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MBIA 'AA' Rating Assigned To FGIC Reinsured Issues

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NEW YORK (Standard & Poor's) Nov. 19, 2008--Standard & Poor's Ratings Services assigned its 'AA' rating and negative outlook on MBIA Insurance Corp. to Standard & Poor's-rated variable rate issues that are part of MBIA's recent reinsurance transaction with Financial Guaranty Insurance Co. (BB/Watch Neg) see list below. For more information, see "MBIA Insurance 'AA' Rtg Assigned To Financial Guaranty Insurance Co.'s Reinsured Portfolio", RatingsDirect, Oct. 27, 2008.

For those issues for which we currently have a Standard & Poor's underlying rating (SPUR), Standard & Poor's will rate to the higher of the SPUR or the more highly rated insurer for the long-term component of the rating. The short-term component of the variable-rate demand obligation rating remains NR (not rated) in most cases, as a result of the terms of the related standby bond purchase agreements (SBPAs). The SBPAs typically contain events of default that can lead to termination of the SBPA by the provider without notice or funding. One of the typical events of default is a downgrade of the insurer's financial strength rating below 'BBB-' by Standard & Poor's. These events in the SBPAs, unless amended, relate to the original insurer, FGIC.

The NR short-term component of the rating reflects the SBPA provider's ability to terminate its commitment at any time, and uncertainty due to the lack of information on the obligor's other options for providing alternative sources of funding for tenders. If the SBPA has already been amended--either to change the events of default from being based on the insurer to being based

on the obligor or to eliminate any event of default that allows the provider to terminate without funding--no rating action on the short-term component of the rating will be taken. If an SBPA is amended in the future, Standard & Poor's will adjust the short-term rating component as appropriate. SBPAs are provided by financial institutions as a liquidity support in the case of a failed remarketing of the bonds as a result of optional or mandatory tenders.

Issue Description	Rating
Baltimore Mayor and City Council, MD, Taxable Variable Rate Demand Project Revenue Bonds Series 2002	'AA/NR'
New Jersey Turnpike Authority, Turnpike Variable Rate Demand Bonds, Series 1991D	'AA/A-1+'
South Butler County School District, PA, General Obligation Bonds, Series 2003	'AA/NR'

Complete ratings information is available to subscribers of RatingsDirect, the real-time Web-based source for Standard & Poor's credit ratings, research, and risk analysis, at www.ratingsdirect.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com; select your preferred country or region, then Ratings in the left navigation bar, followed by Credit Ratings Search.

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