2026 ANNUAL
CPP REVALUATION NOTICE

The operations of Financial Guaranty Insurance Company ("FGIC") are subject in all respects to the terms of the First Amended Plan of Rehabilitation for FGIC, dated June 4, 2013 (together with all exhibits and supplements thereto, as the same may be modified from time to time, the "Plan").[1] This notice is being provided pursuant to Section 7.11(A)(c) of the Plan.

FGIC conducted its annual CPP Revaluation for 2026 (the "2026 CPP Revaluation") in accordance with the procedures set forth in Section 1.5 of the Restructured Policy Terms, to re-evaluate the 66.00% CPP that was approved by the New York State Department of Financial Services (the "NYSDFS") effective December 3, 2025, in connection with FGIC's annual CPP Revaluation for 2025, in order to determine whether, consistent with the Run-Off Principles, the CPP should remain the same or be adjusted upward or downward. Houlihan Lokey Financial Advisors, Inc., which was the CPP Revaluation Firm for each of FGIC's prior annual CPP Revaluations, acted as the CPP Revaluation Firm for the 2026 CPP Revaluation (the "2026 CPP Revaluation Firm").

The 2026 CPP Revaluation is based on Run-Off Data as of December 31, 2025. The Run-Off Period used in the 2026 CPP Revaluation commences on January 1, 2026 and is projected to end in 2049. As part of the 2026 CPP Revaluation, FGIC's cash flows are projected during the Run-Off Period based on a Stress Scenario and a Base Scenario. The Stress Scenario is intended to be used in connection with determining whether the CPP should remain the same or be adjusted upward or downward.

Following FGIC's submission of the CPP Revaluation Filing with respect to the 2026 CPP Revaluation, and after having requested and obtained additional information relating to such CPP Revaluation Filing, the NYSDFS approved an upward adjustment of the CPP from 66.00% to 71.40%, effective October 20, 2026.

Under the Base Scenario in the 2026 CPP Revaluation (which gives effect to the 66.00% CPP approved by the NYSDFS), the CPP is projected to increase over time, ultimately to 100% after conducting the CPP Revaluation for 2041. This projected CPP increase under the Base Scenario in the 2026 CPP Revaluation arises because of differences in the assumptions used under the Base Scenario as compared to the Stress Scenario in the 2026 CPP Revaluation, including, among other things, (i) losses are projected to be realized at lower levels, (ii) investment income is projected to be generated at higher levels, (iii) expenses are projected to be incurred at lower levels, and (iv) the total cash buffer is projected to decrease over time.

The Stress Scenario and Base Scenario figures and other information herein are referred to collectively as the "2026 CPP Revaluation Estimates".

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[1] Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Plan.

DISCLAIMER

The 2026 CPP Revaluation Estimates are provided for informational purposes only, are based on forecasts of key economic variables and may be significantly impacted by, among other factors, changes in housing and financial markets, interest rates and employment rates, the ability or willingness of public finance obligors to make their insured debt service payments, and, in the Base Scenario, the willingness of the NYSDFS to approve any projected upward adjustment in the CPP and the timing and amount of any such adjustment. Accordingly, the estimates and assumptions underlying the 2026 CPP Revaluation Estimates are inherently uncertain and subject to significant business, economic and other risks and uncertainties. Therefore, the 2026 CPP Revaluation Estimates are not necessarily indicative of current values or future performance of FGIC, which may be significantly less or more favorable than set forth herein, and therefore should not be relied upon for any purpose.

THE 2026 CPP REVALUATION ESTIMATES WERE NOT PREPARED TO COMPLY WITH THE GUIDELINES FOR PROSPECTIVE FINANCIAL STATEMENTS PUBLISHED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS AND THE RULES AND REGULATIONS OF THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION.

MOREOVER, THE 2026 CPP REVALUATION ESTIMATES CONTAIN CERTAIN STATEMENTS THAT ARE "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. THESE STATEMENTS ARE SUBJECT TO A NUMBER OF ASSUMPTIONS, RISKS AND UNCERTAINTIES, MANY OF WHICH ARE BEYOND THE CONTROL OF FGIC, INCLUDING RISKS AND UNCERTAINTIES DIRECTLY OR INDIRECTLY RELATING TO OR AFFECTING, AMONG OTHER THINGS, PLAN IMPLEMENTATION, AMOUNTS OR TIMING OF FUTURE PERMITTED CLAIMS, AMOUNTS OR TIMING OF RECOVERIES BY FGIC OR ITS COLLECTION OF PREMIUMS, REINSURANCE, SALVAGE, REIMBURSEMENTS OR OTHER AMOUNTS DUE TO IT, FGIC'S OPERATING EXPENSES, RETURNS ON FGIC'S INVESTMENT PORTFOLIO, AVAILABILITY AND UTILIZATION OF NET OPERATING LOSS CARRYFORWARDS, FGIC'S ABILITY TO GENERATE INCOME FROM OTHER SOURCES, CHANGES IN LAW OR REGULATION, REGULATORY ACTION OR UNANTICIPATED ADMINISTRATIVE OR JUDICIAL RULINGS, DEVELOPMENTS OR INTERPRETATIONS, OR FUTURE DOWNWARD OR UPWARD ADJUSTMENTS OF THE CPP OR THE TIMING OR AMOUNTS THEREOF, AND CREDITORS' RECOVERIES UNDER THE PLAN.

POLICYHOLDERS AND OTHER PARTIES IN INTEREST ARE CAUTIONED THAT THE FORWARD-LOOKING STATEMENTS SPEAK AS OF THE DATE AS OF WHICH THEY WERE MADE AND ARE NOT GUARANTEES OF FUTURE PERFORMANCE OR RECOVERIES. ACTUAL RESULTS OR DEVELOPMENTS MAY DIFFER MATERIALLY FROM THE EXPECTATIONS EXPRESSED OR IMPLIED IN THE FORWARD-LOOKING STATEMENTS, AND FGIC AND THE 2026 CPP REVALUATION FIRM UNDERTAKE NO OBLIGATION TO UPDATE ANY SUCH STATEMENTS.

THE 2026 CPP REVALUATION ESTIMATES, WHILE PRESENTED WITH NUMERICAL SPECIFICITY, ARE NECESSARILY BASED ON A VARIETY OF

ESTIMATES, ASSUMPTIONS AND PROJECTIONS WHICH MAY NOT BE REALIZED AND ARE INHERENTLY SUBJECT TO SIGNIFICANT BUSINESS, ECONOMIC, INDUSTRY, REGULATORY, LEGAL, MARKET AND FINANCIAL UNCERTAINTIES AND CONTINGENCIES, MANY OF WHICH ARE BEYOND THE CONTROL OF FGIC. FGIC CAUTIONS THAT NO REPRESENTATIONS OR WARRANTIES OF ANY NATURE WHATSOEVER CAN BE MADE OR ARE MADE BY FGIC, THE 2026 CPP REVALUATION FIRM OR ANY OTHER PERSON AS TO THE 2026 CPP REVALUATION ESTIMATES OR AS TO WHETHER, OR THE LIKELIHOOD THAT, THE PROJECTED RESULTS MAY OR MAY NOT OCCUR. SOME ASSUMPTIONS, ESTIMATES AND PROJECTIONS INEVITABLY WILL BE INCORRECT. MOREOVER, EVENTS AND CIRCUMSTANCES OCCURRING AFTER THE DATE AS OF WHICH THE 2026 CPP REVALUATION ESTIMATES WERE PREPARED MAY BE DIFFERENT FROM THOSE ASSUMED, OR, ALTERNATIVELY, MAY HAVE BEEN UNANTICIPATED, AND THUS THE OCCURRENCE OF THESE EVENTS MAY AFFECT FINANCIAL RESULTS IN A MATERIALLY ADVERSE OR MATERIALLY BENEFICIAL MANNER.

FGIC AND THE 2026 CPP REVALUATION FIRM DO NOT INTEND AND UNDERTAKE NO OBLIGATION TO UPDATE OR OTHERWISE REVISE THE 2026 CPP REVALUATION ESTIMATES TO REFLECT EVENTS OR CIRCUMSTANCES EXISTING OR ARISING AFTER THE DATE AS OF WHICH THE 2026 CPP REVALUATION ESTIMATES WERE PREPARED OR TO REFLECT THE OCCURRENCE OF UNANTICIPATED EVENTS OR CIRCUMSTANCES.

FOR THE REASONS DESCRIBED ABOVE, THE 2026 CPP REVALUATION ESTIMATES MAY NOT BE RELIED UPON AS A GUARANTEE OR OTHER ASSURANCE OF ANY NATURE OF ACTUAL RESULTS THAT MAY OR MAY NOT OCCUR. POLICYHOLDERS AND OTHER PARTIES IN INTEREST ARE RESPONSIBLE FOR MAKING THEIR OWN ASSESSMENT OF POTENTIAL RECOVERIES UNDER THE PLAN, AND SHOULD CONSULT WITH THEIR OWN ADVISORS.

The 2026 CPP Revaluation Estimates are subject to and should be read in conjunction with the qualifications, risks and uncertainties referred to above and the specific terms, requirements and conditions of the Plan and orders of the Rehabilitation Court (which are posted on the Policyholder Information Center at www.fgic.com.policyholderinfocenter/), in each case in their entirety, and the historical financial statements (including the notes and schedules thereto), lists of selected insured exposures and other financial information posted at www.fgic.com/investorrelations/financialreports/ and www.fgic.com/investorrelations/insuredexposures/.