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**FGIC HIRES KENNETH L. DEGEN TO BOLSTER
STRUCTURED FINANCE BUSINESS**

May 12, 2004 - New York, NY – Financial Guaranty Insurance Company (FGIC) announced that Kenneth L. Degen has joined the Company as a Managing Director in its Structured Finance Department, effective May 5.

Prior to FGIC, Mr. Degen was a Managing Director and Group Head at MBIA Insurance Corporation where he led the firm's business production with respect to financial institutions and operating asset companies. The group's activities included providing financial guaranty policies for mutual fund, insurance and bank related assets, as well as for aviation, shipping and transportation related asset transactions. In his 14-year career at MBIA, Mr. Degen was also Group Head in charge of special purpose vehicles, developed the secondary market desk for asset-backed securities and underwrote a wide array of asset-backed deals. Mr. Degen's experience includes seven years at Standard & Poor's where he oversaw the ratings process for all residential mortgage, home equity and tax-exempt housing transactions.

Mr. Degen received his BA in Political Science from Temple University and an MPA from the Syracuse University Maxwell School of Citizenship and Public Affairs.

Commenting on the appointment, Gregory Raab, Senior Managing Director and head of FGIC's Commercial Asset-Backed business noted, "Ken's expertise in the structured business, particularly aviation and insurance related securitizations, provides the perfect complement to our existing team and will help jump-start FGIC's efforts in these areas. He not only has a deep understanding of the asset-backed markets, and knows all the relevant players, but he is also firmly rooted in the financial guaranty industry."

Company Profile

Established in 1983, FGIC is a leading monoline financial guaranty insurance company, primarily engaged in the business of providing credit enhancement on public finance and structured finance securities. FGIC typically guarantees the scheduled payments of principal and interest on an issuer's obligation. FGIC's financial strength is rated triple-A by Moody's Investors Service, Standard & Poor's and Fitch Ratings.