



Global Credit Research

Announcement

21 DEC 2007

Save as PDF **Announcement: MBIA Insurance Corporation****Moody's Comments on MBIA's CDO Exposure**

New York, December 21, 2007 -- Following the release by MBIA yesterday of additional information related to its CDO exposures, Moody's has received a number of inquiries from market participants about whether all the CDOs detailed in that disclosure had been incorporated into the analysis leading to Moody's recent rating action on MBIA. Moody's would like to clarify that in its recent stress testing of MBIA's mortgage-related risk, the rating agency included the CDOs totaling \$30.6 billion in net par that are detailed on MBIA's website. For those CDOs whose underlying collateral included ABS CDOs, Moody's analysis included stressing the performance of the "inner ABS CDO" collateral based on its specific composition.

On December 14th, Moody's affirmed MBIA's Aaa insurance financial strength rating, but changed the company's rating outlook to negative.

New York
Jack Dorer
Managing Director
Financial Institutions Group
Moody's Investors Service
JOURNALISTS: 212-553-0376
SUBSCRIBERS: 212-553-1653

New York
Stanislas Rouyer
Senior Vice President
Financial Institutions Group
Moody's Investors Service
JOURNALISTS: 212-553-0376
SUBSCRIBERS: 212-553-1653

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