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Bulletin:

MBIA Inc. Rating Unaffected By Proposed Changes To Company's Senior Debt Indentures

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NEW YORK (Standard & Poor's) Nov. 7, 2012--Standard & Poor's Ratings Services said today that its rating on MBIA Inc. ('B-/Negative') is unaffected by the proposed implementation of amendments to its debt indentures. We took the performance and financial condition of holding company MBIA Inc.'s operating companies, National Public Finance Guarantee Corp. (National; 'BBB/Developing') and MBIA Insurance Corp. (MBIA Corp.; 'B/Negative'), together into consideration when arriving at our rating on MBIA Inc. The rating on MBIA Inc. reflects the operating companies' limited dividend capacity and the holding company's weak liquidity position. Our rating also reflects MBIA Corp.'s run-off state and National's limited near-term growth opportunities. The notching of the rating on MBIA Inc. reflects the current risks inherent at the company: uncertainty regarding transformation litigation, its intercompany secured loan obligations, and its weak liquidity. We expect MBIA Inc.'s cash and short-term investments to cover its debt-servicing needs and operating-expense obligations through 2013--an important factor for the rating. The estimated tax escrow release related to the tax-sharing agreement could also provide additional liquidity.

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