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April 5, 2013

BY HAND

The Honorable Doris Ling-Cohan, J.S.C.
IAS Part 36
Supreme Court of the State of New York, County of New York
60 Centre Street
New York, NY 10007
Attn: Monica Cheng, Esq.

RE: In the Matter of the Rehabilitation of Financial Guaranty Insurance Company
Index No. 401265/2012; Motion Sequence No. 004

Dear Justice Ling-Cohan:

We represent Federal Home Loan Mortgage Corporation ("Freddie Mac"), one of the largest holders of securities insured by Financial Guaranty Insurance Company's ("FGIC"). We respectfully submit for the Court's consideration in the above referenced matter Freddie Mac's Statement of Non-objection to the revised Plan of Rehabilitation that was published on the FGIC Rehabilitation website on or about February 19, 2013 by the Superintendent of the Department of Financial Services, in his capacity as Court-appointed Rehabilitator ("Rehabilitator") of FGIC.

We have consulted with the Rehabilitator, who has no objection to Freddie Mac filing its Statement of Non-objection for the Court's consideration.

Respectfully submitted,



John C. Briody

cc: All counsel of record via email.

McKool Smith

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**SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK**

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In the Matter of	:	Index No. 401265/2012
	:	
the Rehabilitation of	:	I.A.S. Part 36
	:	(Ling-Cohan, J.)
FINANCIAL GUARANTY INSURANCE	:	
COMPANY	:	
-----	X	

**STATEMENT OF NON-OBJECTION BY THE FEDERAL HOME LOAN MORTGAGE
CORPORATION TO THE REVISED PLAN OF REHABILITATION**

Federal Home Loan Mortgage Corporation ("Freddie Mac"), a beneficiary of Financial Guaranty Insurance Company ("FGIC") insurance policies that cover approximately \$1.7 billion in unpaid principal balances for securities held by Freddie Mac, by and through its attorneys, hereby files this Statement of Non-objection to the revised Plan of Rehabilitation that was published on the FGIC Rehabilitation website on or about February 19, 2013 ("Revised Plan") by the Superintendent of the Department of Financial Services, in his capacity as Court-appointed Rehabilitator ("Rehabilitator") of FGIC. In support of its Statement, Freddie Mac respectfully states as follows:

BACKGROUND

1. On September 27, 2012, the Rehabilitator filed a proposed Plan of Rehabilitation for FGIC (the "Plan") together with, among other filings, a Disclosure Statement, Plan Supplement, and a Proposed Plan Approval Order. Since September 27, 2012, the Rehabilitator has filed various supplements to the Plan, as well as a revised Plan Approval Order and a Preliminary Analysis of FGIC Payments Not Paid to FGIC. On December 12, 2012, the Rehabilitator filed with the Court a First Amended Plan of Rehabilitation. On or about February 19, 2013, the Rehabilitator, in accordance with this Court's February 19 Order,

published the Revised Plan at http://www.fgicrehabilitation.com/pdflib/Plan_Revisions_2.14.13.pdf. The Revised Plan reflected revisions to the First Amended Plan of Rehabilitation.

2. Pursuant to the Court's February 19 Order, any objections to the Revised Plan are to be served on the Rehabilitator on April 5, 2013. Freddie Mac has consulted with the Rehabilitator and the Rehabilitator does not object to the filing of this Statement of Non-objection with the Court. A Plan Approval Hearing is scheduled for April 30, 2013.

STATEMENT

3. Freddie Mac is a government-sponsored enterprise whose primary place of business is in McLean, Va. Congress created Freddie Mac to promote a stable secondary mortgage market in the U.S. for residential mortgages. To fulfill its congressional mandate, Freddie Mac purchases mortgages from lenders across the U.S., and either packages them into securities that are sold to investors, or retains the mortgages in its portfolio. Through its secondary market role, Freddie Mac ultimately provides homeowners and renters with lower housing costs and better access to home financing.

4. On September 6, 2008, the Federal Housing Finance Agency ("FHFA"), an independent federal agency, placed Freddie Mac into conservatorship. As a Conservator, FHFA is charged with putting Freddie Mac "into [a] sound and solvent condition" and preserving and conserving Freddie Mac's assets. 12 U.S.C. § 4617(b)(2)(D). Since its conservatorship, the U.S. Treasury has advanced Freddie Mac approximately \$71 billion, and Freddie Mac has repaid approximately \$22 billion.

5. Freddie Mac is one of the largest holders of securities insured by FGIC. FGIC currently insures approximately \$1.7 billion in unpaid principal balance of residential mortgage-backed securities held by Freddie Mac. Freddie Mac has outstanding claims that

remain unpaid under FGIC policies and also expects to have significant claims against FGIC policies in both the near and long term future. Notwithstanding the fact that FGIC has substantial cash on hand to begin paying claims, FGIC has not paid any amounts on any claims for more than 3 years.

6. Prior to, and since the Court appointed the Rehabilitator on June 28, 2012, Freddie Mac has worked with FGIC and/or the Rehabilitator, and the Rehabilitator's advisers on a plan of rehabilitation in an effort to best provide for the fair and equitable treatment of FGIC's policyholders. The Revised Plan reflects these efforts.

7. Freddie Mac understands that various objections were lodged against the Plan, and that many of those objections will be withdrawn as a result of the modifications reflected in the Revised Plan. Notwithstanding any objections that may remain outstanding, Freddie Mac hereby submits this Statement of Non-objection to the Revised Plan and the Revised Plan's treatment of FGIC's policyholders because Freddie Mac believes that the material benefits of the Revised Plan outweigh other alternatives.

8. Freddie Mac reserves its right to withdraw, amend or modify this Statement of Non-objection upon any amendment or modification to the terms of the Revised Plan, or receipt of any additional information impacting this Statement of Non-objection.

Dated: April 5, 2013
New York, New York

Respectfully submitted,

MCKOOL SMITH, P.C.



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