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**EVENT NOTICE PURSUANT TO S.E.C. RULE 15c2-12
RATING CHANGE**

Dated: December 14, 2017

NOTICE IS HEREBY GIVEN that on December 1, 2017, Standard and Poor Global Ratings (“**S&P**”) withdrew the rating of National Public Finance Guarantee Corporation, a subsidiary of MBIA Insurance Corporation. As a result, there has been a rating change on the following issues from the withdrawn Long-Term Insurer Rating of “A” to the S&P Published Underlying Rating of “A-”:

- 2003 Tax Allocation Revenue Bonds, Series A issued by the Sacramento County Public Financing Authority*
- 2005 Tax Allocation Revenue Bonds, Series A issued by the Sacramento City Financing Authority*

*The City of Sacramento is the Successor Agency to the Redevelopment Agency of the City of Sacramento.

City of Sacramento



Brian Wong
Debt Manager

RatingsDirect®

Research Update:

MBIA Inc. And Subsidiaries Ratings Affirmed, Then Withdrawn At Issuer Request

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Research Update:

MBIA Inc. And Subsidiaries Ratings Affirmed, Then Withdrawn At Issuer Request

Overview

- We are affirming our ratings on MBIA Inc. and all its affiliated subsidiaries.
- We are subsequently withdrawing our ratings on MBIA Inc. and all its affiliated subsidiaries at the issuer's request.

Rating Action

On Dec. 1, 2017, S&P Global Ratings affirmed its 'BBB' long-term issuer credit rating on MBIA Inc., its 'A' financial strength rating on National Public Finance Guarantee Corp. (National), and its 'CCC' financial strength rating on MBIA Insurance Corp. (MBIA Corp.). We are subsequently withdrawing all our ratings at the issuer's request.

Rationale

Our ratings on National are driven by our view of its less-vulnerable competitive position, reflecting the company's struggle to gain market share and our view that the company is in run-off. The strength of the rating is an extremely strong capital position, which is marginally offset by a negative financial flexibility score.

MBIA Inc.'s rating reflects its structural subordination to its regulated operating subsidiaries, specifically National. We view National as the principal source of debt-servicing and holding-company expense needs. In addition to National's dividend payments, the continued estimated tax escrow releases related to the tax-sharing agreement also support MBIA Inc.'s liquidity.

Our rating on MBIA Corp. reflects our view of the company's small capital base relative to the risk of its insured portfolio; poor operating performance, which we expect to continue; and potential continued liquidity stress. Although the possibility of liquidity stress exists, the experienced management team's liquidity and risk-mitigation strategy has helped to maintain solvency. The ratings also reflect the company's run-off status and our belief that its corporate profile is unlikely to change in the next year.

Outlook

The outlook on National is stable, reflecting the strength of the company's capital position and the deleveraging that is occurring as the run-off of insured exposure is greater than the amount of new business being written.

The stable outlook on MBIA Corp reflects our view that the company's capital and liquidity are adequate to meet claim payments through 2018. Given the risk of the remaining insured portfolio due to its weak capital base and limited opportunity to improve its capital position, we expect capital to remain under stress.

Related Criteria

- General Criteria: Group Rating Methodology, Nov. 19, 2013
- Criteria - Insurance - General: Enterprise Risk Management, May 7, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities And Insurers, Nov. 13, 2012
- General Criteria: Criteria For Assigning 'CCC+', 'CCC', 'CCC-', And 'CC' Ratings, Oct. 1, 2012
- Criteria - Insurance - Bond: Bond Insurance Rating Methodology And Assumptions, Aug. 25, 2011
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009

Ratings List

Ratings Affirmed

MBIA Inc.

Issuer Credit Rating	BBB/Stable/--
Senior Unsecured	BBB

MBIA Insurance Corp.

Issuer Credit Rating	
Local Currency	CCC/Stable/--
Financial Enhancement Rating	
Local Currency	CCC/Stable/--
Financial Strength Rating	
Local Currency	CCC/Stable/--

Municipal Bond Insurance Assn.

National Public Finance Guarantee Corp.

Issuer Credit Rating	
Local Currency	A/Stable/--
Financial Strength Rating	
Local Currency	A/Stable/--

Research Update: MBIA Inc. And Subsidiaries Ratings Affirmed, Then Withdrawn At Issuer Request

National Public Finance Guarantee Corp.

Financial Enhancement Rating

Local Currency A/Stable/--

MBIA Global Funding LLC

Senior Secured CCC

Senior Unsecured CCC

Ratings Withdrawn

To From

MBIA Inc.

Issuer Credit Rating NR/NR BBB/Stable/--

Senior Unsecured NR BBB

MBIA Insurance Corp.

Issuer Credit Rating

Local Currency NR/NR CCC/Stable/--

Financial Enhancement Rating

Local Currency NR/NR CCC/Stable/--

Financial Strength Rating

Local Currency NR/NR CCC/Stable/--

Municipal Bond Insurance Assn.

National Public Finance Guarantee Corp.

Issuer Credit Rating

Local Currency NR/NR A/Stable/--

Financial Strength Rating

Local Currency NR/NR A/Stable/--

National Public Finance Guarantee Corp.

Financial Enhancement Rating

Local Currency NR/NR A/Stable/--

MBIA Global Funding LLC

Senior Secured NR CCC

Senior Unsecured NR CCC

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