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FGIC Corporation Has Begun Discussions with Potential Investors Regarding Strategic Alternatives

April 14, 2008 – New York, NY – FGIC Corporation, the parent company of Financial Guaranty Insurance Company (FGIC), today announced that it has begun discussions with potential investors and other parties regarding strategic alternatives the Company is exploring that would enable FGIC to both enhance its capital position and protect its policyholders. The Company is optimistic that within the coming weeks it will have a course of action to propose to its Board of Directors. As previously reported, FGIC has retained Goldman Sachs to assist in these efforts.

FGIC said that the strategic alternatives it is exploring include raising capital for a newly established triple-A guarantor dedicated exclusively to the global public finance business. This company would also assume FGIC's existing public finance and international infrastructure business.

“With a high-quality and diversified portfolio, coupled with a focused business strategy, the new company would have a unique platform to deliver superior value to its clients and investors in the securities it insures,” a FGIC spokesman said. “Other alternatives include, but are not limited to, the sale of all or part of the Company, and a bulk reinsurance transaction on all or parts of FGIC's in-force business to a third party.”

FGIC said it believes that its strategic alternatives are consistent with the goals of the New York Insurance Department (NYID) with regard to the Company and its policyholders. The Company said it continues to work closely with Superintendent Dinallo and the NYID as it progresses with its negotiations.

Company Profile

FGIC Corporation is an insurance holding company whose wholly owned subsidiary, Financial Guaranty Insurance Company, provides credit enhancement on infrastructure finance and structured finance securities worldwide. Established in 1983, FGIC typically guarantees the scheduled payments of principal and interest on an issuer's obligation. FGIC is rated "BBB" by Fitch Ratings, "Baa3" by Moody's Investors Service and "BB" by Standard & Poor's (S&P). FGIC remains on Ratings Outlook Negative from Fitch, review for possible downgrade by Moody's and Rating Watch Negative from S&P.

Cautionary Statement

This press release contains “forward-looking statements” – that is, statements related to possible future events. Forward-looking statements often address expectations and beliefs as to future performance, results and business plans. You should not place undue reliance on forward-looking statements, because they are necessarily subject to risks and uncertainties that could cause actual results and performance to differ materially from those expressed or implied by our forward-looking

statements. Among the factors that could cause our results or performance to differ are: (1) the extent to which the Company is able to pursue and achieve strategic alternatives, either with or without the participation of potential investors and other third parties; (2) further downgrades to our ratings; (3) our ability to execute our business plan given our current ratings, possible further downgrades and market conditions; (4) the results of loss mitigation efforts; (5) legislative and regulatory developments within the United States and abroad, including the effect of new pronouncements by accounting authorities; (6) competitive conditions and pricing levels; (7) the level and nature of activity within the national and international credit and other markets; (8) fluctuations in the economic, credit or interest rate environment in the United States or abroad; (9) possible defaults and/or additional ratings downgrades or actions in mortgage-backed securities and (10) other risks and uncertainties that have not been identified by us at this time. Forward-looking statements are based upon our current expectations and beliefs concerning future events. We undertake no obligation to update or revise any forward-looking statement, except as required by law.