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FGIC Corporation Receives Multiple Proposals for Strategic Transactions

May 5, 2008 – New York, NY – FGIC Corporation, the parent company of Financial Guaranty Insurance Company (FGIC), today announced that it has received a significant number of indications of interest from a range of strategic partners, reinsurers and private equity providers. FGIC said that the indications of interest were received in response to FGIC's request for proposals to enhance its capital position and protect its policyholders.

The Company will discuss the proposals with the potential investors over the next several weeks, while they complete their due diligence. Definitive proposals are expected to be submitted at the end of this period.

"We are encouraged to see the high degree of interest that has been expressed in FGIC," a FGIC spokesman said. "We plan to work expeditiously to finalize a transaction that is in the best interests of all of our constituents, including our policyholders."

FGIC said that throughout this process it will continue to work closely with the New York Insurance Department and Superintendent Eric Dinallo.

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 we are 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.