....
8599999 - Exempt Money Market Mutual Funds - as Identified by SVO						86,681	169	480
All Other Money Market Mutual Funds								
31607A-70-3..... FIDELITY IMM:GOVT INSTL.....			.03/26/2019.....	2.340.....	XXX.....	2,695,088.....	5,096.....	368.....
608919-71-8..... FEDERATED GOVT OBL PRMR.....			.03/29/2019.....	2.330.....	XXX.....	1,296,827.....	0.....	7,369.....
783965-59-3..... SEI DAILY:GOVT F.....			.03/04/2019.....	2.180.....	XXX.....	318,846.....	595.....	625.....
857492-70-6..... SS INST INV:US GV MM PRM.....			.03/27/2019.....	2.350.....	XXX.....	61,821,455.....	168,233.....	11,973.....
857492-70-6..... SS INST INV:US GV MM PRM.....		SD.....	.03/01/2019.....	2.350.....	XXX.....	883,453.....	1,767.....	4,610.....
8699999 - All Other Money Market Mutual Funds						67,015,669	175,691	24,945
Other Cash Equivalents								
8899999 Total Cash Equivalents						67,102,350	175,860	25,426

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