NEWS RELEASE

MBIA Withdraws from AFGI, Says It No Longer Shares Common View with Trade Association

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ARMONK, N.Y.--(BUSINESS WIRE)--

MBIA Inc. (NYSE:MBI) today said that it is immediately withdrawing from the Association of Financial Guaranty Insurers (AFGI) because it no longer shares AFGI's view as to the direction that the bond insurance industry should take going forward. AFGI is the trade association of the insurers and reinsurers of municipal bonds and asset-backed securities.

Jay Brown, Chairman and Chief Executive Officer of MBIA said, "It has become clear that MBIA and the other members of AFGI no longer share a common vision for the industry. For one thing, we believe that the industry must over time separate its business of insuring municipal bonds from the often riskier business of guaranteeing other types of securities, such as those linked to mortgages. Additionally, we disagree with AFGI's positions on the appropriateness of monoline financial guarantors insuring credit default swaps and the ability of U.S. financial guarantors to reinsure U.S. domestic financial guarantee insurance transactions with foreign affiliates without paying U.S. corporate tax rates."

MBIA has been associated with AFGI since the trade association's formation in 1986. At various times during its 22-year affiliation, MBIA executives have served as AFGI chair and volunteered on its different committees. "Our association with AFGI has been long-standing and productive, and we greatly appreciate the hard work of the AFGI staff and representatives in Albany and Washington, for whom we have tremendous respect," said Mr. Brown. "But now it is up to us to shape our future in a way that we believe is most responsive to the markets, our policyholders

and our owners, and we must do so without the constraints of participation in an industry association that does not always share our views."

This release contains statements about future results that may constitute "forward-looking statements" within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Readers are cautioned that these statements are not guarantees of future performance. There are a variety of factors, many of which are beyond MBIA's control, which affect the operations, performance, business strategy and results and could cause its actual results to differ materially from the expectations and objectives expressed in any forward-looking statements. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements which speak only as of the date they are made. MBIA does not undertake to update forward-looking statements to reflect the impact of circumstances or events that arise after the date the forward-looking statements are made. The reader should, however, consult any further disclosures MBIA may make in its future filings of its reports on Form 10-K, Form 10-Q and Form 8-K.

MBIA Inc., through its subsidiaries, is a leading financial guarantor and provider of specialized financial services. MBIA's innovative and cost-effective products and services meet the credit enhancement, financial and investment needs of its public and private sector clients, domestically and internationally. MBIA Inc.'s principal operating subsidiary, MBIA Insurance Corporation, has the following financial strength ratings: Triple-A from Fitch Ratings with ratings on Rating Watch Negative; Triple-A on CreditWatch with negative implications from Standard & Poor's Ratings Services; and Triple-A on review for possible downgrade from Moody's Investors Service. Please visit MBIA's Web site at **www.mbia.com**.

Source: MBIA Inc.

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