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FOR IMMEDIATE RELEASE

FGIC Announces Commencement of Rehabilitation Process

NEW YORK, June 11, 2012 – Financial Guaranty Insurance Company (“FGIC”) announced that Benjamin M. Lawskey, Superintendent of the New York State Department of Financial Services, today filed a verified petition with the Supreme Court of the State of New York (the “Court”) for an order of rehabilitation (i) appointing the Superintendent as rehabilitator of FGIC; (ii) directing the Rehabilitator to take possession of the property and assets of FGIC and to conduct its business; and (iii) directing the Rehabilitator to take steps toward removing the causes and conditions which have made the rehabilitation proceeding necessary. FGIC has consented to the commencement of the rehabilitation proceeding.

The Court today entered an order to show cause and the Court will hold a hearing on June 28, 2012 to consider entry of the rehabilitation order. Information about the rehabilitation proceeding, including copies of pleadings filed with, and orders entered by, the Court in the rehabilitation proceeding, will be available at www.FGICrehabilitation.com later today.

The Superintendent, in his capacity as Rehabilitator, intends to file a plan of rehabilitation that will provide fair and equitable treatment of FGIC’s policyholders and other creditors.

For further information: 1-877-308-0011

FORWARD-LOOKING STATEMENTS

This notice 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 speak only as of the date they are made and are necessarily subject to risks and uncertainties that could cause actual results and performance to differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements are based upon FGIC management’s current expectations and beliefs concerning future events. FGIC undertakes no obligation to update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law.