



## Financial Guarantors Object to Flawed Amended Commonwealth Plan Support Agreement

February 11, 2020

NEW YORK, Feb. 10, 2020 (GLOBE NEWSWIRE) -- Financial Guarantors, including Ambac Financial Group, Inc. (NYSE: AMBC), Assured Guaranty Municipal Corp. and Assured Guaranty Corp., subsidiaries of Assured Guaranty Ltd. (NYSE: AGO), National Public Finance Guarantee, a wholly owned subsidiary of MBIA Inc. (NYSE: MBI), and Financial Guaranty Insurance Company ("FGIC") jointly issued the following statement objecting to what they believe is a flawed Amended Commonwealth Plan Support Agreement disclosed by the Financial Oversight and Management Board for Puerto Rico (the "Oversight Board"):

We believe the recently-released Amended Commonwealth Plan Support Agreement ("PSA") is counterproductive to an orderly restructuring of Puerto Rico's debt obligations and risks embroiling Puerto Rico in many more years of protracted litigation at significant cost to tax payers and potentially compromises Puerto Rico's future access to the capital markets. The PSA is the product of a flawed process - a process in which the Oversight Board did not meaningfully engage with the parties to this statement, despite the Financial Guarantors being the largest creditors and longest serving financial supporters of Puerto Rico. The PSA is yet another untested and unsupported legal experiment by the Oversight Board, which undermines negotiation of a consensual restructuring.

Furthermore, the PSA fails to respect lawful creditor rights, priorities and liens, in violation of the Puerto Rico Oversight Management Economic Stability Act ("PROMESA"), and in particular openly disregards basic constitutional protections, fiscal plan requirements, and obligations with respect to both general obligation and revenue bonds, both critical instruments of municipal finance in Puerto Rico and nationally. The PSA also is predicated on inaccurate and incomplete information relating to Puerto Rico's economy, cash balances, federal funding, revenue projections and debt capacity. The primary beneficiaries and architects of the PSA are hedge funds, having shaken bonds from the hands of retail and long-term supporters and bondholders of Puerto Rico (many of which are on-island retirees) at pennies on the dollar. The Legislative Assembly of Puerto Rico and Governor Vasquez should not support the PSA, as it will mire the island in litigation and in all likelihood result in an exclusion from much needed infrastructure development capital for decades to come.

Failure to legally, in good faith, and inclusively negotiate a path out of bankruptcy will prolong Puerto Rico's path to economic stability and reentry to capital markets. This will complicate the Puerto Rico government's ability to finance public policy goals with municipal debt and will only hurt the people of Puerto Rico in the long-term. Furthermore, the Oversight Board's brazen disregard for bondholders' lawful priorities and liens imperils investor confidence in Puerto Rico's credit profile and sets precedents that threaten the broader municipal finance market. It also sends a clear message to prospective investors that the rule of law is not respected in Puerto Rico, which could jeopardize further business investment and Opportunity Zone activity in Puerto Rico.

Ultimately, the undersigned Financial Guarantors representing \$12.2 billion of current exposure and long-time assistance to the island, and trillions of dollars of insured municipal bond debt historically across the United States, cannot support the PSA as it is not a framework for a confirmable Plan of Adjustment. The Financial Guarantors remain open to direct discussions with the Oversight Board and Commonwealth aimed at a reasonable, comprehensive and consensual solution, as we were able to do with COFINA. The Financial Guarantors are confident that a broad consensual deal based on transparent and accurate financial information, a revised Commonwealth Fiscal Plan, reasonable macroeconomic assumptions, and a reconciliation of cash balances that will restore Puerto Rico's access to the capital markets and return efficiency to Government operations can be reached. Without a confirmable plan that respects long-term creditors and supporters of Puerto Rico as well as the rule of law, the goals of PROMESA and the best results for the residents of Puerto Rico will not be achieved.

### About Ambac

Ambac Financial Group, Inc. ("Ambac" or "AFG"), headquartered in New York City, is a financial services holding company whose subsidiaries include Ambac Assurance Corporation, a guarantor of public finance and structured finance obligations. Ambac's common stock trades on the New York Stock Exchange under the symbol "AMBC". The Amended and Restated Certificate of Incorporation of Ambac contains substantial restrictions on the ability to transfer Ambac's common stock. Subject to limited exceptions, any attempted transfer of common stock shall be prohibited and void to the extent that, as a result of such transfer (or any series of transfers of which such transfer is a part), any person or group of persons shall become a holder of 5% or more of Ambac's common stock or a holder of 5% or more of Ambac's common stock increases its ownership interest. Ambac is committed to providing timely and accurate information to the investing public, consistent with our legal and regulatory obligations. To that end, we use our website to convey information about our businesses, including the anticipated release of quarterly financial results, quarterly financial, statistical and business-related information, and the posting of updates to the status of certain residential mortgage backed securities litigations. For more information, please go to [www.ambac.com](http://www.ambac.com).

### About Assured Guaranty

Through its insurance subsidiaries, Assured Guaranty Ltd. (AGL) is the leading provider of financial guarantees for principal and interest payments due on municipal, public infrastructure and structured financings. Through other subsidiaries, AGL provides asset management services. AGL is a publicly traded (NYSE: AGO), Bermuda-based holding company. Any forward-looking statements made in this press release reflect Assured Guaranty's current views with respect to future events and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements involve risks and uncertainties that may cause actual results to differ materially from those set forth in these statements. These risks and uncertainties include, but are not limited to, those resulting from adverse developments in Puerto Rico, an inability or failure of creditors to negotiate and implement a consensual restructuring, litigation that has already been initiated or may be initiated in the future, governmental or legislative action or inaction by Puerto Rico or the United States, other risks and uncertainties that have not been identified at this time, management's response to these factors, and other risk factors identified in Assured Guaranty's filings with the Securities and Exchange Commission. Readers are cautioned not to place undue reliance on these forward-looking statements, which are made as of today. Assured Guaranty undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or

otherwise, except as required by law. More information on Assured Guaranty and its subsidiaries can be found at [AssuredGuaranty.com](http://AssuredGuaranty.com).

#### **About National Public Finance Guarantee**

National Public Finance Guarantee is a wholly owned subsidiary of MBIA Inc. (NYSE: MBI) and independently capitalized with \$3.7 billion in claims-paying resources as of September 30, 2019. This release includes statements that are not historical or current facts and are “forward-looking statements” made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The words “believe”, “anticipate,” “project,” “plan,” “expect,” “estimate,” “intend,” “will,” “will likely result,” “looking forward,” or “will continue,” and similar expressions identify forward-looking statements. These statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical earnings and those presently anticipated or projected, including, among other factors, the possibility that MBIA Inc. or National will experience increased credit losses or impairments on public finance obligations issued by state, local and territorial governments and finance authorities that are experiencing unprecedented fiscal stress; the possibility that loss reserve estimates are not adequate to cover potential claims; MBIA Inc.’s or National’s ability to fully implement their strategic plan; and changes in general economic and competitive conditions. These and other factors that could affect financial performance or could cause actual results to differ materially from estimates contained in or underlying MBIA Inc.’s or National’s forward-looking statements are discussed under the “Risk Factors” section in MBIA Inc.’s most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q, which may be updated or amended in MBIA Inc.’s subsequent filings with the Securities and Exchange Commission. MBIA Inc. and National caution readers not to place undue reliance on any such forward-looking statements, which speak only to their respective dates. National and MBIA Inc. undertake no obligation to publicly correct or update any forward-looking statement if it later becomes aware that such result is not likely to be achieved.

#### **About FGIC**

FGIC is a New York stock insurance corporation and a wholly owned subsidiary of FGIC Corporation. FGIC emerged from rehabilitation on August 19, 2013, and is responsible for administering its outstanding insurance policies in accordance with the terms of the First Amended Plan of Rehabilitation for FGIC, dated June 4, 2013. Please visit [www.fgic.com](http://www.fgic.com).

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