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BY E-MAIL AND FEDERAL EXPRESS

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Joseph T. Verdesca

January 25, 2013

Michael E. Johnson, Esq.
Alston & Bird LLP
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Re: In the Matter of Financial Guaranty Insurance Company, Index No. 401265/2012

Dear Mr. Johnson:

Thank you for your letter on behalf of Wells Fargo Bank, N.A., as trustee (the "Trustee"), dated January 18, 2013, requesting confirmation from the court-appointed rehabilitator (the "Rehabilitator") of Financial Guaranty Insurance Company ("FGIC") of his understanding regarding certain sections of the First Amended Plan of Rehabilitation for Financial Guaranty Insurance Company, dated December 12, 2012 (the "Proposed Plan"). I write in response thereto.

You indicate in your letter that "[i]t is Wells Fargo's understanding that, if the Proposed Plan is approved prior to the [Residential Capital, LLC ("ResCap") bankruptcy court granting [ResCap's] Second Supplemental Motion Pursuant to Fed. R. Bankr. P. 9019 for Approval of the RMBS Trust Settlement Agreements [Docket No. 1887] (the "ResCap 9019 Motion"), no further notice would be required under Section 3.7(a)(iv) [of the Proposed Plan], as FGIC already has notice of the settlement that is the subject of the ResCap 9019 Motion...." With respect to the ResCap 9019 Motion, in the form attached hereto and with no changes of any nature to any material term or condition thereof (including without limitation as to allocation of proceeds to be received thereunder) (the "FGIC-Reviewed ResCap 9019 Motion"), the Rehabilitator is of the view, under the hypothetical question that you pose, that the notice requirement set forth in Section 3.7(a)(iv) of the Proposed Plan would have been complied with. Section 3.7(a)(iv) would, however, require separate notice and opportunity for FGIC to exercise its rights under such section (including consultation) with respect to any settlement other than that set forth in the FGIC-Reviewed ResCap 9019 Motion, including without limitation any proposed settlement involving changes of any nature to any material term or condition of the FGIC-Reviewed ResCap 9019 Motion.

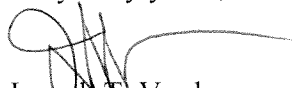
Michael Johnson, Esq.
January 25, 2013
Page 2

Weil, Gotshal & Manges LLP

You also ask for confirmation that “any indemnification of trustees in the plan of rehabilitation that is ultimately implemented will extend to all directions given in respect of the settlement that is the subject of the ResCap 9019 Motion ..., including directions given prior to the approval of a plan of rehabilitation...” The Rehabilitator is of the view that the following provision of 7.5(b) of the Proposed Plan would apply to direction given by FGIC pursuant to the relevant FGIC Contract¹ or Transaction Document to an Indemnified Trustee at any time, whether prior to, on or after approval of the Proposed Plan: “FGIC shall indemnify each Indemnified Trustee for any Losses incurred by such Indemnified Trustee arising from its compliance with ... any direction given to it by FGIC pursuant to the relevant FGIC Contract or Transaction Document (in each case, excluding Losses resulting from the gross negligence or willful misconduct of such Indemnified Trustee)”.

If you have any additional questions regarding the above, please do not hesitate to contact me.

Very truly yours,



Joseph T. Verdesca

cc: Gary Holtzer, Esq.

¹ Capitalized terms not defined herein have the meanings ascribed to them in the Proposed Plan.