



EXPERIENCE COMMITMENT STRENGTH

June 15, 2016

National Public Finance Guarantee Corporation Comments on the Complaint it Filed Challenging the Puerto Rico Emergency Moratorium and Financial Rehabilitation Act

PURCHASE, N.Y. -- (BUSINESS WIRE) -- National Public Finance Guarantee Corporation (National), an indirect subsidiary of MBIA Inc. (NYSE: MBI), released the following comments regarding the complaint it filed today challenging the Puerto Rico Emergency Moratorium and Financial Rehabilitation Act (Moratorium Act).

Bill Fallon, National's Chief Executive Officer, said, "National filed a Complaint in Federal District Court in Puerto Rico today seeking a declaration from the court that the Puerto Rico Moratorium Act is preempted by Federal bankruptcy law and violates the U.S. Constitution in several respects. Similar to the Puerto Rico Public Corporation Debt Enforcement and Recovery Act that was adopted by Puerto Rico and found to be invalid by the United States Supreme Court, National believes that the Moratorium Act is likewise invalid. With this action, National is seeking to protect the right to priority of payments established under the Puerto Rico Constitution on the General Obligation bonds that it insures, and the liens on properties that secure other National-insured bonds, which the Commonwealth has already invaded under claimed authority of the Moratorium Act." Fallon added, "While National is supportive of the efforts by the U.S. Congress to pass legislation to address Puerto Rico's financial difficulties, the current draft of the PROMESA legislation approved by the House of Representatives does not foreclose continued reliance on the unconstitutional Moratorium Act. National continues to stand ready to work constructively with its Puerto Rico credits to address their financial and liquidity challenges, and National is also determined to take reasonable and necessary actions to protect its rights as the insurer of these bonds."

Forward-Looking Statements

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 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, including the ability to maintain high stable ratings for National and generate investor demand for National's financial guarantees; 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, 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.

National Public Finance Guarantee Corporation, headquartered in Purchase, New York is the world's largest U.S. public finance-only financial guarantee insurance company, with offices in New York and San Francisco. Please visit National's website at www.nationalpfg.com.

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