



ANNUAL STATEMENT
For the Year Ended December 31, 2016
OF THE CONDITION AND AFFAIRS OF THE
FINANCIAL GUARANTY INSURANCE COMPANY

NAIC Group Code 0000, 0000 NAIC Company Code 12815 Employer's ID Number 13-2710717
Organized under the Laws of New York, State of Domicile or Port of Entry New York
Country of Domicile United States
Incorporated/Organized 04/10/1972 Commenced Business 07/01/1972
Statutory Home Office 463 7th Avenue, New York, NY, US 10018
Main Administrative Office 463 7th Avenue, New York, NY, US 10018 212-312-3000
Mail Address 463 7th Avenue, New York, NY, US 10018
Primary Location of Books and Records 463 7th Avenue, New York, NY, US 10018 212-312-3041
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OFFICERS

Table with 4 columns: Name, Title, Name, Title. Officers include Timothy S. Travers (Chief Executive Officer), Michael C. Haines (SVP, Chief Financial Officer and Treasurer), A. Edward Turi, III (Executive Vice President and General Counsel).

OTHER OFFICERS

DIRECTORS OR TRUSTEES

Table with 4 columns: Name, Title, Name, Title. Directors/Trustees include Jamie B. Stewart, Jr., Chairman; Cono R. Fusco; Paula A. Price; Timothy R. Graham; Timothy S. Travers; Edward J. Grzybowski.

State of New York
County of New York

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The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Signatures of Timothy S. Travers, A. Edward Turi, III, and Michael C. Haines with their titles: Chief Executive Officer, Executive Vice President and General Counsel, SVP, Chief Financial Officer and Treasurer.

Notary Public, State of New York, No. 43-O1TA4994058, Qualified in Richmond County, Certificate Filed in New York County, Commission Expires March 30, 2018. Includes a list of questions: a. Is this an original filing? b. If no: 1. State the amendment number 2. Date filed 3. Number of pages attached.

Signature of Notary Public, dated 29th day of February 2017.

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	2,128,713,001		2,128,713,001	2,146,297,367
2. Stocks (Schedule D):				
2.1 Preferred stocks	0		0	0
2.2 Common stocks	164,308,819		164,308,819	90,473,223
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$21,326,108 , Schedule E-Part 1), cash equivalents (\$0 , Schedule E-Part 2) and short-term investments (\$79,779,818 , Schedule DA).....	101,105,926		101,105,926	76,790,016
6. Contract loans (including \$ premium notes).....			0	0
7. Derivatives (Schedule DB).....	0		0	0
8. Other invested assets (Schedule BA)	0		0	0
9. Receivables for securities	44,570,611		44,570,611	8,250
10. Securities lending reinvested collateral assets (Schedule DL).....			0	0
11. Aggregate write-ins for invested assets	20,703,144	0	20,703,144	16,243,715
12. Subtotals, cash and invested assets (Lines 1 to 11)	2,459,401,501	0	2,459,401,501	2,329,812,571
13. Title plants less \$ charged off (for Title insurers only).....			0	0
14. Investment income due and accrued	22,352,955		22,352,955	21,031,627
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection			0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums).....			0	0
15.3 Accrued retrospective premiums (\$) and contracts subject to redetermination (\$)			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	25,782		25,782	17,310
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	2,101,384		2,101,384	1,777,236
18.2 Net deferred tax asset.....			0	0
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software.....			0	0
21. Furniture and equipment, including health care delivery assets (\$)	685,324	685,324	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates	465,156		465,156	598,625
24. Health care (\$) and other amounts receivable.....			0	0
25. Aggregate write-ins for other-than-invested assets	1,310,998	0	1,310,998	1,334,407
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	2,486,343,100	685,324	2,485,657,776	2,354,571,776
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
28. Total (Lines 26 and 27)	2,486,343,100	685,324	2,485,657,776	2,354,571,776
DETAILS OF WRITE-INS				
1101. Other Invested Assets.....	20,703,144		20,703,144	16,243,715
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	20,703,144	0	20,703,144	16,243,715
2501. Cash Surrender Value of Life Insurance Policies.....	1,087,140		1,087,140	1,157,526
2502. Premium Taxes and State Income Tax Refunds.....	116,460		116,460	176,881
2503. Miscellaneous Receivables.....	107,398		107,398	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	1,310,998	0	1,310,998	1,334,407

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	1,949,709,123	1,895,922,071
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	0	0
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	24,080,821	13,642,700
4. Commissions payable, contingent commissions and other similar charges	0	0
5. Other expenses (excluding taxes, licenses and fees)	23,372,518	11,871,643
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	0	0
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))	8,959	163,038
7.2 Net deferred tax liability	0	0
8. Borrowed money \$ and interest thereon \$	0	0
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$1,591,576 and including warranty reserves of \$ and accrued accident and health experience rating refunds including \$ for medical loss ratio rebate per the Public Health Service Act)	47,876,374	58,475,156
10. Advance premium	0	0
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions)	0	14,348
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)	0	0
14. Amounts withheld or retained by company for account of others	0	0
15. Remittances and items not allocated	0	0
16. Provision for reinsurance (including \$ certified) (Schedule F, Part 8)	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates	0	0
18. Drafts outstanding	0	0
19. Payable to parent, subsidiaries and affiliates	0	0
20. Derivatives	0	0
21. Payable for securities	55,857,016	142,430
22. Payable for securities lending	0	0
23. Liability for amounts held under uninsured plans	0	0
24. Capital notes \$ and interest thereon \$	0	0
25. Aggregate write-ins for liabilities	318,352,965	307,940,390
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	2,419,257,776	2,288,171,776
27. Protected cell liabilities	0	0
28. Total liabilities (Lines 26 and 27)	2,419,257,776	2,288,171,776
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock	15,000,000	15,000,000
31. Preferred capital stock	300,000,000	300,000,000
32. Aggregate write-ins for other-than-special surplus funds	0	0
33. Surplus notes	0	0
34. Gross paid in and contributed surplus	0	0
35. Unassigned funds (surplus)	(248,600,000)	(248,600,000)
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)	0	0
36.2 shares preferred (value included in Line 31 \$)	0	0
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	66,400,000	66,400,000
38. Totals (Page 2, Line 28, Col. 3)	2,485,657,776	2,354,571,776
DETAILS OF WRITE-INS		
2501. Contingency Reserve	318,256,562	307,402,403
2502. Other Liabilities	96,403	537,987
2503.	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	318,352,965	307,940,390
2901.	0	0
2902.	0	0
2903.	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0
3201.	0	0
3202.	0	0
3203.	0	0
3298. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	0	0

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4)	19,665,970	73,562,635
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	139,264,267	111,282,778
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	19,480,292	7,465,872
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	30,624,383	27,755,255
5. Aggregate write-ins for underwriting deductions	0	0
6. Total underwriting deductions (Lines 2 through 5)	189,368,942	146,503,905
7. Net income of protected cells	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(169,702,972)	(72,941,270)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	88,977,157	78,353,783
10. Net realized capital gains (losses) less capital gains tax of \$ 5,933,154 (Exhibit of Capital Gains (Losses))	23,732,618	(2,660,597)
11. Net investment gain (loss) (Lines 9 + 10)	112,709,775	75,693,186
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$)		0
13. Finance and service charges not included in premiums		0
14. Aggregate write-ins for miscellaneous income	55,188,932	18,073,676
15. Total other income (Lines 12 through 14)	55,188,932	18,073,676
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(1,804,265)	20,825,592
17. Dividends to policyholders		0
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	(1,804,265)	20,825,592
19. Federal and foreign income taxes incurred	(4,515,774)	7,633,467
20. Net income (Line 18 minus Line 19) (to Line 22)	2,711,509	13,192,125
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	66,400,000	66,400,000
22. Net income (from Line 20)	2,711,509	13,192,125
23. Net transfers (to) from Protected Cell accounts		0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 3,609,638	7,222,738	8,812,843
25. Change in net unrealized foreign exchange capital gain (loss)	227,311	(2,925,722)
26. Change in net deferred income tax		0
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	692,601	333,662
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	0	0
29. Change in surplus notes		0
30. Surplus (contributed to) withdrawn from protected cells		0
31. Cumulative effect of changes in accounting principles		0
32. Capital changes:		
32.1 Paid in		0
32.2 Transferred from surplus (Stock Dividend)		0
32.3 Transferred to surplus		0
33. Surplus adjustments:		
33.1 Paid in		0
33.2 Transferred to capital (Stock Dividend)		0
33.3 Transferred from capital		0
34. Net remittances from or (to) Home Office		0
35. Dividends to stockholders		0
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)	0	0
37. Aggregate write-ins for gains and losses in surplus	(10,854,159)	(19,412,908)
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	0	0
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	66,400,000	66,400,000
DETAILS OF WRITE-INS		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0
1401. Other Income	130,757	238,663
1402. Salvage and Subrogation Income	55,058,175	17,835,013
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	55,188,932	18,073,676
3701. (Increase) Decrease in Contingency Reserves	(10,854,159)	(19,412,908)
3702.		0
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)	(10,854,159)	(19,412,908)

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance.....	8,625,606	11,773,034
2. Net investment income.....	94,241,050	84,681,275
3. Miscellaneous income.....	55,188,932	18,073,676
4. Total (Lines 1 through 3).....	158,055,588	114,527,985
5. Benefit and loss related payments.....	85,485,354	234,201,434
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	28,041,430	31,114,861
8. Dividends paid to policyholders.....	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....	1,895,607	12,466,384
10. Total (Lines 5 through 9).....	115,422,391	277,782,679
11. Net cash from operations (Line 4 minus Line 10).....	42,633,197	(163,254,694)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	798,389,975	552,528,249
12.2 Stocks.....	37,327,482	7,112,497
12.3 Mortgage loans.....	0	0
12.4 Real estate.....	0	0
12.5 Other invested assets.....	55,701,847	2,740,382
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	416	185,198
12.7 Miscellaneous proceeds.....	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	891,419,719	562,566,326
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	761,670,954	657,014,574
13.2 Stocks.....	99,898,889	64,506,655
13.3 Mortgage loans.....	0	0
13.4 Real estate.....	0	0
13.5 Other invested assets.....	3,353,013	10,398,071
13.6 Miscellaneous applications.....	45,526,349	1,791,398
13.7 Total investments acquired (Lines 13.1 to 13.6).....	910,449,205	733,710,698
14. Net increase (decrease) in contract loans and premium notes.....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14).....	(19,029,486)	(171,144,372)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0
16.3 Borrowed funds.....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	0	0
16.5 Dividends to stockholders.....	0	0
16.6 Other cash provided (applied).....	712,199	(159,087)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	712,199	(159,087)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	24,315,910	(334,558,153)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	76,790,016	411,348,169
19.2 End of year (Line 18 plus Line 19.1).....	101,105,926	76,790,016

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business		1	2	3	4
		Net Premiums Written per Column 6, Part 1B	Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 1	Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A	Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire	0	0	0	0
2.	Allied lines	0	0	0	0
3.	Farmowners multiple peril	0	0	0	0
4.	Homeowners multiple peril	0	0	0	0
5.	Commercial multiple peril	0	0	0	0
6.	Mortgage guaranty	0	0	0	0
8.	Ocean marine	0	0	0	0
9.	Inland marine	0	0	0	0
10.	Financial guaranty	9,067,188	58,475,156	47,876,374	19,665,970
11.1	Medical professional liability-occurrence	0	0	0	0
11.2	Medical professional liability-claims-made	0	0	0	0
12.	Earthquake	0	0	0	0
13.	Group accident and health	0	0	0	0
14.	Credit accident and health (group and individual)	0	0	0	0
15.	Other accident and health	0	0	0	0
16.	Workers' compensation	0	0	0	0
17.1	Other liability-occurrence	0	0	0	0
17.2	Other liability-claims-made	0	0	0	0
17.3	Excess workers' compensation	0	0	0	0
18.1	Products liability-occurrence	0	0	0	0
18.2	Products liability-claims-made	0	0	0	0
19.1,19.2	Private passenger auto liability	0	0	0	0
19.3,19.4	Commercial auto liability	0	0	0	0
21.	Auto physical damage	0	0	0	0
22.	Aircraft (all perils)	0	0	0	0
23.	Fidelity	0	0	0	0
24.	Surety	0	0	0	0
26.	Burglary and theft	0	0	0	0
27.	Boiler and machinery	0	0	0	0
28.	Credit	0	0	0	0
29.	International	0	0	0	0
30.	Warranty	0	0	0	0
31.	Reinsurance-nonproportional assumed property	0	0	0	0
32.	Reinsurance-nonproportional assumed liability	0	0	0	0
33.	Reinsurance-nonproportional assumed financial lines	0	0	0	0
34.	Aggregate write-ins for other lines of business	0	0	0	0
35.	TOTALS	9,067,188	58,475,156	47,876,374	19,665,970
DETAILS OF WRITE-INS					
3401.	.....			
3402.	.....			
3403.	.....			
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1. Fire					0
2. Allied lines					0
3. Farmowners multiple peril					0
4. Homeowners multiple peril					0
5. Commercial multiple peril					0
6. Mortgage guaranty					0
8. Ocean marine					0
9. Inland marine					0
10. Financial guaranty	143,624	47,732,750			47,876,374
11.1 Medical professional liability-occurrence					0
11.2 Medical professional liability-claims-made					0
12. Earthquake					0
13. Group accident and health					0
14. Credit accident and health (group and individual)					0
15. Other accident and health					0
16. Workers' compensation					0
17.1 Other liability-occurrence					0
17.2 Other liability-claims-made					0
17.3 Excess workers' compensation					0
18.1 Products liability-occurrence					0
18.2 Products liability-claims-made					0
19.1,19.2 Private passenger auto liability					0
19.3,19.4 Commercial auto liability					0
21. Auto physical damage					0
22. Aircraft (all perils)					0
23. Fidelity					0
24. Surety					0
26. Burglary and theft					0
27. Boiler and machinery					0
28. Credit					0
29. International					0
30. Warranty					0
31. Reinsurance-nonproportional assumed property					0
32. Reinsurance-nonproportional assumed liability					0
33. Reinsurance-nonproportional assumed financial lines					0
34. Aggregate write-ins for other lines of business	0	0	0	0	0
35. TOTALS	143,624	47,732,750	0	0	47,876,374
36. Accrued retrospective premiums based on experience					
37. Earned but unbilled premiums					
38. Balance (Sum of Lines 35 through 37)					47,876,374
DETAILS OF WRITE-INS					
3401.					
3402.					
3403.					
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0	0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0	0

(a) State here basis of computation used in each case. Premium recognized based on the expiration of the risk.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire						0
2. Allied lines						0
3. Farmowners multiple peril						0
4. Homeowners multiple peril						0
5. Commercial multiple peril						0
6. Mortgage guaranty						0
8. Ocean marine						0
9. Inland marine						0
10. Financial guaranty	9,364,026				296,838	9,067,188
11.1 Medical professional liability-occurrence						0
11.2 Medical professional liability-claims-made						0
12. Earthquake						0
13. Group accident and health						0
14. Credit accident and health (group and individual)						0
15. Other accident and health						0
16. Workers' compensation						0
17.1 Other liability-occurrence						0
17.2 Other liability-claims-made						0
17.3 Excess workers' compensation						0
18.1 Products liability-occurrence						0
18.2 Products liability-claims-made						0
19.1,19.2 Private passenger auto liability						0
19.3,19.4 Commercial auto liability						0
21. Auto physical damage						0
22. Aircraft (all perils)						0
23. Fidelity						0
24. Surety						0
26. Burglary and theft						0
27. Boiler and machinery						0
28. Credit						0
29. International						0
30. Warranty						0
31. Reinsurance-nonproportional assumed property	XXX					0
32. Reinsurance-nonproportional assumed liability	XXX					0
33. Reinsurance-nonproportional assumed financial lines	XXX					0
34. Aggregate write-ins for other lines of business	0	0	0	0	0	0
35. TOTALS	9,364,026	0	0	0	296,838	9,067,188
DETAILS OF WRITE-INS						
3401.						
3402.						
3403.						
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0	0	0

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [X] No []

If yes: 1. The amount of such installment premiums \$ 9,364,026

2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$ 9,364,026

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire				.0	.0	0	.0	
2. Allied lines				.0	.0	0	.0	
3. Farmowners multiple peril				.0	.0	0	.0	
4. Homeowners multiple peril				.0	.0	0	.0	
5. Commercial multiple peril				.0	.0	0	.0	
6. Mortgage guaranty				.0	.0	0	.0	
8. Ocean marine				.0	.0	0	.0	
9. Inland marine				.0	.0	0	.0	
10. Financial guaranty	85,996,708		519,493	85,477,215	3,118,716,180	3,143,307,677	60,885,718	309.6
11.1 Medical professional liability-occurrence				.0	.0	0	.0	
11.2 Medical professional liability-claims-made				.0	.0	0	.0	
12. Earthquake				.0	.0	0	.0	
13. Group accident and health				.0	.0	0	.0	
14. Credit accident and health (group and individual)				.0	.0	0	.0	
15. Other accident and health				.0	.0	0	.0	
16. Workers' compensation				.0	.0	0	.0	
17.1 Other liability-occurrence				.0	.0	0	.0	
17.2 Other liability-claims-made				.0	.0	0	.0	
17.3 Excess workers' compensation				.0	.0	0	.0	
18.1 Products liability-occurrence				.0	.0	0	.0	
18.2 Products liability-claims-made				.0	.0	0	.0	
19.1,19.2 Private passenger auto liability				.0	.0	0	.0	
19.3,19.4 Commercial auto liability				.0	.0	0	.0	
21. Auto physical damage				.0	.0	0	.0	
22. Aircraft (all perils)				.0	.0	0	.0	
23. Fidelity				.0	.0	0	.0	
24. Surety				.0	.0	0	.0	
26. Burglary and theft				.0	.0	0	.0	
27. Boiler and machinery				.0	.0	0	.0	
28. Credit				.0	.0	0	.0	
29. International				.0	.0	0	.0	
30. Warranty				.0	.0	0	.0	
31. Reinsurance-nonproportional assumed property	XXX			.0	.0	0	.0	
32. Reinsurance-nonproportional assumed liability	XXX			.0	.0	0	.0	
33. Reinsurance-nonproportional assumed financial lines	XXX			.0	.0	0	.0	
34. Aggregate write-ins for other lines of business	0	0	0	0	(1,169,007,057)	(1,247,385,606)	78,378,549	0.0
35. TOTALS	85,996,708	0	519,493	85,477,215	1,949,709,123	1,895,922,071	139,264,267	708.1
DETAILS OF WRITE-INS								
3401. Policy Revision Adjustment ("PRA") - NYSDFS Guidelines				.0	(1,169,007,057)	(1,247,385,606)	78,378,549	.0
3402.								
3403.								
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0	0	.0
3499. Totals (Lines 3401 through 3403 + 3498) (Line 34 above)	0	0	0	0	(1,169,007,057)	(1,247,385,606)	78,378,549	0.0

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	9 Net Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable	4 Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire				.0				.0	
2. Allied lines				.0				.0	
3. Farmowners multiple peril				.0				.0	
4. Homeowners multiple peril				.0				.0	
5. Commercial multiple peril				.0				.0	
6. Mortgage guaranty				.0				.0	
8. Ocean marine				.0				.0	
9. Inland marine				.0				.0	
10. Financial guaranty	3,129,628,052		10,911,872	3,118,716,180				3,118,716,180	24,080,821
11.1 Medical professional liability-occurrence				.0				.0	
11.2 Medical professional liability-claims-made				.0				.0	
12. Earthquake				.0				.0	
13. Group accident and health				.0			(a)	.0	
14. Credit accident and health (group and individual)				.0			(a)	.0	
15. Other accident and health				.0				.0	
16. Workers' compensation				.0				.0	
17.1 Other liability-occurrence				.0				.0	
17.2 Other liability-claims-made				.0				.0	
17.3 Excess workers' compensation				.0				.0	
18.1 Products liability-occurrence				.0				.0	
18.2 Products liability-claims-made				.0				.0	
19.1,19.2 Private passenger auto liability				.0				.0	
19.3,19.4 Commercial auto liability				.0				.0	
21. Auto physical damage				.0				.0	
22. Aircraft (all perils)				.0				.0	
23. Fidelity				.0				.0	
24. Surety				.0				.0	
26. Burglary and theft				.0				.0	
27. Boiler and machinery				.0				.0	
28. Credit				.0				.0	
29. International				.0				.0	
30. Warranty				.0				.0	
31. Reinsurance-nonproportional assumed property	XXX			.0	XXX			.0	
32. Reinsurance-nonproportional assumed liability	XXX			.0	XXX			.0	
33. Reinsurance-nonproportional assumed financial lines	XXX			.0	XXX			.0	
34. Aggregate write-ins for other lines of business	(1,169,007,057)	.0	.0	(1,169,007,057)	.0	.0	.0	(1,169,007,057)	.0
35. TOTALS	1,960,620,995	0	10,911,872	1,949,709,123	0	0	0	1,949,709,123	24,080,821
DETAILS OF WRITE-INS									
3401. Policy Revision Adjustment ("PRA")-NYSDFS Guidelines	(1,169,007,057)			(1,169,007,057)				(1,169,007,057)	
3402.									
3403.									
3498. Sum. of remaining write-ins for Line 34 from overflow page	.0	.0	.0	.0	.0	.0	.0	.0	.0
3499. Totals (Lines 3401 through 3403 + 3498) (Line 34 above)	(1,169,007,057)	0	0	(1,169,007,057)	0	0	0	(1,169,007,057)	0

(a) Including \$ for present value of life indemnity claims.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct	19,609,157			19,609,157
1.2 Reinsurance assumed				0
1.3 Reinsurance ceded	128,865			128,865
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	19,480,292	0	0	19,480,292
2. Commission and brokerage:				
2.1 Direct, excluding contingent				0
2.2 Reinsurance assumed, excluding contingent				0
2.3 Reinsurance ceded, excluding contingent		86,706		86,706
2.4 Contingent-direct				0
2.5 Contingent-reinsurance assumed				0
2.6 Contingent-reinsurance ceded				0
2.7 Policy and membership fees				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)	0	(86,706)	0	(86,706)
3. Allowances to manager and agents				0
4. Advertising				0
5. Boards, bureaus and associations		813,178		813,178
6. Surveys and underwriting reports				0
7. Audit of assureds' records				0
8. Salary and related items:				
8.1 Salaries		15,168,363		15,168,363
8.2 Payroll taxes		609,309		609,309
9. Employee relations and welfare		6,742,676		6,742,676
10. Insurance		421,856		421,856
11. Directors' fees		1,043,374		1,043,374
12. Travel and travel items		92,380		92,380
13. Rent and rent items		1,754,094		1,754,094
14. Equipment		263,571		263,571
15. Cost or depreciation of EDP equipment and software		206,845		206,845
16. Printing and stationery		21,018		21,018
17. Postage, telephone and telegraph, exchange and express		194,055		194,055
18. Legal and auditing		1,385,711		1,385,711
19. Totals (Lines 3 to 18)	0	28,716,430	0	28,716,430
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$		232,033		232,033
20.2 Insurance department licenses and fees		(189,920)		(189,920)
20.3 Gross guaranty association assessments				0
20.4 All other (excluding federal and foreign income and real estate)		273,592		273,592
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	0	315,705	0	315,705
21. Real estate expenses				0
22. Real estate taxes				0
23. Reimbursements by uninsured plans				0
24. Aggregate write-ins for miscellaneous expenses	0	1,678,954	2,309,239	3,988,193
25. Total expenses incurred	19,480,292	30,624,383	2,309,239	(a) 52,413,914
26. Less unpaid expenses-current year	24,080,821	23,372,518		47,453,339
27. Add unpaid expenses-prior year	13,642,700	11,871,643	0	25,514,343
28. Amounts receivable relating to uninsured plans, prior year	0	0	0	0
29. Amounts receivable relating to uninsured plans, current year				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	9,042,171	19,123,508	2,309,239	30,474,918
DETAILS OF WRITE-INS				
2401. Investment Management Fee.....			2,309,239	2,309,239
2402. Expense Sharing Agreement with Affiliates.....		(1,614,473)		(1,614,473)
2403. Professional Fees and Outside Services.....		3,267,456		3,267,456
2498. Summary of remaining write-ins for Line 24 from overflow page	0	25,971	0	25,971
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	0	1,678,954	2,309,239	3,988,193

(a) Includes management fees of \$(1,614,473) to affiliates and \$to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 1,477,970	3,003,132
1.1 Bonds exempt from U.S. tax	(a) 14,270,528	11,441,336
1.2 Other bonds (unaffiliated)	(a) 71,494,153	74,053,960
1.3 Bonds of affiliates	(a) 0	0
2.1 Preferred stocks (unaffiliated)	(b) 0	0
2.11 Preferred stocks of affiliates	(b) 0	0
2.2 Common stocks (unaffiliated)	2,332,702	2,369,197
2.21 Common stocks of affiliates	0	0
3. Mortgage loans	(c) 0	0
4. Real estate	(d) 0	0
5. Contract loans	0	0
6. Cash, cash equivalents and short-term investments	(e) 388,866	418,771
7. Derivative instruments	(f) 0	0
8. Other invested assets	0	0
9. Aggregate write-ins for investment income	0	0
10. Total gross investment income	89,964,219	91,286,396
11. Investment expenses		(g) 2,309,239
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 0
13. Interest expense		(h) 0
14. Depreciation on real estate and other invested assets		(i) 0
15. Aggregate write-ins for deductions from investment income		0
16. Total deductions (Lines 11 through 15)		2,309,239
17. Net investment income (Line 10 minus Line 16)		88,977,157
DETAILS OF WRITE-INS		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		0
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above)		0

(a) Includes \$ 3,159,297 accrual of discount less \$ 9,744,528 amortization of premium and less \$ 5,551,791 paid for accrued interest on purchases.
 (b) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued dividends on purchases.
 (c) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
 (d) Includes \$ 0 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.
 (e) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
 (f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.
 (g) Includes \$ 0 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
 (h) Includes \$ 0 interest on surplus notes and \$ 0 interest on capital notes.
 (i) Includes \$ 0 depreciation on real estate and \$ 0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	1,966,262	0	1,966,262	0	0
1.1 Bonds exempt from U.S. tax	16,614,145	(1,161)	16,612,984	0	0
1.2 Other bonds (unaffiliated)	12,012,709	(994,485)	11,018,224	(363,921)	(3,513,665)
1.3 Bonds of affiliates	0	0	0	0	0
2.1 Preferred stocks (unaffiliated)	0	0	0	0	0
2.11 Preferred stocks of affiliates	0	0	0	0	0
2.2 Common stocks (unaffiliated)	3,057,432	(2,989,549)	67,883	11,196,297	0
2.21 Common stocks of affiliates	0	0	0	0	0
3. Mortgage loans	0	0	0	0	0
4. Real estate	0	0	0	0	0
5. Contract loans	0	0	0	0	0
6. Cash, cash equivalents and short-term investments	416	3	420	0	(271,211)
7. Derivative instruments	0	0	0	0	0
8. Other invested assets	0	0	0	0	0
9. Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10. Total capital gains (losses)	33,650,965	(3,985,193)	29,665,772	10,832,376	(3,784,876)
DETAILS OF WRITE-INS					
0901.			0		
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	.0	.0	.0
2. Stocks (Schedule D):			
2.1 Preferred stocks .....	.0	.0	.0
2.2 Common stocks .....	.0	.0	.0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....	.0	.0	.0
3.2 Other than first liens .....	.0	.0	.0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....	.0	.0	.0
4.2 Properties held for the production of income.....	.0	.0	.0
4.3 Properties held for sale .....	.0	.0	.0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....	.0	.0	.0
6. Contract loans .....	.0	.0	.0
7. Derivatives (Schedule DB).....	.0	.0	.0
8. Other invested assets (Schedule BA) .....	.0	.0	.0
9. Receivables for securities .....	.0	.0	.0
10. Securities lending reinvested collateral assets (Schedule DL).....	.0	.0	.0
11. Aggregate write-ins for invested assets .....	.0	.0	.0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	.0	.0	.0
13. Title plants (for Title insurers only).....	.0	.0	.0
14. Investment income due and accrued .....	.0	.0	.0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	.0	.0	.0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	.0	.0	.0
15.3 Accrued retrospective premiums and contracts subject to redetermination .....	.0	.0	.0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....	.0	.0	.0
16.2 Funds held by or deposited with reinsured companies .....	.0	.0	.0
16.3 Other amounts receivable under reinsurance contracts .....	.0	.0	.0
17. Amounts receivable relating to uninsured plans .....	.0	.0	.0
18.1 Current federal and foreign income tax recoverable and interest thereon .....	.0	.0	.0
18.2 Net deferred tax asset.....	.0	.0	.0
19. Guaranty funds receivable or on deposit .....	.0	.0	.0
20. Electronic data processing equipment and software.....	.0	.0	.0
21. Furniture and equipment, including health care delivery assets.....	685,324	1,377,925	692,601
22. Net adjustment in assets and liabilities due to foreign exchange rates .....	.0	.0	.0
23. Receivables from parent, subsidiaries and affiliates .....	.0	.0	.0
24. Health care and other amounts receivable.....	.0	.0	.0
25. Aggregate write-ins for other-than-invested assets .....	.0	.0	.0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	685,324	1,377,925	692,601
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. Total (Lines 26 and 27)	685,324	1,377,925	692,601
DETAILS OF WRITE-INS			
1101. ....		.0	.0
1102. ....		.0	.0
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page .....	.0	.0	.0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0
2501. ....		.0	.0
2502. ....		.0	.0
2503. ....		.0	.0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	.0	.0	.0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0	0

NOTES TO FINANCIAL STATEMENTS

Organization and Background

Financial Guaranty Insurance Company (the “Company” or “FGIC”), a New York stock insurance corporation, is a wholly owned subsidiary of FGIC Corporation (“FGIC Corp.”), a Delaware corporation which emerged from a proceeding under Chapter 11 of the United States Bankruptcy Code on April 19, 2013.

FGIC previously issued financial guaranty insurance policies insuring public finance, structured finance and other obligations, but it is no longer engaged in the business of writing new insurance policies. FGIC operates in accordance with the terms and conditions set forth in the Rehabilitation Plan (defined below). FGIC’s primary regulator is the New York State Department of Financial Services (the “NYSDFS”). FGIC UK Limited (“FGIC UK”), a wholly owned United Kingdom insurance subsidiary of FGIC, previously issued financial guaranties covering public finance, structured finance and other obligations, but it is no longer engaged in the business of writing new financial guaranties. FGIC UK’s primary regulator is the UK Prudential Regulation Authority.

On June 28, 2012, the Supreme Court of the State of New York (the “Rehabilitation Court”) issued an order pursuant to Article 74 of the New York Insurance Law (the “NYIL”) placing FGIC in rehabilitation and appointing the Superintendent of Financial Services of the State of New York as FGIC’s rehabilitator.

On June 11, 2013, the Rehabilitation Court approved the First Amended Plan of Rehabilitation for FGIC, dated June 4, 2013, together with all exhibits and the plan supplement thereto (as the same may be amended from time to time, collectively, the “Rehabilitation Plan”) in an order issued pursuant to Article 74 of the NYIL. The Rehabilitation Plan became effective on August 19, 2013 (the “Effective Date”), whereupon FGIC’s rehabilitation proceeding terminated. By notice dated on the Effective Date, FGIC’s rehabilitator set the initial cash payment percentage (“CPP”) at 17%.

On the Effective Date, FGIC emerged from its rehabilitation proceeding as a solvent insurance company under the NYIL, with its policies restructured in a manner intended to ensure it remains solvent and the Rehabilitation Plan became the exclusive means for resolving and paying (i) all policy claims, whenever arising, (ii) all other claims arising during, or relating to, the period prior to the Effective Date and (iii) all equity interests in FGIC in existence as of the commencement date of FGIC’s rehabilitation proceeding (June 28, 2012), in each case other than claims (including policy claims) paid in full by FGIC prior to such date. Claims arising during or relating to the period on and after the Effective Date (other than policy claims) are not covered by the Rehabilitation Plan and will be resolved and paid by FGIC in the ordinary course of business.

As of the Effective Date, any and all policies in force as of the Effective Date (except for certain policies that were novated on that date) were automatically modified by the Rehabilitation Plan. The Rehabilitation Plan, including the restructured policy terms attached to the Rehabilitation Plan as Exhibit B (the “Restructured Policy Terms”), supersedes any and all provisions of each policy that are inconsistent with the Rehabilitation Plan. FGIC is responsible for administering, reviewing, verifying, reconciling, objecting to, compromising or otherwise resolving all claims (including policy claims) not resolved prior to the Effective Date, in each case in compliance with the Rehabilitation Plan and any applicable guidelines the NYSDFS has issued or may issue to carry out the purposes and effects of the Rehabilitation Plan (“NYSDFS Guidelines”).

With respect to any policy claim permitted by FGIC, pursuant to the Rehabilitation Plan and the applicable policy (as modified by the Rehabilitation Plan), FGIC is obligated to pay in cash to the applicable policy payee only an upfront amount equal to the product of the then-existing CPP and the amount of such permitted policy claim (subject to any setoff rights FGIC may have). The portion of such permitted policy claim not paid or deemed to be paid by FGIC generally comprises a deferred payment obligation (“DPO”) with respect to the applicable policy. The DPO with respect to any policy generally represents the aggregate amount of all permitted policy claims under such policy minus the aggregate amount paid, or deemed to be paid, in cash by FGIC with respect to such policy (other than DPO Accretion, defined below) from and after the Effective Date, subject to further adjustments as provided in the Rehabilitation Plan. From and

NOTES TO FINANCIAL STATEMENTS

after the Effective Date, each policy with an outstanding DPO accrues an amount (“DPO Accretion”) as described in Note 2, Significant Accounting Policies, under the sub-heading “Loss Reserves – DPO Accretion.” The DPO for any policy and any related DPO Accretion shall only be payable by FGIC when, if and to the extent provided in the Restructured Policy Terms and the Rehabilitation Plan. In the absence of an upward adjustment of the CPP, FGIC shall have no obligation to pay any portion of any DPO or DPO Accretion.

FGIC is required to re-evaluate the CPP (at least annually) pursuant to the procedures set forth in the Restructured Policy Terms to determine whether the CPP should remain the same or be adjusted upward or downward (each, a “CPP Revaluation”). All CPP Revaluations require review and approval by the board of directors of FGIC, and any change in the CPP (among other things) requires the approval of the NYSDFS. In October 2016, in connection with FGIC’s annual CPP Revaluation for 2016, the NYSDFS approved an upward adjustment to the CPP from 22% to 25%. In October 2015, in connection with FGIC’s annual CPP Revaluation for 2015, the NYSDFS approved an upward adjustment to the CPP from 21% to 22%.

The percentage of permitted policy claims that FGIC ultimately pays in cash in accordance with the Rehabilitation Plan, and the timing of any such payments, are subject to various factors and the outcome of future events, including the performance of FGIC’s insured and investment portfolios and the results of FGIC’s litigation and other loss mitigation efforts, and no assurance can be given with respect to the amount of any such percentage or the timing of any such payments. Based on the magnitude of FGIC’s accrued and projected policy claims, while the CPP may further increase over time, FGIC expects to make payments in cash pursuant to the Rehabilitation Plan of only a fractional portion of its permitted policy claims and it does not expect to make any payments pursuant to the Rehabilitation Plan with respect to non-policy claims or equity interests.

References to and descriptions of provisions of the Restructured Policy Terms, the Rehabilitation Plan (and related agreements) and orders of the Rehabilitation Court included in these financial statements are merely summaries thereof, and do not contain all information necessary to fully understand such provisions and orders. Please refer to the specific terms, requirements and conditions of the Restructured Policy Terms, the Rehabilitation Plan (and related agreements) and orders of the Rehabilitation Court for a full understanding thereof, which in all cases shall govern, rather than any summary description contained in these financial statements.

Note 1 - Summary of Significant Accounting Policies

A. Accounting Practices

Pursuant to the provisions of the Rehabilitation Plan, the NYSDFS has issued NYSDFS Guidelines that define certain accounting practices for FGIC for reporting periods ending on or after the Effective Date. In accordance with such NYSDFS Guidelines, for reporting periods ending on or after the Effective Date, FGIC records loss reserves at the applicable reporting date in an amount equal to the excess of (i) the amount of FGIC’s admitted assets minus FGIC’s minimum required statutory surplus to policyholders at the reporting date (the “Minimum Surplus Amount,” currently \$66.4 million) over (ii) the sum of FGIC’s statutory reserves excluding loss reserves (e.g., unearned premiums, contingency reserves, loss adjustment expense reserves) and other liabilities. In accordance with such NYSDFS Guidelines, the loss reserve amount comprises the total amount of (i) the sum, net of reinsurance, of (x) the total amount of all policy claims submitted to FGIC in accordance with the Rehabilitation Plan that are unpaid (excluding any portions of such policy claims that are being disputed by FGIC) and (y) the net present value of the total amount of all policy claims that the Company expects to receive in the future in accordance with the Rehabilitation Plan (using the prescribed statutory discount rate which is based on the average rate of return on FGIC’s admitted assets) (such sum is referred to as the “Claims Reserve”), (ii) the DPO for all policies at such reporting date and (iii) the DPO Accretion for all policies at such reporting date, minus an adjustment (the “Policy Revision Adjustment”) in an amount that will permit FGIC to report a surplus to policyholders at such reporting date equal to the Minimum Surplus Amount (See also Note 25, Changes in Incurred Losses and Loss Adjustment Expenses).

NOTES TO FINANCIAL STATEMENTS

A reconciliation of the Company’s net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of New York is shown below:

	SSAP #	F/S Page	F/S Line #	2016	2015
<u>NET INCOME</u>					
(1) Company state basis (Page 4, Line 20, Columns 1 & 2)	XXX	XXX	XXX	\$.....2,711,509	\$.....13,192,125
(2) State Prescribed Practices that increase/(decrease) NAIC SAP:			--
(3) State Permitted Practices that increase/(decrease) NAIC SAP:			--
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	<u>\$..... 2,711,509</u>	<u>\$..... 13,192,125</u>
<u>SURPLUS</u>					
(5) Company state basis (Page 3, Line 37, Columns 1 & 2)	XXX	XXX	XXX	\$...66,400,000	\$.....66,400,000
(6) State Prescribed Practices that increase/(decrease) NAIC SAP:			--
(7) State Permitted Practices that increase/(decrease) NAIC SAP:			--
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	<u>\$... 66,400,000</u>	<u>\$..... 66,400,000</u>

B. Use of Estimates in the Preparation of the Financial Statements

The accompanying financial statements of FGIC have been prepared in conformity with statutory accounting practices prescribed or permitted by the NYSDFS as well as those accounting practices detailed in NYSDFS Guidelines, as described above (“SAP”). The preparation of financial statements in conformity with SAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ from those estimates, and those differences could be material.

C. Accounting Policies

Investments

Investments are valued in accordance with the requirements of the National Association of Insurance Commissioners (“NAIC”). Bonds with an NAIC designation of 1 or 2 determined by the Securities Valuation Office are stated at amortized cost, with premiums and discounts amortized to net income using the effective interest method over the remaining term of the securities. Bonds with an NAIC designation of 3 through 6 determined by the Securities Valuation Office are stated at the lower of amortized cost or fair value.

Common stocks include shares of mutual funds that invest principally in common stocks. Common stocks (excluding investments in common stock of subsidiary, controlled and affiliated (“SCA”) entities are recorded at fair value. Changes in carrying values are recorded as changes in unrealized capital gains (losses), a component of surplus. Dividends are reported in net investment income.

Investments in common stock of SCA entities are recorded based on the audited underlying equity adjusted to a statutory basis to the extent admissible under Statement of Statutory Accounting Principles (“SSAP”) 97, *Investments in Subsidiary, Controlled, and Affiliated Entities, A Replacement of SSAP No. 88* and subject to applicable limitations under the NYIL. One such limit restricts the amount reported as investments in common stock of SCA entities to 50% of the Company’s statutory surplus to policyholders. The reporting entity cannot admit as an asset the investment in an SCA entity for which audited financial statements are not prepared. Changes in the values of SCA entities are recorded as unrealized gains or losses and reported as a component of unassigned deficit.

Short-term investments, including Class 1 NAIC money market securities, are stated at amortized cost, which approximates fair value. Realized gains and losses on the sale of investments are determined based on the specific identification method and are reflected in the determination of net income.

All single class and multi-class mortgage-backed/asset-backed securities are valued at amortized cost using the interest method, including anticipated prepayments. Prepayment assumptions are obtained from dealer surveys or internal estimates and are based on the current interest rate and economic environment. All such securities are adjusted for the effects of changes in prepayment assumptions on the related accretion of discount or amortization of premium of such securities using the retrospective method.

NOTES TO FINANCIAL STATEMENTS

Other-Than-Temporary Impairments

For all investments in bonds and loan-backed and structured securities acquired prior to October 1, 2015, a decline in the fair value of any such security below its cost basis as of a reporting date is automatically treated as an other-than-temporary impairment (“OTTI”).

FGIC conducts an impairment review no less than quarterly for all investments in bonds and loan-backed and structured securities acquired on or after October 1, 2015, and for all investments in common stocks, in each case which have fair values lower than their respective cost bases as of the review date. The analysis of a security’s decline in value is performed at the lot level. FGIC first determines whether it intends to sell the security. For loan-backed and structured securities, FGIC also determines whether it is more likely than not that it will be unable to hold the security for a period of time to recover its amortized cost basis. The impairment for any security that FGIC determines it intends to sell or, in the case of loan-backed and structured securities, it is more likely than not that it will be unable to hold for a period of time to recover its amortized cost basis, is considered to be an OTTI.

For bonds and common stocks that FGIC does not intend to sell, FGIC conducts a quantitative and qualitative impairment review that requires management to make numerous judgments, estimates and assumptions concerning relevant factors, such as (i) the magnitude and duration of the impairment, and (ii) possible explanations for the impairment (e.g., general interest rate, credit spread, market index movements; issuer-specific developments such as material negative credit events (e.g., actual or threatened bankruptcy or similar proceedings or debt restructurings); and security-specific developments such as existing or projected monetary and material non-monetary defaults and credit rating downgrades). Based on this review, FGIC determines whether the decline in fair value for any such security is temporary or an OTTI, with the decline in fair value for any such security that does not satisfy the specified quantitative or qualitative criteria treated as temporary.

If the decline in fair value for any bond is determined to be temporary, an unrealized loss is not recorded. If the decline in fair value for any common stock is determined to be temporary, FGIC records it as an unrealized loss as common stocks are recorded at fair value. If the decline in fair value for any bond or common stock is treated as or determined to be an OTTI, the carrying value of such security is reduced to fair value as of the reporting date, establishing a new cost basis, with a charge to realized loss at the reporting date. Such realized losses are recorded through income and the new cost basis is not adjusted for subsequent recoveries in fair value. Amortization of any premium or discount from the date bonds are written down is based on the new cost basis.

For loan-backed and structured securities (e.g., asset-backed and mortgage-backed securities) that the Company does not intend to sell and has not determined that it is unable to hold until recovery of their amortized cost bases, the Company estimates the cash flows expected to be collected over the term of each security as of the review date and calculates the present value of those expected cash flows using a discount rate equal to the original effective yield of the security, or in the case of floating rate securities, the then-current coupon. If the present value of future expected cash flows is less than the amortized cost basis of the security, the carrying value of such security is reduced to such present value as of the reporting date, establishing a new cost basis, with a charge to realized loss at such date for the entire reduction. Such realized losses are recorded through income and the new cost basis is not adjusted for subsequent recoveries in fair value. Amortization of premium or discount, as applicable, from the date the securities are written down is based on the new cost basis.

Fair Value Measurements

The Company discloses the fair value of its investments in bonds, common stocks, other invested assets, short-term investments and other financial instruments in accordance with SSAP 100, *Fair Value Measurements* (“SSAP 100”), which requires the use of a fair value hierarchy with the highest priority given to quoted prices in active markets. The general disclosure requirements are for those items measured and reported at fair value in the balance sheet. Securities that are reported at amortized cost, but for which amortized cost equals fair value (such as a bond with a recognized OTTI on the reporting date) would not be included in the disclosures. SSAP 100 also

NOTES TO FINANCIAL STATEMENTS

requires certain disclosures of fair value measurements and valuation techniques, where practicable to determine, for financial instruments not carried at fair value in the balance sheet. SSAP 100 does not require companies to distinguish between recurring and non-recurring fair value measurements.

Cash and Cash Equivalents

The Company considers all bank deposits and all certificates of deposit with maturities of three months or less at the date of purchase to be cash equivalents. Cash equivalents are carried at cost, which approximates fair value. In the event that a highly liquid security is determined to be impaired, the security is adjusted to fair value in accordance with NAIC regulations.

Other Invested Assets

Other invested assets include FGIC-insured securities purchased by FGIC and securities or other non-cash assets received or recovered by FGIC in connection with its loss mitigation efforts. In November 2016, FGIC sold its remaining ResCap Liquidating Trust units, which had been included in other invested assets.

For FGIC-insured securities purchased in connection with loss mitigation efforts, the value of the security comprises two components: (i) the portion representing the value of FGIC's insurance (the "Insurance Portion") and (ii) the remaining portion representing the value of the security without giving credit for FGIC's insurance (the "Non-Insurance Portion"). For each security, the Company estimates the value of the Insurance Portion using internally developed formulas, with the remainder of the value being the Non-Insurance Portion. The Insurance Portion is included in losses incurred and is deducted from the amortized cost and fair value of these FGIC-insured securities at the time of purchase and at each reporting date, respectively. For each FGIC-insured security purchased in connection with loss mitigation efforts, FGIC reduces the related Claims Reserve at each reporting date on a pro rata basis for the ratable portion of the securities purchased by FGIC. The reduction in Claims Reserves is also included in losses incurred.

The remaining Non-Insurance Portion of each purchased security is classified as other invested assets in the balance sheet and is subject to impairment analysis at each subsequent balance sheet date. Realized gains or losses and OTTI on the Non-Insurance Portion of these securities are recorded in other income. The amortized cost and fair value of these securities are shown excluding the Insurance Portion. Under SAP, these securities are carried at the lower of amortized cost or fair value as these securities have an NAIC designation of 3 through 6.

For securities or other non-cash assets received or recovered by FGIC in connection with its loss mitigation efforts, FGIC records the asset at the lower of cost or fair value at acquisition. FGIC generally does not consider the payment of claims to be included in the determination of the cost basis of assets received or recovered in connection with such claims. Realized gains or losses and OTTI on these assets are recorded in other income. These assets are carried at the lower of amortized cost or fair value.

Premium Revenue Recognition

Premiums collected in a single payment at policy inception are earned in proportion to the scheduled principal and interest payments over the legal lives of the insured bonds. Premiums collected periodically are reflected in income pro rata over the period covered by the premium payment. The liability for unearned premiums is reflected net of reinsurance. When an obligation insured by the Company is refunded prior to the end of the expected policy coverage period, any remaining unearned premium is recognized at that time. A refunding occurs when an insured obligation is repaid or retired in full or legally defeased. Net premiums earned on refundings were \$6.7 million and \$20.3 million for the years ended December 31, 2016 and 2015, respectively.

NOTES TO FINANCIAL STATEMENTS

Non-admitted Assets

Certain assets are charged directly against surplus. Such assets principally include property and equipment. The Company recorded non-admitted assets of \$0.7 million and \$1.4 million as of December 31, 2016 and 2015, respectively.

Loss Reserves

Loss reserves comprise the total amount of (i) the Claims Reserve, (ii) the DPO for all policies and (iii) the DPO Accretion for all policies, *minus* the Policy Revision Adjustment. The Policy Revision Adjustment is prescribed by NYSDFS Guidelines and reflects the reduction in the loss reserve components necessary to reflect a Minimum Surplus Amount of \$66.4 million (See “NYSDFS Guidelines” above). Under GAAP, unpaid losses are reported on a gross basis (i.e., before reinsurance), and are discounted based on the risk-free rate for the anticipated shortfall in excess of the related unearned premium revenue, and the Policy Revision Adjustment is not recognized. The Company’s loss expenses are disclosed in Note 25, Changes in Loss And Loss Adjustment Expenses.

Claims Reserve

The Claims Reserve is calculated on a policy-by-policy basis, net of reinsurance, as of the reporting date. The Claims Reserve is adjusted to reflect the Company’s potential obligations in respect of reimbursements received, as well as the projected reimbursements the Company expects to receive in the future, in each case determined as of the reporting date. For each FGIC-insured security purchased (or for which FGIC has effectively stripped its insurance) in connection with loss mitigation efforts, FGIC reduces the related Claims Reserve at each reporting date on a pro rata basis for the ratable portion of the securities purchased (or stripped) by FGIC. The reduction in Claims Reserves is also included in losses incurred. Permitted policy claims that have been paid (or deemed paid) by FGIC in accordance with the Rehabilitation Plan are not included in the Claims Reserve; the portions of such claims not paid or deemed paid in cash, however, are reflected in the DPO balance.

The net present value of the total amount of all policy claims the Company expects to receive in the future is determined for each policy using internally developed cash flow projections or other methods for estimating losses and represents an estimate of the anticipated shortfall between (1) the insured payments of principal and interest due on the insured obligations and (2) the insured payments of principal and interest due on the insured obligations that are anticipated to be made by the issuer or other obligor of the insured obligations, including payments from the projected cash flows from, and proceeds to be received on, any collateral or other security supporting the insured obligation and/or other anticipated recoveries and/or premiums expected to be earned and/or collected in the future.

DPO

When FGIC pays (or is deemed to have paid) in cash the CPP of a permitted policy claim, the remaining unpaid balance of such permitted policy claim is added to the DPO under the related policy.

If, as a result of any CPP Revaluation, the CPP is adjusted upward, FGIC is obligated to pay the applicable policy payee in respect of the DPO under each policy an amount, determined in accordance with the Rehabilitation Plan, to true up the amounts of cash previously paid (or deemed to have been paid) by FGIC in respect of permitted policy claims paid at the prior CPP, which payment will generally reduce the DPO by an equal amount.

DPO Accretion

Under the Restructured Policy Terms, each policy with an outstanding DPO accrues DPO Accretion in accordance with the Rehabilitation Plan based on such DPO at a rate of 3% per annum (on a daily basis on the basis of a 365-day year). DPO Accretion is calculated using the DPO with respect to the applicable policy as of the preceding June 30 or, with respect to the first year in which there is a DPO under such policy and until the next June 30, the first day on or

NOTES TO FINANCIAL STATEMENTS

after the Effective Date on which the DPO exists (the “First Payment Date”). DPO Accretion for any policy with a DPO commences on the First Payment Date for such policy and continues until such time (if ever) as the DPO for such policy is permanently reduced to zero. All DPO Accretion is calculated on a simple basis rather than a compound basis (i.e., no DPO Accretion accretes based on accumulated DPO Accretion). No DPO Accretion is added to a DPO, but is recorded separately. If, as a result of any CPP Revaluation, the CPP is adjusted upward, FGIC will pay in cash to the applicable policy payee a portion of the DPO Accretion under each policy having a DPO in an amount determined in accordance with the Rehabilitation Plan, which will reduce the DPO Accretion balance. With respect to policies that have permitted policy claims with distribution or scheduled payment dates on or prior to August 19, 2013 (the Effective Date) that have been paid by FGIC, the DPO relating to such policy claims is deemed for purposes of DPO Accretion to exist as of August 19, 2013, and DPO Accretion accrues from and after that date.

Loss Adjustment Expense Reserve

A reserve for loss adjustment expense is recorded as a liability on the balance sheet. The loss adjustment expense reserve represents management’s best estimate of the ultimate future net cost, determined using internally developed estimates, of the efforts involved in managing and mitigating existing and future policy claims. Such loss adjustment expense reserve is not subject to a Policy Revision Adjustment. The Company’s loss adjustment expense reserve is disclosed in Note 25, Changes in Incurred Losses and Loss Adjustment Expenses.

Contingency Reserves

Contingency reserves are computed on the basis of statutory requirements for the security of all policyholders, regardless of whether loss contingencies actually exist. The Company establishes contingency reserves in accordance with the NYIL, which is consistent with the requirements of SSAP 60, *Financial Guaranty Insurance*. Changes in the contingency reserve are charged directly to surplus.

During 2016 and 2015, the Company was granted permission by the NYSDFS to decrease contingency reserves by \$30.9 million and \$28.5 million, respectively.

Federal Income Taxes

Deferred tax assets and liabilities are recognized to reflect the tax impact attributable to temporary differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases.

Deferred tax assets and liabilities are measured using statutory tax rates expected to apply to taxable income in the years in which temporary differences are expected to be recovered or settled and are recorded as a component of surplus. A valuation allowance is established for deferred tax assets that are not expected to be realized. A net deferred tax asset is subject to limitations and may be non-admitted.

Reinsurance

A liability is recorded for uncollateralized amounts due from unauthorized reinsurers. Changes in this liability are charged or credited directly to unassigned surplus. Amounts due from unauthorized reinsurers that are secured by letters of credit or trust agreements are not included in this liability.

Ceded loss reserves are calculated as reductions of the related gross claims reserves. Prospective ceded losses are accounted for on a basis consistent with that used in accounting for the original policies issued, the terms of the reinsurance contracts, and the terms of the Rehabilitation Plan, which provides that payments are due in full from reinsurers with respect to any permitted policy claims covered by the reinsurance without regard to (i) the timing or amount of any cash payment made by FGIC on the underlying claims, (ii) the modification pursuant to the Rehabilitation Plan of FGIC’s obligations to pay such permitted policy claims in cash or (iii) any language in the applicable reinsurance agreements that would contradict this result. The net

NOTES TO FINANCIAL STATEMENTS

claims reserve amount is reduced to give effect to such reinsurance. Ceded loss adjustment expense reserves and unearned premiums ceded to reinsurers have been reported as reductions of the related reserves. Prospective reinsurance premiums and loss adjustment expenses are accounted for on bases consistent with those used in accounting for the original policies issued and the terms of the reinsurance contracts.

Foreign Currency Translation

The Company had foreign branches in the United Kingdom and France that were deregistered in 2016. The Company had determined that, prior to deregistration, these branches were foreign operations with transactions in their respective local currencies, which were their functional currencies. Once deregistered, the assets and liabilities were included in FGIC's operations with the U.S. dollar as functional currency. The assets and liabilities of each of the branches as of December 31, 2015 were translated into U.S. dollars at the applicable exchange rate existing at that balance sheet date, and the associated revenues and expenses for the year ended December 31, 2015 were translated into U.S. dollars at the applicable weighted average exchange rate for the period. These foreign exchange gains or losses were recorded as unrealized capital gains (losses) within capital and surplus.

Statements of Cash Flow

Cash, cash equivalents, and short-term investments in the statements of cash flow represent cash balances and investments with initial maturities of one year or less.

Note 2 – Accounting Changes and Correction of Errors

Certain 2015 amounts in the Company's statutory-basis financial statements have been reclassified to conform to the 2016 statutory-basis financial statement presentation.

There were no changes in accounting principles and or correction of errors during 2016 and 2015.

Note 3 – Business Combinations and Goodwill

- A. Statutory Purchase Method – None
- B. Statutory Merger – None
- C. Impairment Loss - None

Note 4 – Discontinued Operations

None

Note 5 – Investments

- A. Mortgage Loans, including Mezzanine Real Estate Loans – None
- B. Debt Restructuring – None
- C. Reverse Mortgages – None
- D. Loan-Backed Securities

(1) Prepayment assumptions for mortgage-backed/loan-backed and structured securities are obtained from dealer surveys or internal estimates and are based on the current interest rate and economic environment.

NOTES TO FINANCIAL STATEMENTS

(2) The following summarizes those securities held at December 31, 2016 for which OTTI was recorded during the year ended December 31, 2016:

Amortized Cost Basis Before Other-than- Temporary Investments	Other-than-Temporary Impairment Recognized in Loss	Fair Value (1 - 2)
---	---	-----------------------

OTTI recognized 1st Quarter

a. Intent to sell	\$.....-	\$.....-	\$.....-
b. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	\$.....-	\$.....-	\$.....-
c. Total 1 st Quarter	\$.....-	\$.....-	\$.....-

OTTI recognized 2nd Quarter

d. Intent to sell	\$.....-	\$.....-	\$.....-
e. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	\$.....-	\$.....-	\$.....-
f. Total 2 nd Quarter	\$.....-	\$.....-	\$.....-

OTTI recognized 3rd Quarter

g. Intent to sell	\$.....-	\$.....-	\$.....-
h. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	\$.....-	\$.....-	\$.....-
i. Total 3 rd Quarter	\$.....-	\$.....-	\$.....-

OTTI recognized 4th Quarter

j. Intent to sell	\$.....17,487,115	\$.....60,920	\$.....17,441,548
k. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	\$.....-	\$.....-	\$.....-
l. Total 4 th Quarter	\$.....17,487,115	\$.....60,920	\$.....17,441,548

l. Annual Aggregate Total

\$.....60,920

(3)

1 CUSIP	2 Book/Adjusted Carrying Value Amortized Cost Before Current Period OTTI	3 Present Value of Projected Cash Flows	4 Recognized Other- Than-Temporary Impairment	5 Amortized Cost After Other-Than- Temporary Impairment	6 Fair Value at time of OTTI	7 Date of Financial Statement Where Reported
3128M8U85	\$ 8,396,435	\$ 8,367,072	\$ 29,363	\$ 8,367,072	\$ 8,376,504	12/31/2016
3138AFXA3	5,901,428	5,886,884	14,544	5,886,884	5,892,810	12/31/2016
31419AX77	1,240,333	1,233,599	6,734	1,233,599	1,233,597	12/31/2016
3138EGZZ0	1,948,919	1,938,640	10,279	1,938,640	1,938,637	12/31/2016
Total	XXX	XXX	\$ 60,920	XXX	XXX	XXX

NOTES TO FINANCIAL STATEMENTS

(4)

a. The aggregate amount of unrealized losses:		
	1. Less than 12 months	\$ 5,375,968
	2. 12 months or longer	–
b. The aggregate related fair value of securities with unrealized losses:		
	1. Less than 12 months	\$ 148,598,790
	2. 12 months or longer	–

(5) For all investments in loan-backed and structured securities (e.g., asset-backed and mortgage-backed securities) acquired prior to October 1, 2015, a decline in the fair value of any such security below its cost basis as of a reporting date is automatically treated as an other-than-temporary impairment (“OTTI”).

FGIC conducts an impairment review no less than quarterly for all investments in loan-backed and structured securities acquired on or after October 1, 2015 which have fair values lower than their respective cost bases as of the review date. The analysis of a security’s decline in value is performed at the lot level. FGIC first determines whether it intends to sell the security or whether it is more likely than not that it will be unable to hold the security for a period of time to recover its amortized cost basis. The impairment for any security that FGIC determines it intends to sell or, in the case of loan-backed and structured securities, it is more likely than not that it will be unable to hold for a period of time to recover its amortized cost basis, is considered to be an OTTI.

For loan-backed and structured securities that the Company does not intend to sell and has not determined that it is unable to hold until recovery of their amortized cost bases, the Company estimates the cash flows expected to be collected over the term of each security as of the review date and calculates the present value of those expected cash flows using a discount rate equal to the original effective yield of the security, or in the case of floating rate securities, the then-current coupon. If the present value of future expected cash flows is less than the amortized cost basis of the security, the carrying value of such security is reduced to such present value as of the reporting date, establishing a new cost basis, with a charge to realized loss at such date for the entire reduction. Such realized losses are recorded through income and the new cost basis is not adjusted for subsequent recoveries in fair value. Amortization of premium or discount, as applicable, from the date the securities are written down is based on the new cost basis.

E. Repurchase Agreements and/ or Securities Lending Transactions – None

F. Real Estate – None

G. Investments in low-income housing tax credits (LIHTC) – None

NOTES TO FINANCIAL STATEMENTS

H. Restricted Assets

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted							Current Year			
	Current Year					6	7	8	9	Percentage	
	1	2	3	4	5					10	11
	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Nonadmitted Restricted	Total Admitted Restricted (5 minus 8)	Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	Admitted Restricted to Total Admitted Assets (d)
j. On deposit with states	\$.....4,198,515	\$.....-	\$.....-	\$.....-	\$.....4,198,515	\$.....2,919,917	\$.....1,278,598	\$.....-	\$.....4,198,515	0.2%	0.2%
k. On deposit with other regulatory bodies	\$.....520,366	\$.....-	\$.....-	\$.....-	\$.....520,366	\$.....2,140,992	\$.....(1,620,626)	\$.....-	\$.....520,366	0.0%	0.0%
o. Total Restricted Assets	\$.....4,718,881	\$.....-	\$.....-	\$.....-	\$.....4,718,881	\$.....5,060,909	\$.....(342,028)	\$.....-	\$.....4,718,881	0.2%	0.2%

(a) Subset of column 1

I. Working Capital Finance Investments – None

J. Offsetting and Netting of Assets and Liabilities – None

K. Structured Notes – None

L. 5* Securities – None

The amortized cost and fair value of admitted investments in bonds, other invested assets and short-term investments are as follows:

	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Fair Value
December 31, 2016				
Obligations of states and political subdivisions	\$ 606,448,536	\$ 34,561,713	\$ (2,703,334)	\$ 638,306,915
Asset-backed and mortgage-backed securities	266,965,603	3,252,230	(5,375,968)	264,841,865
U.S. Treasury securities and obligations of U.S. Government corporations and agencies	235,854,270	6,657,971	(13,128,413)	229,383,828
Debt securities issued by foreign governments	-	-	-	-
Corporate	1,019,444,592	33,162,787	(5,597,435)	1,047,009,944
Total bonds	2,128,713,001	77,634,702	(26,805,150)	2,179,542,553
Common Stock	118,453,608	12,663,373	(8,162)	131,108,819
Other invested assets	20,704,691	52,037,867	-	72,742,558
Short-term investments	79,779,765	-	-	79,779,765
Total	\$ 2,347,651,065	\$ 142,335,941	\$ (26,813,312)	\$ 2,463,173,694
December 31, 2015				
Obligations of states and political subdivisions	\$ 804,454,621	\$ 52,947,459	\$ (556,889)	\$ 856,845,191
Asset-backed and mortgage-backed securities	391,435,891	11,456,100	(278,460)	402,613,531
U.S. Treasury securities and obligations of U.S. Government corporations and agencies	94,246,522	8,302,299	-	102,548,821
Debt securities issued by foreign governments	19,480,971	703,664	-	20,184,635
Corporate	836,679,362	13,197,770	(2,875,028)	847,002,104
Total bonds	2,146,297,367	86,607,292	(3,710,377)	2,229,194,282
Common stocks	55,814,318	1,862,979	(404,074)	57,273,223
Other invested assets	16,243,715	84,694,512	-	100,938,227
Short-term investments	75,278,464	-	-	75,278,464
Total	\$ 2,293,633,864	\$ 173,164,783	\$ (4,114,451)	\$ 2,462,684,196

NOTES TO FINANCIAL STATEMENTS

The Company has recorded OTTI of \$1.0 million and \$17.1 million on certain bonds for the years ended December 31, 2016 and 2015, respectively. The Company has recorded OTTI of \$3.0 million and \$1.4 million on common stocks for the years ended December 31, 2016 and 2015, respectively. OTTI is included in “Net realized capital gains or losses net of tax” in the statutory-basis statements of operations and represents the difference between the cost bases of these securities and their fair values at the reporting date.

The amortized cost and fair value of investments in bonds (including asset-backed and mortgage-backed securities) at December 31, 2016, by contractual maturity date, are shown below. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	<u>Amortized Cost</u>	<u>Fair Value</u>
Due in one year	\$ 29,906,725	\$ 30,277,032
Due after one through five years	174,392,154	178,623,456
Due after five years through ten years	534,009,417	550,788,458
Due after ten years	1,123,439,102	1,155,011,742
Asset-backed and mortgage-backed securities	266,965,603	264,841,865
Total	<u>\$ 2,128,713,001</u>	<u>\$ 2,179,542,553</u>

As of December 31, 2016, the Company did not have more than 5% of its investment portfolio concentrated in a single issuer or industry other than obligations of the U.S. government or U.S. government agencies and Money Market Fund(s).

Net investment income of the Company was derived from the following sources:

	<u>Year Ended December 31,</u>	
	<u>2016</u>	<u>2015</u>
Income from bonds	\$ 88,498,428	\$ 79,606,178
Income from common stocks	2,369,197	618,765
Income from cash, cash equivalents and short-term investments	418,771	238,049
Total investment income	<u>91,286,396</u>	<u>80,462,992</u>
Investment expenses	<u>(2,309,239)</u>	<u>(2,109,209)</u>
Net investment income	<u>\$ 88,977,157</u>	<u>\$ 78,353,783</u>

For the years ended December 31, 2016 and 2015, proceeds from dispositions of investments in bonds carried at amortized cost were \$798.4 million and \$552.5 million, respectively. For the years ended December 31, 2016 and 2015, gross realized gains of \$33.6 million and \$13.8 million, respectively, were realized on such dispositions. For the years ended December 31, 2016 and 2015, gross realized losses of \$3.0 million and \$0.1 million, respectively, were realized on such dispositions. For the years ended December 31, 2016 and 2015, respectively, proceeds from dispositions of investments in common stock were \$37.3 million and \$7.1 million, respectively. Gross realized gains on such dispositions were \$3.8 million and \$0.3 million for the years ended December 31, 2016 and 2015, respectively. Gross realized losses on such dispositions were \$0.7 million and \$0.4 million, respectively, for the years ended December 31, 2016 and 2015. Included in realized gains for the years ended December 31, 2016 and 2015 is \$0.0 million and \$1.6 million, respectively, in distributions from previously impaired securities.

The carrying values of the Company’s investment in the common stock of SCA entities were \$33.2 million as of both December 31, 2016 and 2015. Included in the change in net unrealized gains or losses for the years ended December 31, 2016 and 2015 were gains of \$0.0 million and \$8.4 million, respectively, related to the change in carrying values of the Company’s investments in SCA entities.

Other income for the year ended December 31, 2016 includes \$42.5 million of realized gains from the sale by FGIC in November 2016 of all remaining units in the ResCap Liquidating Trust held by FGIC. No units in the ResCap Liquidating Trust were sold by FGIC during the year ended December 31, 2015. Other income for the years ended December 31, 2016 and 2015

NOTES TO FINANCIAL STATEMENTS

includes \$0.0 million and \$8.5 million, respectively, of distributions received on the units in the ResCap Liquidating Trust.

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

- A. The Company has no investments in Joint Ventures, Partnerships and Limited Liability Companies that exceed 10% of its admitted assets.
- B. There were no impairment write downs of investments in Joint Ventures, Partnerships and Limited Liability Companies due to impairments during 2016 and 2015.

Note 7 – Investment Income

All investment income due and accrued was admitted at December 31, 2016 and 2015.

Note 8 – Derivative Investments

During the years ended December 31, 2016 and 2015, the Company did not enter into any derivative contracts and there were no derivative contracts outstanding as of December 31, 2016 and 2015.

NOTES TO FINANCIAL STATEMENTS

Note 9 - Income Taxes

A. The following table presents the total of deferred tax assets and liabilities by tax character:

				12/31/2016			
				(1)	(2)	(3)	
				Ordinary	Capital	(Col 1+2) Total	
(a)	Gross Deferred Tax Assets	\$.....	1,091,968,817	\$.....	17,377,253	\$.....	1,109,346,070
(b)	Statutory Valuation Allowance Ajustments	\$.....	771,386,339	\$.....	13,141,819	\$.....	784,528,158
(c)	Adjusted Gross Deferred Assets						
	(1a - 1b)	\$.....	320,582,478	\$.....	4,235,434	\$.....	324,817,912
(d)	Deferred Tax Assets Nonadmitted	\$.....	-	\$.....	-	\$.....	-
(e)	Subtotal Net Admitted Deferred Tax Asset						
	(1c - 1d)	\$.....	320,582,478	\$.....	4,235,434	\$.....	324,817,912
(f)	Deferred Tax Liabilities	\$.....	320,582,478	\$.....	4,235,434	\$.....	324,817,912
(g)	Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability)						
	(1e - 1f)	\$.....	-	\$.....	-	\$.....	-

				12/31/2015			
				(4)	(5)	(6)	
				Ordinary	Capital	(Col 1+2) Total	
(a)	Gross Deferred Tax Assets	\$.....	1,125,409,978	\$.....	28,401,539	\$.....	1,153,811,517
(b)	Statutory Valuation Allowance Ajustments	\$.....	756,502,122	\$.....	27,775,743	\$.....	784,277,865
(c)	Adjusted Gross Deferred Assets						
	(1a - 1b)	\$.....	368,907,856	\$.....	625,796	\$.....	369,533,652
(d)	Deferred Tax Assets Nonadmitted	\$.....	-	\$.....	-	\$.....	-
(e)	Subtotal Net Admitted Deferred Tax Asset						
	(1c - 1d)	\$.....	368,907,856	\$.....	625,796	\$.....	369,533,652
(f)	Deferred Tax Liabilities	\$.....	368,907,856	\$.....	625,796	\$.....	369,533,652
(g)	Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability)						
	(1e - 1f)	\$.....	-	\$.....	-	\$.....	-

				Change			
				(7)	(8)	(9)	
				Ordinary	Capital	(Col 1+2) Total	
(a)	Gross Deferred Tax Assets	\$.....	(33,441,161)	\$.....	(11,024,286)	\$.....	(44,465,447)
(b)	Statutory Valuation Allowance Ajustments	\$.....	14,884,217	\$.....	(14,633,924)	\$.....	250,293
(c)	Adjusted Gross Deferred Assets						
	(1a - 1b)	\$.....	(48,325,378)	\$.....	3,609,638	\$.....	(44,715,740)
(d)	Deferred Tax Assets Nonadmitted	\$.....	-	\$.....	-	\$.....	-
(e)	Subtotal Net Admitted Deferred Tax Asset						
	(1c - 1d)	\$.....	(48,325,378)	\$.....	3,609,638	\$.....	(44,715,740)
(f)	Deferred Tax Liabilities	\$.....	(48,325,378)	\$.....	3,609,638	\$.....	(44,715,740)
(g)	Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability)						
	(1e - 1f)	\$.....	-	\$.....	-	\$.....	-

In accordance with SSAP 101, *Income Taxes, A Replacement of SSAP No. 10R and SSAP No. 10* (“SSAP 101”), the Company evaluates its deferred income tax asset to determine if valuation allowances are required. SSAP 101 requires that companies assess whether valuation allowances should be established based on the consideration of all available evidence using a “more likely than not” standard. In making such judgments, significant weight is given to evidence that can be objectively verified. Management believes it is more likely than not that the amortization of the net unearned premium reserve, collection of future installment premiums on contracts already written, and income from the investment portfolio will not generate sufficient taxable income to realize the entire deferred tax asset that currently exists. Accordingly, a full valuation allowance was established against the Company’s domestic net deferred tax asset of \$784.5 million as of December 31, 2016. The Company will continue to analyze the need for a valuation allowance on a quarterly basis. The Company’s tax returns are subject to routine audits by the Internal Revenue Service and other taxing authorities. On June 6, 2016, the Internal Revenue Service

NOTES TO FINANCIAL STATEMENTS

notified the Company that it had concluded its audit of the 2012 and 2013 tax years with no changes to taxable income.

B. None

C. Current income taxes incurred consist of the following major components:

1. Current Income Tax		December 31, 2016	December 31, 2015	Change
(a) Federal	\$	(4,663,215)	\$..... 7,356,723	\$(12,019,938)
(b) Foreign	\$.....	147,441	\$..... 276,744	\$ (129,303)
(c) Subtotal	\$.....	(4,515,774)	\$..... 7,633,467	\$..... (12,149,241)
(d) Federal income tax on net capital gains	\$.....	5,993,154	\$.....(655,149)	\$.....6,598,303
(e) Utilization of capital loss carry-forwards	\$.....	-	\$.....-	\$.....-
(f) Other	\$.....	-	\$.....-	\$.....-
(g) Federal and foreign income taxes incurred	\$.....	1,417,380	\$..... 6,968,318	\$.....(5,550,938)

The change in net deferred income taxes is composed of the following:

	Year Ended 2016	December 31, 2015	Change
Current:			
Total adjusted gross deferred assets	\$ 324,817,912	\$ 369,533,652	\$ (44,715,740)
Total adjusted gross deferred liabilities	(324,817,912)	(369,533,652)	44,715,740
Federal and foreign income tax expense	\$ -	\$ -	\$ -
Less: tax effect of unrealized gains			(3,609,638)
Change in net deferred tax			<u>\$ (3,609,638)</u>

NOTES TO FINANCIAL STATEMENTS

The tax effects of temporary differences that give rise to significant portions of the net deferred tax asset at December 31, 2015 and 2014 are presented below by tax component:

2. Deferred Tax Assets:	December 31, 2016	December 31, 2015	Change
(a) Ordinary			
(1) Discounting of unpaid losses	\$0	\$ 0	\$0
(2) Unearned premium reserve	\$1,675,673	\$ 2,046,630	\$ (370,957)
(3) Policyholder reserves	\$0	\$ 0	\$0
(4) Investments	\$0	\$ 0	\$0
(5) Deferred acquisition costs	\$0	\$ 0	\$0
(6) Policyholder dividends accrual	\$0	\$ 0	\$0
(7) Fixed assets	\$0	\$ 0	\$0
(8) Compensation and benefits accrual	\$4,961,121	\$ 3,289,760	\$ 1,671,361
(9) Pension accrual	\$0	\$ 0	\$0
(10) Receivables - nonadmitted	\$0	\$ 0	\$0
(11) Net operating loss carry-forward	\$... 1,054,320,503	\$... 1,708,964,764	\$ (24,644,261)
(12) Tax credit carry-forward	\$931,901	\$ 618,279	\$ 313,622
(13) Other (including items <5% of total ordinary tax assets)	\$30,079,619	\$ 40,490,545	\$ (10,410,926)
(99) Subtotal	\$... 1,091,968,817	\$... 1,125,409,978	\$ (33,441,161)
(b) Statutory valuation allowance adjustment	\$ 771,386,339	\$ 756,502,122	\$ 14,884,217
(c) Nonadmitted	\$0	\$ 0	\$0
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	\$ 320,582,478	\$ 368,907,856	\$ (48,325,378)
(e) Capital:			
(1) Investments	\$17,377,253	\$ 28,401,539	\$ (11,024,286)
(2) Net capital loss carry-forward	\$ -	\$ -	\$ -
(3) Real estate	\$ -	\$ -	\$ -
(4) Other (including items <5% of total capital tax assets)	\$ -	\$ -	\$ -
(99) Subtotal	\$17,377,253	\$ 28,401,539	\$ (11,024,286)
(f) Statutory valuation allowance adjustment	\$ 13,141,819	\$ 27,775,743	\$.. (14,633,924)
(g) Nonadmitted	\$ -	\$ -	\$ -
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	\$4,235,434	\$ 625,796	\$ 3,609,638
(i) Admitted deferred tax assets (2d + 2h)	\$ 324,817,912	\$ 369,553,652	\$ (44,715,740)
3. Deferred Tax Liabilities:			
(a) Ordinary			
(1) Investments	\$1,906,978	\$ 2,135,963	\$ (228,985)
(2) Fixed assets	\$838,577	\$ 850,711	\$ (12,134)
(3) Deferred and uncollected premium	\$0	\$ 0	\$0
(4) Policyholder reserves	\$0	\$ 0	\$0
(5) Other (including items <5% of total ordinary tax liabilities)	\$317,836,923	\$ 365,921,182	\$ (48,084,259)
(99) Subtotal	\$ 320,582,478	\$ 368,907,856	\$ (48,325,378)
(b) Capital:			
(1) Investments	\$115,259	\$ 115,259	\$0
(2) Real estate	\$0	\$ 0	\$0
(3) Other (including items <5% of total capital tax liabilities)	\$4,120,175	\$ 510,537	\$ 3,609,638
(99) Subtotal	\$4,235,434	\$ 625,796	\$ 3,609,638
(c) Deferred tax liabilities (3a99 + 3b99)	\$ 324,817,912	\$ 369,553,652	\$ (44,715,740)
4 Net deferred tax assets/liabilities (2i - 3c)	\$ -	\$ -	\$ -

D. The following is a reconciliation of current federal income taxes computed on income before provision for federal and foreign income taxes at the statutory rate and the provision for current federal income taxes.

	Year Ended December 31,	
	2016	2015
Income tax expense at the statutory rate, computed on income before provision for federal and foreign income taxes	\$ 1,457,604	\$ 6,959,737
Tax effect of:		
Tax-exempt interest	(3,403,797)	(7,058,237)
Provision to return adjustment	344,694	(1,934,908)
NOL carryforward adjustment	12,367	(11,012)
Change in valuation allowance	250,292	9,166,110
Other, net	(853,417)	(153,372)
Expense for federal and foreign income taxes	<u>\$ (2,192,258)</u>	<u>\$ 6,968,318</u>
Federal and foreign income taxes incurred	\$ 1,417,380	\$ 7,478,930
Change in net deferred income taxes	(3,609,638)	(510,612)
Total statutory income taxes	<u>\$ (2,192,258)</u>	<u>\$ 6,968,318</u>

NOTES TO FINANCIAL STATEMENTS

E. As of December 31, 2016, the Company had a domestic net operating loss (“NOL”) carryforward of \$3,012.3 million for federal income tax purposes, which will be available (subject to certain limitations) to offset future taxable income. If not used, the NOL carryforward will start expiring in 2029 through 2031 depending on the originating year. As of December 31, 2016, the Company had an alternative minimum tax (“AMT”) credit carryforward of \$11.5 million for federal income tax purposes, which will be available to offset future regular tax. AMT credit carryforwards do not expire. As of December 31, 2016, the Company had a foreign tax credit carryforward of \$0.9 million, which will be available to offset future regular tax. If not used, the foreign tax credit carryforward will start expiring in 2034 through 2036 depending on the originating year.

The amount of federal income taxes incurred and available for recoupment in the event of future losses is \$0.

F. The Company files a consolidated U.S. federal income tax return with FGIC Corp. The method of allocation between FGIC Corp. and FGIC is determined under an amended and restated income tax allocation agreement approved by the NYSDFS, and is based upon separate return calculations.

G. None

Note 10 – Information Concerning Parent, Subsidiaries and Affiliates

A. See Organization and Background

B. None

C. None

D. \$465,156 received from parents, subsidiaries, and affiliates result from the cost sharing arrangements discussed in Note 10(F).

E. The Company has given no guarantees for the benefit of its parent, subsidiaries and affiliates.

F. The Company is a party to cost-sharing agreements with FGIC Corp. and FGIC UK, pursuant to which the Company may provide these affiliates with management, administrative and other services, the Company may incur and pay costs and other expenses that benefit these affiliates, and these affiliates are obligated to pay the Company for the allocated cost of such services and to reimburse the Company for their allocated share of such expenses paid by the Company. Such shared costs and expenses are allocated to affiliates and vary depending on the assumptions underlying the allocations. The Company allocated costs and expenses of \$1.6 million and \$1.6 million to its affiliates in 2016 and 2015, respectively.

G. The Company’s designee owns one share in FGIC Corp.

H. None

I. None

J. None

K. N/A

L. N/A

NOTES TO FINANCIAL STATEMENTS

M.

(1) Balance Sheet Value (Admitted and Nonadmitted) All SCAs (Except 8bi Entities)

SCA Entity	Percentage of SCA Ownership	Gross Amount	Admitted Amount	Nonadmitted Amount
c. SSAP No. 97 8b(iii) Entities Fifteen 521 5th Ave LLC	100%	\$ -	\$ -	\$ -
Total SSAP No. 97 8b(iii) Entities	XXX	\$ -	\$ -	\$ -
d. SSAP No. 97 8b(iv) Entities FGIC UK Limited	100%	\$ 33,200,000	\$ 33,200,000	\$ -
Total SSAP No. 97 8b(iv) Entities	XXX	\$ 33,200,000	\$ 33,200,000	\$ -
e. Total SSAP No. 97 8b Entities (except 8bi entities) (b+c+d)	XXX	\$ 33,200,000	\$ 33,200,000	\$ -
f. Aggregate Total (a+e)	XXX	\$ 33,200,000	\$ 33,200,000	\$ -

(2) NAIC Filing Response Information

SCA Entity	Type of NAIC Filing*	Date of Filing to the NAIC	NAIC Valuation Amount	NAIC Response Received Y/N	NAIC Disallowed Entities Valuation Method., Resubmission Required Y/N	Code**
c. SSAP No. 97 8b(iii) Entities Fifteen 521 5th Ave LLC			\$			
Total SSAP No. 97 8b(iii) Entities	XXX	XXX	\$	XXX	XXX	XXX
d. SSAP No. 97 8b(iv) Entities FGIC UK Limited			\$			
Total SSAP No. 97 8b(iv) Entities	XXX	XXX	\$	XXX	XXX	XXX
e. Total SSAP No. 97 8b Entities (except 8bi entities) (b+c+d)	XXX	XXX	\$	XXX	XXX	XXX
f. Aggregate Total (a+e)	XXX	XXX	\$	XXX	XXX	XXX

* S1 - Sub-1, S2 - Sub-2 or RDF - Resubmission of Disallowed Filing

** I - Immaterial or M - Material

Note: The Company has not submitted a Sub-1 or Sub-2 filing as of the date of this filing.

N. Not applicable.

Note 11 - Debt

A. The Company had no outstanding debt during 2016 and 2015.

B. The Company did not have any borrowings from FHLB during 2016 and 2015.

Note 12 – Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Plans

A. Defined Benefit Plan – Not Applicable

B. – D. – None

E. Defined Contribution Plans

Since January 1, 2004, the Company has offered a defined contribution savings plan under Section 401(k) of the Internal Revenue Code (the “401(k) Plan”). This plan covers substantially all employees who meet minimum age and service requirements and allows

NOTES TO FINANCIAL STATEMENTS

participants to defer a portion of their annual compensation on a pre-tax basis (for 2016, up to \$18,000, plus an additional “catch up” contribution of up to \$6,000 for employees 50 and older). The Company may also make discretionary contributions to the plan on behalf of employees. The Company contributed \$0.6 million and \$0.5 million to the plan on behalf of employees for the years ended December 31, 2016 and 2015, respectively.

Effective April 1, 2014, the Company adopted a Long-Term Incentive Plan, a non-qualified, unfunded deferred compensation plan for certain employees (the “LTIP”). All LTIP units that are issued will be valued at least annually by the Compensation Committee of the Board of Directors based on specified metrics in accordance with the LTIP. The LTIP units issued in 2014 vested 100% on December 31, 2016 and the benefits under 50% of the units will be paid in the first quarter of 2017 and the benefits under the remainder will be paid in the first quarter of 2019. The LTIP units issued in 2015 will vest 100% on December 31, 2017 (or earlier under certain conditions) and the benefits under all such units will be paid in the first quarter of 2018. The LTIP units issued in 2016 will vest 100% on December 31, 2019 (or earlier under certain conditions) and the benefits under all such units will be paid in the first quarter of 2020. For the years ended December 31, 2016 and 2015, the benefits accrued under the plan were \$4.7 million and \$2.7 million, respectively.

- F. Multiemployer Plans – Not Applicable
- G. Consolidated/Holding Company Plans – Not Applicable
- H. Postemployment Benefits and Compensated Absences – Not Applicable
- I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17) – Not Applicable

Note 13 – Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

- (1) At December 31, 2016 and 2015, 10,000 shares of the Company’s common stock, par value \$1,500 per share, were authorized, issued and outstanding.
- (2) At December 31, 2016 and 2015, 3,000 shares of the Company’s redeemable preferred stock, par value \$1,000 per share, were authorized, issued and outstanding.
- (3) Under the Rehabilitation Plan, equity interests (i.e., the interests of any holders of the issued and outstanding shares of the common or preferred stock of the Company) in existence as of the commencement date of FGIC’s rehabilitation proceeding remain in existence; provided, however, that no holder of any of these shares shall be entitled to any distributions, dividends or other payments on account of its shares until all actual and expected permitted secured claims, permitted administrative expense claims, permitted policy claims, permitted non-policy claims and permitted late-filed claims are paid in full in cash or fully reserved for, as determined by FGIC with the express written consent of the NYSDFS.
- (4) During the years ended December 31, 2016 and 2015, FGIC did not declare or pay dividends.
- (5) See 13 (3) above.
- (6) For the years ended December 31, 2016 and 2015, contingency reserve releases of \$30.9 million and \$28.5 million, respectively, were approved by the NYSDFS and recorded by the Company.
- (7) Not Applicable
- (8) The Company does not hold any treasury stock.

NOTES TO FINANCIAL STATEMENTS

- (9) None
- (10) The Company has no surplus debenture or similar obligation issued in an offering registered under the Securities Act of 1933 or distributed pursuant to Rule 144A under the Securities Act of 1933.
- (11) The Company has no surplus notes.
- (12-13) There were no quasi-reorganizations.

Note 14 – Liabilities, Contingencies and Assessments

A. Contingent Commitments

- (1) The Company has no commitments or contingent commitments to any subsidiaries or affiliates other than those noted in Note 10.
- (2) The Company does not issue life insurance policies and therefore is not subject to guaranty fund assessments.

B. FGIC did not have any material assessment liabilities at the balance sheet dates.

C. The Company has not recognized any gain contingencies subsequent to the balance sheet date.

D. The Company has no claims related to extra contractual obligations or bad faith losses stemming from lawsuits related to claims handling.

E. Not Applicable

F. Not Applicable

G. Legal Proceedings

FGIC may be involved from time to time in various legal proceedings filed against it, including the case described below. In addition, FGIC has received, and may in the future receive, various subpoenas, regulatory inquiries, requests for information and document preservation letters. Defending against legal proceedings and responding to subpoenas, regulatory inquiries, requests for information and document preservation letters may involve significant expense and diversion of management's attention and other FGIC resources.

In *Modern Art Services LLC v. Financial Guaranty Insurance Company*, (N.Y. Sup.Ct., Index No. 651115/2016, filed on March 3, 2016), plaintiff sued FGIC alleging breach of contract, breach of the implied covenant of good faith and fair dealing and unjust enrichment, arising out of FGIC's purported failure to compensate plaintiff for its role in connection with the bankruptcy of the City of Detroit. On October 11, 2016, the Court granted in part and denied in part FGIC's motion to dismiss each of plaintiff's causes of action.

FGIC has asserted, and from time to time may assert, claims in legal or arbitration proceedings against third parties to recover losses already incurred by FGIC or to mitigate future losses that FGIC may incur, including the lawsuits described below. The amount of losses that FGIC may recover or mitigate as a result of these proceedings is uncertain, although, in the event of favorable outcomes or settlements, such amount could be material to FGIC's results of operations, financial position, profitability or cash flows.

In *Financial Guaranty Insurance Company v. The Putnam Advisory Company, LLC* (U.S. District Court for the Southern District of New York, filed October 1, 2012 and thereafter

NOTES TO FINANCIAL STATEMENTS

amended on November 19, 2012), FGIC sued The Putnam Advisory Company (“Putnam”), alleging fraud, negligent misrepresentation and negligence by Putnam in connection with the Pyxis ABS CDO 2006-1 transaction for which Putnam acted as collateral manager. On September 10, 2013, FGIC’s complaint was dismissed, with leave to file a further amended complaint. On September 30, 2013, FGIC filed a further amended complaint. On April 28, 2014, the District Court granted Putnam’s motion to dismiss all of FGIC’s claims. On April 15, 2015, the United States Court of Appeals for the Second Circuit vacated the District Court’s dismissal of FGIC’s complaint and remanded the case for further proceedings.

In *Financial Guaranty Insurance Company v. Morgan Stanley ABS Capital I Inc. and Morgan Stanley Mortgage Capital Holdings LLC*, (N.Y. Sup.Ct., Index No. 652853/2014, filed on September 19, 2014), FGIC sued Morgan Stanley ABS Capital I Inc. (“MSAC”) and Morgan Stanley Mortgage Capital Holdings LLC (“MSMC”), alleging, *inter alia*, that MSAC and MSMC breached various warranties and affirmative covenants in connection with the securitization transaction known as Basket of Aggregated Residential NIMS 2007-1, including their obligations to repurchase breaching net interest margin securities that collateralized the insured securities, and to reimburse FGIC for payments made under the related FGIC policy. On January 19, 2017, the Court denied in its entirety MSAC and MSMC’s motion to dismiss FGIC’s claims.

In *Financial Guaranty Insurance Company v. Morgan Stanley, et al.*, (N.Y. Sup.Ct., Index No. 652914/2014, filed on September 23, 2014), FGIC sued MSAC, MSMC, Morgan Stanley (“MS”) and Morgan Stanley & Co. LLC (collectively, “Morgan Stanley”), and Saxon Mortgage Services, Inc. (“Saxon”), alleging, *inter alia*, that (i) Morgan Stanley fraudulently induced FGIC to insure the RMBS transaction known as MSAC 2007-NC4; (ii) MSAC, MSMC and MS breached various warranties and affirmative covenants, including their obligations to repurchase breaching or fraudulent mortgage loans and to reimburse FGIC for payments made under the related FGIC policy; and (iii) Saxon and MS breached their warranties and obligations under the Pooling and Servicing Agreement for the MSAC 2007-NC4 transaction, including their obligation to provide notice of breaching mortgage loans. On January 23, 2017, the Court denied in its entirety Morgan Stanley’s motion to dismiss FGIC’s claims.

In *Financial Guaranty Insurance Company v. Alejandro García Padilla, et al.*, (D.P.R., Case No. 3:16-cv-01095, filed on January 19, 2016), FGIC sued Governor Alejandro García Padilla and certain other officials of the Commonwealth of Puerto Rico alleging Section 8 of Article VI of the Commonwealth Constitution (“Section 8,” and defendants’ stated basis for the Clawback (which is discussed in Note 8, Loss Reserves)), the Management and Budget Office Organic Act (the “OMB Act,” and defendants’ stated law regarding procedures implementing the Clawback), and the Clawback Orders (directing the Clawback) are unconstitutional on the grounds that they: (1) are preempted by federal law; (2) violate the Contracts Clause of Article I of the United States Constitution; and (3) violate the Fifth and Fourteenth Amendments of the United States Constitution. FGIC is seeking a judgment declaring Section 8, the OMB Act and the Clawback Orders to be unconstitutional, and also is seeking an injunction enjoining the defendants from taking or causing to be taken any and all acts under Section 8, the OMB Act and the Clawback Orders. On January 21, 2016, FGIC’s action was consolidated with an analogous action brought by Assured Guaranty Corp., Assured Guaranty Municipal Corp., and Ambac Assurance Corporation. On February 10, 2016, defendants filed motions to dismiss FGIC’s claims. On October 4, 2016, the District Court entered an order denying all defendants’ motions to dismiss, except that it granted the motion to dismiss FGIC’s claim that the Clawback was preempted by federal law. On October 14, 2016, defendants filed a notice of automatic stay asserting, among other things, that the automatic stay provisions under PROMESA apply to this case. On October 27, 2016, FGIC filed a response to notice of automatic stay, wherein, among other things, FGIC expressly reserved all its rights, including the right to seek relief from the automatic stay.

NOTES TO FINANCIAL STATEMENTS

Note 15 - Leases

A. In November 2016, FGIC entered into a lease agreement for new office space in New York City, with a lease term commencing on February 1, 2017 and ending on December 31, 2026. The lease requires FGIC to make specified monthly base rent payments, with annual escalations each February 1st.

As of December 31, 2016, future minimum rent payments under this lease are as follows:

Year ended December 31,	Operating Leases
2017	\$ 288,377
2018	506,823
2019	520,761
2020	535,082
2021	549,796
Total	\$ 5,385,101

There was no rent expense recorded for this lease for the years ended December 31, 2016 and 2015.

FGIC, as subtenant, previously subleased its prior office space in New York City from the tenant, as Sublandlord, which had previously leased the space from the building owner, as Landlord. Landlord terminated Sublandlord's lease on or about July 18, 2016, due to Sublandlord's failure to pay all rent and other amounts due under its lease. FGIC's sublease automatically terminated upon such termination of the lease, notwithstanding that FGIC had complied with all its obligations under the sublease. FGIC and Landlord have entered into a stipulation that permits FGIC to remain in its prior office space on newly negotiated rental terms through February 28, 2017.

Rent expense related to FGIC's prior office space for the years ended December 31, 2016 and 2015 was \$0.7 million and \$0.8 million, respectively.

Rent expense related to the sublease for the year ended December 31, 2015 was \$0.8 million.

B. None

Note 16 – Information About Financial Instruments With Off-Balance-Sheet Risk and Financial Instruments with Concentrations of Credit Risk

(1) The Company did not have any financial instruments with off-balance sheet risk at December 31, 2016 and 2015.

Concentrations of Credit Risk

The Company's insured portfolio as of December 31, 2016 was diversified by geographic and bond market sector, with no single obligor representing more than 6.5% of the Company's net par in force.

Gross par in force of insured securities is based on the outstanding principal amount of such exposure, as of the date of determination, but, if such exposure has been the subject of any permitted policy claim paid by FGIC at the CPP in accordance with the Rehabilitation Plan, the gross par in force is reduced by the total amount of all such permitted policy claims relating to principal (without duplication of any other actual reductions), not merely by the CPP portion thereof paid in cash, since the Rehabilitation Plan prohibits future policy claims for that principal amount or interest thereon, and net par in force means the gross par in force for such exposure net of any related reinsurance.

NOTES TO FINANCIAL STATEMENTS

The following presents the Company's gross and net par in force by category as of December 31, 2016:

	Gross Par In Force	Net Par In Force	% of Total Net Par In Force
<i>(Dollars in Thousands)</i>			
U.S. Public Finance			
Global Utilities	\$ 1,053,000	\$ 978,000	11%
Other Tax Backed	895,043	867,242	9%
Leases	700,000	600,000	7%
Project Finance	684,275	527,866	6%
General Obligation	585,752	577,010	6%
Water and Sewer	234,302	232,924	2%
Housing	91,738	91,513	1%
Other	75,625	57,064	1%
Higher Education	19,025	19,025	0%
Total U.S. Public Finance	4,338,760	3,950,644	43%
U.S. Structured Finance			
RMBS	3,534,714	3,512,919	38%
Student Loan	250,000	250,000	3%
Other	1,275	1,275	0%
Total U.S. Structured Finance	3,785,989	3,764,194	41%
International			
Project Finance	1,098,138	1,098,138	12%
Utility	358,599	358,599	4%
Other	27,131	27,131	0%
Total International	1,483,868	1,483,868	16%
Total	\$ 9,608,617	\$ 9,198,706	100%

As of December 31, 2016, the Company's RMBS exposure consisted of various collateral types as set forth in the table below.

	Number of Policies In Force	Net Par In Force	% of Total
<i>(Dollars in Thousands)</i>			
Alt-A (1 st lien)	15	\$ 543,333	15.5%
HELOC	20	787,707	22.4
Closed end seconds	9	985,568	28.1
Subprime (1 st lien)	34	1,196,183	34.0
Prime (1 st lien)	1	128	0.0
Total	79	\$ 3,512,919	100.0%

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2016, the Company's ceded reinsurance was as follows:

Reinsurer	Reinsurer Rating (S&P/Moody's)	Ceded Par In Force	Ceded UPR	Reinsurance Recoverable on Paid and Unpaid Losses
<i>(Dollars in Thousands)</i>				
Assured Guaranty Re Ltd.	AA/Baa1	\$ 399,359	\$ 1,538	\$ 10
Assured Guaranty Corp.	AA/A3	10,248	51	3
Other		304	3	13
Total		<u>\$ 409,911</u>	<u>\$ 1,592</u>	<u>\$ 26</u>

Note 17 – Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

- A. There were no transfers of receivables reported as sales for the years ended December 31, 2016 and 2015.
- B. There were no transferring and servicing of assets and liabilities during the years ended December 31, 2016 and 2015.
- C. There were no wash sales involving securities with NAIC designation 3 or below, or unrated during the years ended December 31, 2016 and 2015.

Note 18 – Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

Not Applicable

Note 19 – Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

None

Note 20 – Fair Value Measurements

SSAP 100 specifies a fair value hierarchy based on whether the inputs to valuation techniques used to measure fair value are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions about market participants' assumptions based on the best information available in the circumstances. The fair value hierarchy prioritizes model inputs into three broad levels: quoted prices for identical instruments in active markets are Level 1 inputs; quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets are Level 2 inputs; and model-driven valuations in which one or more significant inputs or significant value drivers are unobservable are Level 3 inputs.

NOTES TO FINANCIAL STATEMENTS

The fair values of admitted investments in bonds, common stocks, other invested assets and short-term investments by level are as follows:

A.

(1) Fair Value Measurements at December 31, 2016

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
a Assets at fair value				
Obligations of states and political subdivisions	\$ -	\$.... 638,306,915	\$ -	\$.....638,306,915
Asset and Mortgage Backed Securities	\$ -	\$.... 264,841,865	\$ -	\$.....264,841,865
US Treasury Obligations and obligations of US Government corporations and agencies	\$ -	\$.... 229,383,828	\$ -	\$.....229,383,828
Corporate	\$ -	\$ 1,047,009,944	\$ -	\$...1,047,009,944
Common Stock	\$...131,108,819	\$.....-	\$ -	\$.....131,108,819
Other Invested Assets	\$ -	\$.....-	\$ 74,742,558	\$74,742,558
Short-term Investments	\$ -	\$..... 79,779,818	\$ -	\$.....79,779,818
Total assets at fair value	<u>\$...131,108,819</u>	<u>\$ 2,259,322,371</u>	<u>\$ 74,742,558</u>	<u>\$...2,465,173,744</u>

(2) Not applicable.

(3) Transfers among Levels 1, 2 and 3 are recognized at the end of the period when the transfer occurs. The Company reviews the classification of financial instruments in Levels 1, 2 and 3 quarterly to determine whether a transfer is necessary. There have been no transfers into or out of Levels 1, 2 or 3 during the period.

(4) Fair Value of Financial Instruments

The following methods and assumptions were used by the Company in estimating fair values of financial instruments. Fair values estimated based upon internal valuation models are not necessarily indicative of the amount the Company could realize in a current market exchange.

Bonds: Fair values for bonds are based on quoted market prices, if available. If a quoted market price is not available, fair value is estimated using quoted market prices for similar securities. Because many bonds do not trade on a daily basis, information and other data, including benchmark curves, benchmarking of like securities and matrix pricing, are utilized to value the securities. Inputs to the valuation process include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and other reference data.

Common Stocks: Fair values for common stocks are based on quoted market prices.

Short-Term Investments: Short-term investments are carried at amortized cost, which approximates fair value.

Other Invested Assets: Other invested assets include FGIC-insured securities purchased by FGIC and securities or other non-cash assets received or recovered by FGIC in connection with its loss mitigation efforts. In November 2016, FGIC sold its remaining ResCap Liquidating Trust units, which had been included in other invested assets.

For FGIC-insured securities purchased in connection with loss mitigation efforts, the value of the security comprises two components: (i) the portion representing the value of FGIC's insurance (the "Insurance Portion") and (ii) the remaining portion representing the value of the security without giving credit for FGIC's insurance (the "Non-Insurance Portion"). For each security, the Company estimates the value of the Insurance Portion using internally developed formulas, with the remainder of the value being the Non-Insurance Portion. The Insurance Portion is included in losses incurred and is deducted from the amortized cost and fair value of these FGIC-insured securities at the time of purchase and at each reporting date, respectively. For each FGIC-

NOTES TO FINANCIAL STATEMENTS

insured security purchased in connection with loss mitigation efforts, FGIC reduces the related Claims Reserve at each reporting date on a pro rata basis for the ratable portion of the securities purchased by FGIC. The reduction in Claims Reserves is also included in losses incurred.

The remaining Non-Insurance Portion of each purchased security is classified as other invested assets in the balance sheet and is subject to impairment analysis at each subsequent balance sheet date. Realized gains or losses and OTTI on the Non-Insurance Portion of these securities are recorded in other income. The amortized cost and fair value of these securities are shown excluding the Insurance Portion. Under SAP, these securities are carried at the lower of amortized cost or fair value as these securities have an NAIC designation of 3 through 6.

For securities or other non-cash assets received or recovered by FGIC in connection with its loss mitigation efforts, FGIC records the asset at the lower of cost or fair value at acquisition. FGIC generally does not consider the payment of claims to be included in the determination of the cost basis of assets received or recovered in connection with such claims. Realized gains or losses and OTTI on these assets are recorded in other income. These assets are carried at the lower of amortized cost or fair value.

B. None

C.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	\$.....2,179,542,553	\$..2,128,713,001	\$.....-	\$..2,179,542,553	\$.....-	NA
Common Stocks	\$.....131,108,819	\$.....131,108,819	\$.....131,108,819			NA
Other Invested Assets	\$.....74,742,558	\$.....20,704,691	\$.....-	\$.....-	\$.....74,742,558	NA
Short-Term Investments	\$.....79,779,818	\$.....79,779,718	\$.....-	\$.....79,779,818	\$.....-	NA

D. Financial Instruments for which Measurement of Fair Value is Not Practicable

Financial Guaranty Insurance Contracts: The carrying value of financial guaranty insurance contracts includes loss reserves, unearned premiums, premiums receivable and ceded balances payable. Loss reserves have been determined in accordance with the statutory accounting practices prescribed by NYSDFS Guidelines and comprise the total amount of (i) the Claims Reserve, (ii) the DPO for all policies and (iii) the DPO Accretion for all policies, *minus* the Policy Revision Adjustment.

The fair value of the Company’s financial guaranty insurance contracts accounted for as insurance was not practicable to determine. The Company has not developed or obtained valuation models, and the cost of developing valuation models necessary to make the estimate or of obtaining an independent valuation appears excessive considering that the Company no longer writes insurance contracts but rather is responsible for administering its outstanding guaranties in accordance with the terms and conditions of such guaranties (as modified by the Rehabilitation Plan) and applicable law. If the calculation were performed, it would be intended to reflect management’s estimate of what a financial guaranty insurance company with similar creditworthiness would demand to acquire the Company’s in-force book of financial guaranty insurance business. In making this estimate, management would seek to develop pricing assumptions based on similar portfolio transfers that have occurred in the financial guaranty market with adjustments for the Company’s particular circumstances, including loss reserves, the present value of premiums expected to be collected on installment contracts over the contract period, as well as an estimate of the return on capital the acquiring company would demand. Any fair value measurement would be considered Level 3.

NOTES TO FINANCIAL STATEMENTS

Note 21 – Other Items

- A. The Company had no unusual or infrequent items in 2016 and 2015.
- B. The Company had no troubled debt restructurings in 2016 and 2015.
- C. None
- D. The Company had no business interruption insurance recoveries in 2016 and 2015.
- E. The Company has no state transferable and non-transferable tax credits in 2016 and 2015.
- F. Subprime Mortgage Related Risk Exposure
1. At December 31, 2016, the Company had exposure to subprime mortgage risk through financial guaranties that were provided on RMBS backed by subprime mortgage loans. The Company conducts regular surveillance of the transactions and actively seeks to remediate the potential for default where there are indications of credit deterioration in the transaction. The Company's policy for establishing reserves is described in Note 1, Summary of Significant Accounting Policies.
 2. The Company has no direct investments in subprime mortgage loans.
 3. The Company has no investments in securities with exposure to subprime mortgage risk with the exception of certain FGIC-insured RMBS purchased in connection with loss mitigation activities.
 4. At December 31, 2016, the Company had underwriting exposure to subprime mortgage risk through financial guaranty insurance coverage. The following information details subprime mortgage-related losses and reserves (excluding PRA) for the year ended and as of December 31, 2016:

	<i>(In Thousands)</i>			
	Losses Paid (Recovery) in the <u>Current Year</u>	Losses Incurred in the <u>Current Year</u>	Case Reserves at End <u>of Current Period</u>	IBNR Reserves at End <u>of Current Period</u>
Financial Guaranty coverage	\$.....85,478	\$.....72,079	\$.....324,074	\$.....-
Total	\$.....85,478	\$.....72,079	\$.....324,074	\$.....-

- G. The Company did not receive proceeds as either the issuer or counterparty of insurance-linked securities.

Note 22 – Events Subsequent

Subsequent events described elsewhere in the notes to these financial statements include in Note 25, Changes in Incurred Losses and Loss Adjustment Expenses, information about developments concerning FGIC's Puerto Rico-related insured exposures, including FGIC's subsequent claims payments in January 2017, and in Note 14, Liabilities, Contingencies and Assessments, information about developments concerning certain legal proceedings.

SSAP 9, Subsequent Events defines events subsequent to the financial statement date requiring disclosure. The date through which subsequent events have been evaluated is February 23, 2017.

Note 23 - Reinsurance

- A. The Company does not have any unsecured reinsurance balances in excess of 3% of surplus with any reinsurer for 2016 and 2015.

NOTES TO FINANCIAL STATEMENTS

B. The Company has no recorded reinsurance recoverable in dispute as of December 31, 2016 and 2015.

C. Reinsurance Assumed and Ceded

	<u>Assumed Reinsurance</u>		<u>Ceded Reinsurance</u>		<u>Net</u>	
	<u>Premium Reserve</u>	<u>Commission Equity</u>	<u>Premium Reserve</u>	<u>Commission Equity</u>	<u>Premium Reserve</u>	<u>Commission Equity</u>
a. Affiliates	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
b. All Other	\$ 0	\$ 0	\$.. 1,591,576	\$ 463,061	\$ (1,591,576)	\$... (463,061)
c. Total	\$ 0	\$ 0	\$.. 1,591,576	\$ 463,061	\$ (1,591,576)	\$... (463,061)
d. Direct Unearned Premium Reserve			\$.. 1,591,576			

Line (c) of Ceded Reinsurance Premium Reserve Column must equal Page 3, Line 9, first inside amount.

Pursuant to reinsurance agreements with other insurance companies (reinsurers), the Company has ceded, and the reinsurers have assumed, specified portions of certain of the Company’s insured risks, in exchange for the Company paying to the reinsurers the related premiums (net of a ceding commission charged by the Company). The Company remains primarily liable to pay all claims under the related policies in accordance with the terms and conditions of such policies (as modified by the Rehabilitation Plan), and neither reinsurance nor the failure of a reinsurer to fulfill all its reinsurance obligations relieves the Company of its primary obligation to the policyholders. The reinsurer is responsible for its proportionate share of the entire amount of the policy claims in respect of the policies reinsured by the reinsurer, and that amount is not reduced or otherwise impacted by the payment the Company makes on such policy claims in accordance with the Rehabilitation Plan.

The effects of reinsurance on premiums written and earned are as follows:

	Year Ended December 31,			
	2016		2015	
	Written	Earned	Written	Earned
Direct premiums	\$ 9,363,026	\$ 20,511,323	\$ 12,405,832	\$ 75,078,910
Ceded premiums:				
Affiliates	—	—	—	—
Non-affiliates	(296,838)	(845,353)	(455,833)	(1,516,275)
Net premiums	<u>\$ 9,067,188</u>	<u>\$ 19,665,970</u>	<u>\$ 11,949,999</u>	<u>\$ 73,562,635</u>

The amount deducted from unearned premiums for reinsurance ceded to other companies was \$1.6 million and \$2.1 million at December 31, 2016 and 2015, respectively. The amount of commissions that would be required to be returned by the Company if all reinsurance was canceled was \$0.5 million and \$0.6 million at December 31, 2016 and 2015, respectively. The amount deducted from loss reserves for reinsurance ceded was \$10.9 million and \$5.2 million at December 31, 2016 and 2015, respectively. The amount of loss adjustment expenses for reinsurance ceded was \$0.2 million and \$0.1 million for December 31, 2016 and 2015, respectively.

Amounts payable or recoverable for reinsurance on paid or unpaid losses are not subject to periodic or maximum limits.

D. Uncollectible Reinsurance – None

Under most of the Company’s reinsurance agreements, the Company has the right to reassume all the exposure ceded to a reinsurer (and receive all the remaining net unearned premiums ceded and any ceded loss reserves at that time) in the event of a specified ratings downgrade of the reinsurer or the occurrence of certain other events. In certain of these cases, the Company also has the right to impose additional ceding commissions.

NOTES TO FINANCIAL STATEMENTS

Under certain reinsurance agreements, the Company holds collateral in the form of letters of credit or trust accounts, which can be drawn on in the event of default by the related reinsurer. Such collateral totaled \$24.1 million at December 31, 2016.

The Company regularly monitors the financial condition of its reinsurers. The Company evaluated the financial condition of its reinsurers and recorded a provision for reinsurance of \$0.0 million at December 31, 2016 and 2015, respectively.

E. Commutation of Ceded Reinsurance – None

From time to time, the Company may seek to commute reinsurance under certain reinsurance agreements or in respect of certain policies. In connection with these commutations, the Company will reassume the related insured risks.

F. Retroactive Reinsurance - None

G. Reinsurance Accounted for as a Deposit – None

H. Disclosures for the transfer of Property and Casualty Run-off Agreements – None

I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation – None

J. The Company does not have any retroactive reinsurance agreements covering asbestos and pollution liabilities.

Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

None

Note 25 – Changes in Incurred Losses and Loss Adjustment Expenses

Loss reserves comprise the total amount of (i) the Claims Reserve, (ii) the DPO for all policies and (iii) the DPO Accretion for all policies, *minus* the Policy Revision Adjustment. The Policy Revision Adjustment shown in the table below is prescribed by NYSDFS Guidelines and reflects the reduction in the loss reserve components necessary to reflect a Minimum Surplus Amount of \$66.4 million.

The loss reserve components as of December 31, 2016 and 2015 are summarized as follows:

	December 31,	
	2016	2015
	<i>(In Thousands)</i>	
Claims Reserve	\$ 1,311,571	\$ 1,362,406
DPO	1,678,310	1,700,456
DPO Accretion	128,836	80,446
Total	3,118,717	3,143,308
Policy Revision Adjustment	(1,169,008)	(1,247,386)
Loss reserve	\$ 1,949,709	\$ 1,895,922

Claims Reserve

The Claims Reserve is calculated on a policy-by-policy basis for insured obligations, net of reinsurance, as of the reporting date (using the prescribed statutory discount rate which is based on the average rate of return on the Company's admitted assets, which was 4.27% and 3.57% at December 31, 2016 and 2015, respectively). The amount of the discount as of December 31, 2016 and 2015 was \$896.8 million and \$661.0 million, respectively.

NOTES TO FINANCIAL STATEMENTS

Activity related to the Claims Reserve for the years ended December 31, 2016 and 2015 is summarized as follows:

	December 31,	
	2016	2015
	<i>(In Thousands)</i>	
Claims Reserve, beginning of year	\$ 1,362,406	\$ 2,577,771
Incurred (releases) related to:		
Current year	–	209,654
Prior years	9,160	(315,471)
Total incurred (releases)	<u>9,160</u>	<u>(105,817)</u>
Paid related to:		
Current year	–	–
Prior years	(12,383)	(210,167)
Total paid	<u>(12,383)</u>	<u>(210,167)</u>
Transferred to DPO:		
Current year	–	–
Prior years	(47,612)	(899,381)
Total transferred to DPO	<u>(47,612)</u>	<u>(899,381)</u>
Claims Reserve, end of year	<u>\$ 1,311,571</u>	<u>\$ 1,362,406</u>

The Claims Reserve decreased \$50.8 million to \$1,311.6 million at December 31, 2016 from \$1,362.4 million at December 31, 2015, principally due to an increase in the statutory discount rate used to present value the reserve liability, a decrease in the total estimated losses relating to residential mortgage-backed securities (“RMBS”) insured by FGIC, and the payment of permitted policy claims in the ordinary course, which decreases were partially offset by an increase in estimated losses relating to FGIC’s Puerto Rico-related exposures.

The following table shows the gross and net par in force for FGIC’s Puerto Rico-related insured exposures as of December 31, 2016:

	Gross Par In Force	Net Par In Force
	<i>(In Thousands)</i>	
Puerto Rico General Obligation	\$ 252,590	\$ 249,671
Puerto Rico Convention Center District Authority	97,075	97,075
Puerto Rico Highways & Transportation Authority (Trans Revs - Senior)	382,335	354,664
Puerto Rico Highways & Transportation Authority (Trans Revs - Subordinate)	64,570	64,570
Puerto Rico Infrastructure Financing Authority *	344,495	344,495
Total	<u>\$ 1,141,065</u>	<u>\$ 1,110,475</u>

* Includes capital appreciation bonds (CABs) using the principal amount at the time they were insured. As of December 31, 2016, the accretion on these CABs totaled \$189.3 million.

NOTES TO FINANCIAL STATEMENTS

The following table shows the scheduled net debt service due on FGIC's Puerto Rico-related insured exposures as of December 31, 2016, for each of the years presented:

	Puerto Rico General Obligation	Puerto Rico Convention Center District Authority	Puerto Rico Highways & Transportation Authority (Trans Revs - Senior)	Puerto Rico Highways & Transportatio n Authority (Trans Revs - Subordinate)	Puerto Rico Infrastructure Financing Authority	Total
2017	\$ 41,227	\$ 4,755	\$ 18,807	\$ 18,754	\$ 17,040	\$ 100,583
2018	28,339	4,755	18,943	17,872	17,048	86,957
2019	26,311	4,755	32,301	8,910	54,714	126,991
2020	26,290	4,755	24,820	12,571	54,716	123,152
2021	95,325	19,075	38,486	17,258	54,712	224,856
Thereafter	99,786	95,371	516,189	—	553,559	1,264,905
Total	\$ 317,278	\$ 133,466	\$ 649,546	\$ 75,365	\$ 751,789	\$ 1,927,444

FGIC's Puerto Rico-related insured exposures are subject to significant stress and credit deterioration arising from Puerto Rico's fiscal, financial, liquidity and other challenges. There is substantial uncertainty as to Puerto Rico's ability and willingness to pay its various debt service obligations in a timely manner, and certain Puerto Rico-related bonds have already suffered payment defaults, including certain bonds insured by FGIC. Puerto Rico has defaulted on debt service payments on FGIC-insured Puerto Rico Infrastructure Financing Authority (PRIFA) bonds commencing on January 1, 2016, and on FGIC-insured General Obligation (GO) and GO Guaranteed bonds commencing on July 1, 2016. Due to Puerto Rico's default on the payment of scheduled debt service for these FGIC-insured bonds, FGIC has made payments in accordance with the terms of its related policies (as modified by the Rehabilitation Plan) in respect of aggregate policy claims of approximately \$53.8 million through December 31, 2016, and an additional \$12.7 million of policy claims in January 2017. Debt service due during 2016 and in January 2017 on FGIC-insured Puerto Rico Highways and Transportation Authority (PRHTA) and Puerto Rico Convention Center District Authority (PRCCDA) bonds was paid from trustee-held reserve funds, but these reserves are not being replenished by the authorities. To the extent Puerto Rico fails to pay scheduled debt service on FGIC-insured exposures as and when due, FGIC would be obligated to pay the related claims under its policies (as modified by the Rehabilitation Plan), and such claims could be material.

On November 30 and December 7, 2015, the Governor of Puerto Rico issued executive orders (the "Clawback Orders") authorizing the Commonwealth's Treasury Department to retain or redirect certain revenues that the Commonwealth had previously assigned to particular public corporations (the "Clawback"), including PRIFA, PRHTA and PRCCDA, which revenues had been pledged to secure bonds issued by these public corporations, including bonds insured by FGIC. On January 19, 2016, FGIC filed a complaint against the Governor of Puerto Rico and other Commonwealth officials asserting, among other things, claims challenging the constitutionality of the Clawback and the Clawback Orders under the U.S. Constitution (See Note 14, Liabilities, Contingencies and Assessments).

On April 6, 2016, the Governor of Puerto Rico signed into law the Puerto Rico Emergency Moratorium and Financial Rehabilitation Act (the "Moratorium Act"). Pursuant to the authority purportedly granted by the Moratorium Act, the Governor issued various executive orders affecting Puerto Rico-related obligations insured by FGIC or the issuers thereof or the pledged security therefor (the "Moratorium Orders"), including executive orders suspending payments on the Commonwealth's GO and GO Guaranteed bonds and diverting revenues pledged to secure the repayment of PRIFA, PRHTA and PRCCDA bonds.

On January 29, 2017, the Governor of Puerto Rico signed into law the Puerto Rico Financial Emergency and Fiscal Responsibility Act (the "Emergency Act"), which defines the period from such date through May 1, 2017 (subject to a three-month extension at the option of the Governor) as the "Emergency Period." During the Emergency Period, the Emergency Act (i) provides the Governor with broad powers to designate particular services provided by Puerto Rico as essential services necessary for the health, safety and welfare of the residents of Puerto Rico and to use all available resources to pay for those essential services and (ii) directs the Governor to pay debt service to the extent (x) possible after all essential services have been provided or (y) ordered to do so by the Oversight Board (as defined below). The Emergency Act

NOTES TO FINANCIAL STATEMENTS

also repeals certain parts of the Moratorium Act, but provides for the Moratorium Orders to remain effective (unless and until amended, rescinded or superseded by the Governor). Pursuant to the authority purportedly granted by the Emergency Act, the Governor could issue executive orders adversely affecting Puerto Rico-related obligations insured by FGIC or the issuers thereof or the pledged security therefor.

On June 30, 2016, the President of the United States signed into law the Puerto Rico Oversight Management and Economic Stability Act (“PROMESA”). PROMESA, among other things, establishes the Financial Oversight and Management Board (the “Oversight Board”) with broad responsibilities and authority for (i) overseeing the development of budgets and fiscal plans for the Commonwealth and its instrumentalities and (ii) initiating processes to restructure the debts of the Commonwealth and its instrumentalities, by accessing multiple sections of the U.S. Bankruptcy Code (including cramdown provisions) that were not previously available to Puerto Rico. PROMESA also provides for an automatic stay of debt-related litigation and other enforcement actions upon its enactment and sets forth collective action provisions intended to facilitate consensual debt restructurings. On August 31, 2016, the President appointed the seven members of the Oversight Board. On January 28, 2017, the Oversight Board announced that it had (i) approved the Governor of Puerto Rico’s request to extend the deadline to present the new Puerto Rico administration’s fiscal plan to February 28, 2017, such that the Oversight Board may consider its certification thereof no later than March 15, 2017, and (ii) extended the PROMESA stay of litigation to May 1, 2017. The ultimate impact of PROMESA and the Oversight Board on Puerto Rico and its fiscal, financial, liquidity and other challenges, including the payment or restructuring of its debt obligations (including those insured by FGIC), is uncertain, but could be material to FGIC.

Numerous parties have commenced legal actions challenging (or seeking relief from the PROMESA stay to challenge), among other things, at least portions of the Moratorium Act and the Moratorium Orders.

As of December 31, 2016, FGIC maintained a Claims Reserve for its Puerto Rico-related insured exposures based on various assumptions. Rulings, outcomes or other developments relating to Puerto Rico may lead to changes in the Claims Reserve for FGIC’s Puerto Rico-related insured exposures and the policy claims that FGIC may be required to pay under its related policies, and such changes could be material. It is impossible to predict with any certainty how or when Puerto Rico will be able to resolve its debt and other challenges, and any such resolution could have a material effect on FGIC’s Claims Reserve and the related policy claims that FGIC would be required to pay.

The Company has insured LIBOR-based floating rate RMBS transactions. Accordingly, the Company is exposed to interest rate risk. For Claims Reserve purposes, each quarter the Company projects its insured exposure on these transactions using forward LIBOR curves as of the end of the second month of such quarter. For RMBS transactions where FGIC projects losses, FGIC’s Claims Reserve will increase or decrease (all other things being equal) based on increases or decreases in the interest rates comprising such curves. The Claims Reserve should be most significantly impacted on the FGIC-insured RMBS transactions where FGIC is not required to pay policy claims relating to principal losses until legal maturity of the transactions (2035-2037) because they will continue to have relatively high principal balances on which interest will accrue.

The Claims Reserve activity for the year ended December 31, 2015 was mainly attributable to a decrease of \$1,115.8 million for the aggregate amount of permitted policy claims under FGIC’s policies covering the COPs (as defined below), which FGIC paid in cash at the then CPP on January 9, 2015, with the remainder being transferred to DPO. The remainder of the decrease in the Claims Reserve is mainly attributable to the payment of permitted policy claims in the ordinary course and a decrease in the total net present value of estimated losses relating to obligations insured by FGIC, including the impact of a settlement consummated in April 2015 with one of two counterparties to the COPs Swaps (as defined below), pursuant to which, among other things, and in consideration of a cash payment and other consideration from FGIC, the parties mutually released each other from all claims, obligations and liabilities relating to the COPs and the COPs Swaps. In October 2014, the City of Detroit (the “City”) filed an eighth amended plan of adjustment related to its Chapter 9 bankruptcy filing (the “City Plan”), which, among other things, reflected the terms of a settlement of claims that FGIC negotiated with the

NOTES TO FINANCIAL STATEMENTS

City (the “FGIC-Detroit Settlement”). The City Plan became effective in December 2014. The FGIC-Detroit Settlement resolved, among other things, FGIC’s objections to the City’s plan of adjustment, the validity litigation related to the certificates of participation (the “COPs”) issued by the Detroit Retirement Systems Funding Trust 2005 and the Detroit Retirement Systems Funding Trust 2006 (the “COPs Trusts”) that was commenced by the City (and counterclaims and third party claims related to such litigation), treatment by the City of the FGIC-insured COPs, and treatment by the City of FGIC’s claims related to its insurance of certain interest rate swaps related to the COPs (the “COPs Swaps”). Pursuant to the FGIC-Detroit Settlement, the City provided specified consideration (i) with respect to the FGIC-insured COPs solely for the benefit of FGIC and the holders of such COPs (the “COPs Recovery”), which consideration in February 2016 was assigned by FGIC and the COPs Trusts to a newly formed limited liability company for which FGIC is the managing member and in which the COPs Trusts are members currently holding in the aggregate a 100% economic interest on behalf of the holders of their respective FGIC-insured COPs (including FGIC to the extent it has acquired or will acquire such COPs by paying policy claims in cash or otherwise acquires such COPs) (in accordance with applicable SAP, FGIC’s interest in such consideration is not an admitted asset as of December 31, 2016, and accordingly neither the value thereof nor any future benefit that FGIC may derive therefrom is reflected in the financial statements at December 31, 2016), and (ii) with respect to FGIC’s claims related to its insurance of the COPs Swaps solely for FGIC’s benefit. Pursuant to the City Plan, the COPs were accelerated and interest ceased to accrue thereon as of the effective date of the City Plan. In connection therewith, FGIC exercised its option to pay the policy claims related to the entire \$1,100.0 million of COPs on an accelerated basis. On January 9, 2015, FGIC paid in cash the then CPP of the permitted policy claims related to \$1,100.0 million of principal of COPs (and unpaid interest thereon accrued through the effective date of the City Plan), with the remainder being considered a DPO under the related policies. No further policy claims are permitted under these policies, in accordance with the Rehabilitation Plan.

The Company believes that the Claims Reserve as of December 31, 2016 is adequate to reflect the sum, net of reinsurance, of (i) the present value of net policy claims submitted to the Company in accordance with the Rehabilitation Plan that are unpaid and not objected to by FGIC as of such date and (ii) the present value of net policy claims that are expected to be received by FGIC in the future. The total amount of policy claims FGIC expects to receive in the future is determined for each policy using internally developed cash flow projection models or other methods for estimating losses. However, the establishment of the appropriate level of the Claims Reserve to reflect the future policy claims expected by the Company is an inherently uncertain process involving numerous assumptions, estimates and subjective judgments by management about the outcome of future events, including as to the default probability and liquidation value of assets supporting the insured obligations, future interest rate movements, the amount and timing of collateral cash flows, the priority of application of those cash flows under the transactions documents, and the behavior of the underlying borrower. For example, the Company’s liability in RMBS, asset-backed securities and other securitization transactions, as such liability may be modified by the Rehabilitation Plan, is governed by the structure of the waterfall of cash flows in the transactions documents, which may be subject to interpretation. In addition, each quarter the Company projects its insured exposure on LIBOR-based floating rate RMBS using forward LIBOR curves (1-month or 6-month as applicable), as of the end of the second month of such quarter. For RMBS where FGIC projects losses, all other things being equal, increases or decreases in the interest rates comprising such curves as compared to the prior quarter would increase or decrease FGIC’s Claims Reserve, and such changes could be material.

Small changes in the assumptions, estimates or judgments used by management, which may arise from, among other things, further deterioration in the performance of RMBS or changes in the ability or willingness of insured obligors (including Puerto Rico-related entities) to pay their debt service obligations, could result in significant changes in the Company’s loss expectations and the related Claims Reserve. These changes will not affect the Company’s loss reserve or operating results as long as a Policy Revision Adjustment is required to be made. There can be no assurance that the Company’s estimate of the Claims Reserve is accurate. Accordingly, there can be no assurance that the total amount of policy claims permitted by the Company after December 31, 2016 will not exceed or be less than its Claims Reserve at December 31, 2016, and it is possible that they could significantly exceed such reserve. The Company evaluates the portfolio of insured financial obligations on a regular basis to determine if there has been credit deterioration. The Company evaluates such factors as rating agency downgrades, significant

NOTES TO FINANCIAL STATEMENTS

changes in a specific industry and specific events impacting a particular credit, such as a negative credit event, performance below expectations, breaches of representations, warranties, covenants or deal triggers, management changes, regulatory changes, material litigation and other legal issues. Based on the Company's evaluation of these and other factors, the Company assigns credits to risk ratings categories, which assignment determines the level of on-going monitoring and surveillance efforts required and whether a Claims Reserve is recorded.

In RMBS, asset-backed securities and other securitization transactions insured by FGIC, the structure of the waterfall of cash flows in the transaction documents and applicable terms and conditions of the Rehabilitation Plan may permit FGIC to recover claims paid from subsequent cash flows. The projected recoveries in the above table reflect FGIC's current estimate of these recoveries, but there can be no assurance that such recoveries will be received by FGIC. The Company's insured financial obligations are structured to provide for rights and remedies in order to mitigate claim loss exposure. Loss mitigation activities may include making repurchase claims or pursuing other claims for breaches of representations and warranties by the originator or others, obtaining appraisals of collateral or reviews of loan files, enforcing collateral provisions and covenants of the servicer or others, more frequent meetings with the issuer or servicer, evaluating the financial position of the originator or servicer, renegotiating financial covenants, triggers, or terms of servicing, enforcing rights to remove and replace the servicer, evaluating restructuring plans or bankruptcy proceedings, and commencing litigation or arbitration proceedings as and where appropriate.

There can be no assurance that any loss mitigation efforts will be successful, or as to the magnitude of any benefit that might be derived from any such efforts that are successful.

In accordance with the Rehabilitation Plan, each reinsurer is obligated to pay FGIC in full in cash for such reinsurer's reinsured portion of the entire amount of each permitted policy claim covered by the reinsurance, in each case without giving effect to the modification of FGIC's policy obligations and regardless of the amount paid in cash by FGIC on account of such policy claim. Any reinsurance recoverable on losses is calculated in a manner consistent with the calculation of gross Claims Reserve and reflected in the Claims Reserve as a reduction of the liability.

DPO

Activity in the DPO for the years ended December 31, 2016 and 2015 is summarized as follows:

	December 31,	
	2016	2015
	<i>(In Thousands)</i>	
Balance, beginning of year	\$ 1,700,456	\$ 823,793
Payments of DPO	(69,758)	(22,718)
Additions:		
DPO relating to Permitted Policy Claims that were initially paid (or deemed to be paid) in cash during the period	47,612	899,381
Balance, end of year	<u>\$ 1,678,310</u>	<u>\$ 1,700,456</u>

With respect to FGIC-insured securities purchased and owned by FGIC for which there is a DPO outstanding under the related policy, if the CPP is increased in the future, FGIC, as the holder of such insured securities, would be entitled to receive a ratable portion of the related DPO and DPO Accretion payments that would be payable by FGIC under such policy.

NOTES TO FINANCIAL STATEMENTS

DPO Accretion

Activity in the DPO Accretion for the years ended December 31, 2016 and 2015 is summarized as follows:

	December 31,	
	2016	2015
	<i>(In Thousands)</i>	
Balance, beginning of year	\$ 80,446	\$ 42,679
Accretion on outstanding DPO	51,727	39,083
Payment of DPO Accretion	(3,337)	(1,316)
Balance, end of year	\$ 128,836	\$ 80,446

PRA

Activity in the PRA for the years ended December 31, 2016 and 2015 is summarized as follows:

	December 31,	
	2016	2015
	<i>(In Thousands)</i>	
Balance, beginning of year	\$ (1,247,386)	\$ (1,425,403)
Decrease in PRA	78,378	178,017
Balance, end of year	\$ (1,169,008)	\$ (1,247,386)

Loss Adjustment Expense Reserves

The Company estimates a loss adjustment expense reserve based on the ultimate future net cost, determined using internally developed estimates, of the efforts involved in managing and mitigating existing and future policy claims.

Activity in the loss adjustment expense reserve for the years ended December 31, 2016 and 2015 is summarized as follows:

	December 31,	
	2016	2015
	<i>(In Thousands)</i>	
Net balance at beginning of year	\$ 13,643	\$ 12,002
Incurred related to:		
Current year	—	—
Prior years	19,480	7,466
Total incurred	19,480	7,466
Paid related to:		
Current year	—	—
Prior years	(9,042)	(5,825)
Total paid	(9,042)	(5,825)
Net balance at end of year	\$ 24,081	\$ 13,643

NOTES TO FINANCIAL STATEMENTS

Note 26 - Intercompany Pooling Arrangements

The Company was not subject to any Intercompany pooling arrangements during 2016 and 2015.

Note 27 - Structured Settlements

Not Applicable

Note 28 - Health Care Receivables

Not Applicable

Note 29 - Participating Policies

None

Note 30 - Premium Deficiency Reserves

None

Note 31 - High Deductibles

None

Note 32 - Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

A. Tabular Discount - Not Applicable

B. Claims reserves at December 31, 2016 include amounts discounted on a non-tabular basis at 4.27%, the Company's average rate of return on the Company's admitted assets. The amount of the discount as of December 31, 2016 is \$897 million summarized as follows:

Non-tabular Discount:

	1 Case	2 IBNR	3 Defense & Cost Containment Expense	4 Adjusting & Other Expense
21. Financial Guaranty/Mortgage Guaranty	\$.....896,748,595	\$.....0	\$.....0	\$.....0
23. Total	\$.....896,748,595	\$.....0	\$.....0	\$.....0

Note 33 - Asbestos/Environmental Reserves

None

Note 34 - Subscriber Savings Accounts

None

NOTES TO FINANCIAL STATEMENTS

Note 35 - Multiple Peril Crop Insurance

None

Note 36 - Financial Guaranty Insurance

The expected future premiums shown below are based on various prepayment, collection and other assumptions and circumstances as of December 31, 2016, and actual premiums earned or collected could differ materially. In addition, the expected future premiums shown below do not give effect to policy terminations that have occurred, or may occur, after December 31, 2016, which could materially reduce the actual premiums collected.

A.

1a. The remaining amount of unearned premiums that would have been recorded if all expected future premiums on policies with installment premiums had been received at inception amounted to \$59.5 million as of December 31, 2016.

1b. The following is a schedule of undiscounted future premiums expected to be collected on policies with installment premiums, shown by the periods in which those collections are expected to occur, as of December 31, 2016:

	Undiscounted Premiums Expected to be Collected
	<i>(In Thousands)</i>
Quarter ended	
March 31, 2017	\$ 1,626
June 30, 2017	2,580
September 30, 2017	1,814
December 31, 2017	1,876
 Total 2017	 7,896
 Year ended	
December 31, 2018	7,758
December 31, 2019	7,092
December 31, 2020	6,616
December 31, 2021	6,097
 Five years ended	
December 31, 2026	22,699
December 31, 2031	18,733
December 31, 2036	12,814
December 31, 2041	6,119
December 31, 2046	2,226
December 31, 2051	14
Total	\$ 98,064

NOTES TO FINANCIAL STATEMENTS

1c. The following is a roll-forward of the undiscounted future premiums expected to be collected on policies with installment premiums for the years ended December 31, 2016 and 2015:

	Year Ended December 31,	
	2016	2015
	<i>(In Thousands)</i>	
Beginning expected future premiums	\$ 121,795	\$ 151,607
Premium payments received	(9,903)	(13,379)
Adjustments for changes in expected premiums, including impact of terminations and FX movement	(13,828)	(16,433)
Ending expected future premiums	\$ 98,064	\$ 121,795

2. Non-installment contracts:

- a. Premium revenue recognition acceleration - see Note 25 – Changes in Incurred Losses and Loss Adjustment Expenses.
- b. The following table presents the expected unearned premiums balance and the expected future premium earnings on non-installment policies as of and for the periods presented:

	Unearned Premiums	Expected Future Premium Earnings
	<i>(In thousands)</i>	
December 31, 2016	\$ 47,876	\$ –
Quarter ended		
March 31, 2017	46,473	1,403
June 30, 2017	45,853	620
September 30, 2017	43,987	1,866
December 31, 2017	43,437	550
Year ended		
December 31, 2018	39,769	3,668
December 31, 2019	36,490	3,279
December 31, 2020	33,240	3,250
December 31, 2021	28,294	4,946
Five years ended		
December 31, 2026	17,416	10,878
December 31, 2031	11,102	6,314
December 31, 2036	6,798	4,304
December 31, 2041	3,417	3,381
December 31, 2046	158	3,259
December 31, 2051	–	158
Total		\$ 47,876

3. Claim Liability:

- a. The Company used a rate of 4.27% to discount the claim liability. This rate is equal to the Company's average rate of return on its admitted assets as of December 31, 2016.
- b. Significant components of the change in the claim liability for the period – See Note 25, Changes in Incurred Losses and Loss Adjustment Expense.

4a. The Company uses the following risk categories to define and monitor insured financial obligations:

NOTES TO FINANCIAL STATEMENTS

Risk Category 1 – Performing Credits

Transactions are performing with no expectation of loss. Financial strength of the transaction would enable it to withstand volatility in performance without risk of non-payment on timely debt service. Transactions are considered to be investment grade by the Company. Although rating changes may occur, it is not expected that a downgrade would be to below investment grade.

Risk Category 2 – Watchlist Credits Under Heightened Surveillance

Credits in this category typically would be considered marginal investment grade or higher rated “non-investment grade.” Credits in this risk category have been determined to require heightened surveillance, taking into account the totality of circumstances surrounding the particular credit, but have not deteriorated to the level that they would be considered impaired and require a Claims Reserve.

Risk Category 3 – Watchlist Credits Experiencing Credit Impairment

Credit deterioration has occurred and there is substantial uncertainty as to the credit’s ability or willingness to pay its debt service obligations in a timely manner. Credits in this category typically would have suffered sustained negative trends or would have been the subject of a significant adverse event, but are currently not in payment default. Credits in this category have been determined to be impaired, and there is an increased probability of default, but FGIC has not determined, or been able to determine, that policy claims are probable and estimable.

Risk Category 4 – Watchlist Credits Currently or Likely to Be in Payment Default

Credits that have deteriorated to the point where payment default on their debt service obligations has occurred or is probable and the ultimate loss can be reasonably estimated. Claims Reserves are established on a case basis and are inclusive of any anticipated recoveries from the particular credit or the related collateral. Credits in this category would be consistent with the lowest or in-default credit ratings. Credits in risk category 4 are reviewed and updated on at least a quarterly basis for any change in status.

B. The following table is a breakdown, as of December 31, 2016, of the Company’s portfolio of insured financial obligations assigned to risk category 4:

	Risk Category 4
	<i>(Dollars in Thousands)</i>
Number of policies	86
Remaining weighted-average contract period (in years)	9
Insured contractual payments outstanding:	
Principal	\$ 4,442,898
Interest	1,513,415
Total	<u>5,956,313</u>
Gross Claims Reserve	\$ 2,426,245
Less:	
Gross projected recoveries	(175,938)
Discount, net	(910,331)
Gross Claims Reserve, net of discount and projected recoveries	<u>\$ 1,339,976</u>
Unearned premiums	<u>\$ 30,565</u>
Reinsurance recoverable reported in the balance sheet	<u>\$ 26</u>

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No []
 If yes, complete Schedule Y, Parts 1, 1A and 2.
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [] N/A []
- 1.3 State Regulating? New York.....
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.12/31/2016
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.12/31/2004
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).05/29/2007
- 3.4 By what department or departments? New York State Department of Financial Services.....
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [] No [] N/A [X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [] N/A []
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes [] No [X]
- 4.12 renewals? Yes [] No [X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes [] No [X]
- 4.22 renewals? Yes [] No [X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [X] No []
- 6.2 If yes, give full information During the reporting period, FGIC voluntarily withdrew its Certificate of Authority in AZ and KS. FGIC's Certificate of Authority is suspended in CA,CT,GA,IL,IN,MI and OH and revoked in AL,FL,LA and MA.
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No [X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control0.0
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity

GENERAL INTERROGATORIES

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]
 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]
 8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
 Ernst Young LLP., 5 Times Square New York, NY 10036.....
 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [] No [X]
 10.2 If the response to 10.1 is yes, provide information related to this exemption:
 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]
 10.4 If the response to 10.3 is yes, provide information related to this exemption:
 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [] N/A []
 10.6 If the response to 10.5 is no or n/a, please explain

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
 Jay Votta, Actuary Ernst Young, LLP., 5 Times Square New York, NY 10036.....
 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
 12.11 Name of real estate holding company
 12.12 Number of parcels involved0
 12.13 Total book/adjusted carrying value \$0
 12.2 If yes, provide explanation

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []
 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
 a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 c. Compliance with applicable governmental laws, rules and regulations;
 d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 e. Accountability for adherence to the code.
 14.11 If the response to 14.1 is no, please explain:
 14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
 14.21 If the response to 14.2 is yes, provide information related to amendment(s)
 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

GENERAL INTERROGATORIES

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [] No [X]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
.....
.....
.....

BOARD OF DIRECTORS

- 16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [X] No []
- 17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [X] No []
- 18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No []

FINANCIAL

- 19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
 - 20.11 To directors or other officers \$.....0
 - 20.12 To stockholders not officers \$.....0
 - 20.13 Trustees, supreme or grand (Fraternal only) \$.....0
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
 - 20.21 To directors or other officers \$.....0
 - 20.22 To stockholders not officers \$.....0
 - 20.23 Trustees, supreme or grand (Fraternal only) \$.....0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
 - 21.21 Rented from others \$.....0
 - 21.22 Borrowed from others \$.....0
 - 21.23 Leased from others \$.....0
 - 21.24 Other \$.....0
- 22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments? Yes [] No [X]
- 22.2 If answer is yes:
 - 22.21 Amount paid as losses or risk adjustment \$.....0
 - 22.22 Amount paid as expenses \$.....0
 - 22.23 Other amounts paid \$.....0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$.....5,348

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [X] No []
- 24.02 If no, give full and complete information, relating thereto
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
N/A.....
- 24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [] No [] NA [X]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$.....
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$.....
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [] No [] NA [X]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [] No [] NA [X]
- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [] No [] NA [X]
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
 - 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$.....0
 - 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$.....0
 - 24.103 Total payable for securities lending reported on the liability page \$.....0

GENERAL INTERROGATORIES

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes [X] No []

25.2 If yes, state the amount thereof at December 31 of the current year:

25.21 Subject to repurchase agreements	\$
25.22 Subject to reverse repurchase agreements	\$
25.23 Subject to dollar repurchase agreements	\$
25.24 Subject to reverse dollar repurchase agreements	\$
25.25 Placed under option agreements	\$
25.26 Letter stock or securities restricted as to sale – excluding FHLB Capital Stock	\$
25.27 FHLB Capital Stock	\$
25.28 On deposit with states	\$4,198,515
25.29 On deposit with other regulatory bodies	\$520,366
25.30 Pledged as collateral – excluding collateral pledged to an FHLB	\$
25.31 Pledged as collateral to FHLB – including assets backing funding agreements	\$
25.32 Other	\$

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] N/A []
If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]

27.2 If yes, state the amount thereof at December 31 of the current year. \$

28. Excluding items in Schedule E – Part 3 – Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping agreements of the NAIC *Financial Condition Examiners Handbook*? Yes [X] No []

28.01 For agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
State Street Global Services.....	801 Pennsylvania Ave., Kansas City, MO 64105.....

28.02 For all agreements that do not comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [] No [X]

28.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

GENERAL INTERROGATORIES

28.05 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts"; "...handle securities"]

1 Name of Firm or Individual	2 Affiliation
Wellington Management Company, LLP.....	U.....
.....
.....

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") manage more than 10% of the reporting entity's assets? Yes No

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes No

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
106595.....	Wellington Management Company, LLP.....	549300YHP12TEZNLX41.....	Securities and Exchange Commission.....	NO.....

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D - Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes No

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2001. 922040-10-0.....	Vanguard Inst Index Fund.....	79,009,118
29.2999 TOTAL		79,009,118

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
Vanguard Inst Index Fund.....	Apple Inc.....	1,438,253	12/31/2016.....
Vanguard Inst Index Fund.....	Microsoft Corp.....	882,574	12/31/2016.....
Vanguard Inst Index Fund.....	Alphabet, Inc.....	1,074,373	12/31/2016.....
Vanguard Inst Index Fund.....	Exxon Mobil Corp.....	650,053	12/31/2016.....
Vanguard Inst Index Fund.....	Johnson and Johnson.....	1,315,813	12/31/2016.....

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	2,208,492,819	2,259,322,371	50,829,553
30.2 Preferred Stocks.....	0		0
30.3 Totals	2,208,492,819	2,259,322,371	50,829,553

30.4 Describe the sources or methods utilized in determining the fair values:

Fair values are determined by the Interactive Data Corporation.....

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes No

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes No

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

32.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed? Yes No

32.2 If no, list exceptions:

GENERAL INTERROGATORIES

OTHER

- 33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$226,296
- 33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
Standard and Poors Capital IQ LLC.....	\$.....115,980
Moody's Analytics.....	\$.....90,400

- 34.1 Amount of payments for legal expenses, if any? \$1,194,019
- 34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Weil Gotshal & Manges LLP.....	\$.....577,261
Proskauer Rose LLP.....	\$.....481,962

- 35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$900
- 35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
Assn. of Fin'l Guaranty Insurers.....	\$.....900

User Note to Interrogatory 19:

To meet the requirements of the New York State Department of Financial Services ("NYSDFS"), the Annual Statement has been prepared in conformity with accounting practices prescribed or permitted by the NYSDFS, as well as the accounting practices detailed in the NYSDFS Guidelines.

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No [X]
 1.2 If yes, indicate premium earned on U. S. business only. \$0
 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$

1.3.1 Reason for excluding

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$
 1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$0

1.6 Individual policies:

Most current three years:

1.6.1 Total premium earned \$0
 1.6.2 Total incurred claims \$0
 1.6.3 Number of covered lives

All years prior to most current three years:

1.6.4 Total premium earned \$0
 1.6.5 Total incurred claims \$0
 1.6.6 Number of covered lives

1.7 Group policies:

Most current three years:

1.7.1 Total premium earned \$0
 1.7.2 Total incurred claims \$0
 1.7.3 Number of covered lives

All years prior to most current three years:

1.7.4 Total premium earned \$0
 1.7.5 Total incurred claims \$0
 1.7.6 Number of covered lives

2. Health Test:

		1		2
		Current Year		Prior Year
2.1	Premium Numerator	\$0	\$	.....0
2.2	Premium Denominator	\$19,665,970	\$	.....73,562,635
2.3	Premium Ratio (2.1/2.2)	.....0.000		.....0.000
2.4	Reserve Numerator	\$0	\$	.....0
2.5	Reserve Denominator	\$2,021,666,318	\$	.....1,968,039,927
2.6	Reserve Ratio (2.4/2.5)	.....0.000		.....0.000

3.1 Does the reporting entity issue both participating and non-participating policies? Yes [] No [X]

3.2 If yes, state the amount of calendar year premiums written on:

3.2.1 Participating policies \$
 3.2.2 Non-participating policies \$

4. For Mutual reporting entities and Reciprocal Exchanges only:

4.1 Does the reporting entity issue assessable policies?..... Yes [] No []
 4.2 Does the reporting entity issue non-assessable policies?..... Yes [] No []
 4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders?..... %
 4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. \$

5. For Reciprocal Exchanges Only:

5.1 Does the exchange appoint local agents?..... Yes [] No []
 5.2 If yes, is the commission paid:
 5.2.1 Out of Attorney's-in-fact compensation..... Yes [] No [] N/A []
 5.2.2 As a direct expense of the exchange..... Yes [] No [] N/A []

5.3 What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?

5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred?..... Yes [] No []

5.5 If yes, give full information

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

- 6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss:
 N/A- The Company has written only financial guaranty insurance.....
- 6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:
 N/A.....
- 6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?.....
 N/A.....
- 6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence?..... Yes [] No [X]
- 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss
 N/A - The Company has written only financial guaranty insurance.....
- 7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)?..... Yes [] No [X]
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions.....
- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?..... Yes [] No []
- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured?..... Yes [] No [X]
- 8.2 If yes, give full information.....
- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
 (a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
 (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
 (c) Aggregate stop loss reinsurance coverage;
 (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
 (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
 (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity..... Yes [] No [X]
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
 (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
 (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract..... Yes [] No [X]
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
 (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
 (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
 (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R - Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
 (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
 (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?..... Yes [] No [X]
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.
- 9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
 (a) The entity does not utilize reinsurance; or,..... Yes [] No [X]
 (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or..... Yes [] No [X]
 (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement..... Yes [] No [X]
10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?..... Yes [] No [] N/A [X]

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

- 11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force:..... Yes [] No [X]
 11.2 If yes, give full information
- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:
 12.11 Unpaid losses..... \$0
 12.12 Unpaid underwriting expenses (including loss adjustment expenses)..... \$0
 12.2 Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds?..... \$0
 12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes [] No [] N/A [X]
 12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
 12.41 From..... %
 12.42 To..... %
 12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes [] No [X]
 12.6 If yes, state the amount thereof at December 31 of current year:
 12.61 Letters of Credit..... \$
 12.62 Collateral and other funds..... \$
 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$600,000,000
 13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes [] No [X]
 13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.0
 14.1 Is the reporting entity a cedant in a multiple cedant reinsurance contract?..... Yes [] No [X]
 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:
- 14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts?..... Yes [] No []
 14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements?..... Yes [] No []
 14.5 If the answer to 14.4 is no, please explain:
- 15.1 Has the reporting entity guaranteed any financed premium accounts?..... Yes [] No [X]
 15.2 If yes, give full information
- 16.1 Does the reporting entity write any warranty business? Yes [] No [X]
 If yes, disclose the following information for each of the following types of warranty coverage:

	1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
16.11 Home	\$	\$	\$	\$	\$
16.12 Products	\$	\$	\$	\$	\$
16.13 Automobile	\$	\$	\$	\$	\$
16.14 Other*	\$	\$	\$	\$	\$

* Disclose type of coverage:

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F – Part 3 that it excludes from Schedule F – Part 5. Yes [] No [X]

Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F – Part 5. Provide the following information for this exemption:

17.11	Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5.....	\$.....0
17.12	Unfunded portion of Interrogatory 17.11.....	\$.....0
17.13	Paid losses and loss adjustment expenses portion of Interrogatory 17.11.....	\$.....0
17.14	Case reserves portion of Interrogatory 17.11.....	\$.....0
17.15	Incurred but not reported portion of Interrogatory 17.11.....	\$.....0
17.16	Unearned premium portion of Interrogatory 17.11.....	\$.....0
17.17	Contingent commission portion of Interrogatory 17.11.....	\$.....0

Provide the following information for all other amounts included in Schedule F – Part 3 and excluded from Schedule F – Part 5, not included above.

17.18	Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5.....	\$.....0
17.19	Unfunded portion of Interrogatory 17.18.....	\$.....0
17.20	Paid losses and loss adjustment expenses portion of Interrogatory 17.18.....	\$.....0
17.21	Case reserves portion of Interrogatory 17.18.....	\$.....0
17.22	Incurred but not reported portion of Interrogatory 17.18.....	\$.....0
17.23	Unearned premium portion of Interrogatory 17.18.....	\$.....0
17.24	Contingent commission portion of Interrogatory 17.18.....	\$.....0

18.1 Do you act as a custodian for health savings accounts? Yes [] No [X]
 18.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$.....
 18.3 Do you act as an administrator for health savings accounts? Yes [] No [X]
 18.4 If yes, please provide the balance of the funds administered as of the reporting date. \$.....

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e., 17.6.

	1 2016	2 2015	3 2014	4 2013	5 2012
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	0	0	0	0	0
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	0	0	0
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	9,364,026	12,405,832	17,329,591	37,969,430	46,713,123
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
6. Total (Line 35)	9,364,026	12,405,832	17,329,591	37,969,430	46,713,123
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	0	0	0	0	0
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	0	0	0
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	9,067,188	11,949,999	16,195,762	46,568,886	72,355,341
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
12. Total (Line 35)	9,067,188	11,949,999	16,195,762	46,568,886	72,355,341
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(169,702,972)	(72,941,270)	(270,473,596)	2,472,735,523	994,962,789
14. Net investment gain (loss) (Line 11)	112,709,775	75,693,186	68,316,582	13,526,729	52,215,293
15. Total other income (Line 15)	55,188,932	18,073,676	96,372,024	23,454,593	18,956,245
16. Dividends to policyholders (Line 17)	0	0	0	0	0
17. Federal and foreign income taxes incurred (Line 19)	(4,515,774)	7,633,467	3,489,588	909,751	(324,957)
18. Net income (Line 20)	2,711,509	13,192,125	(109,274,578)	2,508,807,094	1,066,459,284
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	2,485,657,776	2,354,571,776	2,519,317,923	1,999,284,803	2,020,836,491
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	0	0	0	0	0
20.2 Deferred and not yet due (Line 15.2)	0	0	0	9,579	535,998
20.3 Accrued retrospective premiums (Line 15.3)	0	0	0	0	0
21. Total liabilities excluding protected cell business (Page 3, Line 26)	2,419,257,776	2,288,171,776	2,452,917,923	1,932,884,803	4,631,749,595
22. Losses (Page 3, Line 1)	1,949,709,123	1,895,922,071	2,018,840,726	1,367,388,606	3,863,104,248
23. Loss adjustment expenses (Page 3, Line 3)	24,080,821	13,642,700	12,003,247	42,422,492	33,325,348
24. Unearned premiums (Page 3, Line 9)	47,876,374	58,475,156	120,087,792	122,545,759	172,151,354
25. Capital paid up (Page 3, Lines 30 & 31)	315,000,000	315,000,000	315,000,000	315,000,000	315,000,000
26. Surplus as regards policyholders (Page 3, Line 37)	66,400,000	66,400,000	66,400,000	66,400,000	(2,610,913,104)
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	42,633,197	(163,254,694)	519,212,304	21,239,962	(28,750,463)
Risk-Based Capital Analysis					
28. Total adjusted capital	0	0	0	0	0
29. Authorized control level risk-based capital	0	0	0	0	0
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3)(Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1)	86.6	92.1	82.2	68.9	64.7
31. Stocks (Lines 2.1 & 2.2)	6.7	3.9	1.0	0.8	0.0
32. Mortgage loans on real estate (Lines 3.1 and 3.2)	0.0	0.0	0.0	0.0	0.0
33. Real estate (Lines 4.1, 4.2 & 4.3)	0.0	0.0	0.0	0.0	0.0
34. Cash, cash equivalents and short-term investments (Line 5)	4.1	3.3	16.5	29.5	34.2
35. Contract loans (Line 6)	0.0	0.0	0.0	0.0	0.0
36. Derivatives (Line 7)	0.0	0.0	0.0	0.0	0.0
37. Other invested assets (Line 8)	0.0	0.0	0.0	0.0	0.0
38. Receivables for securities (Line 9)	1.8	0.0	0.0	0.0	0.0
39. Securities lending reinvested collateral assets (Line 10)	0.0	0.0	0.0	0.0	0.0
40. Aggregate write-ins for invested assets (Line 11)	0.8	0.7	0.3	0.8	1.1
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds, (Sch. D, Summary, Line 12, Col. 1)	0	0	0	0	0
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1)	0	0	0	0	0
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)	33,200,000	33,200,000	24,816,395	15,217,714	0
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
46. Affiliated mortgage loans on real estate	0	0	0	0	0
47. All other affiliated	0	0	0	0	0
48. Total of above Lines 42 to 47	33,200,000	33,200,000	24,816,395	15,217,714	0
49. Total Investment in parent included in Lines 42 to 47 above	0	0	0	0	0
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)	50.0	50.0	37.4	22.9	0.0

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2016	2 2015	3 2014	4 2013	5 2012
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)	7,222,738	8,812,843	16,916,823	15,217,715	0
52. Dividends to stockholders (Line 35)	0	0	0	0	0
53. Change in surplus as regards policyholders for the year (Line 38)	0	0	0	2,677,313,104	956,162,991
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	0	0	0	0	0
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	0	0	0
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	85,996,708	234,226,092	(333,370,642)	73,153,536	123,103,471
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
59. Total (Line 35)	85,996,708	234,226,092	(333,370,642)	73,153,536	123,103,471
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	0	0	0	0	0
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	0	0	0
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	85,477,215	234,201,433	(332,780,824)	28,218,285	89,465,724
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
65. Total (Line 35)	85,477,215	234,201,433	(332,780,824)	28,218,285	89,465,724
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2)	708.1	151.3	1,257.1	(2,573.6)	(1,371.6)
68. Loss expenses incurred (Line 3)	99.1	10.1	(206.0)	41.5	(7.1)
69. Other underwriting expenses incurred (Line 4)	155.7	37.7	115.8	53.0	75.5
70. Net underwriting gain (loss) (Line 8)	(862.9)	(99.2)	(1,067.0)	2,579.1	1,403.2
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0)	(270.9)	81.0	(413.7)	58.8	47.8
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	807.2	161.4	1,051.1	(2,532.2)	(1,378.6)
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 37, Col. 1 x 100.0)	13.7	18.0	24.4	70.1	(2.8)
One Year Loss Development (000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11)	321,439	(172,998)	(116,818)	(2,936,560)	(2,079,611)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100.0)	484.1	(260.5)	(175.9)	112.5	58.3
Two Year Loss Development (000 omitted)					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12)	(56,976)	(95,789)	(3,171,029)	(5,016,192)	(507,383)
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0)	(85.8)	(144.3)	121.5	140.6	22.8

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3 - Accounting Changes and Correction of Errors?

Yes [] No []

If no, please explain



ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)

NAIC Group Code 0000

BUSINESS IN THE STATE OF New York

DURING THE YEAR 2016

NAIC Company Code 12815

Line of Business	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		3 Dividends Paid or Credited to Policyholders on Direct Business	4 Direct Unearned Premium Reserves	5 Direct Losses Paid (deducting salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Direct Defense and Cost Containment Expense Paid	9 Direct Defense and Cost Containment Expense Incurred	10 Direct Defense and Cost Containment Expense Unpaid	11 Commissions and Brokerage Expenses	12 Taxes, Licenses and Fees
	1 Direct Premiums Written	2 Direct Premiums Earned										
1. Fire												
2.1 Allied lines												
2.2 Multiple peril crop												
2.3 Federal flood												
2.4 Private crop												
2.5 Private flood												
3. Farmowners multiple peril												
4. Homeowners multiple peril												
5.1 Commercial multiple peril (non-liability portion)												
5.2 Commercial multiple peril (liability portion)												
6. Mortgage guaranty												
8. Ocean marine												
9. Inland marine												
10. Financial guaranty	6,239,156	7,444,516		10,425,794	37,812,142	(121,914,755)	1,643,646,259	7,064,843	19,468,019	16,412,062		200,402
11. Medical professional liability												
12. Earthquake												
13. Group accident and health (b)												
14. Credit A & H (group and individual)												
15.1 Collectively renewable A & H (b)												
15.2 Non-cancelable A & H (b)												
15.3 Guaranteed renewable A & H (b)												
15.4 Non-renewable for stated reasons only (b)												
15.5 Other accident only												
15.6 Medicare Title XVIII exempt from state taxes or fees												
15.7 All other A & H (b)												
15.8 Federal Employees Health Benefits Plan premium (b)												
16. Workers' compensation												
17.1 Other liability-Occurrence												
17.2 Other Liability-Claims-Made												
17.3 Excess workers' compensation												
18. Products liability												
19.1 Private passenger auto no-fault (personal injury protection)												
19.2 Other private passenger auto liability												
19.3 Commercial auto no-fault (personal injury protection)												
19.4 Other commercial auto liability												
21.1 Private passenger auto physical damage												
21.2 Commercial auto physical damage												
22. Aircraft (all perils)												
23. Fidelity												
24. Surety												
26. Burglary and theft												
27. Boiler and machinery												
28. Credit												
30. Warranty												
34. Aggregate write-ins for other lines of business	0	0	0	0	0	78,378,549	(1,169,007,057)	0	0	0	0	0
35. TOTAL (a)	6,239,156	7,444,516	0	10,425,794	37,812,142	(43,536,206)	474,639,202	7,064,843	19,468,019	16,412,062	0	200,402
DETAILS OF WRITE-INS												
3401. Policy Revision Adjustment ("PRA")						78,378,549	(1,169,007,057)					
3402.												
3403.												
3498. Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0
3499. Totals (Lines 3401 through 3403 Plus 3498) (Line 34 above)	0	0	0	0	0	78,378,549	(1,169,007,057)	0	0	0	0	0

(a) Finance and service charges not included in Lines 1 to 35 \$

(b) For health business on indicated lines report: Number of persons insured under PPO managed care products

and number of persons insured under indemnity only products

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ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)

NAIC Group Code 0000

BUSINESS IN THE STATE OF Consolidated

DURING THE YEAR 2016

NAIC Company Code 12815

Line of Business	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		3 Dividends Paid or Credited to Policyholders on Direct Business	4 Direct Unearned Premium Reserves	5 Direct Losses Paid (deducting salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Direct Defense and Cost Containment Expense Paid	9 Direct Defense and Cost Containment Expense Incurred	10 Direct Defense and Cost Containment Expense Unpaid	11 Commissions and Brokerage Expenses	12 Taxes, Licenses and Fees
	1 Direct Premiums Written	2 Direct Premiums Earned										
1. Fire	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2.1 Allied lines	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2.2 Multiple peril crop	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2.3 Federal flood	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2.4 Private crop	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2.5 Private flood	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3. Farmowners multiple peril	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. Homeowners multiple peril	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
5.1 Commercial multiple peril (non-liability portion)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
5.2 Commercial multiple peril (liability portion)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. Mortgage guaranty	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
8. Ocean marine	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9. Inland marine	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
10. Financial guaranty	9,364,026	20,511,323	.0	49,467,950	85,996,707	67,086,396	3,129,628,052	9,082,560	19,609,156	24,234,645	.0	315,705
11. Medical professional liability	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
12. Earthquake	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
13. Group accident and health (b)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
14. Credit A & H (group and individual)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
15.1 Collectively renewable A & H (b)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
15.2 Non-cancelable A & H (b)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
15.3 Guaranteed renewable A & H (b)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
15.4 Non-renewable for stated reasons only (b)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
15.5 Other accident only	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
15.6 Medicare Title XVIII exempt from state taxes or fees	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
15.7 All other A & H (b)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
15.8 Federal Employees Health Benefits Plan premium (b)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
16. Workers' compensation	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
17.1 Other liability-Occurrence	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
17.2 Other Liability-Claims-Made	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
17.3 Excess workers' compensation	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
18. Products liability	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
19.1 Private passenger auto no-fault (personal injury protection)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
19.2 Other private passenger auto liability	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
19.3 Commercial auto no-fault (personal injury protection)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
19.4 Other commercial auto liability	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
21.1 Private passenger auto physical damage	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
21.2 Commercial auto physical damage	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
22. Aircraft (all perils)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
23. Fidelity	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
24. Surety	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
26. Burglary and theft	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
27. Boiler and machinery	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
28. Credit	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
30. Warranty	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
34. Aggregate write-ins for other lines of business	.0	.0	.0	.0	.0	78,378,549	(1,169,007,057)	.0	.0	.0	.0	.0
35. TOTAL (a)	9,364,026	20,511,323	0	49,467,950	85,996,707	145,464,945	1,960,620,995	9,082,560	19,609,156	24,234,645	0	315,705
DETAILS OF WRITE-INS												
3401. Policy Revision Adjustment ("PRA")	.0	.0	.0	.0	.0	78,378,549	(1,169,007,057)	.0	.0	.0	.0	.0
3402.												
3403.												
3498. Summary of remaining write-ins for Line 34 from overflow page	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3499. Totals (Lines 3401 through 3403 Plus 3498) (Line 34 above)	0	0	0	0	0	78,378,549	(1,169,007,057)	0	0	0	0	0

(a) Finance and service charges not included in Lines 1 to 35 \$ 0

(b) For health business on indicated lines report: Number of persons insured under PPO managed care products 0 and number of persons insured under indemnity only products 0

19.GT

Schedule F - Part 1

NONE

Schedule F - Part 2

NONE

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE F - PART 3

Ceded Reinsurance as of December 31, Current Year (000 Omitted)

1 ID Number	2 NAIC Company Code	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Special Code	6 Reinsurance Premiums Ceded	Reinsurance Recoverable On										Reinsurance Payable		18 Net Amount Recoverable From Reinsurers Cols. 15 - [16 + 17]	19 Funds Held By Company Under Reinsurance Treaties
						7 Paid Losses	8 Paid LAE	9 Known Case Loss Reserves	10 Known Case LAE Reserves	11 IBNR Loss Reserves	12 IBNR LAE Reserves	13 Unearned Premiums	14 Contingent Commissions	15 Cols. 7 through 14 Totals	16 Ceded Balances Payable	17 Other Amounts Due to Reinsurers			
Authorized - Affiliates - U.S. Intercompany Pooling																			
Authorized - Affiliates - U.S. Non-Pool - Captive																			
Authorized - Affiliates - U.S. Non-Pool - Other																			
Authorized - Affiliates - Other (Non-U.S.) - Captive																			
Authorized - Affiliates - Other (Non-U.S.) - Other																			
Authorized - Other U.S. Unaffiliated Insurers																			
52-1533088	30180	ASSURED GUAR CORP	MD		0	2	1	128	15	0	0	51	0	197	0	0	197	0	
94-1517098	25534	TIG INS CO	CA		0	11	0	10	0	0	0	0	0	21	0	0	21	0	
13-2918573	42439	TOA RE INS CO OF AMER	DE		0	2	0	3	0	0	0	2	0	7	0	0	7	0	
0999999 - Total Authorized - Other U.S. Unaffiliated Insurers					0	15	1	141	15	0	0	53	0	225	0	0	225	0	
Authorized - Pools - Mandatory Pools																			
Authorized - Pools - Voluntary Pools																			
Authorized - Other Non-U.S. Insurers																			
1399999 - Total Authorized - Total Authorized					0	15	1	141	15	0	0	53	0	225	0	0	225	0	
Unauthorized - Affiliates - U.S. Intercompany Pooling																			
Unauthorized - Affiliates - U.S. Non-Pool - Captive																			
Unauthorized - Affiliates - U.S. Non-Pool - Other																			
Unauthorized - Affiliates - Other (Non-U.S.) - Captive																			
Unauthorized - Affiliates - Other (Non-U.S.) - Other																			
Unauthorized - Other U.S. Unaffiliated Insurers																			
Unauthorized - Pools - Mandatory Pools																			
Unauthorized - Pools - Voluntary Pools																			
Unauthorized - Other non-U.S. Insurers																			
AA-3190809	00000	Assured Guaranty Re Ltd	BMU		297	1	9	10,771	139	0	0	1,539	0	12,459	0	0	12,459	0	
2599999 - Total Unauthorized - Other Non-U.S. Insurers					297	1	9	10,771	139	0	0	1,539	0	12,459	0	0	12,459	0	
2699999 - Total Unauthorized - Total Unauthorized					297	1	9	10,771	139	0	0	1,539	0	12,459	0	0	12,459	0	
Certified - Affiliates - U.S. Intercompany Pooling																			
Certified - Affiliates - U.S. Non-Pool - Captive																			
Certified - Affiliates - U.S. Non-Pool - Other																			
Certified - Affiliates - Other (Non-U.S.) - Captive																			
Certified - Affiliates - Other (Non-U.S.) - Other																			
Certified - Other U.S. Unaffiliated Insurers																			
Certified - Pools - Mandatory Pools																			
Certified - Pools - Voluntary Pools																			
Certified - Other Non-U.S. Insurers																			
4099999 - Total Authorized, Unauthorized and Certified					297	16	10	10,912	154	0	0	1,592	0	12,684	0	0	12,684	0	
9999999 Totals					297	16	10	10,912	154	0	0	1,592	0	12,684	0	0	12,684	0	

NOTE: A. Report the five largest provisional commission rates included in the cedant's reinsurance treaties. The commission rate to be reported is by contract with ceded premium in excess of \$50,000:

	1 Name of Reinsurer	2 Commission Rate	3 Ceded Premium
1.		
2.		
3.		
4.		
5.		

B. Report the five largest reinsurance recoverables reported in Column 15, due from any one reinsurer (based on the total recoverables, Line 9999999, Column 15, the amount of ceded premium, and indicate whether the recoverables are due from an affiliated insurer.

	1 Name of Reinsurer	2 Total Recoverables	3 Ceded Premiums	4 Affiliated
1.	Assured Guaranty Re Ltd	12,459	297	Yes [] No [X]
2.	Assured Guaranty Corp	197	0	Yes [] No [X]
3.	Clearwater Ins Co	21	0	Yes [] No [X]
4.	Toa Re America	7	0	Yes [] No [X]
5.	Others US	0	0	Yes [] No [X]

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE F - PART 4

Aging of Ceded Reinsurance as of December 31, Current Year (000 Omitted)

1 ID Number	2 NAIC Company Code	3 Name of Reinsurer	4 Domiciliary Jurisdiction	Reinsurance Recoverable on Paid Losses and Paid Loss Adjustment Expenses							12 Percentage Overdue Col. 10/Col. 11	13 Percentage More Than 120 Days Overdue Col. 9 / Col. 11
				5 Current	Overdue					11 Total Due Cols. 5 + 10		
					6 1 to 29 Days	7 30 - 90 Days	8 91 - 120 Days	9 Over 120 Days	10 Total Overdue Cols. 6 + 7 + 8 + 9			
Authorized - Affiliates - U.S. Intercompany Pooling												
Authorized - Affiliates - U.S. Non-Pool - Captive												
Authorized - Affiliates - U.S. Non-Pool - Other												
Authorized - Affiliates - Other (Non-U.S.) - Captive												
Authorized - Affiliates - Other (Non-U.S.) - Other												
Authorized - Other U.S. Unaffiliated Insurers												
52-1533088	30180	ASSURED GUAR CORP	MD	.16					.0	.16	.0.0	.0.0
94-1517098	25534	TIG INS CO	CA	.0					.0	.0	.0.0	.0.0
13-2918573	42439	TOA RE INS CO OF AMER	DE	.0					.0	.0	.0.0	.0.0
0999999 - Total Authorized - Other U.S. Unaffiliated Insurers				16	0	0	0	0	0	16	0.0	0.0
Authorized - Pools - Mandatory Pools												
Authorized - Pools - Voluntary Pools												
Authorized - Other Non-U.S. Insurers												
1399999 - Total Authorized - Total Authorized				16	0	0	0	0	0	16	0.0	0.0
Unauthorized - Affiliates - U.S. Intercompany Pooling												
Unauthorized - Affiliates - U.S. Non-Pool - Captive												
Unauthorized - Affiliates - U.S. Non-Pool - Other												
Unauthorized - Affiliates - Other (Non-U.S.) - Captive												
Unauthorized - Affiliates - Other (Non-U.S.) - Other												
Unauthorized - Other U.S. Unaffiliated Insurers												
Unauthorized - Pools - Mandatory Pools												
Unauthorized - Pools - Voluntary Pools												
Unauthorized - Other Non-U.S. Insurers												
AA-3190809	00000	Assured Guaranty Re Ltd	BMU	10					0	10	0.0	0.0
2599999 - Total Unauthorized - Other Non-U.S. Insurers				10	0	0	0	0	0	10	0.0	0.0
2699999 - Total Unauthorized - Total Unauthorized				10	0	0	0	0	0	10	0.0	0.0
Certified - Affiliates - U.S. Intercompany Pooling												
Certified - Affiliates - U.S. Non-Pool - Captive												
Certified - Affiliates - U.S. Non-Pool - Other												
Certified - Affiliates - Other (Non-U.S.) - Captive												
Certified - Affiliates - Other (Non-U.S.) - Other												
Certified - Other U.S. Unaffiliated Insurers												
Certified - Pools - Mandatory Pools												
Certified - Pools - Voluntary Pools												
Certified - Other Non-U.S. Insurers												
4099999 - Total Authorized, Unauthorized and Certified				26	0	0	0	0	0	26	0.0	0.0
9999999 Totals				26	0	0	0	0	0	26	0.0	0.0

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE F - PART 5

Provision for Unauthorized Reinsurance as of December 31, Current Year (000 OMITTED)

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
ID Number	NAIC Company Code	Name of Reinsurer	Domiciliary Jurisdiction	Special Code	Reinsurance Recoverable All Items Schedule F Part 3, Col. 15	Funds Held By Company Under Reinsurance Treaties	Letters of Credit	Issuing or Confirming Bank Reference Number (a)	Ceded Balances Payable	Miscellaneous Balances Payable	Trust Funds and Other Allowed Offset Items	Total Collateral and Offsets Allowed (Cols. 7+8+10+11+12 but not in Excess of Col. 6)	Provision for Unauthorized Reinsurance (Col. 6 Minus Col. 13)	Recoverable Paid Losses & LAE Expenses Over 90 Days past Due not in Dispute	20% of Amount in Col. 15	20% of Amount In Dispute Included in Column 6	Provision for Overdue Reinsurance (Col. 16 plus Col. 17)	Total Provision for Reinsurance Ceded to Unauthorized Reinsurers (Col. 14 plus Col. 18 but not in Excess of Col. 6)
Affiliates - U.S. Intercompany Pooling																		
Affiliates - U.S. Non-Pool - Captive																		
Affiliates - U.S. Non-Pool - Other																		
Affiliates - Other (Non-U.S.) - Captive																		
Affiliates - Other (Non-U.S.) - Other																		
Other U.S. Unaffiliated Insurers																		
AA-3190809	00000	Assured Guaranty Re Ltd	BMU		12,459	0	0		0	0	24,064	12,459	0	0	0	0	0	0
0999999 - Total Other U.S. Unaffiliated Insurers					12,459	0	0	XXX	0	0	24,064	12,459	0	0	0	0	0	0
Pools and Associations - Mandatory																		
Pools and Associations - Voluntary																		
Other Non-U.S. Insurers																		
1399999 - Total Affiliates and Others					12,459	0	0	XXX	0	0	24,064	12,459	0	0	0	0	0	0
9999999 Totals																		
					12,459	0	0	XXX	0	0	24,064	12,459	0	0	0	0	0	0

1. Amounts in dispute totaling \$are included in Column 6.
 2. Amounts in dispute totaling \$are excluded from Column 15.

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

(a)	Issuing or Confirming Bank Reference Number	Letters of Credit Code	American Bankers Association (ABA) Routing Number	Issuing or Confirming Bank Name	Letters of Credit Amount

Schedule F - Part 6 - Section 1

NONE

Schedule F - Part 6 - Section 2

NONE

Schedule F - Part 7

NONE

Schedule F - Part 8

NONE

SCHEDULE F - PART 9

Restatement of Balance Sheet to Identify Net Credit for Reinsurance

	1 As Reported (Net of Ceded)	2 Restatement Adjustments	3 Restated (Gross of Ceded)
ASSETS (Page 2, Col. 3)			
1. Cash and invested assets (Line 12)	2,459,401,501		2,459,401,501
2. Premiums and considerations (Line 15)	0		0
3. Reinsurance recoverable on loss and loss adjustment expense payments (Line 16.1)	25,782		25,782
4. Funds held by or deposited with reinsured companies (Line 16.2)	0		0
5. Other assets	26,230,493		26,230,493
6. Net amount recoverable from reinsurers			0
7. Protected cell assets (Line 27)	0		0
8. Totals (Line 28)	2,485,657,776	0	2,485,657,776
LIABILITIES (Page 3)			
9. Losses and loss adjustment expenses (Lines 1 through 3)	1,973,789,944		1,973,789,944
10. Taxes, expenses, and other obligations (Lines 4 through 8)	23,381,477		23,381,477
11. Unearned premiums (Line 9)	47,876,374		47,876,374
12. Advance premiums (Line 10)	0		0
13. Dividends declared and unpaid (Line 11.1 and 11.2)	0		0
14. Ceded reinsurance premiums payable (net of ceding commissions) (Line 12)	0		0
15. Funds held by company under reinsurance treaties (Line 13)	0		0
16. Amounts withheld or retained by company for account of others (Line 14)	0		0
17. Provision for reinsurance (Line 16)	0		0
18. Other liabilities	374,209,981		374,209,981
19. Total liabilities excluding protected cell business (Line 26)	2,419,257,776	0	2,419,257,776
20. Protected cell liabilities (Line 27)	0		0
21. Surplus as regards policyholders (Line 37)	66,400,000	X X X	66,400,000
22. Totals (Line 38)	2,485,657,776	0	2,485,657,776

NOTE: Is the restatement of this exhibit the result of grossing up balances ceded to affiliates under 100 percent reinsurance or pooling arrangements? Yes [] No []

If yes, give full explanation:

Schedule H - Part 1

NONE

Schedule H - Part 2

NONE

Schedule H - Part 3

NONE

Schedule H - Part 4

NONE

Schedule H - Part 5 - Health Claims

NONE

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES
SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX	70,655	6,536	4,769	381	3,957	0	529	72,463	XXX
2. 2007	277,927	28,077	249,850	1,548,842	33,376	33,558	838	0	0	0	1,548,186	XXX
3. 2008	535,937	104,725	431,212	517,655	116,004	40,310	5,990	0	0	0	435,971	XXX
4. 2009	205,290	85,239	120,051	113,688	28,090	14,893	218	0	0	0	100,273	XXX
5. 2010	193,926	96,365	97,561	1,246	66	66	(1)	0	0	0	1,248	XXX
6. 2011	219,137	88,077	131,060	10,375	1,065	0	0	0	0	0	9,311	XXX
7. 2012	193,159	122,251	70,908	0	0	0	0	0	0	0	0	XXX
8. 2013	181,598	85,723	95,876	246,231	4,230	23,042	(552)	0	0	0	265,596	XXX
9. 2014	27,310	1,960	25,350	(98,215)	0	3,796	60	0	0	0	(94,480)	XXX
10. 2015	75,079	1,516	73,563	12,157	493	1,141	5	0	0	0	12,800	XXX
11. 2016	20,511	845	19,666	0	0	0	0	0	0	0	0	XXX
12. Totals	XXX	XXX	XXX	2,422,635	189,860	121,575	6,939	3,957	0	529	2,351,368	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.	41,260	16	(13,366)	0	0	0	0	0	0	0	224	27,877	XXX
2.	571,801	0	(162,570)	0	5,909	0	0	0	0	0	1,508	415,140	XXX
3.	1,312,586	0	(333,871)	0	10,396	0	0	0	0	0	49,904	989,111	XXX
4.	337,338	0	(101,293)	0	107	0	0	0	0	0	97,237	236,152	XXX
5.	13,615	0	(3,357)	0	0	0	0	0	0	0	304	10,258	XXX
6.	3,386	0	(599)	0	0	0	0	0	0	0	115	2,787	XXX
7.	0	0	0	0	0	0	0	0	0	0	0	0	XXX
8.	992,655	0	(364,450)	0	816	0	0	0	0	0	0	629,021	XXX
9.	308,503	20,310	(76,050)	0	2,855	139	0	0	0	0	0	214,859	XXX
10.	454,872	225	(113,451)	0	4,152	15	0	0	0	0	26,647	345,333	XXX
11.	0	0	0	0	0	0	0	0	0	0	0	0	XXX
12.	4,036,016	20,551	(1,169,007)	0	24,235	154	0	0	0	0	175,938	2,870,539	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
	1.	XXX	XXX	XXX	XXX	XXX	XXX	5,476		0	XXX
2.	1,997,541	34,214	1,963,326	718.7	121.9	785.8	136,575	0		272,657	5,909
3.	1,547,076	121,994	1,425,082	288.7	116.5	330.5	418,757	0		559,958	10,396
4.	364,733	28,308	336,425	177.7	33.2	280.2	66,159	0		169,886	107
5.	11,571	65	11,506	6.0	0.1	11.8	4,628	0		5,630	0
6.	13,162	1,065	12,098	6.0	1.2	9.2	1,782	0		1,005	0
7.	0	0	0	0.0	0.0	0.0	0	0		0	0
8.	898,295	3,677	894,618	494.7	4.3	933.1	16,962	0		611,244	816
9.	140,889	20,509	120,380	515.9	1,046.4	474.9	95,249	0		116,895	2,716
10.	358,870	738	358,132	478.0	48.7	486.8	151,162	0		190,033	4,137
11.	0	0	0	0.0	0.0	0.0	0	0		0	0
12.	XXX	XXX	XXX	XXX	XXX	XXX	896,749	0	XXX	1,949,709	24,081

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements, which will reconcile Part 1 with Parts 2 and 4.

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	One Year	Two Year
1. Prior	90,772	93,797	102,324	104,774	94,397	93,166	76,001	84,985	97,899	95,855	(2,044)	10,869
2. 2007	2,526,970	2,347,372	2,398,798	2,786,772	3,075,398	3,072,694	2,118,140	2,008,466	1,968,909	1,963,326	(5,583)	(45,140)
3. 2008	XXX	2,440,305	3,901,871	3,839,090	5,157,691	3,099,947	1,614,165	1,502,839	1,417,133	1,425,082	7,949	(77,757)
4. 2009	XXX	XXX	517,439	802,265	710,517	771,655	335,383	304,783	346,921	336,425	(10,496)	31,642
5. 2010	XXX	XXX	XXX	28,692	8,670	16,749	6,235	13,580	14,775	11,506	(3,269)	(2,074)
6. 2011	XXX	XXX	XXX	XXX	128,773	41,624	9,330	9,962	10,402	12,098	1,696	2,136
7. 2012	XXX	XXX	XXX	XXX	XXX	(22)	0	170	0	0	0	(170)
8. 2013	XXX	XXX	XXX	XXX	XXX	XXX	675,132	792,783	882,557	894,618	12,060	101,835
9. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	198,697	4,670	120,380	115,710	(78,317)
10. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	152,716	358,132	205,417	XXX
11. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX
12. Totals											321,439	(56,976)

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		
1. Prior	000	58,989	74,647	74,651	74,299	72,805	70,820	67,937	68,260	68,506	XXX	XXX
2. 2007	7,848	967,766	1,650,352	1,657,484	1,656,220	1,648,313	1,663,572	1,567,417	1,545,349	1,548,186	XXX	XXX
3. 2008	XXX	55,340	521,966	523,959	444,183	580,872	603,790	435,557	431,310	435,971	XXX	XXX
4. 2009	XXX	XXX	113,611	113,725	116,921	99,884	115,621	96,619	98,406	100,273	XXX	XXX
5. 2010	XXX	XXX	XXX	(1)	12	17	67	1,310	1,281	1,248	XXX	XXX
6. 2011	XXX	XXX	XXX	XXX	0	8,620	9,278	9,278	9,278	9,311	XXX	XXX
7. 2012	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	XXX	XXX
8. 2013	XXX	XXX	XXX	XXX	XXX	XXX	1,516	28,922	267,776	265,596	XXX	XXX
9. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(96,951)	(95,872)	(94,480)	XXX	XXX
10. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	199	12,800	XXX	XXX
11. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1. Prior	0	0	0	0	0	0	(13,412)	(9,811)	(17,263)	(13,366)
2. 2007	0	0	0	0	0	0	(358,372)	(214,078)	(189,150)	(162,570)
3. 2008	XXX	0	0	0	0	0	(787,600)	(444,159)	(388,315)	(333,871)
4. 2009	XXX	XXX	0	0	0	0	(185,145)	(111,874)	(115,702)	(101,293)
5. 2010	XXX	XXX	XXX	0	0	0	(5,936)	(4,957)	(4,808)	(3,357)
6. 2011	XXX	XXX	XXX	XXX	0	0	(39)	(186)	(286)	(599)
7. 2012	XXX	XXX	XXX	XXX	XXX	0	0	(82)	0	0
8. 2013	XXX	XXX	XXX	XXX	XXX	XXX	(711,961)	(517,234)	(392,106)	(364,450)
9. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(123,022)	(56,443)	(76,050)
10. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(83,312)	(113,451)
11. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

Schedule P - Part 1A - Home/Farm

NONE

Schedule P - Part 1B - Private Passenger

NONE

Schedule P - Part 1C - Comm Auto/Truck

NONE

Schedule P - Part 1D - Workers' Comp

NONE

Schedule P - Part 1E - Comm Multi Peril

NONE

Schedule P - Part 1F - Med Pro Liab Occ

NONE

Schedule P - Part 1F - Med Pro Liab Clm

NONE

Schedule P - Part 1G - Special Liability

NONE

Schedule P - Part 1H - Other Liab Occur

NONE

Schedule P - Part 1H - Other Liab Claims

NONE

Schedule P - Part 1I - Special Property

NONE

Schedule P - Part 1J - Auto Physical

NONE

Schedule P - Part 1K - Fidelity/Surety

NONE

Schedule P - Part 1L - Other

NONE

Schedule P - Part 1M - International

NONE

Schedule P - Part 1N - Reinsurance

NONE

Schedule P - Part 1O - Reinsurance

NONE

Schedule P - Part 1P - Reinsurance

NONE

Schedule P - Part 1R - Prod Liab Occur

NONE

Schedule P - Part 1R - Prod Liab Claims

NONE

SCHEDULE P-PART 1S - FINANCIAL GUARANTY/MORTGAGE GUARANTY
(\$000 OMITTED)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	
				4	5	6	7	8	9			
				Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded			
1. Prior	XXX	XXX	XXX	2,410,478	189,367	120,434	6,935	3,957	0	529	2,338,568	XXX
2. 2015	75,079	1,516	73,563	12,157	493	1,141	5	0	0	0	12,800	XXX
3. 2016	20,511	845	19,666	0	0	0	0	0	0	0	0	XXX
4. Totals	XXX	XXX	XXX	2,422,635	189,860	121,575	6,939	3,957	0	529	2,351,368	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13	14	15	16	17	18	19	20					
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded					
1.	3,581,145	20,326	(1,055,556)	0	20,083	139	0	0	0	0	149,291	2,525,206	0
2.	454,872	225	(113,451)	0	4,152	15	0	0	0	0	26,647	345,333	0
3.	0	0	0	0	0	0	0	0	0	0	0	0	0
4.	4,036,016	20,551	(1,169,007)	0	24,235	154	0	0	0	0	175,938	2,870,539	0

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26	27	28	29	30	31	32	33		35	36
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX	745,586	0	XXX	1,759,676	19,944
2.	358,870	738	358,132	478.0	48.7	486.8	151,162	0	0.0	190,033	4,137
3.	0	0	0	0.0	0.0	0.0	0	0	0.0	0	0
4.	XXX	XXX	XXX	XXX	XXX	XXX	896,749	0	XXX	1,949,709	24,081

Schedule P - Part 1T - Warranty

NONE

Schedule P - Part 2A

NONE

Schedule P - Part 2B

NONE

Schedule P - Part 2C

NONE

Schedule P - Part 2D

NONE

Schedule P - Part 2E

NONE

Schedule P - Part 2F - Section 1

NONE

Schedule P - Part 2F - Med Pro Liab Clm

NONE

Schedule P - Part 2G

NONE

Schedule P - Part 2H - Other Liab Occur

NONE

Schedule P - Part 2H - Other Liab Claim

NONE

Schedule P - Part 2I

NONE

Schedule P - Part 2J

NONE

Schedule P - Part 2K

NONE

Schedule P - Part 2L

NONE

Schedule P - Part 2M

NONE

Schedule P - Part 2N

NONE

Schedule P - Part 2O

NONE

Schedule P - Part 2P

NONE

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE P - PART 2R - SECTION 1 - PRODUCTS LIABILITY - OCCURRENCE

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 2007	2 2008	3 2009	4 2010	5 2011	6 2012	7 2013	8 2014	9 2015	10 2016	11 One Year	12 Two Year
1. Prior	0	0	0	0	0	0	0	0	0	0	0	0
2. 2007	0	0	0	0	0	0	0	0	0	0	0	0
3. 2008	XXX	0	0	0	0	0	0	0	0	0	0	0
4. 2009	XXX	XXX	0	0	0	0	0	0	0	0	0	0
5. 2010	XXX	XXX	XXX	0	0	0	0	0	0	0	0	0
6. 2011	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0	0
7. 2012	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0
8. 2013	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0
9. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
10. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX
11. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX
12. Totals											0	0

NONE

SCHEDULE P - PART 2R - SECTION 2 - PRODUCTS LIABILITY - CLAIMS-MADE

1. Prior	0	0	0	0	0	0	0	0	0	0	0	0
2. 2007	0	0	0	0	0	0	0	0	0	0	0	0
3. 2008	XXX	0	0	0	0	0	0	0	0	0	0	0
4. 2009	XXX	XXX	0	0	0	0	0	0	0	0	0	0
5. 2010	XXX	XXX	XXX	0	0	0	0	0	0	0	0	0
6. 2011	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0	0
7. 2012	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0
8. 2013	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0
9. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
10. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX
11. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX
12. Totals											0	0

NONE

SCHEDULE P - PART 2S - FINANCIAL GUARANTY/MORTGAGE GUARANTY

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,916,264	4,743,266	4,859,288	116,022	(56,976)
2. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	152,716	358,132	205,417	XXX
3. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX
4. Totals											321,439	(56,976)

SCHEDULE P - PART 2T - WARRANTY

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
2. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX
3. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX
4. Totals											0	0

NONE

Schedule P - Part 3A

NONE

Schedule P - Part 3B

NONE

Schedule P - Part 3C

NONE

Schedule P - Part 3D

NONE

Schedule P - Part 3E

NONE

Schedule P - Part 3F - Med Pro Liab Occ

NONE

Schedule P - Part 3F - Med Pro Liab Clm

NONE

Schedule P - Part 3G

NONE

Schedule P - Part 3H - Other Liab Occur

NONE

Schedule P - Part 3H - Other Liab Claims

NONE

Schedule P - Part 3I

NONE

Schedule P - Part 3J

NONE

Schedule P - Part 3K

NONE

Schedule P - Part 3L

NONE

Schedule P - Part 3M

NONE

Schedule P - Part 3N

NONE

Schedule P - Part 3O

NONE

Schedule P - Part 3P

NONE

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE P - PART 3R - SECTION 1 - PRODUCTS LIABILITY - OCCURRENCE

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12									
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016											
1. Prior	.000	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0								
2. 2007	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0								
3. 2008	XXX	.0	.0	NONE									.0	.0							
4. 2009	XXX	XXX	.0										.0	.0	.0	.0	.0	.0	.0	.0	.0
5. 2010	XXX	XXX	XXX										.0	.0	.0	.0	.0	.0	.0	.0	.0
6. 2011	XXX	XXX	XXX										XXX	.0	.0	.0	.0	.0	.0	.0	.0
7. 2012	XXX	XXX	XXX										XXX	XXX	.0	.0	.0	.0	.0	.0	.0
8. 2013	XXX	XXX	XXX										XXX	XXX	XXX	.0	.0	.0	.0	.0	.0
9. 2014	XXX	XXX	XXX										XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0
10. 2015	XXX	XXX	XXX										XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0
11. 2016	XXX	XXX	XXX										XXX	XXX	XXX	XXX	XXX	XXX	0	0	0

SCHEDULE P - PART 3R - SECTION 2 - PRODUCTS LIABILITY - CLAIMS-MADE

1. Prior	.000	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0								
2. 2007	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0								
3. 2008	XXX	.0	.0	NONE									.0	.0							
4. 2009	XXX	XXX	.0										.0	.0	.0	.0	.0	.0	.0	.0	.0
5. 2010	XXX	XXX	XXX										.0	.0	.0	.0	.0	.0	.0	.0	.0
6. 2011	XXX	XXX	XXX										XXX	.0	.0	.0	.0	.0	.0	.0	.0
7. 2012	XXX	XXX	XXX										XXX	XXX	.0	.0	.0	.0	.0	.0	.0
8. 2013	XXX	XXX	XXX										XXX	XXX	XXX	.0	.0	.0	.0	.0	.0
9. 2014	XXX	XXX	XXX										XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0
10. 2015	XXX	XXX	XXX										XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0
11. 2016	XXX	XXX	XXX										XXX	XXX	XXX	XXX	XXX	XXX	0	0	0

SCHEDULE P - PART 3S - FINANCIAL GUARANTY/MORTGAGE GUARANTY

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.000	2,325,787	2,334,612	XXX	XXX
2. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	199	12,800	XXX	XXX
3. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX

SCHEDULE P - PART 3T - WARRANTY

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.000	.0	.0	.0
2. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0
3. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	.0

Schedule P - Part 4A

NONE

Schedule P - Part 4B

NONE

Schedule P - Part 4C

NONE

Schedule P - Part 4D

NONE

Schedule P - Part 4E

NONE

Schedule P - Part 4F - Med Pro Liab Occ

NONE

Schedule P - Part 4F - Med Pro Liab Clm

NONE

Schedule P - Part 4G

NONE

Schedule P - Part 4H - Other Liab Occur

NONE

Schedule P - Part 4H - Other Liab Claims

NONE

Schedule P - Part 4I

NONE

Schedule P - Part 4J

NONE

Schedule P - Part 4K

NONE

Schedule P - Part 4L

NONE

Schedule P - Part 4M

NONE

Schedule P - Part 4N

NONE

Schedule P - Part 4O

NONE

Schedule P - Part 4P

NONE

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE P - PART 4R - SECTION 1 - PRODUCTS LIABILITY - OCCURRENCE

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 2007	2 2008	3 2009	4 2010	5 2011	6 2012	7 2013	8 2014	9 2015	10 2016
1. Prior	0	0	0	0	0	0	0	0	0	0
2. 2007	0	0	0	0	0	0	0	0	0	0
3. 2008	XXX	0	0	0	0	0	0	0	0	0
4. 2009	XXX	XXX	0	0	0	0	0	0	0	0
5. 2010	XXX	XXX	XXX	0	0	0	0	0	0	0
6. 2011	XXX	XXX	XXX	XXX	0	0	0	0	0	0
7. 2012	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
8. 2013	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0
9. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
10. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

NONE

SCHEDULE P - PART 4R - SECTION 2 - PRODUCTS LIABILITY - CLAIMS-MADE

1. Prior	0	0	0	0	0	0	0	0	0	0
2. 2007	0	0	0	0	0	0	0	0	0	0
3. 2008	XXX	0	0	0	0	0	0	0	0	0
4. 2009	XXX	XXX	0	0	0	0	0	0	0	0
5. 2010	XXX	XXX	XXX	0	0	0	0	0	0	0
6. 2011	XXX	XXX	XXX	XXX	0	0	0	0	0	0
7. 2012	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
8. 2013	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0
9. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
10. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

NONE

SCHEDULE P - PART 4S - FINANCIAL GUARANTY/MORTGAGE GUARANTY

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(1,425,403)	(1,164,074)	(1,055,556)
2. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(83,312)	(113,451)
3. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

SCHEDULE P - PART 4T - WARRANTY

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
2. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
3. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

NONE

Schedule P - Part 5A- SN1

NONE

Schedule P - Part 5A- SN2

NONE

Schedule P - Part 5A- SN3

NONE

Schedule P - Part 5B- SN1

NONE

Schedule P - Part 5B- SN2

NONE

Schedule P - Part 5B- SN3

NONE

Schedule P - Part 5C- SN1

NONE

Schedule P - Part 5C- SN2

NONE

Schedule P - Part 5C- SN3

NONE

Schedule P - Part 5D- SN1

NONE

Schedule P - Part 5D- SN2

NONE

Schedule P - Part 5D- SN3

NONE

Schedule P - Part 5E- SN1

NONE

Schedule P - Part 5E- SN2

NONE

Schedule P - Part 5E- SN3

NONE

Schedule P - Part 5F- SN1A

NONE

Schedule P - Part 5F- SN2A

NONE

Schedule P - Part 5F- SN3A

NONE

Schedule P - Part 5F- SN1B

NONE

Schedule P - Part 5F- SN2B

NONE

Schedule P - Part 5F- SN3B

NONE

Schedule P - Part 5H- SN1A

NONE

Schedule P - Part 5H- SN2A

NONE

Schedule P - Part 5H- SN3A

NONE

Schedule P - Part 5H- SN1B

NONE

Schedule P - Part 5H- SN2B

NONE

Schedule P - Part 5H- SN3B

NONE

Schedule P - Part 5R- SN1A

NONE

Schedule P - Part 5R- SN2A

NONE

Schedule P - Part 5R- SN3A

NONE

Schedule P - Part 5R- SN1B

NONE

Schedule P - Part 5R- SN2B

NONE

Schedule P - Part 5R- SN3B

NONE

Schedule P - Part 5T- SN1

NONE

Schedule P - Part 5T- SN2

NONE

Schedule P - Part 5T- SN3

NONE

Schedule P - Part 6C - SN1

NONE

Schedule P - Part 6C - SN2

NONE

Schedule P - Part 6D - SN1

NONE

Schedule P - Part 6D - SN2

NONE

Schedule P - Part 6E - SN1

NONE

Schedule P - Part 6E - SN2

NONE

Schedule P - Part 6H - SN1A

NONE

Schedule P - Part 6H - SN2A

NONE

Schedule P - Part 6H - SN1B

NONE

Schedule P - Part 6H - SN2B

NONE

Schedule P - Part 6M - SN1

NONE

Schedule P - Part 6M - SN2

NONE

Schedule P - Part 6N - SN1

NONE

Schedule P - Part 6N - SN2

NONE

Schedule P - Part 6O - SN1

NONE

Schedule P - Part 6O - SN2

NONE

Schedule P - Part 6R - SN1A

NONE

Schedule P - Part 6R - SN2A

NONE

Schedule P - Part 6R - SN1B

NONE

Schedule P - Part 6R - SN2B

NONE

Schedule P - Part 7A - Section 1

NONE

Schedule P - Part 7A - Section 2

NONE

Schedule P - Part 7A - Section 3

NONE

Schedule P - Part 7A - Section 4

NONE

Schedule P - Part 7A - Section 5

NONE

Schedule P - Part 7B - Section 1

NONE

Schedule P - Part 7B - Section 2

NONE

Schedule P - Part 7B - Section 3

NONE

Schedule P - Part 7B - Section 4

NONE

Schedule P - Part 7B - Section 5

NONE

Schedule P - Part 7B - Section 6

NONE

Schedule P - Part 7B - Section 7

NONE

SCHEDULE P INTERROGATORIES

1. The following questions relate to yet-to-be-issued Extended Reporting Endorsements (EREs) arising from Death, Disability, or Retirement (DDR) provisions in Medical Professional Liability Claims Made insurance policies. EREs provided for reasons other than DDR are not to be included.
- 1.1 Does the company issue Medical Professional Liability Claims Made insurance policies that provide tail (also known as an extended reporting endorsement, or "ERE") benefits in the event of Death, Disability, or Retirement (DDR) at a reduced charge or at no additional cost? Yes [] No [X]
 If the answer to question 1.1 is "no", leave the following questions blank. If the answer to question 1.1 is "yes", please answer the following questions:
- 1.2 What is the total amount of the reserve for that provision (DDR Reserve), as reported, explicitly or not, elsewhere in this statement (in dollars)? \$
- 1.3 Does the company report any DDR reserve as Unearned Premium Reserve per SSAP #65? Yes [] No []
- 1.4 Does the company report any DDR reserve as loss or loss adjustment expense reserve? Yes [] No []
- 1.5 If the company reports DDR reserve as Unearned Premium Reserve, does that amount match the figure on the Underwriting and Investment Exhibit, Part 1A – Recapitulation of all Premiums (Page 7) Column 2, Lines 11.1 plus 11.2? Yes [] No [] N/A []
- 1.6 If the company reports DDR reserve as loss or loss adjustment expense reserve, please complete the following table corresponding to where these reserves are reported in Schedule P:

Years in Which Premiums Were Earned and Losses Were Incurred		DDR Reserve Included in Schedule P, Part 1F, Medical Professional Liability Column 24: Total Net Losses and Expenses Unpaid	
		1 Section 1: Occurrence	2 Section 2: Claims-Made
1.601	Prior		
1.602	2007		
1.603	2008		
1.604	2009		
1.605	2010		
1.606	2011		
1.607	2012		
1.608	2013		
1.609	2014		
1.610	2015		
1.611	2016		
1.612	Totals	0	0

2. The definition of allocated loss adjustment expenses (ALAE) and, therefore, unallocated loss adjustment expenses (ULAE) was changed effective January 1, 1998. This change in definition applies to both paid and unpaid expenses. Are these expenses (now reported as "Defense and Cost Containment" and "Adjusting and Other") reported in compliance with these definitions in this statement? Yes [X] No []
3. The Adjusting and Other expense payments and reserves should be allocated to the years in which the losses were incurred based on the number of claims reported, closed and outstanding in those years. When allocating Adjusting and Other expense between companies in a group or a pool, the Adjusting and Other expense should be allocated in the same percentage used for the loss amounts and the claim counts. For reinsurers, Adjusting and Other expense assumed should be reported according to the reinsurance contract. For Adjusting and Other expense incurred by reinsurers, or in those situations where suitable claim count information is not available, Adjusting and Other expense should be allocated by a reasonable method determined by the company and described in Interrogatory 7, below. Are they so reported in this Statement?: Yes [X] No []
4. Do any lines in Schedule P include reserves that are reported gross of any discount to present value of future payments, and that are reported net of such discounts on Page 10? Yes [X] No []
- If yes, proper disclosure must be made in the Notes to Financial Statements, as specified in the Instructions. Also, the discounts must be reported in Schedule P - Part 1, Columns 32 and 33.
- Schedule P must be completed gross of non-tabular discounting. Work papers relating to discount calculations must be available for examination upon request.
- Discounting is allowed only if expressly permitted by the state insurance department to which this Annual Statement is being filed.
5. What were the net premiums in force at the end of the year for:
 (in thousands of dollars)
- | | | |
|--|--------------|-----------|
| | 5.1 Fidelity | \$0 |
| | 5.2 Surety | \$0 |
6. Claim count information is reported per claim or per claimant. (indicate which).....
 If not the same in all years, explain in Interrogatory 7.
- 7.1 The information provided in Schedule P will be used by many persons to estimate the adequacy of the current loss and expense reserves, among other things. Are there any especially significant events, coverage, retention or accounting changes that have occurred that must be considered when making such analyses? Yes [X] No []
- 7.2 An extended statement may be attached.
 For further information regarding losses incurred and loss reserves please refer to the Notes to Financial Statements, specifically Note 25 - Change in Incurred Losses and Loss Adjustment Expenses. In regard to Question 3 above, adjusting and other expenses are allocated to claim year based on the volume of losses.....

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated By States And Territories

States, etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama	AL	N	.0	.0	22,010	16,199	563,693	.0	.0
2. Alaska	AK	N	.0	.0	.0	.0	.0	.0	.0
3. Arizona	AZ	N	.0	.0	.0	.0	.0	.0	.0
4. Arkansas	AR	N	.0	.0	.0	.0	.0	.0	.0
5. California	CA	N	1,112,915	5,934,097	.0	.0	.0	.0	.0
6. Colorado	CO	N	.0	.0	.0	.0	.0	.0	.0
7. Connecticut	CT	N	.0	.0	.0	.0	.0	.0	.0
8. Delaware	DE	N	.0	.0	.0	.0	.0	.0	.0
9. Dist. Columbia	DC	L	.0	10	.0	.0	.0	.0	.0
10. Florida	FL	N	1,368	49,139	221,212	33,866	1,592,290	.0	.0
11. Georgia	GA	N	26,433	26,566	.0	.0	.0	.0	.0
12. Hawaii	HI	L	.0	221,088	.0	.0	.0	.0	.0
13. Idaho	ID	N	.0	.0	.0	.0	.0	.0	.0
14. Illinois	IL	N	39,256	39,236	.0	.0	.0	.0	.0
15. Indiana	IN	N	74,250	91,170	.0	.0	.0	.0	.0
16. Iowa	IA	N	.0	.0	.0	.0	.0	.0	.0
17. Kansas	KS	N	.0	.0	.0	.0	.0	.0	.0
18. Kentucky	KY	N	.0	.0	.0	.0	.0	.0	.0
19. Louisiana	LA	N	.0	214,517	.0	.0	.0	.0	.0
20. Maine	ME	N	.0	.0	.0	.0	.0	.0	.0
21. Maryland	MD	N	.0	.0	.0	.0	.0	.0	.0
22. Massachusetts	MA	N	98	165	.0	.0	.0	.0	.0
23. Michigan	MI	N	.0	1,146,548	33,658,620	19,635,041	975,693,698	.0	.0
24. Minnesota	MN	L	105	.0	.0	.0	.0	.0	.0
25. Mississippi	MS	N	.0	.0	.0	.0	.0	.0	.0
26. Missouri	MO	N	.0	1,086,066	.0	.0	.0	.0	.0
27. Montana	MT	N	.0	.0	.0	.0	.0	.0	.0
28. Nebraska	NE	N	.0	131,706	.0	.0	.0	.0	.0
29. Nevada	NV	L	74,000	.0	.0	.0	.0	.0	.0
30. New Hampshire	NH	N	.0	.0	.0	.0	.0	.0	.0
31. New Jersey	NJ	L	139,795	135,547	.0	.0	.0	.0	.0
32. New Mexico	NM	L	.0	.0	.0	.0	.0	.0	.0
33. New York	NY	L	6,239,156	7,444,516	37,812,142	(43,536,206)	474,639,202	.0	.0
34. No. Carolina	NC	N	.0	.0	.0	.0	.0	.0	.0
35. No. Dakota	ND	N	.0	.0	.0	.0	.0	.0	.0
36. Ohio	OH	N	150,000	283,599	.0	.0	.0	.0	.0
37. Oklahoma	OK	N	.0	.0	.0	.0	.0	.0	.0
38. Oregon	OR	N	.0	.0	.0	.0	.0	.0	.0
39. Pennsylvania	PA	L	.0	7,341	.0	.0	.0	.0	.0
40. Rhode Island	RI	L	.0	3,038	.0	.0	.0	.0	.0
41. So. Carolina	SC	N	.0	.0	.0	.0	.0	.0	.0
42. So. Dakota	SD	N	.0	.0	.0	.0	.0	.0	.0
43. Tennessee	TN	N	.0	.0	.0	.0	.0	.0	.0
44. Texas	TX	L	.0	6,718	116,645	(34,089)	2,176,313	.0	.0
45. Utah	UT	N	.0	.0	.0	.0	.0	.0	.0
46. Vermont	VT	N	.0	.0	.0	.0	.0	.0	.0
47. Virginia	VA	N	.0	.0	.0	.0	.0	.0	.0
48. Washington	WA	N	.0	.0	.0	.0	.0	.0	.0
49. West Virginia	WV	N	.0	.0	.0	.0	.0	.0	.0
50. Wisconsin	WI	L	.0	.0	.0	.0	.0	.0	.0
51. Wyoming	WY	N	.0	.0	.0	.0	.0	.0	.0
52. American Samoa	AS	N	.0	.0	.0	.0	.0	.0	.0
53. Guam	GU	N	.0	.0	.0	.0	.0	.0	.0
54. Puerto Rico	PR	L	.0	1,765,409	14,166,078	169,350,134	505,955,799	.0	.0
55. U.S. Virgin Islands	VI	N	.0	.0	.0	.0	.0	.0	.0
56. Northern Mariana Islands	MP	N	.0	.0	.0	.0	.0	.0	.0
57. Canada	CAN	N	.0	6,129	.0	.0	.0	.0	.0
58. Aggregate other alien	OT	XXX	1,506,650	1,918,718	.0	.0	.0	.0	.0
59. Totals	(a) 12		9,364,026	20,511,323	85,996,707	145,464,945	1,960,620,995	0	0
DETAILS OF WRITE-INS									
58001. AUS Australia	XXX		257,724	456,220	.0	.0	.0	.0	.0
58002. BRA Brazil	XXX		35,967	5,819	.0	.0	.0	.0	.0
58003. TUR Turkey	XXX		164,412	137,064	.0	.0	.0	.0	.0
58998. Sum. of remaining write-ins for Line 58 from overflow page	XXX		1,048,547	1,319,615	.0	.0	.0	.0	.0
58999. Totals (Lines 58001 through 58003 + 58998) (Line 58 above)	XXX		1,506,650	1,918,718	0	0	0	0	0

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

Explanation of basis of allocation of premiums by states, etc.

Allocation is based on location of risk or state of issuance.

(a) Insert the number of L responses except for Canada and Other Alien

Line 33, New York business column 6, Direct Losses Incurred includes losses incurred of \$78,378,549 which represents the reduction in the Policy Revision Adjustment ("PRA") for the year 2016 and column 7, Losses Unpaid includes losses unpaid of \$(1,169,007,057) which represents the December 31, 2016 PRA in accordance with NYSDFS guidelines.

These amounts are reported as an aggregate write-in per line 3401 of Page 19, NY Exhibit of Premium and Losses.

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE T – PART 2
 INTERSTATE COMPACT – EXHIBIT OF PREMIUMS WRITTEN

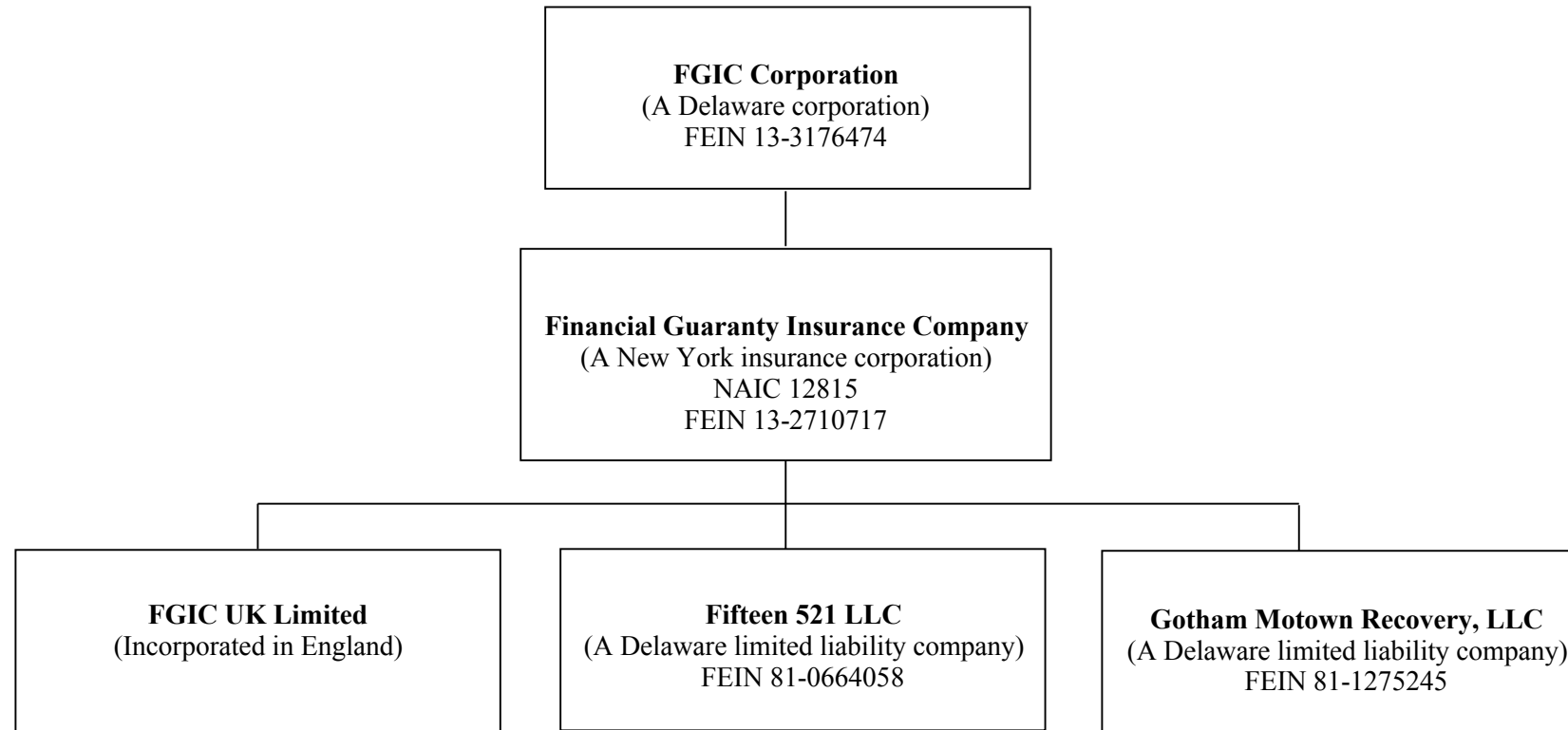
Allocated By States and Territories

States, Etc.	Direct Business Only					
	1 Life (Group and Individual)	2 Annuities (Group and Individual)	3 Disability Income (Group and Individual)	4 Long-Term Care (Group and Individual)	5 Deposit-Type Contracts	6 Totals
1. Alabama	AL					0
2. Alaska	AK					0
3. Arizona	AZ					0
4. Arkansas	AR					0
5. California	CA					0
6. Colorado	CO					0
7. Connecticut	CT					0
8. Delaware	DE					0
9. District of Columbia	DC					0
10. Florida	FL					0
11. Georgia	GA					0
12. Hawaii	HI					0
13. Idaho	ID					0
14. Illinois	IL					0
15. Indiana	IN					0
16. Iowa	IA					0
17. Kansas	KS					0
18. Kentucky	KY					0
19. Louisiana	LA					0
20. Maine	ME					0
21. Maryland	MD					0
22. Massachusetts	MA					0
23. Michigan	MI					0
24. Minnesota	MN					0
25. Mississippi	MS					0
26. Missouri	MO					0
27. Montana	MT					0
28. Nebraska	NE					0
29. Nevada	NV					0
30. New Hampshire	NH					0
31. New Jersey	NJ					0
32. New Mexico	NM					0
33. New York	NY					0
34. North Carolina	NC					0
35. North Dakota	ND					0
36. Ohio	OH					0
37. Oklahoma	OK					0
38. Oregon	OR					0
39. Pennsylvania	PA					0
40. Rhode Island	RI					0
41. South Carolina	SC					0
42. South Dakota	SD					0
43. Tennessee	TN					0
44. Texas	TX					0
45. Utah	UT					0
46. Vermont	VT					0
47. Virginia	VA					0
48. Washington	WA					0
49. West Virginia	WV					0
50. Wisconsin	WI					0
51. Wyoming	WY					0
52. American Samoa	AS					0
53. Guam	GU					0
54. Puerto Rico	PR					0
55. US Virgin Islands	VI					0
56. Northern Mariana Islands	MP					0
57. Canada	CAN					0
58. Aggregate Other Alien	OT					0
59. Totals		0	0	0	0	0

NONE

SCHEDULE Y: INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART

FGIC Corporation Structure (as of 12/31/16)



All ownership interests are 100%, except for Gotham where FGIC is the managing member.

SCHEDULE Y

PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

1	2	3	4	5	6	7	8	9	10	11	12	13
NAIC Company Code	ID Number	Names of Insurers and Parent, Subsidiaries or Affiliates	Shareholder Dividends	Capital Contributions	Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	Management Agreements and Service Contracts	Income/ (Disbursements) Incurred Under Reinsurance Agreements	*	Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	Totals	Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/(Liability)
	13-3176474	FGIC Corporation					(31,317)				(31,317)	
12815	13-2710717	Financial Guaranty Insurance Company					1,614,473				1,614,473	
		FGIC UK Limited					(1,284,013)				(1,284,013)	
	81-1275245	Gotham Motown Recovery LLC					(299,143)				(299,143)	
9999999 Control Totals			0	0	0	0	0	0	XXX	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of **WAIVED** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

	MARCH FILING	RESPONSES
1. Will an actuarial opinion be filed by March 1?		.....YES.....
2. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?		.....YES.....
3. Will the confidential Risk-based Capital Report be filed with the NAIC by March 1?		.....SEE EXPLANATION.....
4. Will the confidential Risk-based Capital Report be filed with the state of domicile, if required, by March 1?		.....SEE EXPLANATION.....
APRIL FILING		
5. Will the Insurance Expense Exhibit be filed with the state of domicile and the NAIC by April 1?		.....YES.....
6. Will Management's Discussion and Analysis be filed by April 1?		.....YES.....
7. Will the Supplemental Investment Risks Interrogatories be filed by April 1?		.....YES.....
MAY FILING		
8. Will this company be included in a combined annual statement that is filed with the NAIC by May 1?		.....SEE EXPLANATION.....
JUNE FILING		
9. Will an audited financial report be filed by June 1?		.....YES.....
10. Will Accountants Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1?		.....YES.....
AUGUST FILING		
11. Will the regulator-only (non-public) Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile and electronically with the NAIC (as a regulator-only non-public document) by August 1?		.....YES.....

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

MARCH FILING		
12. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?		.....SEE EXPLANATION.....
13. Will the Financial Guaranty Insurance Exhibit be filed by March 1?		.....YES.....
14. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?		.....NO.....
15. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed by March 1?		.....NO.....
16. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC by March 1?		.....SEE EXPLANATION.....
17. Will the Premiums Attributed to Protected Cells Exhibit be filed by March 1?		.....NO.....
18. Will the Reinsurance Summary Supplemental Filing for General Interrogatory 9 be filed with the state of domicile and the NAIC by March 1?		.....SEE EXPLANATION.....
19. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1?		.....NO.....
20. Will the confidential Actuarial Opinion Summary be filed with the state of domicile, if required, by March 15 (or the date otherwise specified)?		.....YES.....
21. Will the Reinsurance Attestation Supplement be filed with the state of domicile and the NAIC by March 1?		.....YES.....
22. Will the Exceptions to the Reinsurance Attestation Supplement be filed with the state of domicile by March 1?		.....SEE EXPLANATION.....
23. Will the Bail Bond Supplement be filed with the state of domicile and the NAIC by March 1?		.....NO.....
24. Will the Director and Officer Insurance Coverage Supplement be filed with the state of domicile and the NAIC by March 1?		.....NO.....
25. Will an approval from the reporting entity's state of domicile for relief related to the five-year rotation requirement for lead audit partner be filed electronically with the NAIC by March 1?		.....NO.....
26. Will an approval from the reporting entity's state of domicile for relief related to the one-year cooling off period for independent CPA be filed electronically with the NAIC by March 1?		.....NO.....
27. Will an approval from the reporting entity's state of domicile for relief related to the Requirements for Audit Committees be filed electronically with the NAIC by March 1?		.....NO.....

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY
SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

28. Will the Supplemental Schedule for Reinsurance Counterparty Reporting Exception – Asbestos and Pollution Contracts be filed with the state of domicile and the NAIC by March 1?NO.....

APRIL FILING

29. Will the Credit Insurance Experience Exhibit be filed with the state of domicile and the NAIC by April 1?NO.....

30. Will the Long-term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?NO.....

31. Will the Accident and Health Policy Experience Exhibit be filed by April 1?NO.....

32. Will the Supplemental Health Care Exhibit (Parts 1, 2 and 3) be filed with the state of domicile and the NAIC by April 1?NO.....

33. Will the regulator only (non-public) Supplemental Health Care Exhibit's Allocation Report be filed with the state of domicile and the NAIC by April 1?NO.....

34. Will the Cybersecurity and Identity Theft Insurance Coverage Supplement be filed with the state of domicile and the NAIC by April 1?NO.....

AUGUST FILING

35. Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1?YES.....

Explanation:

3. Not Applicable

4. Not Applicable

8. Not Applicable

12. Company has less than 100 stockholders

14.

15.

16. Company is a US entity

17.

18. Based on a NO answer to Question 9.4 of General Interrogatories Part 2

19.

22. No exceptions

23.

24.

25.

26.

27.

28.

29.

30.

31.

32.

33.

34.

Bar Code:

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

14. 
1 2 8 1 5 2 0 1 6 3 6 0 5 9 0 0 0

15. 
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17. 
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25. 
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34. 
1 2 8 1 5 2 0 1 6 5 5 0 0 0 0 0 0

OVERFLOW PAGE FOR WRITE-INS

P011 Additional Aggregate Lines for Page 11 Line 24.
 *EXEXP - Underwriting and Investment - Part 3 - Expenses

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
2404. Miscellaneous Expenses.....		25,971		25,971
2405.		0		0
2497. Summary of remaining write-ins for Line 24 from page 11	0	25,971	0	25,971

P95 Additional Aggregate Lines for Page 95 Line 58.
 *SCT - Schedule T - Exhibit of Premiums Written

	1 Active Status	2 Direct Premiums Written	3 Direct Premiums Earned	4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
58004 . GBR United Kingdom.....	XXX	1,048,547	1,319,615	0	0	0	0	0	
58997 . Summary of remaining write-ins for Line 58 from page 95	XXX	1,048,547	1,319,615	0	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement			
	1 Amount	2 Percentage	3 Amount	4 Securities Lending Reinvested Collateral Amount	5 Total (Col. 3+4) Amount	6 Percentage
1. Bonds:						
1.1 U.S. treasury securities	221,236,541	8.996	221,236,541	0	221,236,541	8.996
1.2 U.S. government agency obligations (excluding mortgage-backed securities):						
1.21 Issued by U.S. government agencies	0	0.000	0	0	0	0.000
1.22 Issued by U.S. government sponsored agencies	14,617,729	0.594	14,617,729	0	14,617,729	0.594
1.3 Non-U.S. government (including Canada, excluding mortgage-backed securities)	10,338,942	0.420	10,338,942	0	10,338,942	0.420
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:						
1.41 States, territories and possessions general obligations	70,801,218	2.879	70,801,218	0	70,801,218	2.879
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations	81,104,057	3.298	81,104,057	0	81,104,057	3.298
1.43 Revenue and assessment obligations	390,474,733	15.877	390,474,733	0	390,474,733	15.877
1.44 Industrial development and similar obligations	18,528,069	0.753	18,528,069	0	18,528,069	0.753
1.5 Mortgage-backed securities (includes residential and commercial MBS):						
1.51 Pass-through securities:						
1.511 Issued or guaranteed by GNMA	0	0.000	0	0	0	0.000
1.512 Issued or guaranteed by FNMA and FHLMC	94,897,178	3.859	94,897,178	0	94,897,178	3.859
1.513 All other	0	0.000	0	0	0	0.000
1.52 CMOs and REMICs:						
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA	0	0.000	0	0	0	0.000
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521	0	0.000	0	0	0	0.000
1.523 All other	154,552,105	6.284	154,552,105	0	154,552,105	6.284
2. Other debt and other fixed income securities (excluding short term):						
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities)	844,102,102	34.321	844,102,102	0	844,102,102	34.321
2.2 Unaffiliated non-U.S. securities (including Canada)	228,060,328	9.273	228,060,328	0	228,060,328	9.273
2.3 Affiliated securities	0	0.000	0	0	0	0.000
3. Equity interests:						
3.1 Investments in mutual funds	79,110,824	3.217	79,110,824	0	79,110,824	3.217
3.2 Preferred stocks:						
3.21 Affiliated	0	0.000	0	0	0	0.000
3.22 Unaffiliated	0	0.000	0	0	0	0.000
3.3 Publicly traded equity securities (excluding preferred stocks):						
3.31 Affiliated	0	0.000	0	0	0	0.000
3.32 Unaffiliated	51,997,995	2.114	51,997,995	0	51,997,995	2.114
3.4 Other equity securities:						
3.41 Affiliated	33,200,000	1.350	33,200,000	0	33,200,000	1.350
3.42 Unaffiliated	0	0.000	0	0	0	0.000
3.5 Other equity interests including tangible personal property under lease:						
3.51 Affiliated	0	0.000	0	0	0	0.000
3.52 Unaffiliated	0	0.000	0	0	0	0.000
4. Mortgage loans:						
4.1 Construction and land development	0	0.000	0	0	0	0.000
4.2 Agricultural	0	0.000	0	0	0	0.000
4.3 Single family residential properties	0	0.000	0	0	0	0.000
4.4 Multifamily residential properties	0	0.000	0	0	0	0.000
4.5 Commercial loans	0	0.000	0	0	0	0.000
4.6 Mezzanine real estate loans	0	0.000	0	0	0	0.000
5. Real estate investments:						
5.1 Property occupied by company	0	0.000	0	0	0	0.000
5.2 Property held for production of income (including \$ 0 of property acquired in satisfaction of debt)	0	0.000	0	0	0	0.000
5.3 Property held for sale (including \$ 0 property acquired in satisfaction of debt)	0	0.000	0	0	0	0.000
6. Contract loans	0	0.000	0	0	0	0.000
7. Derivatives	0	0.000	0	0	0	0.000
8. Receivables for securities	44,570,611	1.812	44,570,611	0	44,570,611	1.812
9. Securities Lending (Line 10, Asset Page reinvested collateral)	0	0.000	0	XXX	XXX	XXX
10. Cash, cash equivalents and short-term investments	101,105,926	4.111	101,105,926	0	101,105,926	4.111
11. Other invested assets	20,703,144	0.842	20,703,144	0	20,703,144	0.842
12. Total invested assets	2,459,401,501	100.000	2,459,401,501	0	2,459,401,501	100.000

SCHEDULE A – VERIFICATION BETWEEN YEARS

Real Estate

1. Book/adjusted carrying value, December 31 of prior year.....		0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition (Part 2, Column 6).....	0	
2.2 Additional investment made after acquisition (Part 2, Column 9).....	0	0
3. Current year change in encumbrances:		
3.1 Totals, Part 1, Column 13.....	0	
3.2 Totals, Part 3, Column 11.....	0	0
4. Total gain (loss) on disposals, Part 3, Column 18.....		0
5. Deduct amounts received on disposals, Part 3, Column 15.....		0
6. Total foreign exchange change in book/adjusted carrying value:		
6.1 Totals, Part 1, Column 15.....	0	
6.2 Totals, Part 3, Column 13.....	0	0
7. Deduct current year's other-than-temporary impairment recognized:		
7.1 Totals, Part 1, Column 12.....	0	
7.2 Totals, Part 3, Column 10.....	0	0
8. Deduct current year's depreciation:		
8.1 Totals, Part 1, Column 11.....	0	
8.2 Totals, Part 3, Column 9.....	0	0
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8).....		0
10. Deduct total nonadmitted amounts.....		0
11. Statement value at end of current period (Line 9 minus Line 10).....		0

NONE

SCHEDULE B – VERIFICATION BETWEEN YEARS

Mortgage Loans

1. Book value/recorded investment excluding accrued interest, December 31 of prior year.....		0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition (Part 2, Column 7).....	0	
2.2 Additional investment made after acquisition (Part 2, Column 8).....	0	0
3. Capitalized deferred interest and other:		
3.1 Totals, Part 1, Column 12.....	0	
3.2 Totals, Part 3, Column 11.....	0	0
4. Accrual of discount.....		0
5. Unrealized valuation increase (decrease):		
5.1 Totals, Part 1, Column 9.....	0	
5.2 Totals, Part 3, Column 8.....	0	0
6. Total gain (loss) on disposals, Part 3, Column 18.....		0
7. Deduct amounts received on disposals, Part 3, Column 15.....		0
8. Deduct amortization of premium and mortgage interest points and commitment fees.....		0
9. Total foreign exchange change in book value/recorded investment excluding accrued interest:		
9.1 Totals, Part 1, Column 13.....	0	
9.2 Totals, Part 3, Column 13.....	0	0
10. Deduct current year's other-than-temporary impairment recognized:		
10.1 Totals, Part 1, Column 11.....	0	
10.2 Totals, Part 3, Column 10.....	0	0
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....		0
12. Total valuation allowance.....		0
13. Subtotal (Line 11 plus Line 12).....		0
14. Deduct total nonadmitted amounts.....		0
15. Statement value of mortgages owned at end of current period (Line 13 minus Line 14).....		0

NONE

SCHEDULE BA – VERIFICATION BETWEEN YEARS

Other Long-Term Invested Assets

1. Book/adjusted carrying value, December 31 of prior year.....		0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition (Part 2, Column 8).....	0	
2.2 Additional investment made after acquisition (Part 2, Column 9).....	0	0
3. Capitalized deferred interest and other:		
3.1 Totals, Part 1, Column 16.....	0	
3.2 Totals, Part 3, Column 12.....	0	0
4. Accrual of discount.....		0
5. Unrealized valuation increase (decrease):		
5.1 Totals, Part 1, Column 13.....	0	
5.2 Totals, Part 3, Column 9.....	0	0
6. Total gain (loss) on disposals, Part 3, Column 19.....		0
7. Deduct amounts received on disposals, Part 3, Column 16.....		0
8. Deduct amortization of premium and depreciation.....		0
9. Total foreign exchange change in book/adjusted carrying value:		
9.1 Totals, Part 1, Column 17.....	0	
9.2 Totals, Part 3, Column 14.....	0	0
10. Deduct current year's other-than-temporary impairment recognized:		
10.1 Totals, Part 1, Column 15.....	0	
10.2 Totals, Part 3, Column 11.....	0	0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....		0
12. Deduct total nonadmitted amounts.....		0
13. Statement value at end of current period (Line 11 minus Line 12).....		0

NONE

SCHEDULE D – VERIFICATION BETWEEN YEARS

Bonds and Stocks

1. Book/adjusted carrying value, December 31 of prior year.....		2,236,770,596
2. Cost of bonds and stocks acquired, Part 3, Column 7.....		861,569,843
3. Accrual of discount.....		3,159,297
4. Unrealized valuation increase (decrease):		
4.1 Part 1, Column 12.....	(878,276)	
4.2 Part 2, Section 1, Column 15.....	0	
4.3 Part 2, Section 2, Column 13.....	12,135,398	
4.4 Part 4, Column 11.....	(424,745)	10,832,376
5. Total gain (loss) on disposals, Part 4, Column 19.....		33,650,548
6. Deduction consideration for bonds and stocks disposed of, Part 4, Column 7.....		835,717,456
7. Deduct amortization of premium.....		9,744,528
8. Total foreign exchange change in book/adjusted carrying value:		
8.1 Part 1, Column 15.....	0	
8.2 Part 2, Section 1, Column 19.....	0	
8.3 Part 2, Section 2, Column 16.....	0	
8.4 Part 4, Column 15.....	(3,513,665)	(3,513,665)
9. Deduct current year's other-than-temporary impairment recognized:		
9.1 Part 1, Column 14.....	994,482	
9.2 Part 2, Section 1, Column 17.....	0	
9.3 Part 2, Section 2, Column 14.....	1,813,706	
9.4 Part 4, Column 13.....	1,177,005	3,985,193
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....		2,293,021,821
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11).....		2,293,021,821

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks **OWNED** December 31 of Current Year

Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
BONDS					
Governments (Including all obligations guaranteed by governments)	1. United States	221,236,541	211,629,769	221,578,259	221,270,000
	2. Canada	0	0	0	0
	3. Other Countries	10,338,942	10,460,190	10,508,200	10,000,000
	4. Totals	231,575,482	222,089,959	232,086,459	231,270,000
U.S. States, Territories and Possessions (Direct and guaranteed)	5. Totals	70,801,218	78,191,484	72,164,413	69,265,000
U.S. Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	6. Totals	81,104,057	85,888,104	81,950,458	75,975,000
U.S. Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	7. Totals	518,517,710	541,507,727	522,822,235	504,130,574
Industrial and Miscellaneous, SVO Identified Funds and Hybrid Securities (unaffiliated)	8. United States	998,654,208	1,017,894,182	1,001,750,470	985,329,203
	9. Canada	21,039,716	21,576,640	21,023,571	21,300,000
	10. Other Countries	207,020,612	212,394,456	208,232,268	205,307,458
	11. Totals	1,226,714,535	1,251,865,279	1,231,006,308	1,211,936,661
Parent, Subsidiaries and Affiliates	12. Totals	0	0	0	0
	13. Total Bonds	2,128,713,001	2,179,542,553	2,140,029,874	2,092,577,235
PREFERRED STOCKS					
Industrial and Miscellaneous (unaffiliated)	14. United States	0	0	0	0
	15. Canada	0	0	0	0
	16. Other Countries	0	0	0	0
	17. Totals	0	0	0	0
Parent, Subsidiaries and Affiliates	18. Totals	0	0	0	0
	19. Total Preferred Stocks	0	0	0	0
COMMON STOCKS					
Industrial and Miscellaneous (unaffiliated)	20. United States	130,139,080	130,139,080	117,569,299	
	21. Canada	0	0	0	
	22. Other Countries	969,738	939,738	884,309	
	23. Totals	131,108,818	131,078,818	118,453,608	
Parent, Subsidiaries and Affiliates	24. Totals	33,200,000	33,200,000	128,594,700	
	25. Total Common Stocks	164,308,818	164,308,819	247,048,308	
	26. Total Stocks	164,308,819	164,308,819	247,048,308	
	27. Total Bonds and Stocks	2,293,021,820	2,343,851,372	2,387,078,182	

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE D - PART 1A - SECTION 1

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 No Maturity Date	7 Total Current Year	8 Col. 7 as a % of Line 10.7	9 Total from Col. 6 Prior Year	10 % From Col. 7 Prior Year	11 Total Publicly Traded	12 Total Privately Placed (a)
1. U.S. Governments												
1.1 NAIC 1	79,779,818	1,371,748	4,508,791	7,476,081	207,879,920	XXX	301,016,359	10.7	86,271,457	3.9	301,016,359	.0
1.2 NAIC 2	0	0	0	0	0	XXX	0	0.0	0	0.0	0	.0
1.3 NAIC 3	0	0	0	0	0	XXX	0	0.0	0	0.0	0	.0
1.4 NAIC 4	0	0	0	0	0	XXX	0	0.0	0	0.0	0	.0
1.5 NAIC 5	0	0	0	0	0	XXX	0	0.0	0	0.0	0	.0
1.6 NAIC 6	0	0	0	0	0	XXX	0	0.0	0	0.0	0	.0
1.7 Totals	79,779,818	1,371,748	4,508,791	7,476,081	207,879,920	XXX	301,016,359	10.7	86,271,457	3.9	301,016,359	0
2. All Other Governments												
2.1 NAIC 1	0	10,338,942	0	0	0	XXX	10,338,942	0.5	29,896,730	1.3	10,338,942	.0
2.2 NAIC 2	0	0	0	0	0	XXX	0	0.0	0	0.0	0	.0
2.3 NAIC 3	0	0	0	0	0	XXX	0	0.0	0	0.0	0	.0
2.4 NAIC 4	0	0	0	0	0	XXX	0	0.0	0	0.0	0	.0
2.5 NAIC 5	0	0	0	0	0	XXX	0	0.0	0	0.0	0	.0
2.6 NAIC 6	0	0	0	0	0	XXX	0	0.0	0	0.0	0	.0
2.7 Totals	0	10,338,942	0	0	0	XXX	10,338,942	0.5	29,896,730	1.3	10,338,942	0
3. U.S. States, Territories and Possessions, etc., Guaranteed												
3.1 NAIC 1	11,971,388	28,388,006	4,610,625	16,805,384	1,950,188	XXX	63,725,590	3.0	103,526,327	4.7	63,725,590	.0
3.2 NAIC 2	0	7,075,627	0	0	0	XXX	7,075,627	0.3	7,145,569	0.3	7,075,627	.0
3.3 NAIC 3	0	0	0	0	0	XXX	0	0.0	0	0.0	0	.0
3.4 NAIC 4	0	0	0	0	0	XXX	0	0.0	0	0.0	0	.0
3.5 NAIC 5	0	0	0	0	0	XXX	0	0.0	0	0.0	0	.0
3.6 NAIC 6	0	0	0	0	0	XXX	0	0.0	0	0.0	0	.0
3.7 Totals	11,971,388	35,463,633	4,610,625	16,805,384	1,950,188	XXX	70,801,218	3.3	110,671,896	5.0	70,801,218	0
4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed												
4.1 NAIC 1	1,748,726	56,644,990	0	8,445,479	14,264,861	XXX	81,104,057	3.8	141,651,399	6.4	81,104,057	.0
4.2 NAIC 2	0	0	0	0	0	XXX	0	0.0	0	0.0	0	.0
4.3 NAIC 3	0	0	0	0	0	XXX	0	0.0	0	0.0	0	.0
4.4 NAIC 4	0	0	0	0	0	XXX	0	0.0	0	0.0	0	.0
4.5 NAIC 5	0	0	0	0	0	XXX	0	0.0	0	0.0	0	.0
4.6 NAIC 6	0	0	0	0	0	XXX	0	0.0	0	0.0	0	.0
4.7 Totals	1,748,726	56,644,990	0	8,445,479	14,264,861	XXX	81,104,057	3.8	141,651,399	6.4	81,104,057	0
5. U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed												
5.1 NAIC 1	66,135,684	233,134,615	41,383,649	76,330,282	101,533,480	XXX	518,517,710	24.3	837,663,549	37.7	518,517,710	.0
5.2 NAIC 2	0	0	0	0	0	XXX	0	0.0	0	0.0	0	.0
5.3 NAIC 3	0	0	0	0	0	XXX	0	0.0	0	0.0	0	.0
5.4 NAIC 4	0	0	0	0	0	XXX	0	0.0	0	0.0	0	.0
5.5 NAIC 5	0	0	0	0	0	XXX	0	0.0	0	0.0	0	.0
5.6 NAIC 6	0	0	0	0	0	XXX	0	0.0	0	0.0	0	.0
5.7 Totals	66,135,684	233,134,615	41,383,649	76,330,282	101,533,480	XXX	518,517,710	24.3	837,663,549	37.7	518,517,710	0

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ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE D - PART 1A - SECTION 1 (Continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 No Maturity Date	7 Total Current Year	8 Col. 7 as a % of Line 10.7	9 Total from Col. 6 Prior Year	10 % From Col.7 Prior Year	11 Total Publicly Traded	12 Total Privately Placed (a)
6. Industrial and Miscellaneous (unaffiliated)												
6.1 NAIC 1	29,133,940	95,936,318	413,770,755	7,156,533	233,503,828	XXX	779,501,374	36.5	696,057,017	32.2	701,244,697	78,256,677
6.2 NAIC 2	493,469	4,915,353	103,969,762	32,187,942	160,396,525	XXX	301,963,051	14.1	229,905,209	10.3	285,568,561	16,394,490
6.3 NAIC 3	8,492,884	43,008,719	40,656,943	2,086,833	596,288	XXX	94,841,667	4.3	45,912,367	2.1	58,633,633	36,208,034
6.4 NAIC 4	3,343,299	13,997,533	31,018,611	2,049,000	0	XXX	50,408,443	2.3	23,529,333	1.1	20,281,209	30,127,233
6.5 NAIC 5	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
6.6 NAIC 6	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
6.7 Totals	41,463,591	157,857,923	589,416,072	43,480,309	394,496,640	XXX	1,226,714,534	55.5	995,403,926	45.7	1,065,728,100	160,986,433
7. Hybrid Securities												
7.1 NAIC 1	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
7.2 NAIC 2	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
7.3 NAIC 3	0	0	0	0	0	XXX	0	0.1	0	0.0	0	0
7.4 NAIC 4	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
7.5 NAIC 5	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
7.6 NAIC 6	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
7.7 Totals	0	0	0	0	0	XXX	0	0.1	0	0.0	0	0
8. Parent, Subsidiaries and Affiliates												
8.1 NAIC 1	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
8.2 NAIC 2	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
8.3 NAIC 3	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
8.4 NAIC 4	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
8.5 NAIC 5	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
8.6 NAIC 6	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
8.7 Totals	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
9. SVO-Designated Securities												
9.1 NAIC 1	XXX	XXX	XXX	XXX	XXX	0	0	0.0	XXX	XXX	0	0
9.2 NAIC 2	XXX	XXX	XXX	XXX	XXX	0	0	0.0	XXX	XXX	0	0
9.3 NAIC 3	XXX	XXX	XXX	XXX	XXX	0	0	0.0	XXX	XXX	0	0
9.4 NAIC 4	XXX	XXX	XXX	XXX	XXX	0	0	0.0	XXX	XXX	0	0
9.5 NAIC 5	XXX	XXX	XXX	XXX	XXX	0	0	0.0	XXX	XXX	0	0
9.6 NAIC 6	XXX	XXX	XXX	XXX	XXX	0	0	0.0	XXX	XXX	0	0
9.7 Totals	XXX	XXX	XXX	XXX	XXX	0	0	0.0	XXX	XXX	0	0

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ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE D - PART 1A - SECTION 1 (Continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 No Maturity Date	7 Total Current Year	8 Col. 7 as a % of Line 10.7	9 Total from Col. 6 Prior Year	10 % From Col. 7 Prior Year	11 Total Publicly Traded	12 Total Privately Placed (a)
10. Total Bonds Current Year												
10.1 NAIC 1	(d) 188,769,556	425,814,619	464,273,819	116,213,759	559,132,277	.0	1,754,204,031	79.4	XXX	XXX	1,675,947,354	78,256,677
10.2 NAIC 2	(d) 493,469	11,990,980	103,969,762	32,187,942	160,396,525	.0	309,038,678	14.0	XXX	XXX	292,644,188	16,394,490
10.3 NAIC 3	(d) 8,492,884	43,008,719	40,656,943	2,086,833	596,288	.0	94,841,667	4.3	XXX	XXX	58,633,633	36,208,034
10.4 NAIC 4	(d) 3,343,299	13,997,533	31,018,611	2,049,000	.0	.0	50,408,443	2.3	XXX	XXX	20,281,209	30,127,233
10.5 NAIC 5	(d) 0	0	0	0	0	(c) 0	0	0.0	XXX	XXX	0	0
10.6 NAIC 6	(d) 0	0	0	0	0	(c) 0	0	0.0	XXX	XXX	0	0
10.7 Totals	201,099,207	494,811,851	639,919,136	152,537,534	720,125,090	.0	(b) 2,208,492,819	100.0	XXX	XXX	2,047,506,385	160,986,433
10.8 Line 10.7 as a % of Col. 7	6.0	22.4	29.0	6.9	32.6	0.0	100.0	XXX	XXX	XXX	92.7	7.3
11. Total Bonds Prior Year												
11.1 NAIC 1	197,671,811	386,131,413	760,502,043	244,894,548	305,866,664	XXX	XXX	XXX	1,895,066,479	86.2	1,795,563,444	99,503,035
11.2 NAIC 2	0	34,269,556	65,597,138	32,093,747	105,090,337	XXX	XXX	XXX	237,050,778	10.7	235,117,501	1,933,277
11.3 NAIC 3	2,056,172	23,252,143	20,604,052	0	0	XXX	XXX	XXX	45,912,367	2.1	28,253,050	17,659,317
11.4 NAIC 4	1,339,584	10,429,786	11,759,963	0	0	XXX	XXX	XXX	23,529,333	1.1	15,134,226	8,395,107
11.5 NAIC 5	0	0	0	0	0	XXX	XXX	XXX	(c) 0	0.0	0	0
11.6 NAIC 6	0	0	0	0	0	XXX	XXX	XXX	(c) 0	0.0	0	0
11.7 Totals	201,067,567	454,082,898	858,463,196	276,988,295	410,957,001	XXX	XXX	XXX	(b) 2,201,558,957	100.0	2,074,068,221	127,490,736
11.8 Line 11.7 as a % of Col. 9	10.0	20.4	38.6	12.5	18.5	XXX	XXX	XXX	100.0	XXX	94.3	5.7
12. Total Publicly Traded Bonds												
12.1 NAIC 1	183,441,229	403,076,117	422,962,117	116,213,759	550,254,133	.0	1,675,947,355	75.1	1,795,563,444	81.7	1,675,947,355	XXX
12.2 NAIC 2	493,469	11,250,025	103,094,255	32,187,942	145,618,499	.0	292,644,188	13.7	235,117,501	10.6	292,644,188	XXX
12.3 NAIC 3	6,912,421	30,466,740	18,571,353	2,086,833	596,288	.0	58,633,634	2.7	28,253,050	1.3	58,633,634	XXX
12.4 NAIC 4	1,707,470	7,285,487	11,288,253	0	0	.0	20,281,209	0.9	15,134,226	0.7	20,281,209	XXX
12.5 NAIC 5	0	0	0	0	0	.0	0	0.0	0	0.0	0	XXX
12.6 NAIC 6	0	0	0	0	0	.0	0	0.0	0	0.0	0	XXX
12.7 Totals	192,554,588	452,078,367	555,915,977	150,488,534	696,468,920	.0	2,047,506,387	92.5	2,074,068,221	94.3	2,047,506,387	XXX
12.8 Line 12.7 as a % of Col. 7	9.7	22.9	28.1	7.6	35.3	0.0	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 7, Section 10	8.7	20.5	25.2	6.8	31.5	0.0	92.7	XXX	XXX	XXX	92.7	XXX
13. Total Privately Placed Bonds												
13.1 NAIC 1	5,328,328	22,738,502	41,311,703	0	8,878,144	.0	78,256,677	3.7	99,503,035	4.5	XXX	78,256,677
13.2 NAIC 2	0	740,956	875,508	0	14,778,026	.0	16,394,490	0.8	1,933,277	0.1	XXX	16,394,490
13.3 NAIC 3	1,580,463	12,541,980	22,085,591	0	0	.0	36,208,034	1.7	17,659,317	0.8	XXX	36,208,034
13.4 NAIC 4	1,635,829	6,712,046	19,730,359	2,049,000	0	.0	30,127,233	1.4	8,395,107	0.4	XXX	30,127,233
13.5 NAIC 5	0	0	0	0	0	.0	0	0.0	0	0.0	XXX	0
13.6 NAIC 6	0	0	0	0	0	.0	0	0.0	0	0.0	XXX	0
13.7 Totals	8,544,620	42,733,483	84,003,160	2,049,000	23,656,170	.0	160,986,433	7.5	127,490,736	5.7	XXX	160,986,433
13.8 Line 13.7 as a % Col. 7	5.3	26.5	52.2	1.3	14.7	0.0	100.0	XXX	XXX	XXX	XXX	100.0
13.9 Line 13.7 as a % of Line 10.7, Col. 7, Section 10	0.4	1.9	3.8	0.1	1.1	0.0	7.3	XXX	XXX	XXX	XXX	7.3

(a) Includes \$ 160,986,433 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.

(b) Includes \$ 0 current year, \$ 0 prior year of bonds with Z designations and \$ 0 current year, \$ 0 prior year of bonds with Z* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z*" means the SVO could not evaluate the obligation because valuation procedures for the security class is under regulatory review.

(c) Includes \$ 0 current year, \$ 0 prior year of bonds with 5* designations and \$ 0 current year, \$ 0 prior year of bonds with 6* designations. "5*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.

(d) Includes the following amount of short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$ 79,779,818 ; NAIC 2 \$ 0 ; NAIC 3 \$ 0 ; NAIC 4 \$ 0 ; NAIC 5 \$ 0 ; NAIC 6 \$ 0 .

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ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE D - PART 1A - SECTION 2

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 No Maturity Date	7 Total Current Year	8 Col. 7 as a % of Line 10.6	9 Total from Col. 6 Prior Year	10 % From Col. 7 Prior Year	11 Total Publicly Traded	12 Total Privately Placed (a)
1. U.S. Governments												
1.1 Issuer Obligations	79,779,818	1,371,748	4,508,791	7,476,081	207,879,920	XXX	301,016,359	13.6	72,341,750	3.3	301,016,359	0
1.2 Residential Mortgage-Backed Securities	0	0	0	0	0	XXX	0	0.0	13,929,707	0.6	0	0
1.3 Commercial Mortgage-Backed Securities	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
1.4 Other Loan-Backed and Structured Securities	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
1.5 Totals	79,779,818	1,371,748	4,508,791	7,476,081	207,879,920	XXX	301,016,359	13.6	86,271,457	3.9	301,016,359	0
2. All Other Governments												
2.1 Issuer Obligations	0	10,338,942	0	0	0	XXX	10,338,942	0.5	29,896,730	1.3	10,338,942	0
2.2 Residential Mortgage-Backed Securities	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
2.3 Commercial Mortgage-Backed Securities	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
2.4 Other Loan-Backed and Structured Securities	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
2.5 Totals	0	10,338,942	0	0	0	XXX	10,338,942	0.5	29,896,730	1.3	10,338,942	0
3. U.S. States, Territories and Possessions, Guaranteed												
3.1 Issuer Obligations	11,971,388	35,463,633	4,610,625	16,805,384	1,950,188	XXX	70,801,218	3.2	110,671,896	5.0	70,801,218	0
3.2 Residential Mortgage-Backed Securities	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
3.3 Commercial Mortgage-Backed Securities	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
3.4 Other Loan-Backed and Structured Securities	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
3.5 Totals	11,971,388	35,463,633	4,610,625	16,805,384	1,950,188	XXX	70,801,218	3.2	110,671,896	5.0	70,801,218	0
4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed												
4.1 Issuer Obligations	1,748,726	56,644,990	0	8,445,479	14,264,861	XXX	81,104,057	3.7	141,651,399	6.4	81,104,057	0
4.2 Residential Mortgage-Backed Securities	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
4.3 Commercial Mortgage-Backed Securities	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
4.4 Other Loan-Backed and Structured Securities	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
4.5 Totals	1,748,726	56,644,990	0	8,445,479	14,264,861	XXX	81,104,057	3.7	141,651,399	6.4	81,104,057	0
5. U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed												
5.1 Issuer Obligations	41,494,441	195,033,490	13,280,683	57,876,214	97,407,635	XXX	405,092,463	18.3	528,363,351	23.8	405,092,463	0
5.2 Residential Mortgage-Backed Securities	12,844,154	36,282,745	24,629,937	18,454,068	2,686,274	XXX	94,897,178	4.3	309,300,198	13.9	94,897,178	0
5.3 Commercial Mortgage-Backed Securities	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
5.4 Other Loan-Backed and Structured Securities	11,797,089	1,818,380	3,473,029	0	1,439,571	XXX	18,528,069	0.8	0	0.0	18,528,069	0
5.5 Totals	66,135,684	233,134,615	41,383,649	76,330,282	101,533,480	XXX	518,517,710	23.5	837,663,549	37.7	518,517,710	0
6. Industrial and Miscellaneous												
6.1 Issuer Obligations	22,771,461	146,796,467	447,101,233	43,480,309	394,496,640	XXX	1,054,646,110	47.8	924,743,025	42.5	908,732,947	145,913,165
6.2 Residential Mortgage-Backed Securities	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
6.3 Commercial Mortgage-Backed Securities	2,830,735	9,406,532	142,314,839	0	0	XXX	154,552,105	7.0	68,205,988	3.1	139,478,836	15,073,269
6.4 Other Loan-Backed and Structured Securities	15,861,395	1,654,924	0	0	0	XXX	17,516,319	0.8	2,454,913	0.1	17,516,319	0
6.5 Totals	41,463,591	157,857,923	589,416,072	43,480,309	394,496,640	XXX	1,226,714,534	55.5	995,403,926	45.7	1,065,728,102	160,986,433
7. Hybrid Securities												
7.1 Issuer Obligations	0	0	0	0	0	XXX	0	0.1	0	0.0	0	0
7.2 Residential Mortgage-Backed Securities	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
7.3 Commercial Mortgage-Backed Securities	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
7.4 Other Loan-Backed and Structured Securities	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
7.5 Totals	0	0	0	0	0	XXX	0	0.1	0	0.0	0	0
8. Parent, Subsidiaries and Affiliates												
8.1 Issuer Obligations	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
8.2 Residential Mortgage-Backed Securities	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
8.3 Commercial Mortgage-Backed Securities	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
8.4 Other Loan-Backed and Structured Securities	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
8.5 Totals	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0

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ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE D - PART 1A - SECTION 2 (Continued)

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues												
Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 No Maturity Date	7 Total Current Year	8 Col. 7 as a % of Line 10.6	9 Total from Col. 6 Prior Year	10 % From Col. 7 Prior Year	11 Total Publicly Traded	12 Total Privately Placed (a)
9. SVO Identified Funds												
9.1 Exchange Traded Funds Identified by the SVO.....	XXX	XXX	XXX	XXX	XXX	0	0	0.0	XXX	XXX	0	0
9.2 Bond Mutual Funds Identified by the SVO.....	XXX	XXX	XXX	XXX	XXX	0	0	0.0	XXX	XXX	0	0
9.3 Totals	XXX	XXX	XXX	XXX	XXX	0	0	0.0	XXX	XXX	0	0
10. Total Bonds Current Year												
10.1 Issuer Obligations	157,765,835	445,649,270	469,501,332	134,083,466	715,999,245	XXX	1,922,999,148	87.2	XXX	XXX	1,777,085,984	145,913,165
10.2 Residential Mortgage-Backed Securities	12,844,154	36,282,745	24,629,937	18,454,068	2,686,274	XXX	94,897,178	4.3	XXX	XXX	94,897,178	0
10.3 Commercial Mortgage-Backed Securities	2,830,735	9,406,532	142,314,839	0	0	XXX	154,552,105	7.0	XXX	XXX	139,478,836	15,073,269
10.4 Other Loan-Backed and Structured Securities	27,658,484	3,473,304	3,473,029	0	1,439,571	XXX	36,044,388	1.6	XXX	XXX	36,044,388	0
10.5 SVO Identified Funds	XXX	XXX	XXX	XXX	XXX	0	0	0.0	XXX	XXX	0	0
10.6 Totals	201,099,207	494,811,851	639,919,137	152,537,534	720,125,090	0	2,208,492,819	100.0	XXX	XXX	2,047,506,386	160,986,433
10.7 Lines 10.6 as a % Col. 7	6.0	23.2	30.0	7.1	33.7	0.0	100.0	XXX	XXX	XXX	92.7	7.3
11. Total Bonds Prior Year												
11.1 Issuer Obligations	126,773,842	309,272,229	770,463,274	212,761,169	388,397,637	XXX	1,807,668,151	82.3	1,807,668,151	82.3	1,711,441,232	96,226,919
11.2 Residential Mortgage-Backed Securities	44,303,214	119,338,789	76,686,224	62,681,838	20,219,840	XXX	323,229,905	14.5	323,229,905	14.5	323,229,905	0
11.3 Commercial Mortgage-Backed Securities	29,570,638	24,389,450	10,831,709	1,074,667	2,339,524	XXX	68,205,988	3.1	68,205,988	3.1	36,942,171	31,263,817
11.4 Other Loan-Backed and Structured Securities	419,873	1,082,430	481,989	470,621	0	XXX	2,454,913	0.1	2,454,913	0.1	2,454,913	0
11.5 SVO Identified Funds	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
11.6 Totals	201,067,567	454,082,898	858,463,196	276,988,295	410,957,001	XXX	2,201,558,957	100.0	2,201,558,957	100.0	2,074,068,221	127,490,736
11.7 Line 11.6 as a % of Col. 9	9.1	20.6	39.0	12.6	18.7	XXX	XXX	XXX	100.0	XXX	94.3	5.7
12. Total Publicly Traded Bonds												
12.1 Issuer Obligations	149,221,215	412,314,559	391,172,669	132,034,466	692,343,075	XXX	1,777,085,984	80.5	1,711,441,232	77.9	1,777,085,984	XXX
12.2 Residential Mortgage-Backed Securities	12,844,154	36,282,745	24,629,937	18,454,068	2,686,274	XXX	94,897,178	4.3	323,229,905	14.5	94,897,178	XXX
12.3 Commercial Mortgage-Backed Securities	2,830,735	7,759	136,640,342	0	0	XXX	139,478,836	6.3	36,942,171	1.7	139,478,836	XXX
12.4 Other Loan-Backed and Structured Securities	27,658,484	3,473,304	3,473,029	0	1,439,571	XXX	36,044,388	1.6	2,454,913	0.1	36,044,388	XXX
12.5 SVO Identified Funds	XXX	XXX	XXX	XXX	XXX	0	0	0.0	XXX	XXX	0	XXX
12.6 Totals	192,554,587	452,078,367	555,915,977	150,488,534	696,468,920	0	2,047,506,386	92.7	2,074,068,221	94.3	2,047,506,386	XXX
12.7 Line 11.6 as a % of Col. 7	9.7	22.9	28.1	7.6	35.3	0.0	100.0	XXX	XXX	XXX	100.0	XXX
12.8 Line 11.6 as a % of Line 10.6, Col. 7, Section 10	8.7	20.5	25.2	6.8	31.5	0.0	92.7	XXX	XXX	XXX	92.7	XXX
13. Total Privately Placed Bonds												
13.1 Issuer Obligations	8,544,620	33,334,711	78,328,664	2,049,000	23,656,170	XXX	145,913,165	6.6	96,226,919	4.3	XXX	145,913,165
13.2 Residential Mortgage-Backed Securities	0	0	0	0	0	XXX	0	0.0	0	0.0	XXX	0
13.3 Commercial Mortgage-Backed Securities	0	9,398,773	5,674,496	0	0	XXX	15,073,269	0.7	31,263,817	1.4	XXX	15,073,269
13.4 Other Loan-Backed and Structured Securities	0	0	0	0	0	XXX	0	0.0	0	0.0	XXX	0
13.5 SVO Identified Funds	XXX	XXX	XXX	XXX	XXX	0	0	0.0	XXX	XXX	XXX	0
13.6 Totals	8,544,620	42,733,483	84,003,160	2,049,000	23,656,170	0	160,986,434	7.3	127,490,736	5.7	XXX	160,986,434
13.7 Line 13.6 as a % of Col. 7	5.3	26.5	52.2	1.3	14.7	0.0	100.0	XXX	XXX	XXX	XXX	100.0
13.8 Line 13.6 as a % of Line 10.6, Col. 7, Section 10	0.4	1.9	3.8	0.1	1.1	0.0	7.3	XXX	XXX	XXX	XXX	7.3

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ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE DA - VERIFICATION BETWEEN YEARS

Short-Term Investments

	1	2	3	4	5
	Total	Bonds	Mortgage Loans	Other Short-term Investment Assets(a)	Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value, December 31 of prior year	75,278,464	55,261,590	0	20,016,874	0
2. Cost of short-term investments acquired	704,642,051	704,642,051	0	0	0
3. Accrual of discount	0	0	0	0	0
4. Unrealized valuation increase (decrease)	0	0	0	0	0
5. Total gain (loss) on disposals	416	416	0	0	0
6. Deduct consideration received on disposals	699,869,902	679,853,028	0	20,016,874	0
7. Deduct amortization of premium	0	0	0	0	0
8. Total foreign exchange change in book/adjusted carrying value	(271,211)	(271,211)	0	0	0
9. Deduct current year's other-than-temporary impairment recognized	0	0	0	0	0
10. Book adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	79,779,818	79,779,818	0	0	0
11. Deduct total nonadmitted amounts	0	0	0	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	79,779,818	79,779,818	0	0	0

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment:

Schedule DB - Part A - Verification

NONE

Schedule DB - Part B - Verification

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Verification

NONE

Schedule E - Verification Between Yrs

NONE

Schedule A - Part 1

NONE

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 1

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

Schedule BA - Part 1

NONE

Schedule BA - Part 2

NONE

Schedule BA - Part 3

NONE

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE D - PART 1

Showing All Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book / Adjusted Carrying Value				Interest				Dates		
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	For e i g n	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change In B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Contractual Maturity Date
Bonds - U.S. Governments - Issuer Obligations																					
912810-EQ-7	UNITED STATES TREASURY				1	1,074,938		125,007.8	900,000	997,822	.0	(12,457)	0	.0	6.250	4.343	FA	21,247	56,250	10/06/2008	08/15/2023
912810-EV-6	UNITED STATES TREASURY				1	1,209,184		135,296.9	1,180,000	1,204,440	.0	(1,956)	0	.0	6.875	6.554	FA	30,642	81,125	05/29/2001	08/15/2025
912810-EV-6	UNITED STATES TREASURY	SD			1	2,337,157		135,125.0	2,290,000	2,306,530	.0	(1,244)	0	.0	6.875	6.759	FA	59,467	157,437	09/11/2003	08/15/2025
912810-FA-1	UNITED STATES TREASURY				1	1,791,270		136,136.7	1,500,000	1,681,710	.0	(12,682)	0	.0	6.375	4.899	FA	36,119	95,625	03/27/2006	08/15/2027
912810-FP-8	UNITED STATES TREASURY				1	5,916,222		133,187.5	5,525,000	5,794,371	.0	(12,668)	0	.0	5.375	4.893	FA	112,170	296,969	11/23/2004	02/15/2031
912810-QA-9	UNITED STATES TREASURY				1	52,318,125		109,359.4	48,000,000	52,318,125	.0	.0	0	.0	3.500	2.944	FA	643,696	.0	12/30/2016	02/15/2039
912810-RB-6	UNITED STATES TREASURY				1	18,716,992		96,589.8	16,500,000	18,697,565	.0	(19,428)	0	.0	2.875	2.206	MN	61,590	237,188	09/01/2016	05/15/2043
912810-RK-6	UNITED STATES TREASURY				1	20,449,646		89,074.2	20,150,000	20,447,691	.0	(1,955)	0	.0	2.500	2.427	FA	190,275	.0	10/11/2016	02/15/2045
912810-RQ-3	UNITED STATES TREASURY				1	45,916,750		88,859.4	48,625,000	45,920,435	.0	3,685	0	.0	2.500	2.773	FA	459,163	.0	12/05/2016	02/15/2046
912810-RS-9	UNITED STATES TREASURY				1	43,027,000		88,867.2	40,634,527	43,035,612	.0	8,612	0	.0	2.500	2.795	MN	148,417	571,563	11/09/2016	05/15/2046
912810-RT-7	UNITED STATES TREASURY				1	27,452,158		84,082.0	29,500,000	27,460,493	.0	8,334	0	.0	2.250	2.585	FA	250,710	.0	10/28/2016	08/15/2046
912828-WW-6	UNITED STATES TREASURY	SD			1	1,368,817		100,699.2	1,375,000	1,371,748	.0	1,229	0	.0	1.625	1.719	JJ	9,350	22,344	07/29/2014	07/31/2019
0199999	Bonds - U.S. Governments - Issuer Obligations					221,578,259	XXX	211,629,769	221,270,000	221,236,541	0	(40,530)	0	0	XXX	XXX	XXX	2,022,846	1,518,500	XXX	XXX
Bonds - U.S. Governments - Residential Mortgage-Backed Securities																					
Bonds - U.S. Governments - Commercial Mortgage-Backed Securities																					
Bonds - U.S. Governments - Other Loan-Backed and Structured Securities																					
0599999	Bonds - U.S. Governments - Subtotals - U.S. Governments					221,578,259	XXX	211,629,769	221,270,000	221,236,541	0	(40,530)	0	0	XXX	XXX	XXX	2,022,846	1,518,500	XXX	XXX
Bonds - All Other Governments - Issuer Obligations																					
302154-AX-7	EXPORT IMPORT BANK OF KOREA				1FE	10,508,200		104,601.9	10,000,000	10,338,942	.0	(76,818)	0	.0	4.000	3.108	JJ	168,889	400,000	05/01/2014	01/29/2021
0699999	Bonds - All Other Governments - Issuer Obligations					10,508,200	XXX	10,460,190	10,000,000	10,338,942	0	(76,818)	0	0	XXX	XXX	XXX	168,889	400,000	XXX	XXX
Bonds - All Other Governments - Residential Mortgage-Backed Securities																					
Bonds - All Other Governments - Commercial Mortgage-Backed Securities																					
Bonds - All Other Governments - Other Loan-Backed and Structured Securities																					
1099999	Bonds - All Other Governments - Subtotals - All Other Governments					10,508,200	XXX	10,460,190	10,000,000	10,338,942	0	(76,818)	0	0	XXX	XXX	XXX	168,889	400,000	XXX	XXX
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations																					
13063A-5E-0	CALIFORNIA ST ECONOMIC RECOVERY				1FE	9,143,700		141,350.0	10,000,000	9,257,108	.0	20,900	0	.0	7.500	8.319	AO	187,500	750,000	06/11/2009	04/01/2034
207726-F4-5	CONNECTICUT ST				1FE	5,045,925		121,001.0	4,230,000	5,003,873	.0	(35,604)	0	.0	5.850	4.208	MS	72,862	247,455	10/29/2015	03/15/2032
419792-MY-8	HAWAII ST				2	3,221,430		112,307.0	2,950,000	3,127,754	.0	(5,836)	0	.0	5.000	3.649	JD	12,292	73,750	02/13/2013	12/01/2029
452152-FL-0	ILLINOIS ST				1FE	7,166,250		104,191.0	6,825,000	7,075,627	.0	(69,941)	0	.0	5.727	4.498	AO	97,717	390,868	09/08/2015	04/01/2020
57582R-JN-7	MASSACHUSETTS ST				1FE	1,515,000		90,730.0	1,515,000	1,515,000	.0	.0	0	.0	3.277	3.277	JD	4,137	19,859	06/29/2016	06/01/2046
594610-6V-4	MICHIGAN ST				1FE	8,085,112		100,754.0	7,965,000	7,971,388	.0	(21,799)	0	.0	3.500	3.215	AO	58,853	278,775	05/16/2011	04/15/2017
605580-6W-4	MISSISSIPPI ST				2	7,322,853		112,917.0	6,725,000	7,111,384	.0	(73,144)	0	.0	5.000	3.670	AO	84,063	336,250	02/13/2013	10/01/2029
605580-7D-5	MISSISSIPPI ST				2	10,550,700		111,863.0	10,000,000	10,358,693	.0	(66,668)	0	.0	5.000	4.159	AO	125,000	500,000	04/25/2012	10/01/2036
649791-EU-0	NEW YORK ST				1FE	1,497,593		102,360.0	1,485,000	1,487,337	.0	(1,983)	0	.0	3.250	3.106	FA	18,233	48,263	05/24/2011	02/15/2018
68607L-XQ-5	OREGON ST				1FE	2,583,171		121,330.0	2,125,000	2,544,403	.0	(32,663)	0	.0	5.892	3.602	JD	10,434	125,205	10/29/2015	06/01/2027
745145-OE-5	PUERTO RICO COMWLTH	SD			1FE	152,001		91,391.0	205,000	174,644	.0	12,196	0	.0	0.000	0.000	N/A	.0	.0	06/19/2014	07/01/2019
745145-ZD-7	PUERTO RICO COMWLTH	SD			1FE	260,837		106,138.0	260,000	260,544	.0	(198)	0	.0	5.500	0.000	JJ	7,150	14,300	06/19/2014	07/01/2019
74514L-MD-5	PUERTO RICO COMWLTH	SD			1FE	85,274		106,138.0	85,000	85,178	.0	(65)	0	.0	5.500	0.000	JJ	2,338	4,675	06/19/2014	07/01/2019
882722-2K-6	TEXAS ST				2	6,418,510		112,161.0	5,890,000	6,217,659	.0	(64,308)	0	.0	5.000	3.670	FA	122,708	294,500	04/19/2012	08/01/2030
882722-3K-5	TEXAS ST				2	2,304,300		101,486.0	2,500,000	2,326,008	.0	7,586	0	.0	3.958	4.588	FA	41,229	98,950	05/02/2012	08/01/2032
882722-3L-3	TEXAS ST				2	2,263,718		100,926.0	2,505,000	2,284,617	.0	7,319	0	.0	4.058	4.778	FA	42,355	101,653	05/02/2012	08/01/2035
93974B-VE-9	WASHINGTON ST				2	4,548,040		100,275.0	4,000,000	4,000,000	.0	(11,748)	0	.0	5.000	2.161	JJ	100,000	200,000	11/10/2011	01/01/2022
1199999	Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations					72,164,413	XXX	78,191,484	69,265,000	70,801,218	0	(435,958)	0	0	XXX	XXX	XXX	986,869	3,484,502	XXX	XXX
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed) - Residential Mortgage-Backed Securities																					
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed) - Commercial Mortgage-Backed Securities																					
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed) - Other Loan-Backed and Structured Securities																					
1799999	Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed) - Subtotals - U.S. States, Territories and Possessions (Direct and Guaranteed)					72,164,413	XXX	78,191,484	69,265,000	70,801,218	0	(435,958)	0	0	XXX	XXX	XXX	986,869	3,484,502	XXX	XXX
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations																					
03871L-AU-7	ARAPAHOE CNTY COLO WTR & WASTEWTR PUB IM				2	7,394,325		108,359.0	7,500,000	7,405,064	.0	2,294	0	.0	6.480	6.588	JD	40,500	486,000	12/09/2009	12/01/2039

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ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE D - PART 1

Showing All Long-Term **BONDS** Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book / Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	For e i g n	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change In B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
213185-DV-0.	COOK CNTY ILL			1	1FE	8,473,284		117,4970	6,955,000	8,445,479	.0	(27,805)	0	.0	6.229	4.474	MN	55,357	216,613	06/29/2016	11/15/2034
235308-RA-3.	DALLAS TEX INDPT SCH DIST			1,2	1FE	7,786,660		114,3270	7,000,000	7,486,403	.0	(104,584)	0	.0	6.450	4.581	FA	170,567	451,500	12/27/2011	02/15/2035
259030-QJ-6.	DOUGLAS CNTY GA SCH DIST			2	1FE	709,758		100,9790	700,000	700,763	.0	(2,980)	0	.0	5.000	4.549	A0	8,750	35,000	10/28/2013	04/01/2022
259030-OR-8.	DOUGLAS CNTY GA SCH DIST			2	1FE	1,141,982		100,9790	1,040,000	1,047,964	.0	(31,987)	0	.0	5.000	1.874	A0	13,000	52,000	10/28/2013	04/01/2022
34153P-L2-2.	FLORIDA ST BRD ED PUB ED			2	1FE	1,740,285		111,3370	1,620,000	1,693,622	.0	(15,001)	0	.0	5.000	3.870	JD	6,750	81,000	02/15/2013	06/01/2031
438670-XR-7.	HONOLULU HAWAII CITY & CNTY			2	1FE	1,229,546		111,0160	1,150,000	1,197,622	.0	(11,058)	0	.0	5.000	3.850	JD	4,792	57,500	04/02/2013	12/01/2034
442403-FX-4.	HOUSTON TEX INDPT SCH DIST LOS ANGELES CALIF CMNTY			1,2	1FE	9,836,800		106,6930	10,000,000	9,907,725	.0	10,976	0	.0	5.561	5.721	FA	210,082	556,100	11/12/2009	02/15/2024
54438C-NZ-1.	COLLEGE DIST			1	1FE	6,885,174		139,8790	4,940,000	6,841,410	.0	(40,927)	0	.0	6.600	4.145	FA	135,850	326,040	12/02/2015	08/01/2042
623385-ER-8.	MOUNT VERNON ILL			2	1FE	962,487		106,5420	900,000	939,304	.0	(9,057)	0	.0	5.000	3.800	JD	2,000	45,000	05/06/2014	12/15/2032
64966H-MT-4.	NEW YORK N Y			1,2	1FE	12,986,030		108,8680	12,610,000	12,804,408	.0	(63,578)	0	.0	5.676	5.067	A0	178,936	715,744	04/24/2012	10/01/2034
66702R-CQ-3.	NORTHSIDE TEX INDPT SCH DIST SOUTHWESTERN CMNTY COLLEGE			2	1FE	8,151,862		112,7270	7,495,000	7,915,160	.0	(81,736)	0	.0	5.000	3.670	FA	141,572	374,750	04/26/2012	08/15/2030
845389-DY-8.	DIST CALIF			1,2	1FE	7,207,429		113,3980	7,480,000	7,295,681	.0	62,380	0	.0	7.230	8.310	FA	225,335	540,804	11/12/2009	08/01/2039
941247-N2-0.	WATERBURY CONN			1	1FE	7,444,836		114,6770	6,585,000	7,423,451	.0	(17,632)	0	.0	7.089	6.034	JD	38,901	466,811	09/10/2015	12/01/2038
1899999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations						81,950,458	XXX	85,888,104	75,975,000	81,104,057	0	(330,696)	0	0	XXX	XXX	XXX	1,232,391	4,404,862	XXX	XXX
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Residential Mortgage-Backed Securities																					
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Commercial Mortgage-Backed Securities																					
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Other Loan-Backed and Structured Securities																					
2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Subtotals - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)						81,950,458	XXX	85,888,104	75,975,000	81,104,057	0	(330,696)	0	0	XXX	XXX	XXX	1,232,391	4,404,862	XXX	XXX
Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Issuer Obligations																					
010608-D9-5.	ALABAMA ST PUB SCH & COLLEGE AUTH			2	1FE	6,713,980		103,1560	7,000,000	6,899,146	.0	104,787	0	.0	4.500	6.146	JD	26,250	315,000	12/06/2007	12/01/2026
010869-CE-3.	ALAMEDA CORRIDOR TRANSN AUTH CALIF REV			@	1FE	6,118,431		48,6830	14,130,000	6,463,275	.0	344,844	0	.0	0.000	5.770	N/A	0	0	01/11/2016	10/01/2030
02765U-CV-4.	AMERICAN MUN PWR OHIO INC REV ANCHORAGE ALASKA ELEC UTIL REV			1,2	1FE	4,814,050		107,5710	5,000,000	4,905,008	.0	15,788	0	.0	5.664	6.102	FA	106,987	283,200	11/19/2009	02/15/2022
033177-XV-3.	BAY AREA TOLL AUTH CALIF TOLL BRDG REV			1,2	1FE	4,081,499		109,1810	4,205,000	4,093,624	.0	2,313	0	.0	6.558	6.787	JD	22,980	275,764	11/30/2009	12/01/2039
072024-NU-2.	CALIFORNIA HEALTH FACFS FING AUTH REV			2	1FE	8,612,285		111,3750	8,500,000	8,573,518	.0	(13,450)	0	.0	5.000	4.789	FA	160,556	425,000	04/20/2012	08/15/2035
13077C-5U-4.	CALIFORNIA ST UNIV REV			2	1FE	1,780,600		101,3250	1,755,000	1,760,122	.0	(4,550)	0	.0	5.000	4.102	MN	14,625	43,875	08/10/2015	11/01/2019
13077C-6K-5.	CALIFORNIA ST UNIV REV			2	1FE	2,774,895		101,3210	2,735,000	2,742,982	.0	(7,091)	0	.0	5.000	4.102	MN	22,792	68,375	08/10/2015	11/01/2019
13077C-Z5-6.	CALIFORNIA ST UNIV REV			2	1FE	1,972,947		101,3250	1,940,000	1,946,529	.0	(19,203)	0	.0	5.000	3.965	MN	16,167	97,000	08/10/2015	11/01/2019
161045-KT-5.	CHARLOTTE N C WTR & SWR SYS REV			2	1FE	3,039,013		109,5650	2,705,000	2,955,776	.0	(68,145)	0	.0	5.000	2.232	JJ	67,625	135,250	05/27/2014	07/01/2038
167725-AF-7.	CHICAGO ILL TRAN AUTH SALES & TRANSFER T			1	1FE	8,467,751		125,1720	7,470,000	8,427,830	.0	(33,990)	0	.0	6.899	5.670	JD	42,946	515,355	02/24/2016	12/01/2040
167727-VU-7.	CHICAGO ILL WASTEWATER TRANSMISSION REV				1FE	1,500,000		99,6690	1,500,000	1,500,000	.0	0	0	.0	4.630	4.630	JJ	34,725	48,615	10/15/2015	01/01/2023
167727-VV-5.	CHICAGO ILL WASTEWATER TRANSMISSION REV				1FE	2,890,000		100,1360	2,890,000	2,890,000	.0	0	0	.0	4.830	4.830	JJ	69,794	97,711	10/15/2015	01/01/2024
176553-ET-8.	CITIZENS PPTY INS CORP FLA				1FE	8,012,250		101,7480	7,500,000	7,539,110	.0	(91,813)	0	.0	5.250	3.968	JD	32,813	393,750	05/05/2011	06/01/2017
23542J-CQ-6.	DALLAS TEX WTRWKS & SWR SYS REV			2	1FE	4,727,529		109,3540	4,245,000	4,615,957	.0	(35,183)	0	.0	5.000	2.540	A0	53,063	106,125	05/27/2014	10/01/2039
25457V-AH-9.	DIRECTOR ST NEV DEPT BUSINESS & INDUSTRY			@	6Z	0		0.0000	3,795,000	0	.0	0	0	.0	0.000	0.000	N/A	0	0	09/20/2000	01/01/2011
25457V-AJ-5.	DIRECTOR ST NEV DEPT BUSINESS & INDUSTRY			@	6Z	0		0.0000	2,875,000	0	.0	0	0	.0	0.000	0.000	N/A	0	0	09/20/2000	01/01/2012
25477G-CY-9.	DISTRICT COLUMBIA INCOME TAX REV			1	1FE	979,760		122,1270	1,000,000	982,973	.0	590	0	.0	5.591	5.744	JD	4,659	55,910	12/09/2009	12/01/2034

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE D - PART 1

Showing All Long-Term **BONDS** Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book / Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	For eign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change In B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
25477G-GJ-8	DISTRICT COLUMBIA INCOME TAX REV.			2	1FE	15,799,350	111.6680	16,750,200	15,000,000	15,527,430	0	(94,455)	0	0	5.000	4.201	JD	62,500	750,000	05/01/2012	12/01/2036
264416-AN-8	DUKE UNIV N C REV.			1	1FE	5,867,371	126.8390	5,866,304	4,625,000	5,828,910	0	(37,981)	0	0	5.850	3.967	AO	67,641	270,563	12/22/2015	04/01/2037
29270C-L4-5	ENERGY NORTHWEST WASH ELEC REV.			1	1FE	6,103,045	98.5570	6,406,205	6,500,000	6,120,640	0	10,615	0	0	3.843	4.260	JJ	124,898	249,795	04/24/2015	07/01/2038
3133XG-AY-0	FEDERAL HOME LOAN BANKS				1	101,978	131.1734	131,173	100,000	101,680	0	(45)	0	0	5.500	5.360	JJ	2,536	5,500	10/06/2008	07/15/2036
3134A4-AA-2	FEDERAL HOME LOAN MORTGAGE CORP.				1	6,254,217	140.9388	7,399,287	5,250,000	5,985,540	0	(33,595)	0	0	6.750	5.330	MS	104,344	354,375	10/06/2008	03/15/2031
31359M-7X-5	FEDERAL NATIONAL MORTGAGE ASSOCIATION				1	1,044,688	101.5260	1,015,260	1,000,000	1,002,226	0	(6,004)	0	0	5.000	4.366	MN	6,944	50,000	10/06/2008	05/11/2017
31359M-EU-3	FEDERAL NATIONAL MORTGAGE ASSOCIATION				1	564,912	132.5511	662,756	500,000	548,822	0	(2,731)	0	0	6.250	5.172	MN	3,993	31,250	10/06/2008	05/15/2029
31359M-FJ-7	FEDERAL NATIONAL MORTGAGE ASSOCIATION				1	4,315,899	142.6966	4,923,033	3,450,000	4,065,017	0	(32,170)	0	0	7.125	5.223	JJ	113,347	245,813	05/08/2007	01/15/2030
31359M-FP-3	FEDERAL NATIONAL MORTGAGE ASSOCIATION				1	3,103,115	144.9020	3,622,550	2,500,000	2,914,444	0	(20,402)	0	0	7.250	5.484	MN	23,160	181,250	10/01/2004	05/15/2030
343136-T4-9	FLORIDA ST TPK AUTH TPK REV.			2	1FE	3,328,470	110.3510	3,310,530	3,000,000	3,263,704	0	(62,941)	0	0	5.000	2.629	JJ	75,000	150,000	11/19/2014	07/01/2040
358229-EY-4	FRESNO CALIF SWR REV.			2	1FE	2,557,392	105.4300	2,530,320	2,400,000	2,492,380	0	(53,827)	0	0	5.000	2.619	MS	40,000	120,000	03/13/2014	09/01/2033
414018-4W-8	HARRIS CNTY TEX FLOOD CTL DIST.			2	1FE	5,088,002	110.4860	5,038,162	4,560,000	4,970,330	0	(103,474)	0	0	5.000	2.470	AO	57,000	228,000	11/19/2014	10/01/2039
41422E-DK-6	HARRIS CNTY TEX MET TRAN AUTH SALES & US.			2	1FE	1,870,050	112.8390	1,974,683	1,750,000	1,828,469	0	(14,411)	0	0	5.000	3.971	MN	14,583	87,500	04/26/2012	11/01/2030
432275-AE-5	HILLSBOROUGH CNTY FLA AVIATION AUTH CUST.				1FE	2,210,965	102.5400	2,276,388	2,220,000	2,212,298	0	1,333	0	0	3.549	3.616	AO	19,697	84,916	08/19/2015	10/01/2022
442435-U9-2	HOUSTON TEX UTIL SYS REV.			2	1FE	3,217,170	112.7410	3,382,230	3,000,000	3,142,238	0	(25,967)	0	0	5.000	3.921	MN	19,167	150,000	04/03/2013	11/15/2030
452252-FH-7	ILLINOIS ST TOLL HWY AUTH TOLL HIGHWAY R.			1	1FE	7,813,980	125.1080	7,506,480	6,000,000	7,727,454	0	(86,526)	0	0	6.184	3.830	JJ	185,520	185,520	02/22/2016	01/01/2034
45506D-WY-7	INDIANA ST FIN AUTH REV.				1FE	2,685,000	95.4310	2,562,322	2,685,000	2,685,000	0	0	0	0	3.624	3.624	JJ	51,355	0	06/08/2016	07/01/2036
46613C-G4-1	JEA FLA ELEC SYS REV.			2	1FE	2,002,100	108.3770	2,070,001	1,910,000	1,977,802	0	(19,223)	0	0	5.000	3.827	AO	23,875	95,500	02/12/2014	10/01/2038
46613P-YY-6	JEA FLA WTR & SWR SYS REV.			2	1FE	3,777,430	108.0520	3,819,638	3,535,000	3,715,056	0	(51,696)	0	0	5.000	3.332	AO	44,188	176,750	04/04/2014	10/01/2039
480780-CM-5	JORDAN VY WTR CONSERVANCY DIST UTAH WTR.			2	1FE	1,077,210	111.4420	1,114,420	1,000,000	1,047,808	0	(10,179)	0	0	5.000	3.771	AO	12,500	50,000	02/19/2013	10/01/2029
485429-UX-0	KANSAS ST DEV FIN AUTH REV.			2	1FE	6,787,584	111.6230	6,769,935	6,065,000	6,653,494	0	(123,390)	0	0	5.250	2.893	JD	26,534	318,413	12/05/2014	06/01/2038
485429-Y8-1	KANSAS ST DEV FIN AUTH REV.			1	1FE	4,467,735	100.5240	4,523,580	4,500,000	4,470,878	0	3,143	0	0	3.741	3.833	AO	35,540	168,345	08/13/2015	04/15/2025
485429-Z6-4	KANSAS ST DEV FIN AUTH REV.			1	1FE	4,448,974	103.6780	4,416,683	4,260,000	4,444,871	0	(4,103)	0	0	4.727	4.401	AO	42,511	201,370	03/30/2016	04/15/2037
49151E-20-5	KENTUCKY ST PPTY & BLDGS COMMN REVS.			1	1FE	3,525,128	116.8010	4,099,715	3,510,000	3,522,222	0	(353)	0	0	6.573	6.532	FA	96,130	230,712	12/09/2009	08/01/2029
516391-AX-7	LANSING MICH BRD WTR & LT UTIL SYS REV.			2	1FE	4,912,745	109.7500	4,911,313	4,475,000	4,820,671	0	(70,443)	0	0	5.000	3.146	JJ	111,875	223,750	05/12/2014	07/01/2037
517840-3L-6	LAS VEGAS VALLEY NEV WTR DIST.			2	1FE	9,664,448	111.7380	10,134,637	9,070,000	9,444,856	0	(76,138)	0	0	5.000	3.970	JD	37,792	453,500	02/14/2013	06/01/2029
517840-3P-7	LAS VEGAS VALLEY NEV WTR DIST.			2	1FE	5,143,150	110.4970	5,524,850	5,000,000	5,112,609	0	(22,491)	0	0	5.000	4.433	JD	20,833	250,000	11/06/2012	06/01/2038
517840-26-4	LAS VEGAS VALLEY NEV WTR DIST.			1	1FE	2,530,300	101.0470	2,526,175	2,500,000	2,502,309	0	(5,399)	0	0	3.672	3.446	JD	7,650	91,800	05/19/2011	06/01/2017
544587-C3-0	LOS ANGELES CALIF MUN IMPT CORP LEASE RE.				1FE	3,070,000	103.2420	3,169,529	3,070,000	3,070,000	0	0	0	0	3.146	3.146	MN	16,097	91,753	11/04/2015	11/01/2020
54473E-NS-9	LOS ANGELES CNTY CALIF PUB WKS FING AUTH.			1	1FE	5,181,311	142.6940	5,365,294	3,760,000	5,144,231	0	(30,204)	0	0	7.618	4.954	FA	119,349	286,437	10/30/2015	08/01/2040
54473E-RW-6	LOS ANGELES CNTY CALIF PUB WKS FING AUTH.				1FE	900,000	102.0370	918,333	900,000	900,000	0	0	0	0	3.737	3.736	MJSD	2,803	33,633	08/13/2015	12/01/2024
546398-XP-8	LOUISIANA PUB FACS AUTH REV.			2	1FE	5,495,550	101.6390	5,081,950	5,000,000	5,039,654	0	(93,772)	0	0	5.000	3.059	JD	20,833	250,000	10/20/2011	06/01/2018
57583U-NH-7	MASSACHUSETTS ST DEV FIN AGY REV.			2	1FE	10,502,700	109.1310	10,913,100	10,000,000	10,378,338	0	(75,156)	0	0	5.000	4.071	JJ	250,000	500,000	02/07/2013	07/01/2031
576000-LQ-4	MASSACHUSETTS ST SCH BLDG AUTH DEDICATED.			2	1FE	4,004,782	111.6670	4,243,346	3,800,000	3,962,290	0	(30,097)	0	0	5.000	4.010	AO	40,111	190,000	01/29/2013	10/15/2035
59259Y-BY-4	METROPOLITAN TRANSN AUTH N Y REV.			1	1FE	2,021,263	132.6140	1,975,949	1,490,000	2,010,069	0	(11,194)	0	0	6.668	4.264	MN	12,695	99,353	02/29/2016	11/15/2039
592646-T8-6	METROPOLITAN WASH D C ARPTS AUTH ARPT SY.			2	1FE	4,517,400	109.8990	4,395,960	4,000,000	4,392,581	0	(99,529)	0	0	5.000	2.254	AO	50,000	200,000	08/27/2014	10/01/2035

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ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE D - PART 1

Showing All Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book / Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	For eign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change In B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
60636A-MR-1.	MISSOURI ST HEALTH & EDL FACS AUTH EDL F. MONROE CNTY N Y INDL DEV CORP				1FE	4,915,000	98.1920	4,826,137	4,915,000	4,915,000	0	0	0	0	3.471	3.471	JJ	78,665	65,870	02/19/2016	01/15/2036
61075T-LK-2.	REV.				1FE	4,204,420	101.5890	4,281,976	4,215,000	4,204,689	0	164	0	0	4.881	4.897	JJ	102,867	209,735	06/17/2015	07/01/2045
626207-YF-5.	MUNICIPAL ELEC AUTH GA.			1.	1FE	5,547,786	124.0210	5,869,914	4,733,000	5,538,596	0	(4,781)	0	0	6.637	5.572	AO	78,532	314,129	04/16/2015	04/01/2057
626207-YM-0.	MUNICIPAL ELEC AUTH GA.			1.	1FE	1,669,530	122.2110	1,772,060	1,450,000	1,666,427	0	(1,210)	0	0	6.655	5.705	AO	24,124	96,498	07/13/2015	04/01/2057
644693-KV-4.	NEW HAMPSHIRE ST TPK SYS REV. NEW MEXICO ST HOSP EQUIP LN			2.	1FE	3,011,313	109.9240	3,435,125	3,125,000	3,036,615	0	4,643	0	0	6.259	6.589	MN	32,599	195,594	11/18/2009	11/01/2029
647370-FD-2.	COUNCIL HOSP. NEW YORK N Y CITY MUN WTR FIN			2.	1FE	1,421,224	107.2220	1,388,525	1,295,000	1,382,926	0	(32,558)	0	0	5.125	2.399	FA	27,654	66,369	08/06/2014	08/01/2035
64972F-H2-5.	AUTH WTR & NEW YORK ST DORM AUTH REVS.			1.	1FE	8,442,140	126.2250	8,425,519	6,675,000	8,398,081	0	(40,474)	0	0	5.750	4.073	JD	17,058	383,813	11/23/2015	06/15/2041
649907-YA-4.	NEW YORK ST URBAN DEV CORP			1.	1FE	1,943,978	109.1600	1,877,552	1,720,000	1,934,432	0	(9,546)	0	0	4.802	3.712	JD	6,883	82,594	01/28/2016	12/01/2034
650035-WZ-7.	REV.			2.	1FE	10,677,000	111.7960	11,179,600	10,000,000	10,418,175	0	(89,783)	0	0	5.000	3.911	MS	147,222	500,000	04/25/2012	03/15/2030
662529-AW-6.	NORTH SLOPE BORO ALASKA SVC AREA 10 WTR			2.	1FE	2,249,775	111.9780	2,217,164	1,980,000	2,155,449	0	(36,645)	0	0	5.250	3.088	JD	289	103,950	04/30/2014	06/30/2027
663903-CZ-3.	NORTHEAST OHIO REGL SWR DIST WASTEWR RE			2.	1FE	10,397,200	101.3800	10,138,000	10,000,000	10,099,969	0	(267,168)	0	0	4.750	2.022	MN	60,694	475,000	02/06/2014	11/15/2033
678514-BC-3.	OKLAHOMA CAP IMPT AUTH ST HWY CAP IMPT R.			2.	1FE	9,101,814	106.0450	9,480,423	8,940,000	9,046,823	0	(10,054)	0	0	4.792	4.620	JJ	214,202	428,405	12/21/2011	07/01/2025
684503-GT-7.	ORANGE CNTY FLA HEALTH FACS AUTH REV.			2.	1FE	3,513,755	105.0000	3,675,000	3,500,000	3,508,852	0	(4,117)	0	0	5.000	4.866	JJ	87,500	175,000	02/01/2013	01/01/2039
685869-EJ-4.	OREGON HEALTH SCIENCES UNIV REV.			1,2.	1FE	7,500,000	107.9340	8,095,050	7,500,000	7,500,000	0	0	0	0	5.000	5.000	JJ	187,500	360,417	07/08/2015	07/01/2045
709221-TG-0.	PENNSYLVANIA ST TPK COMMN OIL FRANCHISE			1.	1FE	6,484,276	119.9360	8,155,648	6,800,000	6,516,301	0	6,571	0	0	6.378	6.753	JD	36,142	433,704	11/30/2009	12/01/2037
73358W-CX-0.	PORT AUTH N Y & N J PORT MORROW ORE TRANSMISSION			1.	1FE	4,600,855	120.4520	4,402,521	3,655,000	4,584,602	0	(16,253)	0	0	5.647	3.982	MN	34,400	159,669	06/14/2016	11/01/2040
73474T-AP-5.	FACS REV.			1.	1FE	1,620,000	89.5980	1,451,488	1,620,000	1,620,000	0	0	0	0	2.987	2.987	MS	16,130	5,377	07/14/2016	09/01/2036
769369-AK-5.	RIVERTON UTAH HOSP REV.			2.	1FE	1,600,579	106.6450	1,631,669	1,530,000	1,578,638	0	(17,300)	0	0	5.000	3.716	FA	28,900	76,500	02/25/2014	08/15/2036
78324P-AB-5.	RUTHERFORD CNTY TENN HEALTH & EDL FACS B.			2.	1FE	1,194,369	107.9230	1,187,153	1,100,000	1,170,063	0	(23,213)	0	0	5.000	2.679	MN	7,028	55,000	11/14/2014	11/15/2040
786005-PN-2.	SACRAMENTO CALIF MUN UTIL DIST ELEC REV.			1.	1FE	2,884,635	120.1860	2,704,185	2,250,000	2,866,509	0	(18,126)	0	0	6.156	4.093	MN	17,699	138,510	02/09/2016	05/15/2036
796237-XW-0.	SAN ANTONIO TEX. SANTA FE N MEX WTR UTIL SYS			2.	1FE	4,262,073	112.1030	4,450,489	3,970,000	4,156,743	0	(36,421)	0	0	5.000	3.870	FA	82,708	198,500	04/26/2012	08/01/2031
802169-BQ-4.	CAP OUTLAY G.			2.	1FE	4,866,048	110.6360	5,520,736	4,990,000	4,907,514	0	30,838	0	0	6.200	6.956	JD	25,782	309,380	12/10/2009	06/01/2039
875290-WW-4.	TAMPA FLA WTR & SWR REV.			2.	1FE	1,088,110	112.8680	1,128,680	1,000,000	1,056,954	0	(10,777)	0	0	5.000	3.681	AO	12,500	50,000	02/19/2013	10/01/2029
88283L-EL-6.	TEXAS TRANSN COMMN ST HWY FD REV.			2.	1FE	2,216,936	100.9920	1,969,344	1,950,000	1,962,394	0	(49,636)	0	0	5.000	2.399	AO	24,375	97,500	07/28/2011	04/01/2021
89602N-VL-5.	TRIBOROUGH BRDG & TUNL AUTH N Y REVS.			1.	1FE	7,218,625	117.4030	7,337,688	6,250,000	7,170,853	0	(40,030)	0	0	5.450	4.171	MN	43,524	340,625	10/29/2015	11/15/2032
913366-EP-1.	UNIV CALIF REGTS MED CTR POOLED REV.			1.	1FE	9,605,729	133.4090	10,305,845	7,725,000	9,562,885	0	(23,216)	0	0	6.548	5.032	MN	64,634	505,833	04/17/2015	05/15/2048
914353-JT-5.	UNIVERSITY ILL UNIV REVS. UNIVERSITY MASS BLDG AUTH			1.	1FE	462,180	94.8200	1,422,300	1,500,000	1,312,791	0	83,559	0	0	0.000	6.220	N/A	0	0	12/27/1999	04/01/2019
914440-LJ-9.	PROJ REV.			1.	1FE	9,768,024	119.2060	8,582,832	7,200,000	9,735,509	0	(32,515)	0	0	5.450	3.303	MN	65,400	196,200	07/07/2016	11/01/2040
914716-VG-7.	UNIVERSITY N C CHARLOTTE REV.			2.	1FE	2,909,310	109.9390	3,298,170	3,000,000	2,918,819	0	1,983	0	0	6.247	6.478	AO	46,853	187,410	12/03/2009	04/01/2039
914729-LW-6.	UNIVERSITY NORTH TEX UNIV REV.			2.	1FE	1,862,702	105.8860	1,631,577	10,985,000	11,581,102	0	(250,812)	0	0	5.000	2.540	AO	115,953	549,250	07/24/2014	04/15/2040
915115-7F-0.	UNIVERSITY TEX PERM UNIV FD VIRGINIA COLLEGE BLDG AUTH VA			1.	1FE	4,480,000	100.5490	4,504,595	4,480,000	4,480,000	0	0	0	0	3.780	3.780	JJ	84,672	95,021	12/02/2015	07/01/2045
927781-TR-5.	EDL FACS R.			1,2.	1FE	7,232,925	107.5910	8,069,325	7,500,000	7,300,001	0	11,489	0	0	5.625	5.937	FA	175,781	421,875	12/04/2009	02/01/2029
93974C-66-1.	WASHINGTON ST			2.	1FE	4,027,397	111.2040	4,197,951	3,775,000	3,934,113	0	(32,338)	0	0	5.000	3.950	JD	15,729	188,750	02/08/2013	06/01/2031
93974C-67-9.	WASHINGTON ST			2.	1FE	2,017,002	110.9830	2,108,677	1,900,000	1,973,848	0	(14,970)	0	0	5.000	4.030	JD	7,917	95,000	02/07/2013	06/01/2032
93978E-7V-8.	WASHINGTON ST HEALTH CARE FACS AUTH REV.			2.	1FE	10,435,900	108.4360	10,843,600	10,000,000	10,323,945	0	(91,044)	0	0	5.250	4.173	AO	131,250	525,000	02/06/2014	10/01/2039

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ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE D - PART 1

Showing All Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book / Adjusted Carrying Value				Interest				Dates		
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Temporary Impairment Recognized	Total Foreign Exchange Change In B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
97710B-SU-7	WISCONSIN ST HEALTH & EDL FACS AUTH REV			2	1FE	2,366,565	108.3870	2,417,030	2,230,000	2,326,181	0	(31,386)	0	0	5.000	3.409	MON	14,247	111,500	02/18/2014	11/15/2033
25999999	Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Issuer Obligations					409,234,237	XXX	424,874,888	393,958,000	405,092,463	0	(2,179,096)	0	0	XXX	XXX	XXX	4,855,210	18,589,969	XXX	XXX
Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Residential Mortgage-Backed Securities																					
3128K8-NN-2	FH A47597 - RMBS			4	1	272,058	108.8163	308,178	283,209	270,773	0	(1,874)	0	0	5.000	6.121	MON	1,180	14,622	12/09/2005	11/01/2035
3128KY-6C-8	FH A68067 - RMBS			4	1	73,100	112.9476	80,600	71,361	72,695	0	(286)	0	0	6.500	5.970	MON	387	4,647	11/14/2007	10/01/2037
3128M8-U8-5	FH G06607 - RMBS			4	1	13,121,536	108.6887	13,335,461	12,269,407	13,116,655	0	32,000	29,363	0	4.500	3.084	MON	46,010	561,974	09/26/2014	06/01/2041
3128MJ-S6-8	FH G08540 - RMBS			4	1	4,275,671	99.7527	4,417,767	4,428,719	4,278,256	0	(1,577)	0	0	3.000	3.509	MON	11,072	134,196	02/06/2014	08/01/2043
3128MJ-SY-7	FH G08534 - RMBS			4	1	4,142,831	99.8354	4,284,061	4,291,124	4,143,525	0	(3,078)	0	0	3.000	3.517	MON	10,728	130,154	02/06/2014	06/01/2043
31292J-BG-4	FH C01839 - RMBS			4	1	599,471	109.7256	675,397	615,533	600,084	0	(713)	0	0	5.000	5.632	MON	2,565	31,374	07/22/2014	05/01/2034
312938-YF-4	FH A90710 - RMBS			4	1	1,077,076	108.4142	1,097,171	1,012,018	1,076,029	0	313	0	0	4.500	3.198	MON	3,795	46,257	12/19/2011	01/01/2040
312945-ZG-6	FH A97043 - RMBS			4	1	2,143,968	108.7254	2,241,718	2,061,817	2,141,205	0	1,056	0	0	4.500	3.686	MON	7,732	94,355	07/25/2011	02/01/2041
312968-JE-1	FH B15661 - RMBS			4	1	274,427	102.7796	285,625	277,901	276,346	0	121	0	0	4.500	4.913	MON	1,042	13,061	08/05/2004	07/01/2019
31297U-AZ-3	FH A38124 - RMBS			4	1	414,538	112.7138	469,221	416,294	414,418	0	(199)	0	0	5.500	5.624	MON	1,908	23,276	01/23/2006	09/01/2035
3132GK-ZQ-2	FH Q04651 - RMBS			4	1	581,106	105.9328	596,232	562,839	580,481	0	(156)	0	0	4.000	3.399	MON	1,876	22,811	02/01/2012	11/01/2041
3132HN-UT-4	FH Q12394 - RMBS			4	1	7,600,746	99.9593	8,007,363	8,010,627	7,626,527	0	7,215	0	0	3.000	3.743	MON	20,027	242,097	12/23/2012	11/01/2042
31371L-MZ-9	FN 255176 - RMBS			4	1	182,872	102.7745	188,683	183,590	182,802	0	(167)	0	0	4.500	4.670	MON	688	8,650	04/13/2004	04/01/2019
31371L-QV-4	FN 255268 - RMBS			4	1	423,337	109.5086	473,958	432,804	423,151	0	(904)	0	0	5.000	5.519	MON	1,803	22,133	07/16/2004	07/01/2034
3138A7-OB-7	FN AH5849 - RMBS			4	1	2,421,711	108.3369	2,470,731	2,280,599	2,411,276	0	(3,344)	0	0	4.500	3.285	MON	8,552	104,023	11/28/2011	02/01/2041
3138AF-XA-3	FN A12472 - RMBS			4	1	5,892,813	107.6498	5,892,810	5,474,058	5,892,813	0	54,717	14,544	0	4.500	2.924	MON	20,528	252,965	04/21/2014	05/01/2041
3138AV-P6-6	FN AJ4044 - RMBS			4	1	13,448,087	106.2892	13,624,361	12,818,193	13,424,935	0	(8,189)	0	0	4.000	3.077	MON	42,727	519,499	04/21/2014	10/01/2041
3138E7-XW-9	FN AK3392 - RMBS			4	1	1,589,688	105.6348	1,629,909	1,542,965	1,591,763	0	3,373	0	0	4.000	3.388	MON	5,143	62,974	02/23/2012	02/01/2042
3138ED-FB-2	FN AK8261 - RMBS			4	1	2,385,905	105.8778	2,387,420	2,254,882	2,379,096	0	(4,510)	0	0	4.000	2.976	MON	7,516	91,076	05/27/2014	04/01/2042
3138E6-ZZ-0	FN AL0759 - RMBS			4	1	1,938,636	108.3727	1,938,637	1,788,860	1,938,636	0	(4,753)	10,279	0	4.500	2.787	MON	6,708	81,903	11/20/2014	09/01/2041
3138NY-DD-4	FN AR1899 - RMBS			4	1	2,926,149	103.2730	3,034,198	2,938,038	2,925,626	0	(656)	0	0	3.500	3.556	MON	8,569	103,774	01/23/2013	01/01/2043
3138W4-SW-2	FN AR6832 - RMBS			4	1	7,525,315	103.1368	7,908,676	7,668,139	7,525,092	0	(7,140)	0	0	3.500	3.849	MON	22,365	272,962	02/06/2013	02/01/2043
3138W7-CT-9	FN AR9081 - RMBS			4	1	3,781,585	103.0951	3,918,141	3,800,513	3,781,584	0	(379)	0	0	3.500	3.568	MON	11,085	133,793	02/26/2013	03/01/2043
3138WA-6D-4	FN AS1767 - RMBS			4	1	3,110,144	105.8545	3,121,172	2,948,550	3,111,225	0	5,777	0	0	4.000	2.883	MON	9,829	120,147	05/01/2014	02/01/2044
3138WA-6G-7	FN AS1770 - RMBS			4	1	2,987,205	105.6521	3,016,981	2,855,581	2,988,458	0	4,364	0	0	4.000	3.048	MON	9,519	116,335	04/25/2014	02/01/2044
3138WP-GY-4	FN AT2014 - RMBS			4	1	934,753	99.9714	949,319	949,590	934,493	0	(559)	0	0	3.000	3.223	MON	2,374	28,823	06/23/2014	04/01/2043
3138WS-XE-3	FN AT5176 - RMBS			4	1	1,178,497	103.1239	1,220,628	1,183,652	1,178,062	0	(515)	0	0	3.500	3.564	MON	3,452	41,932	04/25/2013	05/01/2043
3138X3-X5-6	FN AU4299 - RMBS			4	1	1,157,408	107.5549	1,166,049	1,084,143	1,165,729	0	11,035	0	0	4.500	2.876	MON	4,066	50,325	03/31/2014	09/01/2043
31391C-5F-8	FN 663346 - RMBS			4	1	5,934	100.7962	5,992	5,944	5,916	0	(11)	0	0	5.500	5.823	MON	27	364	10/25/2006	09/01/2017
31391D-PG-2	FN 663823 - RMBS			4	1	89	100.5016	90	89	89	0	0	0	0	5.500	5.838	MON	0	5	10/25/2006	12/01/2017
31400F-XS-1	FN 686589 - RMBS			4	1	223	101.3366	227	224	222	0	0	0	0	5.500	5.818	MON	1	14	10/25/2006	02/01/2018
31402C-4H-2	FN 725424 - RMBS			4	1	248,262	112.1696	276,959	246,911	247,905	0	(157)	0	0	5.500	5.364	MON	1,132	13,858	08/18/2005	04/01/2034
31402C-WR-9	FN 725256 - RMBS			4	1	218,799	112.2618	246,012	219,142	218,535	0	(215)	0	0	5.500	5.538	MON	1,004	12,371	07/29/2004	02/01/2034
31402D-KH-2	FN 725796 - RMBS			4	1	18,105	103.9668	18,886	18,166	18,077	0	(24)	0	0	5.500	5.668	MON	83	1,047	10/25/2006	09/01/2019
31402D-P7-9	FN 725946 - RMBS			4	1	332,228	112.1484	375,049	334,422	331,945	0	(354)	0	0	5.500	5.660	MON	1,533	18,779	03/09/2007	11/01/2034
31402Q-SZ-5	FN 735036 - RMBS			4	1	336,496	112.1583	380,231	339,012	336,222	0	(366)	0	0	5.500	5.681	MON	1,554	19,033	01/10/2007	12/01/2034
31402Q-WA-5	FN 735141 - RMBS			4	1	270,869	112.0266	313,664	(525)	279,991	270,960	0	0	0	5.500	6.327	MON	1,283	15,722	05/04/2006	01/01/2035
31402R-D2-2	FN 735521 - RMBS			4	1	41,729	103.5407	43,315	41,834	41,642	0	(63)	0	0	5.500	5.649	MON	192	2,422	10/25/2006	03/01/2020
31403C-ZZ-3	FN 745192 - RMBS			4	1	25,698	103.3101	26,638	25,785	25,658	0	(37)	0	0	5.500	5.692	MON	118	1,495	10/25/2006	06/01/2020
31403J-YU-4	FN 750523 - RMBS			4	1	16,757	102.3403	16,677	16,296	16,381	0	(82)	0	0	5.000	4.056	MON	68	855	03/31/2004	01/01/2019
31403K-SM-6	FN 751224 - RMBS			4	1	187,963	111.0944	203,972	183,602	186,506	0	(584)	0	0	5.500	5.062	MON	842	10,127	03/26/2004	02/01/2034
31403R-KJ-6	FN 755497 - RMBS			4	1	8,588	102.0527	8,785	8,608	8,570	0	(12)	0	0	5.500	5.663	MON	39	499	10/25/2006	11/01/2018
31403V-ED-7	FN 758932 - RMBS			4	1	27,400	102.3403	27,270	26,647	26,683	0	(97)	0	0	5.000	4.480	MON	111	1,401	03/31/2004	01/01/2019
31403W-BU-0	FN 759751 - RMBS			4	1	60,961	111.0912	66,948	60,264	61,267	0	367	0	0	5.500	5.041	MON	276	3,584	04/13/2004	01/01/2034
31403X-YW-9	FN 761325 - RMBS			4	1	31,891	103.0844	32,978	31,991	31,835	0	(46)	0	0	5.500	5.683	MON	147	1,851	10/25/2006	04/01/2019
31404A-G5-7	FN 762620 - RMBS			4	1	74,860	112.1														

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE D - PART 1

Showing All Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book / Adjusted Carrying Value				Interest				Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	For eign Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change In B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
31405F-4E-9	FN 788421 - RMBS		4	1	3,782		102,9635	3,906	3,794		3,776			0		MON	17	219	10/25/2006	09/01/2019
31405F-4M-1	FN 788428 - RMBS		4	1	7,142		102,9656	7,379	7,166		7,132			0		MON	33	411	10/25/2006	09/01/2019
31406G-YR-4	FN 809920 - RMBS		4	1	390,327		111,4570	431,206	386,881		389,466			0		MON	1,773	21,660	03/04/2005	03/01/2035
31410C-QT-2	FN 885266 - RMBS		4	1	88,092		113,1843	98,719	87,220		87,651			0		MON	436	5,246	01/05/2007	05/01/2036
31410G-AF-0	FN 888406 - RMBS		4	1	403,295		109,2512	465,402	425,992		402,989			0		MON	1,775	21,792	06/06/2007	08/01/2036
31410K-XB-5	FN 889974 - RMBS		4	1	714,695		109,8277	726,160	661,181		713,203			0		MON	2,755	33,735	02/06/2012	09/01/2035
314120-E4-7	FN 931755 - RMBS		4	1	1,328,093		108,5542	1,333,365	1,228,294		1,329,310			0		MON	4,606	56,317	04/21/2014	08/01/2039
31417F-4R-6	FN AB8931 - RMBS		4	1	986,900		1,002,280	99,9715	1,002,565		986,841			0		MON	2,506	30,413	06/23/2014	04/01/2043
31419A-X7-7	FN AE0701 - RMBS		4	1	1,233,596		108,3101	1,233,597	1,138,949		1,233,596			0		MON	4,271	52,240	11/24/2014	12/01/2040
2699999	Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Residential Mortgage-Backed Securities				94,913,041	XXX	97,717,898	92,762,574	94,897,178	0	78,848	60,920	0	XXX	XXX	XXX	306,039	3,731,594	XXX	XXX
Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Commercial Mortgage-Backed Securities																				
Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Other Loan-Backed and Structured Securities																				
249218-AJ-7	DENVER COLO PUB SCHS CTF PARTN		1	1FE	5,636,215		115,9550	5,565,840	4,800,000		5,520,207			0		JD	13,269	298,560	01/06/2016	12/15/2026
249218-AK-4	DENVER COLO PUB SCHS CTF PARTN		1	1FE	1,449,572		131,3400	1,372,503	1,045,000		1,439,571			0		JD	3,259	73,328	02/10/2016	12/15/2037
75913T-FR-0	REGIONAL TRANSN DIST COLO CTF PARTN		2	1FE	11,589,171		103,5590	11,976,598	11,565,000		11,568,291			0		JD	48,188	578,250	04/17/2007	12/01/2019
2899999	Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Other Loan-Backed and Structured Securities				18,674,958	XXX	18,914,941	17,410,000	18,528,069	0	(115,076)	0	0	XXX	XXX	XXX	64,716	950,138	XXX	XXX
3199999	Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Subtotals - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies of Governments and Their Political Subdivisions				522,822,235	XXX	541,507,727	504,130,574	518,517,710	0	(2,215,323)	60,920	0	XXX	XXX	XXX	5,225,965	23,271,701	XXX	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations																				
001306-AB-5	AHS HOSPITAL CORP		1	1FE	3,018,553		106,6459	3,268,697	3,065,000		3,019,581			0		JJ	76,993	153,986	05/01/2015	07/01/2045
00130H-BS-3	AES CORP		1,2	3FE	804,508		111,3900	863,273	775,000		799,370			0		JJ	28,578	57,156	12/21/2015	07/01/2021
00185A-AH-7	AON PLC		1,2	2FE	4,337,496		101,0783	4,548,524	4,500,000		4,341,661			0		MN	27,313	213,750	05/13/2015	05/15/2045
00206R-CU-4	AT&T INC		1,2	2FE	5,387,364		107,2495	5,791,473	5,400,000		5,387,574			0		FA	115,260	157,635	01/29/2016	02/15/2047
00209T-AB-1	HOLDINGS IN			1FE	4,362,989		135,3503	4,263,534	3,150,000		4,001,825			0		MN	38,056	297,833	12/12/2013	11/15/2022
002819-AC-4	ABBOTT LABORATORIES		1	1FE	772,725		119,2116	894,087	750,000		769,487			0		MN	3,972	46,125	11/19/2007	11/30/2037
00386S-AL-6	ABU DHABI NATIONAL ENERGY CO		1,2	1FE	9,575,560		99,5000	9,950,000	10,000,000		9,628,567			0		JJ	170,174	362,500	05/01/2014	01/12/2023
00434N-AA-3	WILLIAMS PARTNERS LP		1,2	2FE	454,330		101,8668	509,334	500,000		460,392			0		MN	3,115	24,375	10/06/2015	05/15/2023
00440E-AV-9	CHUBB INA HOLDINGS INC		1,2	1FE	1,410,656		101,2911	1,433,269	1,415,000		1,411,106			0		MN	7,637	47,403	10/27/2015	05/03/2026
00772B-AP-6	AERCAP IRELAND CAPITAL LTD		1	2FE	876,570		103,0000	901,250	875,000		876,433			0		JJ	20,234	34,572	01/06/2016	07/01/2022
00772B-AQ-4	AERCAP IRELAND CAPITAL LTD		1	2FE	270,000		104,0000	280,800	270,000		270,000			0		AO	2,116	12,800	10/16/2015	10/30/2020
00772B-AR-2	AERCAP IRELAND CAPITAL LTD		1,2	2FE	419,215		100,8750	423,675	420,000		419,273			0		FA	6,913	3,134	05/17/2016	02/01/2022
00817Y-AP-3	AETNA INC		1,2	1FE	6,901,985		105,1985	7,390,195	7,025,000		6,906,043			0		MS	98,252	333,688	05/12/2015	03/15/2044
00817Y-AX-6	AETNA INC		1,2	1FE	839,160		100,4147	843,483	840,000		839,174			0		JD	1,633	18,987	06/02/2016	06/15/2046
00928Q-AK-7	AIRCATTLE LTD		1	3FE	797,300		108,0000	799,200	740,000		782,020			0		JD	3,854	46,250	12/21/2015	12/01/2019
010392-FP-8	ALABAMA POWER CO		1,2	1FE	5,364,036		103,4740	5,587,596	5,400,000		5,364,548			0		JJ	115,455	109,005	01/08/2016	01/02/2046
02005N-AD-2	ALLY FINANCIAL INC		3	3FE	962,144		103,7500	962,800	928,000		949,431			0		JD	4,833	58,000	02/16/2016	12/01/2017
023608-AG-7	AMEREN CORP		1,2	2FE	5,070,483		100,4990	5,100,324	5,075,000		5,070,795			0		FA	69,979	134,297	11/17/2015	02/15/2026
02406P-AN-0	AMERICAN AXLE & MANUFACTURING INC		1,2	3FE	786,625		101,0000	782,750	775,000		782,484			0		FA	15,005	39,719	12/22/2015	02/15/2019
026874-DC-8	AMERICAN INTERNATIONAL GROUP INC		1,2	2FE	6,725,494		93,9334	7,162,422	7,625,000		6,755,348			0		JJ	136,244	295,469	05/12/2015	01/15/2035
030981-AH-7	AMERIGAS PARTNERS LP		1,2	3FE	758,788		102,2500	766,875	750,000		754,163			0		MN	4,805	16,758	07/13/2016	05/20/2024
031162-BE-9	AMGEN INC		1	2FE	5,365,296		103,7604	5,499,301	5,300,000		5,364,393			0		AO	65,588	262,350	01/06/2016	10/01/2041

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ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE D - PART 1

Showing All Long-Term BONDS Owned December 31 of Current Year

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1	2	Codes			6	7	Fair Value		10	11	Change in Book / Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Fore ign Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change In B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date	
032511-BN-6.	ANADARKO PETROLEUM CORP		1,2	2FE	389,934		111,9260	390,000	389,939	0	5	0	0	5.550	5.553	MS	6,373	10,702	03/15/2016	03/15/2026	
032511-BP-1.	ANADARKO PETROLEUM CORP		1,2	2FE	180,135		123,3359	180,000	180,133	0	(2)	0	0	6.600	6.594	MS	3,498	5,874	03/15/2016	03/15/2046	
034863-AN-0.	ANGLO AMERICAN CAPITAL PLC. ANHEUSER-BUSCH INBEV FINANCE INC.		1	3FE	1,337,315		101,1200	1,350,000	1,338,297	0	982	0	0	3.625	3.902	MN	6,389	24,469	09/20/2016	05/14/2020	
03524B-AE-6.	ANIXTER INC		1	3FE	9,930,636		103,3708	10,207,867	9,919,369	0	(5,172)	0	0	3.700	3.628	FA	152,240	365,375	04/22/2014	02/01/2024	
035287-AD-3.	ANTERO RESOURCES LLC		1	3FE	787,750		104,6250	750,000	775,729	195	(10,307)	0	0	5.625	4.067	MN	7,031	42,188	12/21/2015	05/01/2019	
03674P-AL-7.	APACHE CORP		1,2	2FE	397,402		102,2500	500,000	413,501	0	13,501	0	0	5.375	9.977	MN	4,479	26,875	06/01/2015	11/01/2021	
037411-AZ-8.	APPLE INC		1,2	2FE	9,524,390		101,5709	10,157,090	9,592,765	0	68,375	0	0	3.250	4.115	AO	68,611	325,000	04/30/2014	04/15/2022	
037833-AK-6.	ARCELORMITTAL USA INC		1	1FE	6,515,880		97,3718	7,000,000	6,645,319	0	49,857	0	0	2.400	3.293	MN	27,067	168,000	04/23/2014	05/03/2023	
038522-AK-4.	ARCELORMITTAL USA INC		1,2	4FE	989,866		103,1250	963,000	987,900	0	(1,966)	0	0	5.125	4.689	JJ	22,758	28,516	06/14/2016	01/15/2024	
03938L-AF-1.	ARDAGH PACKAGING FINANCE PLC.		1	3FE	1,010,000		105,3750	1,000,000	1,006,724	0	(3,276)	0	0	6.125	5.624	JD	5,104	61,250	03/29/2016	06/01/2018	
03969A-AH-3.	ASBURY AUTOMOTIVE GROUP INC		1,2	4FE	311,125		99,1880	1,305,000	1,294,403	(16,571)	(150)	0	0	4.625	4.541	MN	7,712	30,010	10/11/2016	05/15/2023	
043436-AN-4.	ASHTREAD CAPITAL INC		1,2	4FE	703,207		102,2500	685,000	696,088	(5,473)	(1,337)	0	0	6.000	5.617	JD	1,827	28,050	06/29/2016	12/15/2024	
045054-AB-9.	AUSTRALIA AND NEW ZEALAND BANKING GROUP		1,2	3FE	784,467		104,7500	750,000	777,294	0	(5,189)	0	0	6.500	5.574	JJ	22,479	48,750	12/22/2015	07/15/2022	
05252A-BK-6.	AVIS BUDGET CAR RENTAL LLC		1,2	3FE	4,842,855		108,2092	4,350,000	4,658,809	0	(71,095)	0	0	4.875	2.992	JJ	99,552	212,063	04/30/2014	01/12/2021	
053773-AY-3.	BAE SYSTEMS (HOLDINGS) LTD		1	2FE	881,550		98,0000	900,000	882,000	(2,016)	2,466	0	0	5.125	5.509	JD	3,844	46,125	01/06/2016	06/01/2022	
05523U-AL-4.	BANK OF AMERICA CORPBACYSUS		1	2FE	191,572		101,1940	200,000	191,732	0	150	0	0	4.750	5.028	AO	2,217	9,500	12/03/2015	10/07/2044	
055300-AF-7.	BANK OF AMERICA CORPBACYSUS		1	1FE	10,352,475		101,4767	10,655,054	10,396,966	0	17,183	0	0	3.250	3.450	JD	22,750	341,250	04/28/2014	06/07/2022	
055650-CB-2.	BANK OF AMERICA CORPBACYSUS		1	1FE	3,166,216		98,0188	3,500,000	3,273,004	0	34,326	0	0	2.500	3.746	MN	13,368	87,500	11/20/2012	11/06/2022	
055650-CP-1.	BANK OF AMERICA CORPBACYSUS		1	1FE	9,495,041		103,8864	9,869,208	9,495,834	0	793	0	0	3.814	3.821	FA	141,913	362,330	03/29/2016	06/01/2024	
058498-AR-7.	BANK OF AMERICA CORPBACYSUS		1	3FE	787,788		104,7500	775,000	785,978	0	(1,779)	0	0	5.000	4.690	MS	11,410	38,750	12/21/2015	03/15/2022	
06051G-EN-5.	BANK OF AMERICA CORPBACYSUS		2	2FE	3,488,624		120,8646	3,025,000	3,475,526	0	(8,892)	0	0	5.875	4.843	FA	71,088	177,719	05/07/2015	02/07/2042	
06406H-DF-3.	BANK OF AMERICA CORPBACYSUS		2	1FE	5,096,685		100,0364	5,101,856	5,097,425	0	681	0	0	2.450	2.464	MN	11,801	124,950	11/19/2015	11/27/2020	
064159-HB-5.	BANK OF AMERICA CORPBACYSUS		8	2FE	5,034,597		102,7287	5,035,000	5,034,720	0	121	0	0	4.500	4.501	JD	9,441	226,575	12/09/2015	12/16/2025	
06647F-AB-8.	BANK OF AMERICA CORPBACYSUS		1,2	4FE	50,300		101,2500	50,000	50,137	0	(140)	0	0	6.125	5.890	FA	1,157	3,063	11/04/2015	08/15/2018	
07330M-AB-3.	BANK OF AMERICA CORPBACYSUS		2	1FE	2,933,034		101,6699	2,935,000	2,933,357	0	275	0	0	3.625	3.633	MS	31,032	106,394	09/09/2015	09/16/2025	
084664-BT-7.	BANK OF AMERICA CORPBACYSUS		1	1FE	7,782,567		101,8933	7,800,000	7,787,573	0	2,274	0	0	3.000	3.032	MN	29,900	234,000	04/25/2014	05/15/2022	
09247X-AJ-0.	BANK OF AMERICA CORPBACYSUS		1	1FE	9,754,914		103,6742	9,926,805	9,750,690	0	(20,880)	0	0	3.375	3.110	JD	26,930	323,156	04/29/2014	06/01/2022	
095370-AB-8.	BANK OF AMERICA CORPBACYSUS		2	3FE	1,573,889		119,0000	1,660,050	1,556,199	0	(16,999)	0	0	9.750	6.795	AO	28,714	94,277	09/09/2016	10/15/2023	
097023-AU-9.	BANK OF AMERICA CORPBACYSUS		1	1FE	763,604		128,1016	750,000	761,213	0	(343)	0	0	6.125	5.979	FA	17,354	45,938	11/06/2007	02/15/2033	
09739D-AC-4.	BANK OF AMERICA CORPBACYSUS		1,2	4FE	2,460,969		99,2500	2,440,000	2,421,700	(38,542)	(727)	0	0	5.625	5.491	MS	46,513	0	08/23/2016	09/01/2024	
097751-BK-6.	BANK OF AMERICA CORPBACYSUS		1	4FE	106,4010		0	0	0	0	0	0	0	5.500	0.000	MS	46	0	10/29/2015	09/15/2018	
10112R-AX-2.	BANK OF AMERICA CORPBACYSUS		1,2	2FE	5,359,305		98,7516	5,375,000	5,360,606	0	1,301	0	0	3.650	3.685	FA	81,745	104,088	01/08/2016	02/01/2026	
11120V-AA-1.	BANK OF AMERICA CORPBACYSUS		1,2	2FE	4,329,475		98,4711	4,725,000	4,356,957	0	30,657	264,429	0	3.850	5.035	FA	75,797	181,913	08/07/2015	02/01/2025	
120111-BN-8.	BANK OF AMERICA CORPBACYSUS		1,2	3FE	520,625		105,2500	500,000	519,397	0	(959)	0	0	6.000	5.572	AO	6,333	30,833	11/09/2015	10/15/2025	
12189L-AE-1.	BANK OF AMERICA CORPBACYSUS		1,2	1FE	3,583,548		118,0372	3,836,209	3,576,643	0	(6,905)	0	0	5.400	4.696	JD	14,625	175,500	01/07/2016	06/01/2041	
124857-AN-3.	BANK OF AMERICA CORPBACYSUS		1,2	2FE	7,353,375		96,2447	7,500,000	7,355,127	0	1,752	0	0	4.600	4.725	JJ	159,083	172,500	06/01/2016	01/15/2045	
1248EP-AY-9.	BANK OF AMERICA CORPBACYSUS		1,2	3FE	1,242,545		103,5000	1,350,675	1,305,000	0	7,669	0	0	5.250	6.103	MS	17,318	68,513	01/13/2016	09/30/2022	
12513G-BB-4.	BANK OF AMERICA CORPBACYSUS		1,2	3FE	1,078,264		100,1250	1,077,000	1,073,160	(5,592)	414	0	0	5.000	4.999	MS	17,950	46,850	10/05/2016	09/01/2023	
12543D-AR-1.	BANK OF AMERICA CORPBACYSUS		1,2	3FE	196,980		98,0000	201,000	196,980	0	(512)	4,513	0	5.125	6.438	FA	3,892	10,301	07/30/2015	08/15/2018	
12543D-AU-4.	BANK OF AMERICA CORPBACYSUS		1,2	3FE	1,030,414		92,7500	1,036,000	960,890	(70,146)	622	0	0	5.125	5.244	FA	22,123	26,548	06/29/2016	08/01/2021	
125581-GL-6.	BANK OF AMERICA CORPBACYSUS		1	3FE	1,031,619		103,6250	1,036,250	1,013,818	0	(11,004)	0	0	5.250	4.059	MS	15,458	52,500	06/01/2015	03/15/2018	
125581-GN-2.	BANK OF AMERICA CORPBACYSUS		1	3FE	1,062,500		106,2500	1,062,500	1,047,766	0	(13,025)	0	0	5.375	3.850	MN	6,868	53,750	11/09/2015	05/15/2020	
125896-BP-4.	BANK OF AMERICA CORPBACYSUS		1,2	2FE	4,266,432		101,2298	4,332,635	4,267,895	0	1,307	0	0	3.600	3.638	MN	19,688	156,648	11/04/2015	11/15/2025	
12592B-AE-4.	BANK OF AMERICA CORPBACYSUS		1	3FE	296,436		102,6250	300,000	297,193	0	671	0	0	4.375	4.644	MN	2,005	13,125	11/09/2015	11/06/2020	
12592B-AF-1.	BANK OF AMERICA CORPBACYSUS		1	3FE	994,046		104,0000	1,040,000	994,909	0	862	0	0	4.875	5.010	AO	12,188	26,271	03/15/2016	04/01/2021	
12592B-AG-9.	BANK OF AMERICA CORPBACYSUS		1	3FE	497,205		98,3750	500,000	491,875	(5,430)	100	0	0	3.875	4.000	AO	3,767	0	10/18/2016	10/15/2021	
12594K-AA-0.	BANK OF AMERICA CORPBACYSUS		1	3FE	605,000		98,7500	605,000	597,438	(7,563)	0	0	0	4.500	4.900	FA	10,058	0	08/04/2016	08/15/2023	
12621E-AK-9.	BANK OF AMERICA CORPBACYSUS		1,2	3FE	458,820		99,8750	450,000	449,438	(8,644)	(738)	0	0	5.250	4.500	MN	2,034	23,625	01/06/2016	05/30/2025	
126408-HC-0.	BANK OF AMERICA CORPBACYSUS		1,2	2FE	6,555,105		89,9298	7,750,000	6,569,493	0	14,388	0	0	3.950	4.880	MN	51,021	306,125	04/16/2015	05/01	

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE D - PART 1

Showing All Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book / Adjusted Carrying Value				Interest			Dates			
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	For e i g n	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change In B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
126650-CN-8	CVS HEALTH CORP.			1,2	2FE	1,269,306		1,198,031	1,075,000	1,267,274	.0	(2,032)	0	.0	5.125	4.052	JJ	24,639	27,547	06/02/2016	07/20/2045
128195-AH-7	CALATLANTIC GROUP INC.			1,2	3FE	450,764		457,938	425,000	446,724	.0	(4,040)	0	.0	6.250	4.957	JD	1,181	26,563	01/13/2016	12/15/2021
131347-CC-8	CALPINE CORP.			1,2	3FE	1,028,895		1,042,500	1,000,000	1,022,472	.0	(2,528)	0	.0	5.875	5.486	JJ	27,090	58,750	06/01/2015	01/15/2024
14149V-AW-8	CARDINAL HEALTH INC.			1	2FE	7,017,581		98,8225	7,275,000	7,025,499	.0	5,173	0	.0	4.600	4.832	MS	98,536	334,650	05/20/2015	03/15/2043
14161H-AJ-7	CARDTRONICS INC.			1,2	3FE	498,750		503,750	500,000	498,911	.0	161	0	.0	5.125	5.170	FA	10,677	12,813	03/24/2016	08/01/2022
141781-AJ-2	CARGILL INC.			1	1FE	6,121,569		104,0783	5,180,000	5,328,328	.0	(160,339)	0	.0	6.000	2.766	MN	29,353	310,800	08/12/2011	11/27/2017
141781-AZ-7	CARGILL INC.			1	1FE	3,586,086		102,5430	3,575,000	3,584,409	.0	(1,677)	0	.0	3.250	3.191	MN	14,846	116,188	04/25/2014	11/15/2021
14912L-5X-5	CATERPILLAR FINANCIAL SERVICES CORP.				1FE	6,161,820		105,0420	6,000,000	6,121,917	.0	(15,325)	0	.0	3.750	3.417	MN	23,125	225,000	04/23/2014	11/24/2023
14916R-AD-6	CATHOLIC HEALTH INITIATIVES			1	1FE	7,865,454		88,8250	8,855,000	7,865,454	.0	15,431	254,817	.0	4.350	5.153	MN	64,199	385,193	05/14/2015	11/01/2042
151020-AU-8	CELGENE CORP.			1,2	2FE	6,442,493		103,9730	6,325,000	6,442,061	.0	(772)	0	.0	5.000	4.875	FA	119,472	274,406	05/10/2016	08/15/2045
15135U-AD-1	CENOVUS ENERGY INC.			1	2FE	489,863		106,9740	555,000	503,030	.0	13,167	0	.0	5.700	9.614	AO	6,679	31,635	03/01/2016	10/15/2019
15135U-AG-4	CENOVUS ENERGY INC.			1,2	2FE	69,588		96,6777	95,000	72,149	.0	91,844	0	.0	3.000	8.467	FA	1,077	1,425	02/29/2016	08/15/2022
161175-AY-0	CHARTER COMMUNICATIONS INC.			1,2	2FE	851,392		105,3930	816,796	775,000	.0	(2,238)	0	.0	4.908	3.568	JJ	16,894	0	09/09/2016	07/23/2025
161175-BB-9	CHARTER COMMUNICATIONS INC.			1,2	2FE	1,159,574		104,5031	1,175,660	1,155,726	.0	(3,730)	0	.0	4.464	3.896	JJ	22,041	36,270	04/07/2016	07/23/2022
169905-AD-8	CHOICE HOTELS INTERNATIONAL INC.			1	3FE	848,250		107,7500	780,000	840,450	(3,179)	(4,621)	0	.0	5.700	3.313	FA	15,191	0	09/14/2016	08/28/2020
17275R-AP-7	CISCO SYSTEMS INC.			1	1FE	1,996,360		102,3280	2,000,000	1,997,784	.0	543	0	.0	2.900	2.928	MS	18,850	58,000	02/24/2014	03/04/2021
172967-FX-4	CITIGROUP INC.				2FE	3,470,933		118,4774	3,025,000	3,462,287	.0	(8,647)	0	.0	5.875	4.870	JJ	74,543	177,719	05/07/2015	01/30/2042
172967-HA-2	CITIGROUP INC.				2FE	3,572,860		126,7507	2,950,000	3,558,143	.0	(10,055)	0	.0	6.675	5.233	MS	59,074	196,913	05/07/2015	09/13/2043
174610-AK-1	CITIZENS FINANCIAL GROUP INC.			2	2FE	3,201,635		101,5818	3,205,000	3,202,022	.0	366	0	.0	4.300	4.313	JD	10,719	137,815	11/30/2015	12/03/2025
17858P-AA-9	CITY OF HOPE			1	1FE	6,907,346		117,5350	6,145,000	6,892,173	.0	(13,076)	0	.0	5.623	4.812	MN	44,151	345,533	11/20/2015	11/15/2043
184496-AJ-6	CLEAN HARBORS INC.			1,2	3FE	1,011,849		102,3750	1,000,000	1,007,417	.0	(1,800)	0	.0	5.250	5.021	FA	21,875	52,500	06/01/2015	08/01/2020
184510-AL-2	CLEAR CHANNEL WORLDWIDE HOLDINGS INC.			1,2	4FE	1,084,496		100,0000	1,120,000	1,086,813	.0	2,317	0	.0	6.500	7.125	MN	9,302	36,400	07/13/2016	11/15/2022
20030N-BD-2	COMCAST CORP.			1	1FE	1,837,031		102,0914	1,965,259	1,864,855	.0	9,632	0	.0	3.125	3.755	JJ	27,739	60,156	02/25/2013	07/15/2022
200339-DX-4	COMERICA BANK				1FE	4,497,714		100,1145	4,525,000	4,501,429	.0	2,757	0	.0	4.000	4.074	JJ	77,428	181,000	07/22/2015	07/27/2025
202795-JG-6	COMMONWEALTH EDISON CO.			1,2	1FE	8,460,835		104,4101	8,450,000	8,460,911	.0	108	0	.0	4.350	4.342	MN	46,968	363,491	11/13/2015	11/15/2045
203372-AN-7	COMSCOPE INC.			1,2	3FE	804,000		102,2500	818,000	803,169	.0	(822)	0	.0	4.375	4.250	JD	1,556	35,000	12/22/2015	06/15/2020
20605P-AD-3	CONCHO RESOURCES INC.			1,2	3FE	182,250		103,6250	186,525	180,000	.0	(191)	0	.0	5.500	5.267	AO	2,475	4,950	04/29/2016	10/01/2022
20605P-AE-1	CONCHO RESOURCES INC.			1,2	3FE	435,675		103,6300	420,000	423,399	.0	(276)	0	.0	5.500	5.346	AO	5,775	11,550	04/29/2016	04/01/2023
207597-EH-4	CONNECTICUT LIGHT AND POWER CO.			1,2	1FE	3,600,532		100,6185	3,740,000	3,604,033	.0	2,499	0	.0	4.150	4.375	JD	12,934	155,210	11/13/2015	06/01/2045
20825V-AB-8	CONOCOPHILLIPS CANADA FUNDING CO II			1	1FE	755,945		117,1437	750,000	755,292	.0	(60)	0	.0	5.950	5.889	AO	9,421	44,625	11/19/2007	10/15/2036
209111-FG-3	CONSOLIDATED EDISON INC.			1,2	1FE	5,103,253		106,0357	5,075,000	5,103,018	.0	(150)	0	.0	4.500	4.465	JD	19,031	237,256	11/13/2015	12/01/2045
209111-FH-1	CONSOLIDATED EDISON CO OF NEW YORK INC.			1,2	1FE	3,794,642		95,4134	3,800,000	3,794,687	.0	45	0	.0	3.850	3.858	JD	6,502	72,337	06/14/2016	06/15/2046
21036P-AM-0	CONSTELLATION BRANDS INC.			1	2FE	794,393		103,5050	775,000	788,819	.0	(4,520)	0	.0	3.875	3.219	MN	3,837	30,031	12/21/2015	11/15/2019
210383-AE-5	CONSTELLUM NV			1	4FE	780,813		107,5000	811,625	779,080	.0	(1,733)	0	.0	7.875	6.590	AO	14,864	16,035	10/11/2016	04/01/2021
212015-AH-4	CONTINENTAL RESOURCES INC.			1,2	3FE	856,900		100,9390	908,451	858,029	(3,299)	4,428	0	.0	5.000	5.925	MS	13,250	16,250	10/07/2016	09/15/2022
212015-AQ-4	CONTINENTAL RESOURCES INC.			1,2	3FE	593,343		85,5000	748,125	596,288	.0	2,622	0	.0	4.900	7.664	JD	3,573	42,875	02/04/2016	06/01/2044
21684A-AB-2	COOPERATIVE RABOBANK NA			1	1FE	5,080,635		115,8843	5,214,794	5,069,429	.0	(9,853)	0	.0	5.750	4.899	JD	21,563	258,750	10/30/2015	12/01/2043
22025Y-AM-2	CORRECTIONS CORP OF AMERICA			1,2	3FE	792,000		99,7500	798,000	793,806	.16	1,791	0	.0	4.125	4.383	AO	8,250	33,000	12/22/2015	04/01/2020
224044-BY-2	COX COMMUNICATIONS INC.			1	2FE	5,587,940		86,9546	6,217,254	5,609,710	.0	21,770	0	.0	4.700	6.415	JD	14,936	336,050	01/20/2016	12/15/2042
224044-CC-9	COX COMMUNICATIONS INC.			1,2	2FE	1,835,765		84,6788	2,175,000	1,838,978	.0	3,213	0	.0	4.500	5.629	JD	272	97,875	06/01/2016	06/30/2043
225313-AF-2	CREDIT AGRICOLE SA			1	2FE	875,067		98,0690	875,000	875,508	.0	441	0	.0	4.375	4.364	MS	11,059	28,984	07/05/2016	03/17/2025
228255-AH-8	CROWN CORK & SEAL COMPANY, INC.			1	4FE	634,449		112,0000	590,000	631,672	.0	(2,777)	0	.0	7.375	6.404	JD	1,934	43,513	01/13/2016	12/15/2026
23311V-AD-9	DCP MIDSTREAM OPERATING LP			1,2	3FE	754,833		96,1880	1,000,000	780,998	.0	26,165	0	.0	3.875	8.492	MS	11,410	38,750	06/01/2015	03/15/2023
23331A-BK-4	D.R. HORTON INC.			1	2FE	779,222		102,7500	775,000	778,066	.0	(881)	0	.0	4.000	3.864	FA	11,711	31,000	12/21/2015	02/15/2020
247367-BH-7	DELTA AIR LINES INC PASS-THROUGH TRUST			1	1FE	1,815,581		115,0000	1,582,206	1,786,521	.0	(14,344)	0	.0	6.821	3.517	FA	42,270	113,285	11/12/2014	02/10/2024
25179M-AU-7	DEVON ENERGY CORP.			1,2	2FE	4,780,481		98,2335	6,291,856	4,794,372	.0	18,165	78,162	.0	5.000	7.062	JD	14,233	320,250	06/11/2015	06/15/2045
25243Y-AU-3	DIAGEO CAPITAL PLC			1	1FE	11,818,540		98,8604	12,456,410	12,030,907	.0	79,923	0	.0	2.625	3.425	AO	56,963	330,750	04/23/2014	04/29/2023
25245B-AB-3	DIAGEO INVESTMENT CORP.			1	1FE	7,821,072		100,5997	8,000,000	7,857,283	.0	24,270	0	.0	2.875	3.240	MN	31,944	230,000	04/25/2014	05/11/2022
25278X-AC-3	DIAMONDBACK ENERGY INC.			1,2	4FE	629,019		98,0000													

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE D - PART 1

Showing All Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book / Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	For eign Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change In B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date	
25470X-AB-1	DISH DBS CORP.		1	3FE	3,328,923		111,000	3,385,500	3,050,000	3,274,374				7.875	4.885	MS	80,063	153,563	09/09/2016	09/01/2019	
256746-AD-0	DOLLAR TREE INC.		1	2	3FE	696,238		103,000	675,000	689,190				5.250	4.425	MS	11,813	35,438	12/08/2015	03/01/2020	
263901-AF-7	DUKE ENERGY INDIANA INC.		1	2	1FE	2,719,589		110,8073	2,548,568	2,713,822				4.900	3.805	JJ	51,967	56,350	05/09/2016	07/15/2043	
26442C-AA-2	DUKE ENERGY CAROLINAS LLC		1	1FE	756,653		123,0518	922,889	750,000	755,726				6.100	6.034	JD	3,813	45,750	11/06/2007	06/01/2037	
26442C-AN-4	DUKE ENERGY CAROLINAS LLC		1	2	1FE	5,842,080		99,3099	5,486,872	5,525,000				4.000	3.655	MS	55,864	110,500	05/09/2016	09/30/2042	
26442T-AC-1	DUKE UNIVERSITY		1	1FE	5,520,000		102,3861	5,651,713	5,520,000	5,520,000				4.077	4.077	AO	56,263	208,797	10/20/2015	10/01/2048	
26875P-AQ-4	EKG RESOURCES INC.		1	2	2FE	5,284,206		108,7736	5,765,001	5,300,000				5.100	5.124	JJ	124,638	135,901	01/11/2016	01/15/2036	
26969P-AA-6	EAGLE MATERIALS INC.		1	2	3FE	2,303,760		99,7500	2,259,338	2,265,000				4.500	4.252	MAT	42,186		08/31/2016	08/01/2026	
29271L-AD-6	ENDO FINANCE LLC.		1	2	4FE	356,930		92,0000	322,000	322,000				7.250	6.843	JJ	11,701	26,794	12/21/2015	01/15/2022	
29271L-AE-4	ENDO FINANCE LLC.		1	2	4FE	423,750		84,7500	423,750	500,000				5.375	8.671	JJ	12,392	28,854	07/02/2015	01/15/2023	
29273R-AX-7	ENERGY TRANSFER PARTNERS LP		1	2	2FE	475,849		103,5541	550,000	487,790				4.150	7.683	AO	5,706	22,825	02/22/2016	10/01/2020	
29273V-AC-4	ENERGY TRANSFER CO.		1	1	3FE	1,217,993		111,5000	1,200,000	1,215,721				7.500	7.099	AO	19,000	45,000	05/02/2016	10/15/2020	
29275Y-AB-8	ENERSYS		1	2	3FE	1,380,250		100,5000	1,407,000	1,382,030				5.000	5.239	AO	11,861	47,500	06/03/2016	04/30/2023	
29364W-AS-7	ENERGY LOUISIANA LLC.		1	2	1FE	1,615,384		104,8061	1,585,000	1,607,023				4.050	3.804	MS	21,398	64,193	01/08/2014	09/01/2023	
29365P-AP-7	ENERGY GULF STATES LOUISIANA LLC.		1	1	1FE	3,440,348		115,9957	3,558,748	3,068,000				5.590	4.176	AO	42,875	171,501	12/17/2013	10/01/2024	
29379V-BJ-1	ENTERPRISE PRODUCTS OPERATING LLC.		1	2	2FE	3,759,065		102,6501	4,721,905	4,600,000				4.900	6.250	MN	28,801	225,400	05/04/2015	05/15/2046	
29444U-AM-8	EQUINIX INC.		1	2	3FE	411,000		103,7500	415,000	400,000				5.375	5.195	AO	5,375	10,750	06/01/2016	04/01/2023	
29444U-AN-6	EQUINIX INC.		1	2	3FE	787,084		105,0000	803,250	765,000				5.375	4.819	JJ	20,559	41,119	12/22/2015	01/01/2022	
31428X-BA-3	FEDEX CORP.		1	2	2FE	4,797,260		96,0228	4,993,186	5,200,000				3.900	4.505	FA	84,500	202,800	11/05/2015	02/01/2035	
314300-BE-6	FELCOR LODGING TRUST INC.		1	2	4FE	1,420,780		102,0000	1,430,040	1,402,000				5.625	5.394	MS	26,288	78,863	02/17/2016	03/01/2023	
319963-BN-3	FIRST DATA CORP.		1	2	3FE	1,302,001		103,7500	1,348,750	1,300,000				5.375	5.288	FA	26,397	54,347	10/05/2016	08/15/2023	
32008D-AA-4	FIRST DATA CORP.		1	2	3FE	495,935		100,5320	502,660	500,000				5.000	5.122	JJ	11,528	15,972	11/09/2015	01/15/2024	
33767B-AB-5	FIRSTENERGY TRANSMISSION LLC.		1	2	3FE	751,275		103,4659	724,261	700,000				4.350	3.330	JJ	14,041	15,225	07/05/2016	01/15/2025	
341081-FM-4	FLORIDA POWER & LIGHT CO.		1	2	1FE	8,486,145		101,1043	8,593,866	8,500,000				3.125	3.144	JD	22,135	274,479	11/16/2015	10/01/2025	
35906A-AT-5	FRONTIER COMMUNICATIONS CORP.		1	2	3FE	545,413		106,5000	575,100	540,000				8.875	9.376	MS	14,111	46,594	09/15/2015	09/15/2020	
35906A-AW-8	FRONTIER COMMUNICATIONS CORP.		1	2	3FE	544,569		105,1300	567,702	540,000				10.500	11.010	MS	16,695	55,125	09/14/2015	09/15/2022	
35906A-AZ-1	FRONTIER COMMUNICATIONS CORP.		1	2	3FE	649,800		103,2500	665,963	645,000				11.000	11.546	MS	20,891	68,979	09/14/2015	09/15/2025	
361841-A6-4	GLP CAPITAL LP.		1	2	3FE	203,100		103,7500	207,500	200,000				4.375	4.012	AO	1,847	4,059	04/13/2016	04/15/2021	
361841-AH-2	GLP CAPITAL LP.		1	2	3FE	274,597		104,2900	281,583	270,000				5.375	5.150	AO	3,064	6,732	04/12/2016	04/15/2026	
36186C-CA-9	ALLY FINANCIAL INC.		1	2	3FE	540,000		109,1250	545,625	529,641				8.000	4.850	JD	20,111	20,000	08/05/2015	12/31/2018	
364725-BA-8	TEGNA INC.		1	2	3FE	972,424		103,7500	985,625	950,000				5.125	4.659	JJ	22,450	48,688	04/02/2015	07/15/2020	
364725-BC-4	TEGNA INC.		1	2	3FE	502,313		101,0000	479,750	475,000				5.500	4.353	MN	3,338	13,063	07/13/2016	09/15/2024	
369604-BH-5	GENERAL ELECTRIC CO.		1	1	1FE	7,286,858		107,3475	7,702,183	7,175,000				4.500	4.403	MS	98,656	322,875	05/12/2015	03/11/2044	
37045V-AE-0	GENERAL MOTORS CO.		1	2	2FE	1,044,360		104,8272	1,048,272	1,000,000				4.875	4.180	AO	12,052	48,750	03/29/2016	10/02/2023	
38141E-A6-6	GOLDMAN SACHS & CO.		1	1	1FE	4,494,492		110,8941	4,435,764	4,262,373				6.000	3.949	JD	10,667	240,000	02/12/2013	06/15/2020	
382550-BE-0	GOODYEAR TIRE & RUBBER CO.		1	2	3FE	763,875		103,0000	772,500	750,000				5.125	4.839	MN	4,911	39,505	12/21/2015	11/15/2023	
384802-AB-0	W W GRAINGER INC.		1	2	1FE	4,061,707		107,0635	4,352,131	4,065,000				4.600	4.605	JD	8,311	186,990	06/04/2015	06/15/2045	
386088-AF-5	GRAND METROPOLITAN INVESTMENT CORPORATION		1	2	1FE	912,026		124,9776	874,843	700,000				8.000	3.867	MS	16,489	56,000	12/12/2013	09/15/2022	
389375-AK-2	GRAY TELEVISION INC.		1	2	4FE	1,693,941		96,7500	1,654,425	1,710,000				5.125	5.269	AO	26,048		10/20/2016	10/15/2024	
398435-AC-1	GRIFOLS WORLDWIDE OPERATIONS LTD.		1	2	4FE	1,331,260		103,5000	1,335,150	1,290,000				5.250	4.277	AO	16,931	52,316	07/21/2016	04/01/2022	
404119-BQ-1	HCA INC.		1	1	3FE	373,085		104,3750	387,231	371,000				5.250	5.171	AO	4,112	19,478	02/11/2016	04/15/2025	
404119-BT-5	HCA INC.		1	2	3FE	253,506		103,3750	258,438	250,000				5.250	5.059	JD	5,583	9,844	04/26/2016	06/15/2026	
404119-BU-2	HCA INC.		1	2	3FE	400,418		98,2500	393,000	400,000				4.500	4.487	FA	6,800		08/30/2016	02/15/2022	
404121-AD-7	HCA INC.		1	1	4FE	1,410,501		113,5000	1,418,750	1,250,000				7.500	5.219	FA	35,417	93,750	11/09/2015	02/15/2022	
40412C-AC-5	HCA HOLDINGS INC.		1	1	4FE	633,300		107,6250	645,750	600,000				6.250	5.006	FA	14,167	37,500	01/06/2016	02/15/2021	
40414L-AP-4	HCP INC.		1	2	2FE	5,078,427		102,9413	5,250,006	5,100,000				4.000	4.070	JD	17,000	204,000	11/23/2015	12/01/2022	
40415R-AQ-8	HD SUPPLY INC.		1	2	4FE	1,340,250		105,5000	1,371,500	1,305,829				5.250	4.661	JD	3,033	57,750	06/14/2016	12/01/2021	
404280-AL-3	HSBC HOLDINGS PLC.		1	1	1FE	5,934,423		107,9538	5,936,379	5,499,000				4.875	3.741	JJ	124,358	268,076	12/16/2013	01/14/2022	
404201-AC-1	HSBC BANK USA NA.		1	1	1FE	4,110,864		102,6559	4,106,236	4,000,000				6.000	5.415	FA	94,667	240,000	05/10/2011	08/09/2017	
404201-AE-7	HSBC BANK USA		1	1	1FE	9,898,830		106,0124	9,541,116	9,000,000				4.875	3.119	FA	154,781	438,750	04/25/2014	08/24/2020	
410345-AL-6	HANESBRANDS INC.		1	2	3FE	530,000		97,7500	518,075	530,000				4.875	4.875	MN	3,301	13,565	05/03/2016	05/15/2026	
416515-BB-9	HARTFORD FINANCIAL SERVICES GROUP INC.		1	2	2FE	5,215,545		92,6314	5,117,885	5,525,000				4.300	4.665	AO	50,155	237,575	01/20/2016	04/15/2043	
428040-CP-2	HERTZ CORP.		1	2	4FE	589,447		97,7500	562,063</												

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE D - PART 1

Showing All Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book / Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	For Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change In B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
42809H-AC-1.	HESS CORP.			1	2FE	4,092,602	103.1585	4,203,709	4,075,000	4,092,401	0	(219)	0	0	6.000	5.966	JJ	112,742	244,500	12/01/2015	01/15/2040.
432833-AA-9.	HILTON ESCROW ISSUER LLC.			1,2	3FE	265,000	97.0000	257,050	265,000	257,050	(7,950)	0	0	0	4.250	4.249	MS	4,161	0	08/08/2016	09/01/2024.
432891-AD-1.	HILTON WORLDWIDE FINANCE LLC.			1,2	3FE	438,813	103.3000	439,025	425,000	435,687	0	(3,126)	0	0	5.625	5.382	AO	5,047	23,906	01/13/2016	10/15/2021.
436440-AH-4.	HOLOGIC INC.			2	4FE	705,626	105.2500	736,750	700,000	704,184	0	(627)	0	0	5.250	5.124	JJ	16,946	38,077	08/13/2015	07/15/2022.
437076-BC-5.	HOME DEPOT INC.			1,2	1FE	4,840,827	105.2778	4,942,793	4,695,000	4,804,757	0	(13,826)	0	0	3.750	3.367	FA	66,513	176,063	04/22/2014	02/15/2024.
437076-BP-6.	HOME DEPOT INC.			1,2	1FE	2,148,324	87.5349	1,917,014	2,190,000	2,148,466	0	142	0	0	3.500	3.590	MS	22,569	0	09/06/2016	09/15/2056.
440327-AK-0.	HORACE MANN EDUCATORS CORP.			1,2	2FE	3,804,890	99.7508	3,805,493	3,815,000	3,805,979	0	1,011	0	0	4.500	4.533	JD	14,306	175,490	11/18/2015	12/01/2025.
449934-AD-0.	IMS HEALTH INC.			1,2	3FE	366,000	100.2500	366,915	366,000	366,000	0	0	0	0	5.000	5.000	AO	4,728	0	09/14/2016	10/15/2026.
45672N-AF-8.	INFOR (US) INC.			1,2	4FE	300,000	104.7500	314,250	300,000	300,000	0	0	0	0	5.750	5.748	FA	6,517	16,771	11/16/2015	08/15/2020.
45685E-AJ-5.	VOYA FINANCIAL INC.			1	2FE	6,709,386	109.0957	6,709,386	6,150,000	6,709,386	0	(12,927)	163,504	0	5.700	5.072	JJ	161,643	350,550	05/11/2015	07/15/2043.
458140-AM-2.	INTEL CORP.			1	1FE	6,098,878	100.4510	6,529,315	6,500,000	6,217,450	0	42,010	0	0	2.700	3.514	JD	7,800	175,500	04/23/2014	12/15/2022.
45866F-AD-6.	INTERCONTINENTAL EXCHANGE INC. INTERNATIONAL BUSINESS			1,2	1FE	3,644,380	102.7100	3,743,780	3,645,000	3,644,559	0	170	0	0	3.750	3.752	JD	11,391	139,345	11/19/2015	12/01/2025.
459200-HU-8.	MACHINES CORP. INTERNATIONAL LEASE FINANCE			1	1FE	12,638,500	104.1349	13,016,863	12,500,000	12,605,758	0	(12,550)	0	0	3.625	3.490	FA	174,957	453,125	04/22/2014	02/12/2024.
459745-GL-3.	CORP.			C	2FE	954,324	106.1980	955,782	900,000	930,563	0	(12,683)	0	0	5.875	4.273	AO	13,219	52,875	04/01/2015	04/01/2019.
46115H-AW-7.	INTESA SANPAOLO SPA			C	3FE	1,000,000	95.4279	954,279	1,000,000	954,279	(45,721)	0	0	0	5.710	5.710	JJ	26,329	28,550	01/08/2016	01/15/2026.
464592-AQ-7.	ISLE OF CAPRI CASINOS INC.			1,2	4FE	1,317,810	103.5000	1,319,625	1,275,000	1,307,513	0	(10,253)	0	0	5.875	5.414	MS	22,056	60,219	05/04/2016	03/15/2021.
46625H-JE-1.	JPMORGAN CHASE & CO.				1FE	9,719,489	101.1290	9,986,489	9,875,000	9,759,559	0	18,370	0	0	3.250	3.477	MS	87,366	320,938	04/22/2014	09/23/2022.
478160-BV-5.	JOHNSON & JOHNSON			1,2	1FE	4,321,116	98.5363	4,286,329	4,350,000	4,321,563	0	447	0	0	3.700	3.737	MS	53,650	80,475	02/25/2016	03/01/2046.
48250N-AA-3.	KFC HOLDING CO.			1,2	4FE	1,416,900	102.1250	1,414,431	1,385,000	1,397,325	(18,053)	(1,522)	0	0	5.000	4.650	JD	5,771	31,740	07/13/2016	06/01/2024.
482539-AA-1.	KLX INC.			1,2	4FE	1,078,489	103.0000	1,133,000	1,100,000	1,080,768	0	2,279	0	0	5.875	6.233	JD	5,385	64,625	03/03/2016	12/01/2022.
483007-AH-3.	KAISER ALUMINUM CORP.			1,2	3FE	723,613	103.5000	729,675	705,000	719,736	(3,271)	(605)	0	0	5.875	5.554	MN	5,292	21,055	08/02/2016	05/15/2024.
483050-AB-9.	KAISER FOUNDATION HOSPITALS			1	1FE	4,569,410	110.1651	4,483,720	4,070,000	4,560,062	0	(9,347)	0	0	4.875	4.105	AO	49,603	198,413	03/08/2016	04/01/2042.
48666K-AR-0.	KB HOME			1	4FE	741,168	105.5000	764,875	725,000	739,112	0	(1,846)	0	0	7.500	7.079	MS	16,010	54,375	11/09/2015	09/15/2022.
489399-AG-0.	KENNEDY WILSON INC.			1,2	4FE	893,825	101.8750	916,875	900,000	894,327	0	502	0	0	5.875	5.983	AO	13,219	16,156	10/11/2016	04/01/2024.
50075N-AZ-7.	MONDELEZ INTERNATIONAL INC.				2FE	6,897,238	123.3691	6,970,354	5,650,000	6,869,714	0	(27,523)	0	0	6.500	4.925	FA	144,860	367,250	06/08/2015	02/09/2040.
500760-AN-6.	KRAFT FOODS GROUP INC.				2FE	4,848,251	121.8441	4,873,764	4,000,000	4,827,103	0	(18,498)	0	0	6.500	4.983	FA	102,556	260,000	11/02/2015	02/09/2040.
50247V-AA-7.	LYB INTERNATIONAL FINANCE BV.			C	1	2FE	4,589,460	104.4794	4,701,573	4,500,000	0	(10,287)	0	0	4.000	3.700	JJ	83,000	180,000	11/02/2015	07/15/2023.
513075-BL-4.	LAMAR MEDIA CORP.			1,2	3FE	576,875	105.2500	578,875	550,000	575,196	0	(1,679)	0	0	5.750	5.077	FA	13,177	16,076	03/30/2016	02/01/2026.
516806-AD-8.	LAREDO PETROLEUM - DALLAS INC.			1,2	4FE	417,500	100.7500	503,750	500,000	425,977	0	10,620	19,643	0	5.625	9.380	JJ	12,969	28,125	06/01/2015	01/15/2022.
51769R-AA-2.	LAS VEGAS MONORAIL CO.				6Z	0	0.0000	0	0	0	0	0	0	5.500	0.000	JAJO	1,623	7,687	01/15/2015	07/15/2019.	
51769R-AB-0.	LAS VEGAS MONORAIL CO.				6Z	0	0.0000	0	0	0	0	0	0	3.000	0.000	NOV	143	885	10/29/2012	07/15/2055.	
526057-BT-0.	LENNAR CORP.			1,2	3FE	434,959	103.2500	443,975	430,000	433,164	0	(1,278)	0	0	4.500	4.162	JD	860	19,350	09/01/2015	06/15/2019.
527298-BF-9.	LEVEL 3 FINANCING INC.			1,2	3FE	1,646,966	100.3750	1,641,131	1,635,000	1,613,192	(16,180)	1,565	0	0	5.125	5.003	MS	27,931	52,531	09/09/2016	05/01/2023.
527298-BL-6.	LEVEL 3 FINANCING INC.			1,2	3FE	1,379,856	99.0000	1,366,200	1,380,000	1,366,200	(13,674)	18	0	0	5.250	5.251	AO	15,295	40,854	03/28/2016	03/15/2026.
530715-AJ-0.	LIBERTY MEDIA CORPORATION				3FE	1,703,565	106.5000	1,757,250	1,650,000	1,693,833	(9,391)	(341)	0	0	8.250	7.845	FA	56,719	41,250	10/19/2016	02/01/2030.
53079E-AZ-7.	LIBERTY MUTUAL GROUP INC.			1	2FE	5,299,314	118.5632	5,424,266	4,575,000	5,287,597	0	(11,717)	0	0	6.500	5.368	MN	49,563	297,375	01/20/2016	05/01/2042.
53079E-BF-0.	LIBERTY MUTUAL GROUP INC.			1	2FE	1,849,650	98.6189	1,849,104	1,875,000	1,850,009	0	359	0	0	4.850	4.939	FA	37,891	45,469	06/01/2016	08/01/2044.
53219L-AN-9.	LIFEPOINT HEALTH INC.			1,2	3FE	741,485	101.2500	723,938	715,000	721,534	(18,506)	(1,424)	0	0	5.875	5.269	JD	3,501	30,102	07/13/2016	12/01/2023.
532457-BJ-6.	ELI LILLY AND CO.			1,2	1FE	6,539,520	94.8620	6,166,030	6,500,000	6,539,323	0	(197)	0	0	3.700	3.700	MS	80,167	120,250	06/01/2016	03/01/2045.
539473-AH-1.	LLOYDS TSB BANK PLC.			C	1FE	9,517,893	114.2061	9,364,900	8,200,000	9,235,695	0	(236,755)	0	0	6.375	3.040	JJ	232,333	522,750	04/28/2014	01/21/2021.
539830-AZ-2.	LOCKHEED MARTIN CORP.			1	2FE	2,510,838	110.0503	2,740,252	2,490,000	2,510,548	0	(261)	0	0	4.850	4.792	MS	35,559	120,765	11/10/2015	09/15/2041.
539830-BK-4.	LOCKHEED MARTIN CORP.			1,2	2FE	3,532,217	106.3180	3,710,498	3,490,000	3,531,018	0	(1,236)	0	0	4.500	4.407	MN	20,068	153,560	01/06/2016	05/15/2036.
55181X-AA-0.	LYNX 11 CORP.			C	1,2	4FE	1,549,385	103.8750	1,556,048	1,498,000	(13,967)	(5,230)	0	0	6.375	5.209	AO	20,161	47,749	08/17/2016	04/15/2023.
552848-AF-0.	MGIC INVESTMENT CORP.			1	3FE	46,125	104.2500	46,913	45,000	46,073	0	(52)	0	0	5.750	5.318	FA	1,049	0	08/03/2016	08/15/2023.
55305B-AM-3.	M/I HOMES INC.			1,2	3FE	56,650	104.2500	57,338	55,000	56,669	0	19	0	0	6.750	6.624	JJ	1,712	0	08/16/2016	01/15/2021.
55336V-AJ-9.	MARKNEED ENERGY PARTNERS LP			1,2	2FE	1,024,542	102.8147	1,295,465	1,260,000	1,040,331	0	15,789	0	0	4.875	7.717	JD	5,119	61,425	03/02/2016	06/01/2025.
57665R-AB-2.	MATCH GROUP INC.			1,2	3FE	940,000	105.5000	1,055,000	1,000,000	947,812	0	7,079	0	0	6.750	7.865	JD	3,000	72,938	10/29/2015	12/15/2022.
58013M-EY-6.	MCDONALD'S CORP.			1,2	2FE	5,980,560	101.8097</														

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE D - PART 1

Showing All Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book / Adjusted Carrying Value				Interest				Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	For eign Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change In B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
591709-AL-4	T-MOBILE USA INC.	C	1,2	3FE	799,792		102,2500	775,000	791,016	.0	(8,613)	0	0	6.625	5.864	MN	6,561	51,344	12/21/2015	11/15/2020
594918-AW-4	MICROSOFT CORP.	C	1,2	1FE	9,779,816		105,3244	9,650,000	9,747,022	.0	(12,736)	0	0	3.625	3.454	JD	15,547	349,813	04/23/2014	12/15/2023
595112-BD-4	MICRON TECHNOLOGY INC.	C	1,2	3FE	946,954		100,3750	1,080,000	957,022	.0	11,954	58,686	0	5.250	7.418	FA	23,625	37,275	10/11/2016	08/01/2023
595620-AL-9	MIDAMERICAN BREWING CO.	C	1,2	1FE	6,288,694		110,6170	5,925,000	6,278,915	.0	(6,730)	0	0	4.800	4.413	MS	83,740	284,400	06/05/2015	09/15/2043
60871R-AH-3	MOLSON COORS BREWING CO.	C	1,2	2FE	695,499		93,2325	700,000	695,542	.0	43	0	0	4.200	4.238	JJ	14,210	.0	06/28/2016	07/15/2046
617482-V9-2	MORGAN STANLEY	C	1,2	1FE	7,090,505		128,5167	5,775,000	7,054,054	.0	(24,685)	0	0	6.375	4.853	JJ	160,557	368,156	05/22/2015	07/24/2042
629377-BS-0	NRG ENERGY INC.	C	1,2	4FE	109,025		104,2500	116,000	109,866	.0	1,116	0	0	7.875	9.378	MN	1,167	22,557	08/05/2015	05/15/2021
629470-AT-5	NXP BV	C	1	3FE	981,620		104,7500	1,000,000	984,890	.0	2,390	0	0	4.625	4.945	JD	2,056	46,250	06/02/2015	06/15/2022
629470-AW-8	NXP BV	C	1	3FE	890,000		101,2500	890,000	890,000	.0	0	0	0	3.875	3.875	MS	13,412	.0	08/08/2016	09/01/2022
635300-AE-9	NATIONAL CINEMEDIA LLC NATIONAL RETAIL PROPERTIES INC.	C	1,2	3FE	888,777		103,5000	850,000	879,750	(366)	(8,661)	0	0	6.000	3.943	AO	10,767	25,500	06/13/2016	04/15/2022
637417-AH-9	NBCUNIVERSAL MEDIA LLC.	C	1,2	2FE	1,546,265		101,9446	1,550,000	1,546,741	.0	421	0	0	4.000	4.028	MN	7,922	66,133	10/14/2015	11/15/2025
63946B-AH-3	CSC HOLDINGS LLC.	C	1,2	3FE	1,992,572		109,2500	1,890,000	1,986,967	.0	(5,006)	0	0	6.625	5.696	JJ	57,737	58,410	08/16/2016	10/15/2025
64072T-AC-9	NETFLIX INC.	C	1	4FE	967,644		107,7500	925,000	964,083	.0	(3,561)	0	0	5.500	4.566	AO	10,740	25,438	06/15/2016	02/15/2022
644535-AF-3	NEW GOLD INC (NEW)	C	1,2	4FE	507,720		102,5000	600,000	519,234	.0	10,086	0	0	6.250	9.276	MN	4,792	37,500	12/08/2015	11/15/2022
651290-AQ-1	NEWFIELD EXPLORATION CO.	C	1	3FE	490,800		104,2500	500,000	491,864	.0	841	0	0	5.625	5.897	JJ	14,063	28,125	10/08/2015	07/01/2024
655844-BR-8	NORFOLK SOUTHERN CORP.	C	1,2	2FE	4,966,350		106,3264	5,000,000	4,967,897	.0	1,547	0	0	4.650	4.991	JJ	107,208	162,750	10/29/2015	06/15/2046
668444-AM-4	NORTHWESTERN UNIVERSITY	C	1	1FE	7,437,334		99,7298	7,750,000	7,452,175	.0	9,854	0	0	3.688	3.968	JD	23,818	285,820	04/29/2015	12/01/2038
66989H-AG-3	NOVARTIS CAPITAL CORP.	C	1	1FE	5,532,120		103,0502	5,500,000	5,524,689	.0	(2,766)	0	0	3.400	3.331	MN	28,569	187,000	04/23/2014	05/06/2024
67021C-AK-3	NSTAR ELECTRIC CO.	C	1,2	1FE	3,408,526		100,3452	3,436,823	3,410,187	.0	1,495	0	0	3.250	3.307	MN	14,223	110,385	11/13/2015	11/15/2025
67054K-AA-7	SFR GROUP SA	C	1,2	4FE	1,467,375		102,5000	1,465,000	1,467,586	.0	211	0	0	7.375	7.344	JJ	78,032	.0	07/13/2016	05/01/2026
674599-CJ-2	OCCIDENTAL PETROLEUM CORP.	C	1,2	1FE	2,004,325		101,7635	2,020,000	2,004,546	.0	221	0	0	4.400	4.447	AO	18,764	47,156	03/28/2016	04/15/2046
675553-AA-9	OCHSNER CLINIC FOUNDATION ONCOR ELECTRIC DELIVERY CO LLC	C	1,2	2FE	7,550,000		115,6381	7,550,000	7,550,000	.0	0	0	0	5.897	5.896	MN	56,890	445,224	06/17/2015	05/15/2045
68233J-AF-1	OWENS-BROCKWAY GLASS CONTAINER INC.	C	1	1FE	8,806,027		144,0344	6,575,000	8,753,103	.0	(52,923)	0	0	7.500	4.983	MS	164,375	493,125	01/12/2016	09/01/2038
69073T-AR-4	PDC ENERGY INC (DELAWARE)	C	1,2	4FE	2,124,414		102,2500	2,045,000	2,082,294	(41,684)	(435)	0	0	6.125	5.782	MS	36,881	.0	10/20/2016	09/15/2024
69349L-AG-3	PNC BANK NA	C	2	1FE	4,482,785		98,4417	4,700,000	4,537,746	.0	24,985	0	0	2.700	3.357	MN	21,150	126,900	05/01/2014	11/01/2022
69354P-AA-9	PINNACLE ENTERTAINMENT INC.	C	1,2	4FE	1,748,515		100,2500	1,740,000	1,742,301	(5,912)	(302)	0	0	5.625	5.545	MN	16,313	49,753	10/07/2016	05/01/2024
694308-HN-0	PACIFIC GAS AND ELECTRIC CO.	C	1,2	1FE	4,808,370		101,6231	4,900,000	4,810,033	.0	1,529	0	0	4.250	4.362	MS	61,318	179,326	11/02/2015	03/15/2046
695114-CG-1	PACIFICORP.	C	1	1FE	778,193		129,5353	750,000	774,173	.0	(494)	0	0	6.250	5.977	AO	9,896	46,875	11/06/2007	10/15/2037
707569-AR-0	PENN NATIONAL GAMING INC.	C	1,2	4FE	1,532,873		104,2500	1,531,000	1,534,035	.0	1,251	0	0	5.875	6.076	MN	14,991	74,276	08/16/2016	11/01/2021
714294-AD-7	PERRIGO CO.	C	1,2	2FE	4,933,700		99,1317	5,000,000	4,942,210	.0	7,340	0	0	4.000	4.195	MN	25,556	200,000	10/30/2015	11/15/2023
718172-BL-2	PHILIP MORRIS INTERNATIONAL INC.	C	1	1FE	4,607,428		98,7410	4,315,000	4,603,727	.0	(3,700)	0	0	4.250	3.856	MN	25,980	91,694	04/28/2016	11/10/2044
74153Q-AG-7	PRIDE INTERNATIONAL INC PROTECTIVE LIFE GLOBAL FUNDING	C	1	4FE	573,683		111,5000	750,000	609,078	.0	35,396	0	0	8.500	18.360	JD	2,833	63,750	03/03/2016	06/15/2019
74368C-AA-2	PUBLIC SERVICE CO OF COLORADO PUBLIC SERVICE ELECTRIC AND GAS CO.	C	1,2	1FE	5,095,512		100,1457	5,100,000	5,096,511	.0	914	0	0	2.700	2.719	MN	13,770	137,700	11/19/2015	11/25/2020
744448-CM-1	PUBLIC SERVICE CO OF COLORADO PUBLIC SERVICE ELECTRIC AND GAS CO.	C	1,2	1FE	9,326,980		92,3782	9,425,000	9,328,013	.0	1,033	0	0	3.550	3.607	JD	14,871	169,153	06/06/2016	06/15/2046
74456Q-BN-5	PUGET SOUND ENERGY INC.	C	1,2	1FE	7,607,168		103,9479	7,650,000	7,608,782	.0	1,040	0	0	4.300	4.333	MN	37,464	328,950	05/11/2015	05/20/2045
747301-AC-3	QUADGRAPHICS INC.	C	1	4FE	155,933		97,5000	250,000	166,189	.0	9,314	0	0	7.000	16.759	MN	2,917	17,500	07/22/2015	05/01/2022
74733V-AA-8	QEP RESOURCES INC.	C	1	3FE	603,000		106,2500	600,000	602,712	.0	(288)	0	0	6.875	6.749	MS	13,750	20,625	05/02/2016	03/01/2021
74736K-AB-7	QORVO INC.	C	1,2	3FE	500,000		110,0000	500,000	500,000	.0	0	0	0	6.750	6.748	JD	2,813	34,875	11/13/2015	12/01/2023
74736K-AD-3	QORVO INC.	C	1,2	3FE	500,000		110,7500	500,000	500,000	.0	0	0	0	7.000	6.998	JD	2,917	36,167	11/13/2015	12/01/2025
750236-AT-8	RADIANT GROUP INC.	C	1	3FE	1,025,738		111,2500	1,000,000	1,022,461	.0	(3,276)	0	0	7.000	6.378	MS	20,611	34,417	04/13/2016	03/15/2021
75886A-AF-5	REGENCY ENERGY PARTNERS LP	C	1,2	2FE	492,500		103,2780	500,000	493,469	.0	890	9,922	0	6.500	6.840	JJ	14,986	32,500	08/06/2015	07/15/2021
75886A-AK-4	REGENCY ENERGY PARTNERS LP REINSURANCE GROUP OF AMERICA INC.	C	1,2	2FE	416,773		108,1331	385,000	416,129	.0	(3,644)	0	0	5.750	3.200	MS	7,379	11,069	07/26/2016	09/01/2020
759351-AM-1	REYNOLDS GROUP LLC.	C	1,2	2FE	9,299,628		98,9330	9,300,000	9,299,223	.0	(405)	0	0	3.950	3.951	MS	108,164	98,980	06/01/2016	09/15/2026
761519-BD-8	REYNOLDS GROUP ISSUER INC.	C	1,2	4FE	965,000		100,5000	1,000,000	968,385	.0	6,188	5,303	0	5.750	6.640	FA	21,722	57,500	07/30/2015	02/15/2021
761735-AD-1	RIVERS PITTSBURGH BORROWER LP	C	1,2	4FE	283,033		102,9000	275,458	281,781	.0	(1,252)	0	0	6.875	6.235	FA	7,154	26,392	01/06/2016	02/15/2021
761735-AT-6	RIVERS PITTSBURGH BORROWER LP	C	1,2	4FE	1,178,863		102,1250	1,184,650	1,170,519	.0	(811)	0	0	5.125	4.875	JJ	30,386	.0	07/26/2016	07/15/2023
76882A-AB-6	RIVERS PITTSBURGH BORROWER LP	C	1,2	4FE	774,091		102,2500	755,000	767,825	(5,945)	(322)	0	0	6.125	5.820	FA	20,039	.0	09/07/2016	08/15/2021

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ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE D - PART 1

Showing All Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book / Adjusted Carrying Value				Interest				Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	For e i g n Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change In B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
779382-AN-0.	ROWAN CO INC.		1	4FE	588,650	101.5000	619,150	610,000	600,184	0	11,534	0	0	5.000	7.541	MS	10,167	15,250	03/03/2016	09/01/2017
780099-CE-5.	ROYAL BANK OF SCOTLAND GROUP PLC.	C.		3FE	1,599,960	106.3333	1,595,000	1,500,000	1,595,000	(953)	(4,007)	0	0	6.125	4.874	JD	4,083	45,938	09/09/2016	12/15/2022
78012K-JA-6.	ROYAL BANK OF CANADA.			1FE	4,922,685	99.8583	4,918,021	4,925,000	4,923,266	0	506	0	0	2.360	2.360	AO	19,611	115,738	10/23/2015	10/30/2020
785592-AE-6.	SABINE PASS LIQUEFACTION LLC.		1.2	3FE	688,111	107.0000	802,500	700,000	700,138	0	10,138	0	0	5.625	7.547	FA	17,578	42,188	08/05/2015	02/01/2021
785592-AP-1.	SABINE PASS LIQUEFACTION LLC.		1.2	3FE	1,930,325	107.7500	2,074,188	1,925,000	1,930,132	0	(193)	0	0	5.875	5.836	JD	62,202	0	06/09/2016	06/30/2026
806851-AG-6.	SCHLUMBERGER HOLDINGS CORP. SCRIPPS NETWORKS INTERACTIVE INC.		1.2	1FE	5,196,620	104.7990	5,449,548	5,200,000	5,196,959	0	331	0	0	4.000	4.008	JD	5,778	208,000	12/10/2015	12/21/2025
811065-AF-8.	SENSATA TECHNOLOGIES BV.	C.	1.2	2FE	5,349,146	101.0566	5,608,641	5,550,000	5,377,689	0	27,783	0	0	3.500	4.142	JD	8,633	194,250	12/16/2015	06/15/2022
81725W-AJ-2.	SERVICEMASTER COMPANY LLC.		1	3FE	1,792,195	98.0000	1,715,000	1,750,000	1,715,000	(75,742)	(1,453)	0	0	5.000	4.673	AO	21,875	37,500	10/05/2016	10/01/2025
817610-AA-6.	SHELL INTERNATIONAL FINANCE BV.	C.	1	4FE	495,000	101.5000	502,425	495,000	495,000	0	0	0	0	5.125	5.125	MN	3,735	0	11/03/2016	11/15/2024
822582-BQ-4.	SIMON PROPERTY GROUP LP.		1	1FE	5,499,088	95.6259	5,355,050	5,600,000	5,500,212	0	1,124	0	0	4.000	4.105	MN	31,733	112,000	05/05/2016	05/10/2046
828807-CK-1.	SIMON PROPERTY GROUP LP.		1.2	1FE	5,379,511	103.3864	5,479,479	5,300,000	5,362,668	0	(11,390)	0	0	3.375	3.116	MS	52,669	178,875	04/28/2014	03/15/2022
828807-CR-6.	SIMON PROPERTY GROUP LP.		1.2	1FE	4,023,400	103.5730	4,142,920	4,000,000	4,017,472	0	(2,094)	0	0	3.750	3.678	FA	62,500	150,000	02/04/2014	02/01/2024
829259-AW-0.	SINCLAIR TELEVISION GROUP INC.		1.2	4FE	858,756	95.0000	812,250	855,000	812,250	(46,402)	(105)	0	0	5.125	5.071	FA	14,728	0	08/16/2016	02/15/2027
82967N-AS-7.	SIRIUS XM RADIO INC.		1.2	3FE	2,066,782	104.5000	2,058,650	1,970,000	2,048,105	(13,033)	(5,645)	0	0	6.000	5.151	JJ	54,503	42,000	09/09/2016	07/15/2024
832696-AM-0.	J M SMUCKER CO.		1	2FE	6,543,231	100.9578	6,234,144	6,175,000	6,535,040	0	(8,191)	0	0	4.250	3.803	MS	77,273	131,219	05/17/2016	03/15/2035
837004-CB-4.	SOUTH CAROLINA ELECTRIC & GAS CO.		1	1FE	5,306,237	123.6514	4,976,969	4,025,000	5,293,518	0	(12,720)	0	0	6.050	3.850	JJ	112,286	0	10/05/2016	01/15/2038
837004-CK-4.	SOUTHERN CALIFORNIA EDISON CO.		1.2	1FE	1,546,807	98.9827	1,534,232	1,550,000	1,546,841	0	34	0	0	4.100	4.112	JD	2,824	32,128	06/08/2016	06/15/2046
842400-FZ-1.	SPRINT CAPITAL CORPORATION.	C.	1	4FE	8,954,123	110.2704	9,152,443	8,300,000	8,941,633	0	(12,490)	0	0	4.650	4.163	AO	96,488	385,950	01/06/2016	10/01/2043
852060-AG-7.	SPRINT NEXTEL CORP.		1	4FE	404,813	105.8750	529,375	500,000	431,246	0	23,746	0	0	6.900	14.027	MN	5,750	34,500	06/01/2015	05/01/2019
852061-AK-6.	SPRINT NEXTEL CORP.		1	4FE	1,460,828	110.2500	1,515,938	1,375,000	1,430,370	0	(23,450)	0	0	9.000	6.671	MN	15,813	123,750	04/12/2016	11/15/2018
852061-AQ-3.	SPRINT NEXTEL CORP.	C.	1	4FE	1,448,975	108.5000	1,573,250	1,450,000	1,450,263	0	1,288	0	0	7.000	6.985	MS	33,833	82,250	06/02/2016	03/01/2020
853496-AA-5.	STANDARD INDUSTRIES INC.		1.2	3FE	165,000	104.2500	172,013	165,000	165,000	0	0	0	0	5.125	5.125	FA	3,195	4,040	02/18/2016	02/15/2021
853496-AB-3.	STARWOOD PROPERTY TRUST INC.		1.2	3FE	420,248	103.5100	414,040	400,000	414,040	(4,680)	(1,528)	0	0	5.500	4.416	FA	8,311	10,511	07/15/2016	02/15/2023
85571B-AE-5.	STATE GRID OVERSEAS INVESTMENT 2014 LTD.	C.	1	1FE	10,389,285	104.0513	10,925,387	10,500,000	10,414,715	0	10,206	0	0	4.125	4.255	MN	64,969	433,125	04/29/2014	05/07/2024
857004-AC-9.	STATE STREET CORP.		1	1FE	5,337,802	101.0088	5,403,971	5,350,000	5,341,058	0	2,406	0	0	2.550	2.599	FA	50,401	136,425	08/13/2015	08/18/2020
864486-AG-0.	SUBURBAN PROPANE PARTNERS LP.		2	3FE	1,024,800	103.5000	1,024,650	990,000	1,014,153	0	(8,741)	0	0	7.375	7.110	FA	30,422	67,481	02/18/2016	08/01/2021
86765B-AQ-2.	SUNOCO LOGISTICS PARTNERS LP.		1.2	2FE	5,124,850	96.5659	4,828,295	5,000,000	5,124,658	0	(192)	0	0	5.350	5.180	MN	34,181	133,750	09/27/2016	05/15/2045
86765B-AT-6.	SUNOCO LOGISTICS PARTNERS OPERATIONS LP.		1.2	2FE	812,522	96.7939	788,870	815,000	812,621	0	98	0	0	3.900	3.937	JJ	14,921	0	07/07/2016	07/15/2026
872430-AB-2.	TENET HEALTHCARE CORP.		1	3FE	265,625	104.7500	261,875	250,000	261,875	(214)	(2,886)	0	0	6.000	4.580	AO	3,750	15,000	10/05/2015	10/01/2020
87264A-AE-5.	T-MOBILE USA INC.	C.	1.2	3FE	694,217	107.1250	749,875	700,000	694,043	0	794	0	0	6.836	7.007	JJ	20,337	47,852	08/05/2015	04/28/2023
87264A-AK-1.	T-MOBILE USA INC.	C.	1.2	3FE	367,063	104.0000	364,000	350,000	362,545	0	(4,518)	0	0	6.250	4.222	AO	5,469	10,938	04/13/2016	04/01/2021
875127-BD-3.	TAMPA ELECTRIC CO.		1.2	1FE	7,346,867	98.0068	7,448,517	7,600,000	7,351,549	0	4,682	0	0	4.200	4.403	MN	40,787	319,200	05/15/2015	05/15/2045
878091-BD-8.	TEACHERS INSURANCE AND ANNUITY ASSOCIATI.		1	1FE	8,883,476	108.1757	9,221,978	8,525,000	8,878,144	0	(5,332)	0	0	4.900	4.633	MS	122,997	417,725	01/20/2016	09/15/2044
878742-BC-8.	TECK RESOURCES LTD.		1.2	3FE	1,563,631	115.2500	1,659,600	1,440,000	1,558,219	0	(5,412)	0	0	6.500	6.899	JD	10,200	59,160	08/16/2016	06/01/2024
88033G-BP-4.	TENET HEALTHCARE CORP.		1	3FE	343,850	105.5000	342,875	325,000	337,357	0	(6,372)	0	0	6.250	4.073	MN	3,385	20,313	12/21/2015	11/01/2018
88033G-BY-5.	TENET HEALTHCARE CORP.		1	3FE	883,956	99.0000	891,000	900,000	885,674	(1,529)	2,703	0	0	4.500	4.874	AO	10,125	40,500	01/06/2016	04/01/2021
882484-AA-6.	TEXAS HEALTH RESOURCES.		1	1FE	7,229,217	99.9797	7,723,432	7,725,000	7,241,076	0	9,418	0	0	4.330	4.685	MN	42,741	334,493	04/28/2015	11/15/2055
88579E-AC-9.	TIME WARNER INC.		1	1FE	762,315	125.7855	943,391	750,000	760,436	0	(204)	0	0	5.700	5.584	MS	12,588	42,750	11/06/2007	03/15/2037
887317-AZ-8.	TOLL BROTHERS FINANCE CORP.		1.2	2FE	5,072,513	100.1077	5,080,466	5,073,213	5,073,213	0	699	0	0	3.875	3.880	JJ	90,680	128,373	11/17/2015	01/15/2026
88947E-AR-1.	TOTAL CAPITAL INTERNATIONAL SA.	C.	1	1FE	215,000	98.2500	211,238	215,000	211,238	(3,763)	0	0	0	4.875	4.874	MN	1,339	10,918	10/27/2015	11/15/2025
89153V-AB-5.	TRAVELERS CO INC.		1	1FE	7,785,453	100.7904	7,927,165	7,865,000	7,806,351	0	10,592	0	0	2.875	3.033	FA	84,166	226,119	04/30/2014	02/17/2022
89417E-AF-6.	TRAVELERS COMPANIES INC.		1.2	1FE	4,054,085	109.0081	3,815,284	3,500,000	3,688,545	0	(73,489)	0	0	5.900	3.554	JD	16,635	206,500	08/12/2011	06/02/2019
89417E-AL-3.	TRAVELERS COMPANIES INC.		1.2	1FE	2,507,426	94.3604	2,382,600	2,525,000	2,507,641	0	215	0	0	3.750	3.789	MN	12,099	48,396	05/04/2016	05/15/2046
89469A-AB-0.	TREEHOUSE FOODS INC.		1.2	3FE	925,625	102.5000	973,750	950,000	928,948	0	3,323	0	0	4.875	5.366	MS	13,636	46,313	02/05/2016	03/15/2022
896047-AH-0.	TRIBUNE MEDIA CO.		1.2	4FE	595,000	101.6250	604,669	595,000	580,053	0	2,284	0	0	5.875	6.421	JJ	16,119	36,995	06/17/2015	07/15/2022
90131H-AX-3.	21ST CENTURY FOX AMERICA INC.		1.2	2FE	3,359,330	128.8676	3,357,001	2,605,000	3,285,604	0	(62,792)	0	0	7.700	4.136	AO	33,988	200,585	10/22/2015	10/30/2025
90131H-BW-4.	21ST CENTURY FOX AMERICA INC.		1.2	2FE	1,237,036	101.2154	1,255,071	1,240,000	1,237,387	0	306	0	0	3.700	3.728	AO	9,686	45,115	10/14/2015	10/15/2025

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ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE D - PART 1

Showing All Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book / Adjusted Carrying Value				Interest				Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	For eign Bond CHAR	NAIC Designation	Actual Cost	Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change In B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
90131H-BZ-7	21ST CENTURY FOX AMERICA INC.		1,2	2FE	1,945,895	1,027,770	1,798,477	1,750,000	1,943,720	.0	(2,175)	0	.0	4.950	4.272	AO	18,288	43,313	05/10/2016	10/15/2045
90320M-AA-3	UPCB FINANCE IV LIMITED		C	1,2	3FE	1,279,663	100,7500	1,250,000	1,259,375	(18,606)	(1,682)	0	.0	5.375	5.033	JJ	30,981	33,594	05/09/2016	01/15/2025
90783V-AA-3	COMPANY 2005-1 PA UNION PACIFIC RAILROAD UNITED RENTALS (NORTH)			1FE	438,488	107,2020	491,513	458,492	442,255	.0	(516)	0	.0	5.082	6.218	JJ	11,586	24,023	07/21/2005	01/02/2029
911365-AX-2	AMERICA) INC.		1,2	4FE	997,721	106,0000	1,060,000	1,000,000	997,420	.0	355	0	.0	6.125	6.174	JD	2,722	61,250	07/31/2015	06/15/2023
91159H-HC-7	U. S. BANCORP.		2	1FE	9,961,660	101,9560	10,195,600	10,000,000	9,972,659	.0	5,079	0	.0	3.000	3.057	MS	88,333	300,000	04/30/2014	03/15/2022
912909-AK-4	UNITED STATES STEEL CORP.		1,2	3FE	708,431	110,5530	773,871	700,000	707,677	.0	(755)	0	.0	8.375	8.077	JJ	37,618	.0	05/04/2016	07/01/2021
913017-BV-0	UNITED TECHNOLOGIES CORP.		1	1FE	11,993,364	102,7842	12,334,104	12,000,000	11,995,557	.0	943	0	.0	3.100	3.107	JD	31,000	372,000	04/28/2014	06/01/2022
91324P-BP-6	UNITEDHEALTH GROUP INC.		1,2	1FE	3,723,377	108,2709	3,681,211	3,400,000	3,582,584	.0	(43,483)	0	.0	4.700	3.215	FA	60,369	159,800	08/16/2012	02/15/2021
91324P-BV-3	UNITEDHEALTH GROUP INC.		1,2	1FE	1,709,766	101,2793	1,823,027	1,800,000	1,741,419	.0	10,186	0	.0	2.875	3.566	MS	15,238	51,750	11/09/2012	03/15/2022
91324P-CC-4	UNITEDHEALTH GROUP INC.		1	1FE	4,813,155	100,3433	5,017,165	5,000,000	4,846,175	.0	22,163	0	.0	2.875	3.430	MS	42,326	143,750	04/23/2014	03/15/2023
913364-AD-7	UNITYMEDIA HESSEN GMBH & P; CO KG		C	1,2	3FE	852,184	99,5000	875,000	846,340	(9,005)	2,429	0	.0	5.000	5.339	JJ	20,174	25,000	10/11/2016	01/15/2025
914906-AR-3	UNIVISION COMMUNICATIONS INC.		2	4FE	958,715	98,5000	985,000	1,000,000	963,903	.0	4,460	0	.0	5.125	5.811	MN	6,549	51,250	02/05/2016	05/15/2023
920479-AA-0	VALVOLINE FINCO TWO LLC		1,2	3FE	1,739,250	103,5000	1,723,275	1,665,000	1,711,200	(26,615)	(1,435)	0	.0	5.500	4.872	JJ	40,954	.0	10/05/2016	07/15/2024
92343V-CK-8	VERIZON COMMUNICATIONS INC.		1	2FE	7,325,316	101,3294	6,991,729	6,900,000	7,321,896	.0	(3,420)	0	.0	4.862	4.487	FA	121,145	167,739	06/01/2016	08/21/2046
92660F-AG-9	VIDEOTRON LTD.		1,2	3FE	1,088,620	102,6250	1,077,563	1,050,000	1,077,550	(8,264)	(2,638)	0	.0	5.375	4.810	JD	2,508	41,656	07/13/2016	06/15/2024
927804-FT-6	VIRGINIA ELECTRIC AND POWER CO.		1,2	1FE	7,392,501	101,7579	7,784,479	7,650,000	7,399,701	.0	4,717	0	.0	4.200	4.403	MN	41,055	321,300	05/11/2015	05/15/2045
92826C-AD-4	VISA INC.		1,2	1FE	3,641,623	100,4386	3,671,031	3,655,000	3,642,872	.0	1,195	0	.0	3.150	3.193	JD	5,437	115,133	12/09/2015	12/14/2025
92933B-AK-0	WMG ACQUISITION CORP.		1,2	4FE	382,406	100,5000	381,900	380,000	380,825	(1,458)	(123)	0	.0	5.000	4.892	FA	8,128	.0	07/28/2016	08/01/2023
92933B-AM-6	WMG ACQUISITION CORP.		1,2	4FE	713,038	99,5000	706,450	710,000	706,450	(6,528)	(59)	0	.0	4.875	4.810	MN	7,019	.0	10/18/2016	11/01/2024
942683-AH-6	ACTAVIS INC		C	1,2	2FE	6,932,903	96,8353	7,262,648	6,946,141	.0	10,759	0	.0	4.625	5.146	AO	86,719	346,875	05/20/2015	10/01/2042
94973V-BK-2	ANTHEM INC.		1,2	2FE	6,836,971	101,2286	7,566,838	7,475,000	6,852,514	.0	10,343	0	.0	4.650	5.223	FA	131,311	347,588	05/12/2015	08/15/2044
94974B-FJ-4	WELLS FARGO & CO.		1,2	1FE	10,106,073	100,3599	10,447,466	10,410,000	10,190,653	.0	31,507	0	.0	3.450	3.839	FA	137,672	359,145	04/22/2014	02/13/2023
950810-AK-0	WESCO DISTRIBUTION INC.		1,2	4FE	956,826	103,2500	1,032,500	1,000,000	963,908	.0	6,099	0	.0	5.375	6.233	JD	2,389	53,750	07/01/2015	12/15/2021
958254-AF-1	WESTERN GAS PARTNERS LP		1,2	2FE	757,354	103,5400	766,196	740,000	756,698	.0	(656)	0	.0	4.650	4.351	JJ	16,154	.0	07/15/2016	07/01/2026
960413-AL-6	WESTLAKE CHEMICAL CORP.		1,2	2FE	720,197	103,5000	853,875	825,000	740,956	.0	17,155	0	.0	4.625	7.535	FA	14,415	38,156	12/21/2015	02/15/2021
969457-BU-3	WILLIAMS CO INC.		1,2	3FE	1,577,375	96,5000	1,572,950	1,630,000	1,572,950	(6,752)	2,327	0	.0	3.700	4.285	JJ	27,810	.0	09/06/2016	01/15/2023
969457-BW-9	WILLIAMS COMPANIES INC.		1,2	3FE	82,000	99,2500	79,400	80,000	79,400	(2,528)	(72)	0	.0	4.550	4.161	JD	71	1,820	08/26/2016	06/24/2024
96949L-AB-1	WILLIAMS PARTNERS LP		1,2	2FE	690,533	98,8779	740,595	749,000	693,081	.0	2,548	0	.0	4.000	5.072	MS	8,822	14,980	06/29/2016	09/15/2025
97314X-AM-6	WIND ACQUISITION FINANCE SA		C	2	3FE	717,605	100,7500	730,438	725,000	.0	1,523	0	.0	4.750	5.001	JJ	15,880	9,500	07/13/2016	07/15/2020
983130-AT-2	WYNN LAS VEGAS LLC.		2	3FE	476,250	102,5000	512,500	500,000	479,243	.0	2,993	0	.0	5.375	6.324	MS	7,913	26,875	02/04/2016	03/15/2022
983130-AV-7	WYNN LAS VEGAS LLC.		1,2	3FE	407,084	99,2000	471,200	475,000	413,899	.0	5,311	0	.0	5.500	7.648	MS	8,708	26,125	09/01/2015	03/01/2025
98420E-AC-9	XLIT LTD.		C	1	2FE	7,417,841	99,1569	7,511,135	7,432,258	.0	14,417	0	.0	4.450	4.729	MS	85,208	337,088	05/14/2015	03/31/2025
98877D-AB-1	ZF NORTH AMERICA CAPITAL INC.		C	1	3FE	1,295,400	103,1250	1,309,688	1,292,953	.0	(2,447)	0	.0	4.500	4.118	AO	9,843	28,575	05/05/2016	04/29/2022
98877D-AC-9	ZF NORTH AMERICA CAPITAL INC.		C	1	3FE	824,010	101,7500	915,750	832,391	.0	6,236	0	.0	4.750	5.906	AO	7,363	42,750	04/30/2015	04/29/2025
98954U-AB-9	ZIGGO BOND FINANCE BV		C	1,2	4FE	1,275,000	97,0000	1,236,750	1,236,750	(38,250)	.0	0	.0	6.000	5.994	JJ	20,825	.0	09/16/2016	01/15/2027
67301S-AE-2	QNB FINANCE LTD		C	1FE	3,465,000	100,3902	3,513,657	3,500,000	3,477,624	.0	6,415	0	.0	2.875	3.079	AO	17,330	100,660	07/17/2014	04/29/2020
3299999	Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations				1,058,636,996	XXX	1,084,741,312	1,046,001,102	1,054,646,111	(878,276)	(942,313)	933,561	0	XXX	XXX	XXX	12,188,396	40,029,607	XXX	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated) - Residential Mortgage-Backed Securities																				
Bonds - Industrial and Miscellaneous (Unaffiliated) - Commercial Mortgage-Backed Securities																				
07388Y-AE-2	BSCMS 07PR16 A4 - CMBS		4	1FM	2,178,014	100,1022	2,044,193	2,042,106	2,043,634	.0	(17,021)	0	.0	5.711	4.870	MON	9,719	121,421	06/10/2011	06/11/2040
12592X-BC-9	COMM 15CC22 A4 - CMBS		4	1FM	7,098,274	99,5705	6,855,430	6,885,000	7,086,240	.0	(12,033)	0	.0	3.048	2.639	MON	17,488	104,927	06/23/2016	03/12/2048
12592X-BD-7	COMM 15CC22 A5 - CMBS		4	1FM	3,689,620	101,2080	3,582,764	3,540,000	3,680,488	.0	(9,133)	0	.0	3.309	2.765	MON	9,762	58,569	05/31/2016	03/12/2048
12635F-AT-1	CSAIL 15C3 A4 - CMBS		4	1FM	9,097,988	104,2944	8,865,026	8,500,000	9,063,253	.0	(34,735)	0	.0	3.718	2.834	MON	26,337	158,024	05/31/2016	08/17/2048
126350-BG-4	COMM 15CC27 A4 - CMBS		4	1FM	4,402,740	103,0843	4,221,303	4,095,000	4,385,939	.0	(16,802)	0	.0	3.612	2.698	MON	12,326	73,956	06/16/2016	10/13/2048
12636M-AE-8	CSAIL 16C6 A5 - CMBS		4	1FM	8,034,326	98,8090	7,721,923	7,815,000	8,021,979	.0	(12,347)	0	.0	3.090	2.761	MON	20,122	140,856	06/01/2016	01/15/2049
17322V-AT-3	CGCMT 14CC23 A4 - CMBS		4	1FM	3,317,708	103,6710	3,177,828	3,065,300	3,301,875	.0	(15,833)	0	.0	3.622	2.496	MON	9,252	55,513	06/08/2016	07/12/2047
17323V-AY-1	CGCMT 15CC29 A3 - CMBS		4	1FM	3,443,601	98,4027	3,306,331	3,360,000	3,438,602	.0	(4,999)	0	.0	2.935	2.615	MON	8,218	49,308	06/22/2016	04/10/2048
17324K-AP-3	CGCMT 15CC35 A4 - CMBS		4	1FM	4,099,279	104,5654	4,161,704	3,980,000	4,088,140	.0	(10,841)	0	.0	3.818	3.471	MON	12,663	151,956	11/24/2015	11/13/2048
173256-AD-8	CGCMT 16C3 A4 - CMBS		4	1FE	3,105,640	98,7523	2,977,426	3,015,045	3,104,627	.0	(1,013)	0	.0	3.154	2.809	MON	7,925	7,925	11/07/2016	11/18/2049
200474-BC-7	COMM 15LC19 A4 - CMBS		4	1FM	11,046,297															

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE D - PART 1

Showing All Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book / Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	For eign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change In B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
36252A-AG-1	GSMS 15GS1 AS - CMBS			4	1FM	5,896,397	103.6115	5,931,756	5,725,000	5,879,839	0	(15,263)	0	0	4.037	3.694	MON	19,260	231,118	11/16/2015	11/13/2048
36252R-AM-1	GSMS 14GC18 A4 - CMBS			4	1FM	9,383,025	106.4878	9,051,467	8,500,000	9,322,651	0	(60,374)	0	0	4.074	2.552	MON	28,858	173,145	06/08/2016	01/11/2047
36252T-AR-6	GSMS 16GS2 A4 - CMBS			4	1FM	9,312,850	98.9984	8,969,259	9,060,000	9,299,321	0	(13,529)	0	0	3.050	2.728	MON	23,028	149,755	06/20/2016	05/12/2049
46590M-AR-1	JPMCC 16JP2 A4 - CMBS			4	1FE	5,901,877	96.9250	5,553,804	5,730,000	5,895,083	0	(6,795)	0	0	2.822	2.480	MON	13,474	67,370	07/08/2016	08/17/2049
46629Y-AC-3	JPMCC 07CB18 A4 - CMBS			4	1FM	308,185	99.9305	408,989	409,273	406,289	0	12,451	0	0	5.440	10.670	MON	1,855	27,655	04/10/2007	06/12/2047
46636D-AE-6	JPMCC 11C4 A3 - CMBS			4	1FM	9,395,216	102.9016	9,688,734	9,415,531	9,398,773	0	(292)	0	0	4.106	4.156	MON	32,219	408,163	05/25/2011	07/15/2046
50180J-AD-7	LBUBS 07C2 A3 - CMBS			4	1FM	277,725	100.2028	385,023	384,244	380,811	0	17,871	0	0	5.430	12.926	MON	1,159	24,017	04/24/2007	02/15/2040
61690F-AM-5	MSBAM 15C22 A4 - CMBS			4	1FM	10,729,688	100.7433	10,074,333	10,000,000	10,693,195	0	(36,492)	0	0	3.306	2.371	MON	27,550	137,750	07/07/2016	04/17/2048
61690V-AZ-1	MSBAM 15C26 A5 - CMBS			4	1FM	7,432,224	102.4267	7,405,450	7,230,000	7,410,640	0	(19,067)	0	0	3.531	3.204	MON	21,274	255,291	11/02/2015	10/15/2048
95000G-AY-0	WFCM 16BNK1 A3 - CMBS			4	1FM	7,946,219	95.5870	7,374,535	7,715,000	7,938,182	0	(8,036)	0	0	2.652	2.312	MON	17,050	68,201	08/04/2016	08/17/2049
95000H-BF-8	WFCM 16LC24 A4 - CMBS			4	1FE	9,810,055	96.9583	9,235,278	9,525,000	9,803,237	0	(6,818)	0	0	2.942	2.598	MON	23,352	70,056	09/14/2016	10/18/2049
3499999	Bonds - Industrial and Miscellaneous (Unaffiliated) - Commercial Mortgage-Backed Securities					154,851,963	XXX	149,619,057	148,416,499	154,552,105	0	(353,107)	0	0	XXX	XXX	XXX	420,044	2,973,106	XXX	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated) - Other Loan-Backed and Structured Securities																					
13975F-AD-2	AFIN 13A A4 - ABS			4	1FE	1,723,880	100.0307	1,722,527	1,721,997	1,722,607	0	(1,274)	0	0	1.470	1.209	MON	773	11,544	08/05/2016	07/20/2018
14313L-AD-8	CARMX 131 A4 - ABS			4	1FE	4,026,284	99.9329	4,025,625	4,028,329	4,025,995	0	(289)	0	0	0.890	0.949	MON	1,593	16,685	08/05/2016	08/15/2018
43813N-AC-0	HAROT 152 A3 - ABS			4	1FE	5,367,685	99.8936	5,363,020	5,368,733	5,368,025	0	340	0	0	1.040	1.065	MON	1,551	23,799	08/05/2016	02/21/2019
65478V-AB-3	NAROT 16B A2A - ABS			4	1FE	6,399,500	99.9022	6,393,738	6,400,000	6,399,692	0	192	0	0	1.050	1.061	MON	2,987	28,000	08/05/2016	04/15/2019
3599999	Bonds - Industrial and Miscellaneous (Unaffiliated) - Other Loan-Backed and Structured Securities					17,517,349	XXX	17,504,910	17,519,060	17,516,319	0	(1,030)	0	0	XXX	XXX	XXX	6,905	80,027	XXX	XXX
3899999	Bonds - Industrial and Miscellaneous (Unaffiliated) - Subtotals - Industrial and Miscellaneous (Unaffiliated)					1,231,006,308	XXX	1,251,865,279	1,211,936,661	1,226,714,535	(878,276)	(1,296,450)	933,561	0	XXX	XXX	XXX	12,615,344	43,082,740	XXX	XXX
Bonds - Hybrid Securities - Issuer Obligations																					
Bonds - Hybrid Securities - Residential Mortgage-Backed Securities																					
Bonds - Hybrid Securities - Commercial Mortgage-Backed Securities																					
Bonds - Hybrid Securities - Other Loan-Backed and Structured Securities																					
Bonds - Parent, Subsidiaries and Affiliates - Issuer Obligations																					
Bonds - Parent, Subsidiaries and Affiliates - Residential Mortgage-Backed Securities																					
Bonds - Parent, Subsidiaries and Affiliates - Other Loan-Backed and Structured Securities																					
Bonds - SVO Identified Funds - Exchange Traded Funds - as Identified by the SVO																					
Bonds - SVO Identified Funds - Bond Mutual Funds - as Identified by the SVO																					
7799999	Bonds - Total Bonds - Subtotals - Issuer Obligations					1,854,072,563	XXX	1,895,785,747	1,816,469,102	1,843,219,330	(878,276)	(4,005,410)	933,561	0	XXX	XXX	XXX	21,454,601	68,427,440	XXX	XXX
7899999	Bonds - Total Bonds - Subtotals - Residential Mortgage-Backed Securities					94,913,041	XXX	97,717,898	92,762,574	94,897,178	0	78,848	60,920	0	XXX	XXX	XXX	306,039	3,731,594	XXX	XXX
7999999	Bonds - Total Bonds - Subtotals - Commercial Mortgage-Backed Securities					154,851,963	XXX	149,619,057	148,416,499	154,552,105	0	(353,107)	0	0	XXX	XXX	XXX	420,044	2,973,106	XXX	XXX
8099999	Bonds - Total Bonds - Subtotals - Other Loan-Backed and Structured Securities					36,192,307	XXX	36,419,851	34,929,060	36,044,388	0	(116,106)	0	0	XXX	XXX	XXX	71,620	1,030,165	XXX	XXX
8399999 Subtotals - Total Bonds																					
						2,140,029,874	XXX	2,179,542,553	2,092,577,235	2,128,713,001	(878,276)	(4,395,774)	994,482	0	XXX	XXX	XXX	22,252,305	76,162,304	XXX	XXX

E10.13

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE D - PART 2 - SECTION 1

Showing All **PREFERRED STOCKS** Owned December 31 of Current Year

1 CUSIP Identification	2 Description	Codes		5 Number Of Shares	6 Par Value Per Share	7 Rate Per Share	8 Book/ Adjusted Carrying Value	Fair Value		11 Actual Cost	Dividends			Change in Book/Adjusted Carrying Value					20 NAIC Desig- nation	21 Date Acquired
		3 Code	4 Foreign					9 Rate Per Share Used to Obtain Fair Value	10 Fair Value		12 Declared but Unpaid	13 Amount Received During Year	14 Nonadmitted Declared But Unpaid	15 Unrealized Valuation Increase/ (Decrease)	16 Current Year's (Amortization) Accretion	17 Current Year's Other-Than- Temporary Impairment Recognized	18 Total Change In B./A.C.V. (15+16-17)	19 Total Foreign Exchange Change In B./A.C.V.		
NONE																				
8999999 Total Preferred Stocks							0	XXX	0	0	0	0	0	0	0	0	0	0	XXX	XXX

E11

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE D - PART 2 - SECTION 2

Showing all COMMON STOCKS Owned December 31 of Current Year

1	2	Codes		5	6	Fair Value		9	Dividends			Change in Book/Adjusted Carrying Value				17	18
		3	4			7	8		10	11	12	13	14	15	16		
CUSIP Identification	Description	Code	Foreign	Number of Shares	Book / Adjusted Carrying Value	Rate per Share Used To Obtain Fair Value	Fair Value	Actual Cost	Declared but Unpaid	Amount Received During Year	Nonadmitted Declared But Unpaid	Unrealized Valuation Increase/ (Decrease)	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (13-14)	Total Foreign Exchange Change in B./A.C.V.	NAIC Market Indicator (a)	Date Acquired
001055-10-2	AFLAC ORD.			2,409,000	167,666	69.600	167,666	145,613	0	3,706	0	22,053	523	21,530	0	L	07/01/2016
00206R-10-2	AT&T ORD.			27,192,000	1,156,476	42,530	1,156,476	950,908	0	44,524	0	190,623	1,474	189,149	0	L	11/30/2016
00287Y-10-9	ABBVIE ORD.			1,561,000	97,750	62,620	97,750	97,750	0	890	0	2,065	2,065	(2,065)	0	L	08/31/2016
00817Y-10-8	AETNA ORD.			646,000	80,110	124,010	80,110	73,509	0	323	0	6,601	0	6,601	0	L	06/01/2016
011659-10-9	ALASKA AIR GROUP ORD.			5,012,000	444,715	88,730	444,715	335,799	0	1,558	0	108,916	6,747	102,169	0	L	11/30/2016
02079K-10-7	ALPHABET CL C ORD.			1,392,000	1,074,373	771,820	1,074,373	925,423	0	0	0	61,852	20,182	41,670	0	L	11/30/2016
02209S-10-3	ALTRIA GROUP ORD.			12,190,000	824,288	67,620	824,288	768,369	7,436	8,402	0	48,525	9,851	38,674	0	L	11/30/2016
02313S-10-6	AMAZON COM ORD.			1,358,000	1,018,323	749,870	1,018,323	778,089	0	0	0	138,161	11,727	126,434	0	L	11/30/2016
023608-10-2	AMEREN ORD.			3,334,000	174,902	52,460	174,902	151,132	0	4,314	0	21,227	100	21,127	0	L	10/31/2016
02503X-10-5	AGNC INVESTMENT REIT			6,440,000	116,757	18,130	116,757	113,691	1,159	8,687	0	3,066	4,103	(1,037)	0	L	08/31/2016
02665T-30-6	AMERICAN HOMES 4 REIT CL A REIT			7,998,000	167,798	20,980	167,798	167,288	0	0	0	511	0	511	0	L	12/30/2016
026874-78-4	AMERICAN INTERNATIONAL GROUP ORD.			4,929,000	321,913	65,310	321,913	260,927	0	5,704	0	57,733	17,796	39,937	0	L	11/30/2016
031162-10-0	AMGEN ORD.			2,970,000	434,244	146,210	434,244	433,273	0	0	0	(3,453)	29,530	(32,982)	0	L	09/30/2016
035710-40-9	ANNALY CAPITAL MANAGEMENT REIT			15,397,000	153,508	9,970	153,508	146,252	4,619	14,771	0	7,220	3,351	3,869	0	L	07/01/2016
036752-10-3	ANTHEM ORD.			2,506,000	360,288	143,770	360,288	314,027	0	0	0	44,855	29,462	15,394	0	L	09/30/2016
037411-10-5	APACHE ORD.			861,000	54,648	63,470	54,648	45,195	0	215	0	9,453	0	9,453	0	L	07/29/2016
037833-10-0	APPLE ORD.			12,418,000	1,438,253	115,820	1,438,253	1,190,618	0	26,445	0	247,635	102,222	145,413	0	L	11/30/2016
03784Y-20-0	APPLE HOSPITALITY REIT			4,341,000	86,733	19,980	86,733	80,352	434	868	0	6,381	56	6,326	0	L	09/30/2016
038222-10-5	APPLIED MATERIAL ORD.			16,325,000	526,808	32,270	526,808	432,885	0	2,377	0	93,923	1,187	92,736	0	L	11/30/2016
039483-10-2	ARCHER DANIELS MIDLAND ORD.			12,612,000	575,738	45,650	575,738	461,658	0	0	0	113,794	2,497	111,297	0	L	11/30/2016
06050S-10-4	BANK OF AMERICA ORD.			27,145,000	599,905	22,100	599,905	352,467	0	0	0	6,353	247,438	(242,042)	0	L	06/02/2016
064058-10-0	BANK OF NEW YORK MELLON ORD.			2,412,000	114,281	47,380	114,281	96,510	0	0	0	17,771	0	17,771	0	L	09/30/2016
071813-10-9	BAXTER INTERNATIONAL ORD.			11,350,000	503,259	44,340	503,259	467,479	1,406	3,358	0	33,125	4,234	28,891	0	L	11/30/2016
075896-10-0	BED BATH AND BEYOND ORD.			1,606,000	65,268	40,640	65,268	65,268	201	201	0	0	8,956	(8,956)	0	L	08/31/2016
084670-70-2	BERKSHIRE HATHWAY CL B ORD.			6,056,000	987,007	162,980	987,007	874,910	0	0	0	112,097	21,696	90,400	0	L	09/30/2016
086516-10-1	BEST BUY ORD.			7,851,000	335,002	42,670	335,002	245,735	0	9,359	0	89,268	4,834	84,434	0	L	11/30/2016
09062X-10-3	BIOGEN ORD.			679,000	192,551	283,580	192,551	164,196	0	0	0	24,908	26,279	(1,370)	0	L	06/01/2016
097023-10-5	BOEING ORD.			4,879,000	759,563	155,680	759,563	612,634	0	17,644	0	126,356	18,354	108,002	0	L	09/30/2016
101137-10-7	BOSTON SCIENTIFIC ORD.			5,807,000	125,605	21,630	125,605	119,186	0	0	0	6,419	0	6,419	0	L	11/30/2016
11120U-10-5	BRIXMOR PROPERTY GROUP INC ORD.			4,565,000	111,477	24,420	111,477	110,807	0	0	0	671	616	55	0	L	12/30/2016
124857-20-2	CBS CL B ORD.			526,000	33,464	63,620	33,464	28,720	95	0	0	4,744	106	4,638	0	L	07/01/2016
126650-10-0	CVS HEALTH ORD.			7,878,000	621,653	78,910	621,653	609,646	0	341	0	12,007	14,965	(2,957)	0	L	11/30/2016
12673P-10-5	CA ORD.			13,014,000	413,455	31,770	413,455	400,060	0	4,511	0	13,394	765	12,629	0	L	10/31/2016
127055-10-1	CABOT ORD.			2,128,000	107,549	50,540	107,549	106,235	0	0	0	1,314	2,129	(816)	0	L	10/31/2016
134429-10-9	CAMPBELL SOUP ORD.			1,298,000	78,490	60,470	78,490	78,490	0	0	0	0	344	(344)	0	L	12/30/2016
14040H-10-5	CAPITAL ONE FINANCIAL ORD.			733,000	63,947	87,240	63,947	46,463	0	745	0	17,484	2,700	14,784	0	L	07/01/2016
14149Y-10-8	CARDINAL HEALTH ORD.			1,082,000	77,872	71,970	77,872	77,872	0	0	0	0	272	(272)	0	L	12/30/2016
142339-10-0	CARLISLE COMPANIES ORD.			2,361,000	260,395	110,290	260,395	244,742	0	0	0	15,652	0	15,652	0	L	10/31/2016
151020-10-4	CELENE ORD.			672,000	77,784	115,750	77,784	77,784	0	0	0	0	306	(306)	0	L	12/30/2016
15189T-10-7	CENTERPOINT ENERGY ORD.			11,198,000	275,919	24,640	275,919	249,456	0	6,244	0	26,463	3,872	22,591	0	L	08/31/2016
156700-10-6	CENTURYLINK ORD.			7,355,000	174,902	23,780	174,902	174,831	0	12,466	0	71	43,675	(43,605)	0	L	07/01/2016
166764-10-0	CHEVRON ORD.			9,127,000	1,074,248	117,700	1,074,248	933,820	0	0	0	140,428	1,305	139,123	0	L	12/30/2016
169340-20-8	CHIMERA INVESTMENT REIT			1,848,000	31,453	17,020	31,453	27,801	924	1,157	0	3,652	2	3,650	0	L	07/01/2016
169656-10-5	CHIPOTLE MEXICAN GRILL ORD.			176,000	66,408	377,320	66,408	66,408	0	0	0	0	15,358	(15,358)	0	L	04/01/2016
17275R-10-2	CISCO SYSTEMS ORD.			22,840,000	690,225	30,220	690,225	622,741	0	11,908	0	65,897	5,230	60,668	0	L	11/30/2016
172967-42-4	CITIGROUP ORD.			16,219,000	963,895	59,430	963,895	681,263	0	5,997	0	280,424	78,456	201,968	0	L	09/30/2016
174610-10-5	CITIZENS FINANCIAL GROUP ORD.			3,121,000	111,201	35,630	111,201	77,120	0	375	0	34,081	199	33,883	0	L	09/30/2016
177376-10-0	CITRIX SYSTEMS ORD.			5,059,000	451,819	89,310	451,819	383,376	0	0	0	64,439	1,413	63,026	0	L	11/30/2016
189754-10-4	COACH ORD.			0	0	35,020	0	0	0	0	0	0	0	0	0	L	07/01/2016
194162-10-3	COLGATE PALMOLIVE ORD.			4,492,000	293,956	65,440	293,956	293,956	0	774	0	25,849	0	(25,849)	0	L	10/31/2016
20030N-10-1	COMCAST CL A ORD.			6,984,000	482,245	69,050	482,245	409,517	1,921	5,316	0	72,698	1,050	72,559	0	L	10/31/2016
231021-10-6	CUMMINS ORD.			4,110,000	561,714	136,670	561,714	391,891	0	0	0	169,823	14,274	168,772	0	L	09/30/2016
23317H-10-2	DDR REIT			0	0	15,270	0	0	0	322	0	0	0	0	0	L	07/01/2016
235851-10-2	DANAHER ORD.			995,000	77,451	77,840	77,451	77,451	124	0	0	0	351	(351)	0	L	11/30/2016
237194-10-5	DARDEN RESTAURANTS ORD.			7,073,000	514,349	72,720	514,349	430,694	0	10,410	0	76,015	17,368	58,647	0	L	07/29/2016
25754A-20-1	DOMINOS PIZZA ORD.			2,138,000	340,455	159,240	340,455	262,043	0	2,628	0	74,489	1,211	73,278	0	L	11/30/2016
26483E-10-0	DUN & BRADSTREET ORD.			3,896,000	472,663	121,320	472,663	470,362	0	1,082	0	2,300	26,444	(24,143)	0	L	11/30/2016
278642-10-3	EBAY ORD.			11,003,000	326,679	29,690	326,679	295,966	0	0	0	30,713	8,670	22,043	0	L	12/30/2016
28176E-10-8	EDWARDS LIFESCIENCES ORD.			1,989,000	186,369	93,700	186,369	174,308	0	0	0	12,061	4,425	7,636	0	L	11/30/2016
285512-10-9	ELECTRONIC ARTS ORD.			1,052,000	82,856	78,760	82,856	80,327	0	0	0	2,529	0	2,529	0	L	07/29/2016
29364G-10-3																	

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE D - PART 2 - SECTION 2

Showing all COMMON STOCKS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	Codes		5 Number of Shares	6 Book / Adjusted Carrying Value	Fair Value		9 Actual Cost	Dividends			Change in Book/Adjusted Carrying Value				17 NAIC Market Indicator (a)	18 Date Acquired
		3 Code	4 Foreign			7 Rate per Share Used To Obtain Fair Value	8 Fair Value		10 Declared but Unpaid	11 Amount Received During Year	12 Nonadmitted Declared But Unpaid	13 Unrealized Valuation Increase/ (Decrease)	14 Current Year's Other-Than-Temporary Impairment Recognized	15 Total Change in B./A.C.V. (13-14)	16 Total Foreign Exchange Change in B./A.C.V.		
345370-86-0	FORD MOTOR ORD.			6,039,000	73,253	12,130	73,253	72,677	0	2,567	0	576	3,807	(3,231)		04/29/2016	
363576-10-9	ARTHUR J GALLAGHER ORD.			515,000	26,759	51,960	26,759	24,537	0	391	0	2,223	0	2,223		07/01/2016	
364760-10-8	GAP ORD.			0	0	22,440	0	0	0	244	0	0	0	0		01/22/2016	
369604-10-3	GENERAL ELECTRIC ORD.			8,856,000	279,850	31,600	279,850	262,154	2,125	2,229	0	17,696	8,148	9,547		09/30/2016	
37045V-10-0	GENERAL MOTORS ORD.			10,116,000	352,441	34,840	352,441	319,574	0	6,279	0	32,867	10,644	22,224		11/30/2016	
375558-10-3	GILLEAD SCIENCES ORD.			5,907,000	423,000	71,610	423,000	423,000	0	9,974	0	(2,186)	137,342	(139,528)		09/30/2016	
382550-10-1	GOODYEAR TIRE AND RUBBER ORD.			2,733,000	84,368	30,870	84,368	70,187	0	465	0	14,180	5,957	8,223		07/01/2016	
40434L-10-5	HP ORD.			16,116,000	239,161	14,840	239,161	201,680	2,139	2,742	0	37,482	0	37,482		10/31/2016	
423452-10-1	HELMERICH AND PAYNE ORD.			2,433,000	188,314	77,400	188,314	179,798	0	797	0	8,516	0	8,516		11/30/2016	
427866-10-8	HERSHEY FOODS ORD.			761,000	78,710	103,430	78,710	78,610	0	0	0	100	148	(48)		12/30/2016	
42824C-10-9	HEWLETT PACKARD ENTERPRISE ORD.			11,216,000	259,538	23,140	259,538	224,465	729	711	0	35,073	4,434	30,639		11/30/2016	
437076-10-2	HOME DEPOT ORD.			422,000	56,582	134,080	56,582	53,473	0	1,165	0	3,109	1,518	1,590		01/22/2016	
44106M-10-2	HOSPITALITY PROPERTIES REIT			2,700,000	85,698	31,740	85,698	74,131	0	0	0	11,567	0	11,567		10/31/2016	
44107P-10-4	HOST HOTELS & RESORTS REIT			0	0	18,840	0	0	3,278	0	0	0	0	0		09/30/2016	
446413-10-6	HUNTINGTON INGALLS INDUSTRIES ORD.			284,000	52,310	184,190	52,310	43,571	0	170	0	8,739	3,144	5,595		08/31/2016	
457187-10-2	INGREDION ORD.			901,000	112,589	124,960	112,589	92,733	451	786	0	19,856	0	19,856		11/30/2016	
458140-10-0	INTEL ORD.			25,805,000	935,947	36,270	935,947	794,058	0	22,571	0	101,204	4,831	96,374		11/30/2016	
459200-10-1	INTERNATIONAL BUSINESS MACHINES ORD.			2,920,000	165,990	484,691	165,990	411,117	0	117	0	73,574	178	73,396		11/30/2016	
46625H-10-0	JPMORGAN CHASE ORD.			3,931,000	339,206	86,290	339,206	260,203	0	2,757	0	79,003	2,776	76,227		11/30/2016	
469814-10-7	JACOBS ENGINEERING GROUP ORD.			8,583,000	489,231	57,000	489,231	460,387	0	0	0	28,844	7,127	21,718		12/30/2016	
478160-10-4	JOHNSON & JOHNSON ORD.			11,421,000	1,315,813	115,210	1,315,813	1,148,865	0	0	0	128,221	3,483	124,738		11/30/2016	
49446R-10-9	KIMCO REALTY REIT			15,208,000	382,633	25,160	382,633	380,804	4,106	0	0	(1,132)	24,580	(25,712)		11/30/2016	
500255-10-4	KOHL'S ORD.			3,238,000	159,892	49,380	159,892	150,558	0	2,448	0	9,335	8,178	1,157		11/30/2016	
512807-10-8	LAM RESEARCH ORD.			1,500,000	158,595	105,730	158,595	145,599	675	0	0	12,996	0	12,996		10/31/2016	
527288-10-4	LEUCADIA NATIONAL ORD.			1,992,000	46,314	23,250	46,314	37,928	0	249	0	8,386	247	8,140		08/31/2016	
532457-10-8	ELI LILLY ORD.			1,071,000	78,772	73,550	78,772	78,700	0	72	0	0	60	13		12/30/2016	
534187-10-9	LINCOLN NATIONAL ORD.			4,036,000	267,466	66,270	267,466	164,147	0	3,301	0	103,289	29,493	73,796		11/30/2016	
55272X-10-2	MFA FINANCIAL REIT			19,895,000	151,799	7,630	151,799	131,271	3,979	0	0	20,528	20	20,508		07/01/2016	
574599-10-6	MASCO ORD.			10,203,000	322,619	31,620	322,619	316,238	0	1,196	0	6,381	14,827	(8,446)		11/30/2016	
576360-10-4	MASTERCARD CL A ORD.			1,577,000	162,825	103,250	162,825	156,789	0	148	0	6,037	3,093	2,944		10/31/2016	
581550-10-3	MCKESSON ORD.			1,875,000	263,344	140,450	263,344	263,344	525	0	0	(290)	66,625	(66,915)		08/31/2016	
582839-10-6	MEAD JOHNSON NUTRITION ORD.			3,218,000	227,706	70,760	227,706	227,706	1,327	3,641	0	(2,401)	3,641	(30,112)		08/31/2016	
58933V-10-5	MERCK & CO ORD.			15,368,000	904,714	58,870	904,714	812,363	7,223	22,689	0	89,094	2,743	86,351		11/30/2016	
59156R-10-8	METLIFE ORD.			9,329,000	502,740	53,890	502,740	373,335	0	12,307	0	128,694	42,438	86,256		09/30/2016	
592688-10-5	METTLER TOLEDO ORD.			63,000	26,369	418,560	26,369	25,502	0	0	0	867	0	867		10/31/2016	
594918-10-4	MICROSOFT ORD.			14,203,000	882,574	62,140	882,574	733,701	0	16,840	0	145,300	23,844	121,456		11/30/2016	
617446-44-8	MORGAN STANLEY ORD.			3,770,000	159,283	42,250	159,283	158,919	0	0	0	364	76	288		12/30/2016	
63938C-10-8	NAVIENT ORD.			5,104,000	83,859	16,430	83,859	60,993	0	2,450	0	22,866	8,685	14,181		04/29/2016	
64110D-10-4	NETAPP ORD.			2,625,000	92,584	35,270	92,584	92,584	0	0	0	685	0	(685)		12/30/2016	
651290-10-8	NEWFIELD EXPLORATION ORD.			8,118,000	328,779	40,500	328,779	328,779	0	0	0	0	32,750	(32,750)		11/30/2016	
65249B-10-9	NEWS CL A ORD.			23,843,000	273,241	11,460	273,241	272,615	0	569	0	626	45,726	(45,100)		12/30/2016	
655044-10-5	NOBLE ENERGY ORD.			2,053,000	78,137	38,060	78,137	78,368	0	0	0	(231)	192	(422)		12/30/2016	
655664-10-0	NORDSTROM ORD.			6,981,000	334,599	47,930	334,599	269,344	0	9,141	0	65,255	75,467	(10,211)		11/30/2016	
670346-10-5	NUCOR ORD.			3,895,000	231,830	59,520	231,830	207,716	900	894	0	24,115	1,483	22,632		12/30/2016	
670666-10-4	NVIDIA ORD.			4,201,000	448,415	106,740	448,415	140,964	0	1,786	0	307,389	42	307,346		09/30/2016	
674599-10-5	OCCIDENTAL PETROLEUM ORD.			3,245,000	231,141	71,230	231,141	231,141	2,466	1,554	0	0	11,046	(11,046)		10/31/2016	
693475-10-5	PNC FINANCIAL SERVICES GROUP ORD.			1,025,000	119,884	119,884	119,884	83,425	0	1,910	0	34,238	9,233	25,005		06/01/2016	
693718-10-8	PACCAR ORD.			5,263,000	336,306	63,900	336,306	265,017	3,158	5,482	0	71,288	601	70,687		11/30/2016	
713448-10-8	PEPSICO ORD.			2,994,000	313,262	104,630	313,262	298,327	0	3,517	0	14,936	918	14,017		09/30/2016	
717081-10-3	PFIZER ORD.			28,871,000	937,730	32,480	937,730	877,067	0	0	0	58,962	54,756	4,207		11/30/2016	
723484-10-1	PINNACLE WEST ORD.			2,605,000	203,268	78,030	203,268	171,175	0	1,112	0	5,683	27,991	(26,879)		07/01/2016	
74144T-10-8	T ROWE PRICE GROUP ORD.			883,000	66,455	75,260	66,455	58,906	0	477	0	7,549	0	7,549		09/30/2016	
741503-40-3	THE PRICELINE GROUP ORD.			122,000	178,859	1,466,060	178,859	151,267	0	27,593	0	27,593	587	27,006		07/29/2016	
742718-10-9	PROCTER & GAMBLE ORD.			2,016,000	169,505	84,080	169,505	158,930	0	4,217	0	6,608	333	6,275		07/01/2016	
744320-10-2	PRUDENTIAL FINANCIAL ORD.			5,852,000	608,959	104,060	608,959	417,774	0	13,105	0	189,082	25,900	163,182		09/30/2016	
744573-10-6	PUBLIC SERVICE ENTERPRISE GROUP ORD.			10,153,000	445,514	43,880	445,514	406,148	0	15,239	0	39,365	14,725	24,640		07/01/2016	
747525-10-3	QUALCOMM ORD.			5,645,000	368,054	65,200	368,054	325,636	0	0	0	42,418	396	42,022		07/29/2016	
74967R-10-6	RMR GROUP CL A ORD.			38,003	1,501	39,500	1,501	483	0	30	0	954	0	954		12/15/2015	
751212-10-1	RALPH LAUREN CL A ORD.			2,299,000	207,646	90,320	207,646	207,646	0	0	0	0	524	(524)		12/30/2016	
756577-10-2	RED HAT ORD.			6,322,000	440,643	69,700	440,643	440,078	0	0	0	(2,591)	27,415	(30,006)		08/31/2016	
7591EP-10-0	REGIONS FINANCIAL ORD.			9,036,000	129,757	14,360	129,757	128,928	0	0	0	829	59	770		12/30/2016	
770323-10-3	ROBERT HALF ORD.			5,362,000	261,558	48,780	261,558	254,586	0	0	0	6,973	93	6,880		12/30/2016	
778296-10-3	ROSS STORES ORD.			2,881,000	188,994	65,600	188,994	152,811	0	1,299	0	28,818	179	28,639		12/30/2016	
78409V-10-4	S&P GLOBAL ORD.			600,000	64,524	107,540	64,524	64,524	0	216	0	8,819	0	(8,819)		10/31/2016	
832696-40-5	JM SMUCKER ORD.			1,124,000	143,939	128,060	143,939	143,939	0	1,686	0	0	27,213	(27,213)		07/01/2016	
844741-10-8	SOUTHWEST AIRLINES ORD.			5,219,000	260,115	49,840	260,115	202,967	876	927	0	57,148	23,915	33,233		09/30/2016	
857477-10-3	STATE STREET ORD.			3,730,000	289,896	77,720	289,896	289,831	896	0	0	64	2,633	(2,569)		12/30/2016	
858119-10-0	STEEL DYNAMICS ORD.			4,504,000	160,252	35,580	160,252	160,545	0	307	0	(292)	788	(1,081)		12/30/2016	
867914-10-3	SUNTRUST BANKS ORD.			6,744,000	369,908	54,850	369,908	246,019	0	6,191	0	116,045	13,799	102,247		06/01/2016	
871829-10-7	SYSCO ORD.			7,195,000	398,387	55,370	398,387	349,961	0	0	0	48,426	31,964	16,462		07/29/2016	
872540-10-9	TJX ORD.																

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE D - PART 2 - SECTION 2

Showing all COMMON STOCKS Owned December 31 of Current Year

1	2	Codes		5	6	Fair Value		9	Dividends			Change in Book/Adjusted Carrying Value				17	18
		3	4			7	8		10	11	12	13	14	15	16		
CUSIP Identification	Description	Code	Foreign	Number of Shares	Book / Adjusted Carrying Value	Rate per Share Used To Obtain Fair Value	Fair Value	Actual Cost	Declared but Unpaid	Amount Received During Year	Nonadmitted Declared But Unpaid	Unrealized Valuation Increase/ (Decrease)	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (13-14)	Total Foreign Exchange Change in B./A.C.V.	NAIC Market Indicator (a)	Date Acquired
87612E-10-6	TARGET ORD.....			5,708,000	412,289	72.230	412,289	393,097	0	7,149	0	19,192	40,743	(21,551)	0	L	11/30/2016
88076W-10-3	TERADATA ORD.....			6,567,000	178,425	27.170	178,425	163,177	0	0	0	15,248	1,174	14,075	0	L	04/29/2016
883556-10-2	THERMO FISHER SCIENTIFIC ORD.....			2,447,000	345,272	141.100	345,272	345,272	609	0	0	0	9,625	(9,625)	0	L	09/30/2016
90130A-20-0	TWENTY FIRST CENTURY FOX CL B ORD.....			2,869,000	78,180	27.250	78,180	78,180	0	0	0	0	414	(414)	0	L	12/30/2016
90187B-10-1	TWO HARBORS INVESTMENT REIT.....			3,891,000	33,930	8.720	33,930	32,200	934	1,255	0	1,729	112	1,618	0	L	07/01/2016
902494-10-3	TYSON FOODS CL A ORD.....			5,610,000	346,025	61.680	346,025	302,196	0	3,417	0	36,568	4,744	31,824	0	L	06/02/2016
90384S-30-3	ULTA SALON COSMETICS FRAGRANCE ORD.....			738,000	188,146	254.940	188,146	172,984	0	0	0	15,162	0	15,162	0	L	06/02/2016
910047-10-9	UNITED CONTINENTAL HOLDINGS ORD.....			4,448,000	324,170	72.880	324,170	317,498	0	0	0	6,672	620	6,053	0	L	12/30/2016
911363-10-9	UNITED RENTAL ORD.....			780,000	82,352	105.580	82,352	79,070	0	0	0	3,282	0	3,282	0	L	11/30/2016
91324P-10-2	UNITEDHEALTH GRP ORD.....			5,652,000	904,546	160.040	904,546	783,177	0	5,925	0	120,868	4,357	116,511	0	L	10/31/2016
91529Y-10-6	UNUM ORD.....			7,904,000	347,223	43.930	347,223	247,947	0	4,292	0	98,572	7,225	91,347	0	L	09/30/2016
917047-10-2	URBAN OUTFITTERS ORD.....			3,290,000	93,699	28.480	93,699	90,475	0	0	0	3,224	4,081	(857)	0	L	06/02/2016
91913Y-10-0	VALERO ENERGY ORD.....			7,020,000	479,606	68.320	479,606	396,275	0	8,607	0	74,923	48,140	26,783	0	L	12/30/2016
92339V-10-0	VEREIT ORD.....			14,860,000	125,716	8.460	125,716	125,716	2,043	0	0	0	21,249	(21,249)	0	L	10/31/2016
92343V-10-4	VERIZON COMMUNICATIONS ORD.....			10,224,000	545,757	53.380	545,757	487,550	0	17,557	0	54,647	1,139	53,508	0	L	10/31/2016
928563-40-2	VNWARE CL A ORD.....			956,000	75,266	78.730	75,266	75,266	0	0	0	0	2,466	(2,466)	0	L	11/30/2016
93114Z-10-3	WAL MART STORES ORD.....			10,910,000	754,099	69.120	754,099	685,405	5,262	16,974	0	62,868	2,922	59,946	0	L	12/30/2016
93142Z-10-8	WALGREEN BOOTS ALLIANCE ORD.....			1,191,000	98,567	82.760	98,567	96,025	0	1,057	0	2,542	1,057	1,484	0	L	11/30/2016
949746-10-1	WELLS FARGO ORD.....			2,930,000	161,472	55.110	161,472	129,740	0	4,303	0	29,709	21,730	7,979	0	L	04/01/2016
95040Q-10-4	WELLTOWER ORD.....			1,014,000	67,867	66.930	67,867	67,867	0	8,226	0	0	8,226	(8,226)	0	L	09/30/2016
95980Z-10-9	WESTERN UNION ORD.....			2,502,000	54,343	21.720	54,343	47,988	0	1,201	0	6,355	618	5,737	0	L	06/02/2016
984121-10-3	XEROX ORD.....			30,896,000	269,722	8.730	269,722	269,722	2,394	5,823	0	0	52,889	(52,889)	0	L	06/02/2016
98956P-10-2	ZIMMER BIOMET HOLDINGS ORD.....			622,000	64,190	103.200	64,190	64,190	149	0	0	0	16,799	(16,799)	0	L	09/30/2016
636738-10-5	FRESH DEL MONTE PRODUCE ORD.....			1,200,000	72,756	60.630	72,756	72,641	0	180	0	115	0	115	0	L	10/31/2016
660754-10-1	MICHAEL KORS HOLDINGS ORD.....	C		4,290,000	184,384	42.980	184,384	176,435	0	0	0	7,932	13,131	(5,198)	0	L	09/30/2016
67945M-10-7	SEAGATE TECHNOLOGY ORD.....	C		1,047,000	39,964	38.170	39,964	22,856	660	1,319	0	17,108	0	17,108	0	L	04/29/2016
H2906T-10-9	GARMIN ORD.....	C		2,572,000	124,716	48.490	124,716	123,739	0	2,623	0	977	2,547	(1,570)	0	L	08/31/2016
N22717-10-7	CORE LABORATORIES ORD.....	C		908,000	108,996	120.040	108,996	101,996	0	424	0	7,001	3,726	3,274	0	L	07/29/2016
N53745-10-0	LYONDELLBASELL INDUSTRIES CL A ORD.....	C		5,965,000	511,678	85.780	511,678	459,283	0	12,733	0	49,751	40,844	8,907	0	L	12/30/2016
9099999	- Industrial and Miscellaneous (Unaffiliated)				51,997,995	XXX	51,997,995	45,287,059	71,371	730,608	0	6,276,600	1,812,841	4,463,760	0	XXX	XXX
Parent, Subsidiaries, and Affiliates																	
000000-00-0	FGIC UK Limited		B	175,000,000	33,200,000	189.714	33,200,000	126,594,700	0	0	0	0	0	0	0	V	01/28/2004
000000-00-0	Fifteen 521 LLC			175,000,000	0	0	0	2,000,000	0	0	0	0	0	0	0	V	01/10/2005
9199999	- Parent, Subsidiaries and Affiliates				33,200,000	XXX	33,200,000	128,594,700	0	0	0	0	0	0	0	XXX	XXX
Mutual Funds																	
78462F-10-3	SPDR S&P 500 ETF.....			455,000	101,706	223.530	101,706	101,556	1,457	0	0	150	865	(715)	0	L	12/19/2016
922040-10-0	VANGUARD CL INST INDEX MF.....			387,622,615	79,009,118	203.830	79,009,118	73,064,992	0	1,268,566	0	5,858,648	0	5,858,648	0	L	12/23/2016
9299999	- Mutual Funds				79,110,824	XXX	79,110,824	73,166,549	1,457	1,268,566	0	5,858,798	865	5,857,933	0	XXX	XXX
Money Market Mutual Funds																	
9799999	Total Common Stocks				164,308,819	XXX	164,308,819	247,048,308	72,827	1,999,174	0	12,135,398	1,813,706	10,321,692	0	XXX	XXX
9899999	Total Preferred and Common Stocks				164,308,819	XXX	164,308,819	247,048,308	72,827	1,999,174	0	12,135,398	1,813,706	10,321,692	0	XXX	XXX

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(a) For all common stocks bearing the NAIC market indicator "U" provide: the number of such issues0, the total \$ value (included in Column 8) of all such issues \$

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE D - PART 3

Showing All Long-Term Bonds and Stocks ACQUIRED During Current Year

1	2	3	4	5	6	7	8	9
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends
Bonds - U.S. Governments								
912810-QA-9	UNITED STATES TREASURY		12/30/2016	FED BUY	XXX	52,318,125	48,000,000	643,696
912810-RB-6	UNITED STATES TREASURY		09/01/2016	FED BUY	XXX	18,716,992	16,500,000	146,289
912810-RK-6	UNITED STATES TREASURY		10/11/2016	FED BUY	XXX	20,449,646	20,150,000	59,715
912810-RQ-3	UNITED STATES TREASURY		12/05/2016	FED BUY	XXX	45,916,750	48,625,000	246,958
912810-RS-9	UNITED STATES TREASURY		11/09/2016	FED BUY	XXX	43,027,000	45,725,000	556,031
912810-RT-7	UNITED STATES TREASURY		10/28/2016	FED BUY	XXX	27,452,158	29,500,000	133,303
0599999	Bonds - U.S. Governments					207,880,672	208,500,000	1,785,992
Bonds - All Other Governments								
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed)								
419792-NY-8	HAWAII ST		10/27/2016	Exchange/Corp Action	XXX	3,133,590	2,950,000	59,819
57582R-JN-7	MASSACHUSETTS ST		06/29/2016	MERRILL LYNCH PIERCE FENNER	XXX	1,515,000	1,515,000	0
1799999	Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed)					4,648,590	4,465,000	59,819
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)								
213185-DV-0	COOK CNTY ILL		06/29/2016	CITIGROUP GLOBAL MARKETS INC.	XXX	8,473,284	6,955,000	21,019
2499999	Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)					8,473,284	6,955,000	21,019
Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions								
010869-CE-3	ALAMEDA CORRIDOR TRANSN AUTH CALIF REV		01/11/2016	MORGAN STANLEY CO.	XXX	6,118,431	14,130,000	0
072024-NU-2	BAY AREA TOLL AUTH CALIF TOLL BRDG REV		01/29/2016	RBC CAPITAL MARKETS	XXX	1,849,555	1,370,000	32,119
13077C-SU-4	CALIFORNIA ST UNIV REV		09/13/2016	Exchange/ Corp Action	XXX	1,764,672	1,755,000	32,175
13077C-6K-5	CALIFORNIA ST UNIV REV		09/13/2016	Exchange/ Corp Action	XXX	2,750,073	2,735,000	50,142
167725-AF-7	CHICAGO ILL TRAN AUTH SALES & TRANSFER T		02/24/2016	VARIOUS	XXX	1,745,891	1,470,000	23,152
23542J-CQ-6	DALLAS TEX WTRWKS & SWR SYS REV		09/01/2016	Exchange/ Corp Action	XXX	4,651,140	4,245,000	80,183
249218-AJ-7	DENVER COLO PUB SCHS CTFS PARTN.		01/06/2016	ROBERT W. BAIRD COMPANY INC.	XXX	584,145	500,000	2,246
249218-AK-4	DENVER COLO PUB SCHS CTFS PARTN.		02/10/2016	RAYMOND JAMES/FI	XXX	1,449,572	1,045,000	12,425
452252-FH-7	ILLINOIS ST TOLL HWY AUTH TOLL HIGHWAY R		02/22/2016	RAYMOND JAMES/FI	XXX	7,813,980	6,000,000	55,656
45506D-WY-7	INDIANA ST FIN AUTH REV		06/08/2016	JP MORGAN SECURITIES INC.	XXX	2,685,000	2,685,000	0
485429-Z6-4	KANSAS ST DEV FIN AUTH REV		03/30/2016	CITIGROUP GLOBAL MARKETS INC.	XXX	4,448,974	4,260,000	94,532
59259Y-BY-4	METROPOLITAN TRANSN AUTH N Y REV		02/29/2016	VARIOUS	XXX	2,021,263	1,490,000	27,563
60636A-MR-1	MISSOURI ST HEALTH & EDL FACS AUTH EDL F		02/19/2016	FUNB FUNDS II	XXX	4,915,000	4,915,000	0
649907-YA-4	NEW YORK ST DORM AUTH REVS		01/28/2016	RBC CAPITAL MARKETS	XXX	1,943,978	1,720,000	13,995
73358W-CX-0	PORT AUTH N Y & N J		06/14/2016	VARIOUS	XXX	4,600,855	3,655,000	40,804
73474T-AP-5	PORT MORROW ORE TRANSMISSION FACS REV		07/14/2016	MERRILL LYNCH PIERCE FENNER	XXX	1,620,000	1,620,000	0
786005-PN-2	SACRAMENTO CALIF MUN UTIL DIST ELEC REV		02/09/2016	RAYMOND JAMES/FI	XXX	2,884,635	2,250,000	33,473
914440-LJ-9	UNIVERSITY MASS BLDG AUTH PROJ REV		07/07/2016	MORGAN STANLEY CO.	XXX	9,768,024	7,200,000	77,390
3199999	Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions					63,615,187	63,045,000	575,855
Bonds - Industrial and Miscellaneous (Unaffiliated)								
00206R-CU-4	AT&T INC		01/29/2016	BARCLAYS CAPITAL INC.	XXX	5,387,364	5,400,000	0
00772B-AP-6	AERCAP IRELAND CAPITAL LTD	C	01/06/2016	J.P. MORGAN SEC'S - FIXED INC.	XXX	278,779	275,000	353
00772B-AR-2	AERCAP IRELAND CAPITAL LTD	C	05/17/2016	RBC CAPITAL MARKETS	XXX	419,215	420,000	0
00817Y-AX-6	AETNA INC.		06/02/2016	UBS SECURITIES LLC	XXX	839,160	840,000	0
010392-FP-8	ALABAMA POWER CO		01/08/2016	BARCLAYS CAPITAL INC.	XXX	5,364,036	5,400,000	0
02005N-AD-2	ALLY FINANCIAL INC.		02/16/2016	MORGAN STANLEY CO.	XXX	182,806	178,000	2,410
030981-AH-7	AMERIGAS PARTNERS LP		07/13/2016	BANK OF AMERICA SEC LLC FIXED	XXX	758,788	750,000	607
031162-BE-9	AMGEN INC.		01/06/2016	BARCLAYS CAPITAL INC.	XXX	5,365,296	5,300,000	72,875
032511-BN-6	ANADARKO PETROLEUM CORP.		03/15/2016	BANK OF AMERICA SEC LLC FIXED	XXX	389,934	390,000	49
032511-BP-1	ANADARKO PETROLEUM CORP.		03/15/2016	VARIOUS	XXX	180,135	180,000	23
034863-AN-0	ANGLO AMERICAN CAPITAL PLC	C	09/20/2016	VARIOUS	XXX	1,337,315	1,350,000	16,766
038522-AH-1	ARAMARK		02/16/2016	HSBC SECURITIES	XXX	406,166	393,000	3,469
038522-AK-4	ARAMARK		06/14/2016	GOLDMAN, SACHS & CO/ALGO	XXX	513,700	500,000	12,813
03938L-AF-1	ARCELORMITTAL USA INC.	C	03/29/2016	SUMRIDGE PARTNERS LLC	XXX	1,010,000	1,000,000	20,417
03969A-AH-3	ARDAGH PACKAGING FINANCE PLC	C	10/11/2016	VARIOUS	XXX	1,311,125	1,305,000	13,310
043436-AN-4	ASBURY AUTOMOTIVE GROUP INC.		06/29/2016	BANK OF AMERICA SEC LLC FIXED	XXX	440,707	435,000	1,450
05070G-AE-8	AUDATEX NORTH AMERICA INC.		01/01/2016	Adjustment	XXX	(142,242)	(140,000)	0
053773-AY-3	AVIS BUDGET CAR RENTAL LLC		01/06/2016	GOLDMAN SACHS & CO, NY	XXX	881,550	900,000	5,125
095370-AA-0	BLUE CUBE SPINCO INC.		09/09/2016	VARIOUS	XXX	1,035,139	895,000	14,958
09739D-AC-4	BOISE CASCADE CO		08/23/2016	WELLS FARGO SECURITIES LLC	XXX	2,460,969	2,440,000	0
10112R-AX-2	BOSTON PROPERTIES LP		01/08/2016	J.P. MORGAN SEC'S - FIXED INC.	XXX	5,359,305	5,375,000	0
12189L-AE-1	BURLINGTON NORTHERN SANTA FE LLC		01/07/2016	MERRILL LYNCH PROFESSIONAL CLEARING, JC	XXX	3,583,548	3,250,000	19,988
124857-AN-3	CBS CORP		06/01/2016	RBC CAPITAL MARKETS	XXX	7,353,375	7,500,000	135,125

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ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE D - PART 3

Showing All Long-Term Bonds and Stocks **ACQUIRED** During Current Year

1	2	3	4	5	6	7	8	9
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends
1248EP-AY-9	CCO HOLDINGS LLC		01/13/2016	RBC CAPITAL MARKETS	XXX	323,343	325,000	5,166
12513G-BB-4	CDW LLC		10/05/2016	VARIOUS	XXX	580,454	577,000	10,853
12543D-AU-4	COMMUNITY HEALTH SYSTEMS INC		06/29/2016	VARIOUS	XXX	1,030,414	1,036,000	17,463
12592B-AF-1	CNH INDUSTRIAL NV	C	03/15/2016	VARIOUS	XXX	994,046	1,000,000	29
12592B-AG-9	CNH INDUSTRIAL CAPITAL LLC	C	10/18/2016	BARCLAYS CAPITAL INC	XXX	497,205	500,000	0
12592X-BC-9	COMM 15CC22 A4 - CMBS		06/23/2016	DEUTSCHE BANK SECURITIES, INC	XXX	7,098,274	6,885,000	15,739
12592X-BD-7	COMM 15CC22 A5 - CMBS		05/31/2016	DEUTSCHE BANK SECURITIES, INC	XXX	3,689,620	3,540,000	651
12594K-AA-0	CNH INDUSTRIAL NV	C	08/04/2016	JP MORGAN SECURITIES INC	XXX	605,000	605,000	0
12621E-AK-9	CNO FINANCIAL GROUP INC		01/06/2016	MARKETAXESS CORPORATION	XXX	458,820	450,000	2,691
12635F-AT-1	CSAIL 15C3 A4 - CMBS		05/31/2016	CREDIT SUISSE SECURITIES (USA)	XXX	9,097,988	8,500,000	1,756
12635Q-BG-4	COMM 15CC27 A4 - CMBS		06/16/2016	VARIOUS	XXX	4,402,740	4,095,000	3,287
12636M-AE-8	CSAIL 16C6 A5 - CMBS		06/01/2016	CREDIT SUISSE SECURITIES (USA)	XXX	8,034,326	7,815,000	11,962
126650-CM-0	CYS HEALTH CORP		01/06/2016	J.P. MORGAN SEC'S - FIXED INC	XXX	5,275,735	5,050,000	116,939
126650-CN-8	CYS HEALTH CORP		06/02/2016	GOLDMAN, SACHS & CO/ALGO	XXX	1,269,306	1,075,000	20,966
128195-AH-7	STANDARD PACIFIC CORP		01/13/2016	BARCLAYS CAPITAL INC	XXX	450,764	425,000	2,509
13975F-AD-2	AFIN 134 A4 - ABS		08/05/2016	HSBC SECURITIES INC	XXX	2,611,854	2,609,000	2,131
14161H-AJ-7	CARDTRONICS INC		03/24/2016	WELLS FARGO SECURITIES LLC	XXX	498,750	500,000	4,200
14313L-AD-8	CARMX 131 A4 - ABS		08/05/2016	JP MORGAN SECURITIES INC	XXX	6,996,534	7,000,089	4,326
151020-AU-8	CELGENE CORP		05/10/2016	JP MORGAN SECURITIES INC	XXX	1,904,560	1,750,000	21,389
15135U-AD-1	CENOVUS ENERGY INC		03/01/2016	VARIOUS	XXX	489,863	555,000	12,128
15135U-AG-4	CENOVUS ENERGY INC		02/29/2016	JEFFERIES & COMPANY, INC	XXX	69,588	95,000	143
161175-AL-8	CHARTER COMMUNICATIONS INC		04/07/2016	SEAPORT GROUP SECURITIES, LLC	XXX	654,844	625,000	6,123
161175-AT-1	CHARTER COMMUNICATIONS INC		09/09/2016	UBS SECURITIES LLC	XXX	851,392	775,000	5,389
169905-AD-8	CHOICE HOTELS INTERNATIONAL INC		09/14/2016	WELLS FARGO SECURITIES LLC	XXX	848,250	780,000	2,594
17322V-AT-3	CGCMT 14GC23 A4 - CMBS		06/08/2016	DEUTSCHE BANK SECURITIES, INC	XXX	3,317,708	3,065,300	3,701
17323V-AY-1	CGCMT 15GC29 A3 - CMBS		06/22/2016	VARIOUS	XXX	3,443,601	3,360,000	3,401
17325G-AD-8	CGCMT 16C3 A4 - CMBS		11/07/2016	CITIGROUP GLOBAL MKTS/SALOMON	XXX	3,105,640	3,015,045	4,226
18451Q-AL-2	CLEAR CHANNEL WORLDWIDE HOLDINGS INC		07/13/2016	GOLDMAN, SACHS & CO/ALGO	XXX	1,084,496	1,120,000	11,050
200474-BC-7	COMM 15LC19 A4 - CMBS		06/22/2016	DEUTSCHE BANK SECURITIES, INC	XXX	11,046,297	10,550,000	21,388
20605P-AD-3	CONCHO RESOURCES INC		04/29/2016	SUMRIDGE PARTNERS LLC	XXX	182,250	180,000	908
20605P-AE-1	CONCHO RESOURCES INC		04/29/2016	JP MORGAN SECURITIES INC	XXX	423,675	420,000	2,118
209111-FH-1	CONSOLIDATED EDISON CO OF NEW YORK INC		06/14/2016	MORGAN STANLEY CO	XXX	3,794,642	3,800,000	0
210383-AE-5	CONSTELLUM NV	C	10/11/2016	VARIOUS	XXX	780,813	755,000	995
212015-AH-4	CONTINENTAL RESOURCES INC		10/07/2016	VARIOUS	XXX	856,900	900,000	3,750
212015-AQ-4	CONTINENTAL RESOURCES INC		02/04/2016	MARKETAXESS CORPORATION	XXX	206,468	375,000	3,471
224044-BY-2	COX COMMUNICATIONS INC		01/20/2016	MORGAN STANLEY CO	XXX	5,587,940	7,150,000	37,339
224044-CC-9	COX COMMUNICATIONS INC		06/01/2016	JP MORGAN SECURITIES INC	XXX	1,835,765	2,175,000	42,413
225313-AF-2	CREDIT AGRICOLE SA	C	12/01/2016	VARIOUS	XXX	875,067	875,000	12,405
228255-AH-8	Crown Cork & Seal Company, Inc		01/13/2016	MARKETAXESS CORPORATION	XXX	634,449	590,000	3,518
23312V-AF-3	DBJPM 16C3 A5 - CMBS		07/26/2016	DEUTSCHE BANK SECURITIES, INC	XXX	5,680,395	5,515,000	4,427
25278X-AC-3	DIAMONDBACK ENERGY INC		10/20/2016	JP MORGAN SECURITIES INC	XXX	629,019	620,000	0
254010-AE-1	DIGNITY HEALTH		01/13/2016	VARIOUS	XXX	4,497,297	4,290,000	48,957
25470X-AB-1	DISH DBS CORP		09/09/2016	VARIOUS	XXX	2,311,972	2,100,000	32,528
263901-AF-7	DUKE ENERGY INDIANA INC		05/09/2016	US Bank	XXX	2,719,589	2,300,000	36,628
26442C-AN-4	DUKE ENERGY CAROLINAS LLC		05/09/2016	MORGAN STANLEY CO	XXX	5,842,080	5,525,000	25,783
26875P-AQ-4	EOG RESOURCES INC		01/11/2016	CITIGROUP GLOBAL MKTS/SALOMON	XXX	5,284,206	5,300,000	0
26969P-AA-6	EAGLE MATERIALS INC		08/31/2016	VARIOUS	XXX	2,303,760	2,265,000	2,208
29273R-AX-7	ENERGY TRANSFER PARTNERS LP		02/22/2016	GOLDMAN SACHS & CO, NY	XXX	475,849	550,000	9,130
29273V-AC-4	ENERGY TRANSFER CO		05/02/2016	VARIOUS	XXX	1,217,993	1,200,000	4,928
29275Y-AB-8	ENERSYS		06/03/2016	WELLS FARGO SECURITIES LLC	XXX	897,750	900,000	4,750
29429E-AD-3	CGCMT 16P4 A4 - CMBS		07/14/2016	CITIGROUP GLOBAL MKTS/SALOMON	XXX	3,821,254	3,710,000	8,374
29444U-AM-8	EQUINIX INC		06/01/2016	DEUTSCHE BANK SECURITIES, INC	XXX	411,000	400,000	3,882
31430Q-BE-6	FELCOR LODGING TRUST INC		02/17/2016	VARIOUS	XXX	1,095,780	1,077,000	25,413
319963-BN-3	FIRST DATA CORP		10/05/2016	MARKETAXESS CORPORATION	XXX	311,940	300,000	2,508
33767B-AB-5	FIRSTENERGY TRANSMISSION LLC		07/05/2016	WELLS FARGO SECURITIES LLC	XXX	751,275	700,000	14,551
361841-AG-4	GLP CAPITAL LP		04/13/2016	VARIOUS	XXX	203,100	200,000	0
361841-AH-2	GLP CAPITAL LP		04/12/2016	VARIOUS	XXX	274,597	270,000	0
36252A-AC-0	GSMS 15GS1 A3 - CMBS		06/07/2016	GOLDMAN, SACHS & CO/ALGO	XXX	9,443,367	8,650,000	8,075
36252R-AM-1	GSMS 14GC18 A4 - CMBS		06/08/2016	GOLDMAN, SACHS & CO/ALGO	XXX	9,383,025	8,500,000	9,499
36252T-AR-6	GSMS 16GS2 A4 - CMBS		06/20/2016	GOLDMAN, SACHS & CO/ALGO	XXX	9,312,850	9,060,000	15,657
364725-BC-4	GANNETT CO INC		07/13/2016	WELLS FARGO SECURITIES LLC	XXX	502,313	475,000	4,572
37045V-AE-0	GENERAL MOTORS CO		03/29/2016	BANK OF AMERICA SEC LLC FIXED	XXX	1,044,360	1,000,000	24,240

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE D - PART 3

Showing All Long-Term Bonds and Stocks ACQUIRED During Current Year

1	2	3	4	5	6	7	8	9
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends
389375-AK-2	GRAY TELEVISION INC.		10/20/2016	VARIOUS	XXX	1,693,941	1,710,000	5,305
398435-AC-1	GRIFOLS WORLDWIDE OPERATIONS LTD.	C	07/21/2016	VARIOUS	XXX	1,023,340	990,000	17,837
404119-B0-1	HCA INC.		02/11/2016	BARCLAYS CAPITAL INC.	XXX	373,085	371,000	6,601
404119-BT-5	HCA INC.		10/01/2016	VARIOUS	XXX	253,506	250,000	545
404119-BU-2	HCA INC.		08/30/2016	JP MORGAN SECURITIES INC.	XXX	400,418	400,000	184
40412C-AC-5	HCA HOLDINGS INC.		01/06/2016	MORGAN STANLEY CO.	XXX	239,625	225,000	5,703
40415R-AQ-8	HD SUPPLY INC.		06/14/2016	VARIOUS	XXX	1,340,250	1,300,000	3,660
410345-AL-6	HANESBRANDS INC.		05/03/2016	JP MORGAN SECURITIES INC.	XXX	530,000	530,000	0
416515-BB-9	HARTFORD FINANCIAL SERVICES GROUP INC.		01/20/2016	WELLS FARGO SECURITIES LLC	XXX	5,215,545	5,525,000	65,993
428040-CP-2	HERTZ CORP.		04/12/2016	VARIOUS	XXX	280,600	275,000	1,754
432836-AA-2	HILTON ESCROW ISSUER LLC		08/08/2016	BANK OF AMERICA SEC LLC FIXED	XXX	265,000	265,000	0
432891-AD-1	HILTON WORLDWIDE FINANCE LLC		01/13/2016	SUMRIDGE PARTNERS LLC	XXX	438,813	425,000	6,242
437076-BP-6	HOME DEPOT INC.		09/06/2016	BANK OF AMERICA SEC LLC FIXED	XXX	2,148,324	2,190,000	0
43813N-AC-0	HAROT 152 A3 - ABS		08/05/2016	DEUTSCHE BANK SECURITIES, INC.	XXX	5,998,828	6,000,000	3,293
449934-AD-0	HMS HEALTH INC.		09/14/2016	GOLDMAN, SACHS & CO/ALGO.	XXX	366,000	366,000	0
46115H-AW-7	INTESA SANPAOLO SPA.	C	11/01/2016	J.P. MORGAN SEC'S - FIXED INC.	XXX	1,000,000	1,000,000	0
464592-AQ-7	ISLE OF CAPRI CASINOS INC.		05/04/2016	BARCLAYS CAPITAL INC.	XXX	523,435	500,000	4,406
46590M-AR-1	JPMCC 16JP2 A4 - CMBS.		07/08/2016	JP MORGAN SECURITIES INC.	XXX	5,901,877	5,730,000	12,576
478160-BV-5	JOHNSON & JOHNSON.		02/25/2016	J.P. MORGAN SEC'S - FIXED INC.	XXX	4,321,116	4,350,000	0
48250N-AA-3	KFC HOLDING CO.		07/13/2016	GOLDMAN, SACHS & CO/ALGO.	XXX	1,416,900	1,385,000	2,578
482539-AA-1	KLX INC.		03/03/2016	VARIOUS	XXX	1,078,489	1,100,000	17,250
483007-AF-7	KAISER ALUMINUM CORP.		08/02/2016	VARIOUS	XXX	723,613	705,000	2,988
483050-AB-9	KAISER FOUNDATION HOSPITALS.		03/08/2016	VARIOUS	XXX	4,569,410	4,070,000	76,150
489399-AG-0	KENNEDY WILSON INC.		10/11/2016	VARIOUS	XXX	893,825	900,000	1,281
513075-BJ-9	LAMAR MEDIA CORP.		03/30/2016	VARIOUS	XXX	576,875	550,000	5,271
527298-BF-9	LEVEL 3 FINANCING INC.		09/09/2016	MARKETAXESS CORPORATION.	XXX	634,156	610,000	1,129
527298-BL-6	LEVEL 3 FINANCING INC.		03/28/2016	VARIOUS	XXX	1,379,856	1,380,000	144
530715-AJ-0	LIBERTY MEDIA CORPORATION.		10/19/2016	VARIOUS	XXX	1,703,565	1,650,000	16,270
53079E-AZ-7	LIBERTY MUTUAL GROUP INC.		01/20/2016	WELLS FARGO SECURITIES LLC.	XXX	5,299,314	4,575,000	69,388
53079E-BF-0	LIBERTY MUTUAL GROUP INC.		06/01/2016	WELLS FARGO SECURITIES LLC.	XXX	1,849,650	1,875,000	31,576
53219L-AN-9	LIFEPOINT HEALTH INC.		07/13/2016	MARKETAXESS CORPORATION.	XXX	424,360	400,000	3,068
532457-BJ-6	ELI LILLY AND CO.		06/01/2016	BARCLAYS CAPITAL INC.	XXX	6,539,520	6,500,000	63,465
539830-BK-4	LOCKHEED MARTIN CORP.		01/06/2016	BARCLAYS CAPITAL INC.	XXX	2,879,692	2,825,000	16,950
55181X-AA-0	LYNX II CORP.	C	08/17/2016	VARIOUS	XXX	1,549,385	1,498,000	30,644
552848-AF-0	MGIC INVESTMENT CORP.		08/03/2016	GOLDMAN, SACHS & CO/ALGO.	XXX	46,125	45,000	22
55305B-AM-3	M/I HOMES INC.		08/16/2016	MARKETAXESS CORPORATION.	XXX	56,650	55,000	351
55336V-AH-3	MARKWEST ENERGY PARTNERS LP.		03/02/2016	VARIOUS	XXX	1,024,542	1,260,000	14,105
581557-BC-8	MCKESSON CORP.		06/01/2016	BARCLAYS CAPITAL INC.	XXX	7,428,973	6,725,000	73,886
58502B-AA-4	MEDNAX INC.		07/13/2016	JP MORGAN SECURITIES INC.	XXX	648,388	625,000	4,284
586054-AA-6	MEMORIAL SLOAN-KETTERING CANCER CENTER.		01/07/2016	RAYMOND JAMES/FI.	XXX	5,817,128	5,189,000	7,928
595112-BD-4	MICRON TECHNOLOGY INC.		10/11/2016	CITIGROUP GLOBAL MKTS/SALOMON.	XXX	366,529	370,000	3,939
60871R-AH-3	MOLSON COORS BREWING CO.		06/28/2016	BANK OF AMERICA SEC LLC FIXED	XXX	695,499	700,000	0
61690F-AM-5	MSBAM 15C22 A4 - CMBS.		07/07/2016	GOLDMAN, SACHS & CO/ALGO.	XXX	10,729,688	10,000,000	10,102
62947Q-AW-8	NXP BV	C	08/08/2016	BANK OF AMERICA SEC LLC FIXED	XXX	890,000	890,000	0
63530Q-AE-9	NATIONAL CINEMEDIA LLC.		06/13/2016	RBC CAPITAL MARKETS.	XXX	888,777	850,000	8,642
64072T-AC-9	NEPTUNE FINCO CORP.		08/16/2016	GOLDMAN, SACHS & CO/ALGO.	XXX	808,302	740,000	4,630
64110L-AJ-5	NETFLIX INC.		06/15/2016	VARIOUS	XXX	967,644	925,000	8,841
65478V-AB-3	NAROT 16B A2A - ABS		08/05/2016	BANK OF AMERICA SEC LLC FIXED	XXX	6,399,500	6,400,000	4,667
67054K-AA-7	NUMERICABLE SFR SA	C	07/13/2016	VARIOUS	XXX	1,467,375	1,465,000	9,439
674599-CJ-2	OCCIDENTAL PETROLEUM CORP.		03/28/2016	JP MORGAN SECURITIES INC.	XXX	2,004,325	2,020,000	0
68233J-AF-1	ONCOR ELECTRIC DELIVERY CO LLC		01/12/2016	VARIOUS	XXX	8,806,027	6,575,000	179,871
69327R-AE-1	PDC ENERGY INC (DELAWARE)		10/20/2016	VARIOUS	XXX	2,124,414	2,045,000	9,628
69354P-AA-9	PNK ENTERTAINMENT INC.		10/07/2016	VARIOUS	XXX	1,748,515	1,740,000	10,009
707569-AR-0	PENN NATIONAL GAMING INC.		08/16/2016	Jefferies High Yield Trading LLC.	XXX	1,229,873	1,231,000	19,268
718172-BL-2	PHILIP MORRIS INTERNATIONAL INC.		04/28/2016	JP MORGAN SECURITIES INC.	XXX	4,607,428	4,315,000	0
741530-AG-7	PRIDE INTERNATIONAL INC.	C	03/03/2016	J.P. MORGAN SEC'S - FIXED INC.	XXX	573,683	750,000	14,698
744448-CM-1	PUBLIC SERVICE CO OF COLORADO.		06/06/2016	JP MORGAN SECURITIES INC.	XXX	9,326,980	9,425,000	0
74733V-AA-8	QEP RESOURCES INC.		05/02/2016	MORGAN STANLEY CO.	XXX	603,000	600,000	7,333
750236-AT-8	RADIAN GROUP INC.		04/13/2016	VARIOUS	XXX	1,025,738	1,000,000	2,888
75886A-AK-4	REGENCY ENERGY PARTNERS LP.		08/01/2016	Adjustment	XXX	419,773	385,000	9,101
759351-AM-1	REINSURANCE GROUP OF AMERICA INC.		06/01/2016	JP MORGAN SECURITIES INC.	XXX	9,299,628	9,300,000	0
761735-AD-1	REYNOLDS GROUP LLC.	C	01/06/2016	CREDIT SUISSE SECURITIES (USA)	XXX	436,688	425,000	11,850

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SCHEDULE D - PART 3

Showing All Long-Term Bonds and Stocks ACQUIRED During Current Year

1	2	3	4	5	6	7	8	9	
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	
761735-AT-6	REYNOLDS GROUP ISSUER INC.	C	07/26/2016	VARIOUS	XXX	1,178,863	1,160,000	2,244	
76882A-AB-6	RIVERS PITTSBURGH BORROWER LP		09/07/2016	VARIOUS	XXX	774,091	755,000	4,364	
779382-AN-0	ROWAN CO INC		03/03/2016	JP MORGAN SECURITIES INC.	XXX	588,650	610,000	593	
780099-CE-5	ROYAL BANK OF SCOTLAND GROUP PLC	C	09/09/2016	UBS SECURITIES LLC	XXX	1,599,960	1,500,000	22,714	
785592-AP-1	SABINE PASS LIQUEFACTION LLC		06/09/2016	CREDIT SUISSE SECURITIES (USA)	XXX	1,930,325	1,925,000	0	
81725W-AJ-2	SENSATA TECHNOLOGIES BV	C	10/05/2016	VARIOUS	XXX	1,792,195	1,750,000	22,014	
817610-AA-6	SERVICEMASTER COMPANY LLC		11/03/2016	CREDIT SUISSE SECURITIES (USA)	XXX	495,000	495,000	0	
822582-BQ-4	SHELL INTERNATIONAL FINANCE BV	C	05/05/2016	BARCLAYS CAPITAL INC	XXX	5,499,088	5,600,000	0	
829259-AW-0	SINCLAIR TELEVISION GROUP INC		08/16/2016	VARIOUS	XXX	858,756	855,000	0	
82967N-AS-7	SIRIUS XM RADIO INC		09/09/2016	VARIOUS	XXX	2,066,782	1,970,000	11,205	
832696-AM-0	J M SMUCKER CO		05/17/2016	VARIOUS	XXX	6,543,231	6,175,000	46,439	
837004-CB-4	SOUTH CAROLINA ELECTRIC & GAS CO		10/05/2016	VARIOUS	XXX	5,306,237	4,025,000	33,409	
837004-CK-4	SOUTH CAROLINA ELECTRIC & GAS CO		06/08/2016	WELLS FARGO SECURITIES LLC	XXX	1,546,807	1,550,000	0	
842400-FZ-1	SOUTHERN CALIFORNIA EDISON CO		01/06/2016	Mitsubishi UFJ Securities	XXX	8,954,123	8,300,000	107,208	
852061-AK-6	SPRINT NEXTEL CORP	C	04/12/2016	GOLDMAN, SACHS & CO/ALGO	XXX	659,056	625,000	23,438	
852061-AQ-3	SPRINT NEXTEL CORP	C	06/02/2016	VARIOUS	XXX	1,448,975	1,450,000	40,367	
853496-AA-5	STANDARD INDUSTRIES INC		02/18/2016	Bank of America Securities	XXX	165,000	165,000	0	
853496-AB-3	STANDARD INDUSTRIES INC		07/15/2016	BANK OF AMERICA SEC LLC FIXED	XXX	420,248	400,000	8,983	
85571B-AE-5	STARWOOD PROPERTY TRUST INC		12/09/2016	JP MORGAN SECURITIES INC	XXX	760,000	760,000	0	
864486-AG-0	SUBURBAN PROPANE PARTNERS LP		02/18/2016	Deutsche Bank	XXX	147,000	150,000	676	
86765B-AQ-2	SUNOCO LOGISTICS PARTNERS LP		09/27/2016	BARCLAYS CAPITAL INC	XXX	5,124,850	5,000,000	100,313	
86765B-AT-6	SUNOCO LOGISTICS PARTNERS OPERATIONS LP		07/07/2016	MIZUHO SECURITIES USA INC	XXX	812,522	815,000	0	
87264A-AK-1	METROPCS WIRELESS INC	C	04/13/2016	GOLDMAN, SACHS & CO/ALGO	XXX	367,063	350,000	1,033	
878091-BD-8	TEACHERS INSURANCE AND ANNUITY ASSOCIATI		01/20/2016	WELLS FARGO SECURITIES LLC	XXX	8,883,476	8,525,000	150,845	
878742-BC-8	TECK RESOURCES LTD		08/16/2016	VARIOUS	XXX	1,563,631	1,440,000	18,162	
88033G-BY-5	TENET HEALTHCARE CORP		01/06/2016	MARKETAXESS CORPORATION	XXX	397,000	400,000	5,000	
89417E-AL-3	TRAVELERS COMPANIES INC		05/04/2016	CITIGROUP GLOBAL MKTS/SALOMON	XXX	2,507,426	2,525,000	0	
89469A-AB-0	TREEHOUSE FOODS INC		02/05/2016	Jefferies High Yield Trading LLC	XXX	925,625	950,000	16,663	
90131H-BZ-7	21ST CENTURY FOX AMERICA INC		05/10/2016	CITIGROUP GLOBAL MKTS/SALOMON	XXX	1,945,895	1,750,000	6,738	
90320M-AA-3	UPCB FINANCE IV LIMITED	C	05/09/2016	Jefferies High Yield Trading LLC	XXX	1,279,663	1,250,000	21,836	
912909-AK-4	UNITED STATES STEEL CORP		05/04/2016	VARIOUS	XXX	708,431	700,000	0	
913364-AD-7	UNITYMEDIA HESSEN GMBH & CO KG	C	10/11/2016	BANK OF AMERICA SEC LLC FIXED	XXX	382,264	375,000	4,635	
914906-AR-3	UNIVISION COMMUNICATIONS INC		02/05/2016	Jefferies High Yield Trading LLC	XXX	483,750	500,000	6,050	
920479-AA-0	VALVOLINE FINCO TWO LLC		10/05/2016	VARIOUS	XXX	1,739,250	1,665,000	16,335	
92343V-CK-8	VERIZON COMMUNICATIONS INC		06/01/2016	JP MORGAN SECURITIES INC	XXX	7,325,316	6,900,000	97,848	
92660F-AG-9	VIDEOTRON LTD		07/13/2016	MARKETAXESS CORPORATION	XXX	573,870	550,000	2,710	
92933B-AK-0	WMG ACQUISITION CORP		07/28/2016	VARIOUS	XXX	382,406	380,000	22	
92933B-AM-6	WMG ACQUISITION CORP		10/18/2016	VARIOUS	XXX	713,038	710,000	0	
950006-AY-0	WFCM 16BNK1 A3 - CMBS		08/04/2016	WELLS FARGO SECURITIES LLC	XXX	7,946,219	7,715,000	9,662	
95000H-BF-8	WFCM 16LC24 A4 - CMBS		09/14/2016	WELLS FARGO SECURITIES LLC	XXX	9,810,055	9,525,000	21,795	
958254-AF-1	WESTERN GAS PARTNERS LP		07/15/2016	VARIOUS	XXX	757,354	740,000	620	
969457-BU-3	WILLIAMS CO INC		09/06/2016	GOLDMAN, SACHS & CO/ALGO	XXX	1,577,375	1,630,000	9,018	
969457-BW-9	WILLIAMS COMPANIES INC		08/26/2016	BARCLAYS CAPITAL INC	XXX	82,000	80,000	677	
96949L-AB-1	WILLIAMS PARTNERS LP		06/29/2016	MILLENNIUM ADVISORS, LLC	XXX	690,533	749,000	9,154	
97314X-AM-6	WIND ACQUISITION FINANCE SA	C	07/13/2016	VARIOUS	XXX	717,605	725,000	393	
983130-AT-2	WYNN LAS VEGAS LLC		02/04/2016	BNP PARIBAS SECURITIES BOND	XXX	476,250	500,000	10,750	
98877D-AB-1	ZF NORTH AMERICA CAPITAL INC	C	05/05/2016	BANK OF AMERICA SEC LLC FIXED	XXX	1,295,400	1,270,000	1,746	
98954U-AB-9	ZIGGO BOND FINANCE BV	C	09/16/2016	CREDIT SUISSE SECURITIES (USA)	XXX	1,275,000	1,275,000	0	
3899999	Bonds - Industrial and Miscellaneous (Unaffiliated)					456,791,470	441,829,434	2,748,348	
Bonds - Hybrid Securities									
Bonds - Parent, Subsidiaries, and Affiliates									
Bonds - SVI Identified Funds									
8399997 - Bonds - Subtotals - Bonds - Part 3							741,409,202	724,794,434	5,191,035
8399998 - Bonds - Summary item from Part 5 for Bonds							20,261,752	17,937,075	360,756
8399999 - Bonds - Subtotals - Bonds							761,670,954	742,731,509	5,551,791
Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)									
Preferred Stocks - Parent, Subsidiaries, and Affiliates									
Common Stocks - Industrial and Miscellaneous (Unaffiliated)									
001055-10-2	AFLAC ORD		07/01/2016	VARIOUS	1,748,000	106,542	XXX	0	
00206R-10-2	AT&T ORD		11/30/2016	VARIOUS	12,081,000	447,357	XXX	0	
00287Y-10-9	ABBVIE ORD		08/31/2016	JEFFERIES & COMPANY, INC	5,634,000	360,255	XXX	0	

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1	2	3	4	5	6	7	8	9
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends
00817Y-10-8	AETNA ORD		06/01/2016	MORGAN STANLEY CO	1,244,000	141,295	XXX	.0
011659-10-9	ALASKA AIR GROUP ORD		11/30/2016	VARIOUS	5,042,000	344,578	XXX	.0
02079K-10-7	ALPHABET CL C ORD		11/30/2016	VARIOUS	704,000	510,594	XXX	.0
02209S-10-3	ALTRIA GROUP ORD		11/30/2016	VARIOUS	10,399,000	681,360	XXX	.0
023135-10-6	AMAZON COM ORD		11/30/2016	VARIOUS	655,000	416,739	XXX	.0
023608-10-2	AMEREN ORD		10/31/2016	VARIOUS	2,033,000	97,532	XXX	.0
02503X-10-5	AMERICAN CAPITAL AGENCY REIT		08/31/2016	VARIOUS	4,572,000	85,403	XXX	.0
02665T-30-6	AMERICAN HOMES 4 RENT CL A REIT		12/30/2016	CREDIT SUISSE SECURITIES (USA)	7,998,000	167,288	XXX	.0
026874-78-4	AMERICAN INTERNATIONAL GROUP ORD		11/30/2016	VARIOUS	3,020,000	163,676	XXX	.0
031162-10-0	AMGEN ORD		09/30/2016	VARIOUS	1,997,000	309,279	XXX	.0
035710-40-9	ANNALY CAPITAL MANAGEMENT REIT		07/01/2016	VARIOUS	7,013,000	70,997	XXX	.0
036752-10-3	ANTHEM ORD		09/30/2016	VARIOUS	1,472,000	200,713	XXX	.0
037411-10-5	APACHE ORD		07/29/2016	MORGAN STANLEY CO	1,565,000	82,149	XXX	.0
037833-10-0	APPLE ORD		11/30/2016	VARIOUS	4,799,000	490,864	XXX	.0
03784Y-20-0	APPLE HOSPITALITY REIT		09/30/2016	JEFFERIES & COMPANY, INC	4,341,000	80,407	XXX	.0
038222-10-5	APPLIED MATERIAL ORD		11/30/2016	VARIOUS	17,025,000	451,151	XXX	.0
039483-10-2	ARCHER DANIELS MIDLAND ORD		12/01/2016	VARIOUS	5,192,000	192,275	XXX	.0
060505-10-4	BANK OF AMERICA ORD		06/02/2016	VARIOUS	28,097,000	370,717	XXX	.0
064058-10-0	BANK OF NEW YORK MELLON ORD		10/01/2016	JEFFERIES & COMPANY, INC	2,454,000	98,190	XXX	.0
071813-10-9	BAXTER INTERNATIONAL ORD		11/30/2016	VARIOUS	10,314,000	434,844	XXX	.0
075896-10-0	BED BATH AND BEYOND		08/31/2016	JEFFERIES & COMPANY, INC	1,606,000	74,224	XXX	.0
084670-70-2	BERKSHIRE HATHWAY CL B ORD		09/30/2016	JEFFERIES & COMPANY, INC	6,232,000	922,947	XXX	.0
086516-10-1	BEST BUY ORD		11/30/2016	VARIOUS	4,892,000	160,467	XXX	.0
09062X-10-3	BIOGEN ORD		06/01/2016	VARIOUS	436,000	119,478	XXX	.0
097023-10-5	BOEING ORD		10/01/2016	VARIOUS	2,821,000	353,995	XXX	.0
101137-10-7	BOSTON SCIENTIFIC ORD		11/30/2016	CREDIT SUISSE SECURITIES (USA)	5,807,000	119,186	XXX	.0
11120U-10-5	BRIXMOR PROPERTY GROUP INC. ORD		12/30/2016	VARIOUS	4,884,000	118,973	XXX	.0
124857-20-2	CBS CL B ORD		07/01/2016	VARIOUS	1,381,000	75,323	XXX	.0
126650-10-0	CVS HEALTH ORD		11/30/2016	VARIOUS	7,878,000	624,610	XXX	.0
12673P-10-5	CA ORD		10/31/2016	VARIOUS	20,304,000	617,338	XXX	.0
127055-10-1	CABOT ORD		10/31/2016	MORGAN STANLEY CO	2,826,000	142,534	XXX	.0
134429-10-9	CAMPBELL SOUP ORD		12/30/2016	CREDIT SUISSE SECURITIES (USA)	1,298,000	78,834	XXX	.0
14040H-10-5	CAPITAL ONE FINANCIAL ORD		07/01/2016	VARIOUS	848,000	56,832	XXX	.0
14149Y-10-8	CARDINAL HEALTH ORD		12/30/2016	CREDIT SUISSE SECURITIES (USA)	1,082,000	78,144	XXX	.0
142339-10-0	CARLISLE COMPANIES ORD		10/31/2016	VARIOUS	2,361,000	244,742	XXX	.0
151020-10-4	CELGENE ORD		12/30/2016	CREDIT SUISSE SECURITIES (USA)	672,000	78,090	XXX	.0
15189T-10-7	CENTERPOINT ENERGY ORD		08/31/2016	VARIOUS	11,198,000	253,328	XXX	.0
156700-10-6	CENTURYLINK ORD		07/01/2016	VARIOUS	6,400,000	194,479	XXX	.0
166764-10-0	CHEVRON ORD		12/30/2016	VARIOUS	9,234,000	944,264	XXX	.0
16934Q-20-8	CHIMERA INVESTMENT REIT		07/01/2016	VARIOUS	2,400,000	35,310	XXX	.0
169656-10-5	CHIPOTLE MEXICAN GRILL ORD		04/01/2016	VARIOUS	178,000	82,666	XXX	.0
17275R-10-2	CISCO SYSTEMS ORD		11/30/2016	VARIOUS	20,738,000	572,477	XXX	.0
172967-42-4	CITIGROUP ORD		09/30/2016	VARIOUS	9,465,000	412,408	XXX	.0
174610-10-5	CITIZENS FINANCIAL GROUP ORD		09/30/2016	JEFFERIES & COMPANY, INC	3,121,000	77,319	XXX	.0
177376-10-0	CITRIX SYSTEMS ORD		11/30/2016	VARIOUS	3,288,000	254,817	XXX	.0
189754-10-4	COACH ORD		07/01/2016	VARIOUS	1,856,000	75,703	XXX	.0
194162-10-3	COLGATE PALMOLIVE ORD		10/31/2016	MORGAN STANLEY CO	4,492,000	319,806	XXX	.0
20030N-10-1	COMCAST CL A ORD		10/31/2016	VARIOUS	3,590,000	218,163	XXX	.0
231021-10-6	CUMMINS ORD		09/30/2016	VARIOUS	1,974,000	204,952	XXX	.0
23317H-10-2	DDR REIT		07/01/2016	VARIOUS	5,748,000	101,243	XXX	.0
235851-10-2	DANAHER ORD		11/30/2016	CREDIT SUISSE SECURITIES (USA)	995,000	77,801	XXX	.0
237194-10-5	DARDEN RESTAURANTS ORD		07/29/2016	VARIOUS	4,817,000	312,130	XXX	.0
25754A-20-1	DOMINOS PIZZA ORD		11/30/2016	VARIOUS	1,180,000	160,599	XXX	.0
26483E-10-0	DUN & BRADSTREET ORD		11/30/2016	VARIOUS	3,896,000	496,806	XXX	.0
278642-10-3	EBAY ORD		12/30/2016	VARIOUS	11,197,000	309,804	XXX	.0
28176E-10-8	EDWARDS LIFESCIENCES ORD		11/30/2016	VARIOUS	2,210,000	200,533	XXX	.0
285512-10-9	ELECTRONIC ARTS ORD		07/29/2016	MORGAN STANLEY CO	1,397,000	106,669	XXX	.0
29364G-10-3	ENTERGY ORD		09/30/2016	VARIOUS	4,527,000	351,702	XXX	.0
30161N-10-1	EXELON ORD		11/30/2016	VARIOUS	7,101,000	228,469	XXX	.0
30219G-10-8	EXPRESS SCRIPTS HOLD ORD		12/30/2016	VARIOUS	3,202,000	220,426	XXX	.0
30231G-10-2	EXXON MOBIL ORD		09/30/2016	VARIOUS	5,748,000	490,777	XXX	.0
30249U-10-1	FMC TECHNOLOGIES ORD		12/30/2016	VARIOUS	8,729,000	241,915	XXX	.0

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ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE D - PART 3

Showing All Long-Term Bonds and Stocks ACQUIRED During Current Year

1	2	3	4	5	6	7	8	9
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends
30303M-10-2	FACEBOOK CL A ORD		07/01/2016	VARIOUS	6,579,000	753,087	XXX	.0
315616-10-2	F5 NETWORKS ORD		11/30/2016	VARIOUS	2,492,000	265,455	XXX	.0
337932-10-7	FIRSTENERGY ORD		07/29/2016	MORGAN STANLEY CO	4,121,000	145,958	XXX	.0
343412-10-2	FLUOR ORD		06/01/2016	VARIOUS	5,543,000	277,200	XXX	.0
344849-10-4	FOOT LOCKER ORD		12/30/2016	CREDIT SUISSE SECURITIES (USA)	1,513,000	107,244	XXX	.0
345370-86-0	FORD MOTOR ORD		04/29/2016	VARIOUS	16,832,000	203,667	XXX	.0
363576-10-9	ARTHUR J GALLAGHER ORD		07/01/2016	VARIOUS	1,584,000	75,394	XXX	.0
364760-10-8	GAP ORD		01/22/2016	CREDIT SUISSE SECURITIES (USA)	682,000	15,891	XXX	.0
369604-10-3	GENERAL ELECTRIC ORD		09/30/2016	VARIOUS	10,102,000	307,006	XXX	.0
37045V-10-0	GENERAL MOTORS ORD		11/30/2016	VARIOUS	16,661,000	538,328	XXX	.0
375558-10-3	GILEAD SCIENCES ORD		09/30/2016	VARIOUS	2,733,000	241,351	XXX	.0
382550-10-1	GOODYEAR TIRE AND RUBBER ORD		07/01/2016	VARIOUS	3,538,000	99,436	XXX	.0
40434L-10-5	HP ORD		10/31/2016	VARIOUS	14,528,000	182,878	XXX	.0
423452-10-1	HELMERICH AND PAYNE ORD		11/30/2016	VARIOUS	3,103,000	223,990	XXX	.0
427866-10-8	HERSHEY FOODS ORD		12/30/2016	CREDIT SUISSE SECURITIES (USA)	761,000	78,758	XXX	.0
42824C-10-9	HEWLETT PACKARD ENTERPRISE ORD		11/30/2016	VARIOUS	11,216,000	228,899	XXX	.0
437076-10-2	HOME DEPOT ORD		01/22/2016	CREDIT SUISSE SECURITIES (USA)	89,000	10,952	XXX	.0
44106M-10-2	HOSPITALITY PROPERTIES REIT		10/31/2016	MORGAN STANLEY CO	2,700,000	74,131	XXX	.0
44107P-10-4	HOST HOTELS & RESORTS REIT		09/30/2016	VARIOUS	16,490,000	270,908	XXX	.0
446413-10-6	HUNTINGTON INGALLS INDUSTRIES ORD		08/31/2016	JEFFERIES & COMPANY, INC	497,000	81,752	XXX	.0
457187-10-2	INGREDION ORD		11/30/2016	VARIOUS	866,000	89,378	XXX	.0
458140-10-0	INTEL ORD		11/30/2016	VARIOUS	16,706,000	526,113	XXX	.0
459200-10-1	INTERNATIONAL BUSINESS MACHINES ORD		11/30/2016	VARIOUS	2,083,000	296,107	XXX	.0
46625H-10-0	JPMORGAN CHASE ORD		11/30/2016	VARIOUS	4,096,000	272,514	XXX	.0
469814-10-7	JACOBS ENGINEERING GROUP ORD		12/30/2016	VARIOUS	8,583,000	467,513	XXX	.0
478160-10-4	JOHNSON & JOHNSON ORD		12/01/2016	VARIOUS	5,012,000	532,743	XXX	.0
49446R-10-9	KIMCO REALTY REIT		11/30/2016	VARIOUS	14,337,000	385,299	XXX	.0
500255-10-4	KOHL'S ORD		11/30/2016	VARIOUS	3,238,000	158,736	XXX	.0
512807-10-8	LAM RESEARCH ORD		10/31/2016	MORGAN STANLEY CO	1,500,000	145,599	XXX	.0
527288-10-4	LEUCADIA NATIONAL ORD		08/31/2016	JEFFERIES & COMPANY, INC	4,692,000	89,917	XXX	.0
532457-10-8	ELI LILLY ORD		12/30/2016	CREDIT SUISSE SECURITIES (USA)	1,071,000	78,759	XXX	.0
534187-10-9	LINCOLN NATIONAL ORD		11/30/2016	VARIOUS	1,647,000	73,598	XXX	.0
55272X-10-2	MFA FINANCIAL REIT		07/01/2016	VARIOUS	12,030,000	79,381	XXX	.0
574599-10-6	MASCO ORD		11/30/2016	VARIOUS	10,497,000	338,760	XXX	.0
57636Q-10-4	MASTERCARD CL A ORD		10/31/2016	MORGAN STANLEY CO	1,577,000	159,882	XXX	.0
581550-10-3	MCKESSON ORD		08/31/2016	VARIOUS	1,788,000	313,100	XXX	.0
582839-10-6	MEAD JOHNSON NUTRITION ORD		08/31/2016	VARIOUS	2,117,000	170,894	XXX	.0
58933Y-10-5	MERCK & CO ORD		12/01/2016	VARIOUS	6,978,000	375,203	XXX	.0
59156R-10-8	METLIFE ORD		10/01/2016	VARIOUS	6,889,000	298,851	XXX	.0
592688-10-5	METTLER TOLEDO ORD		10/31/2016	MORGAN STANLEY CO	180,000	72,864	XXX	.0
594918-10-4	MICROSOFT ORD		11/30/2016	VARIOUS	12,154,000	647,439	XXX	.0
617446-44-8	MORGAN STANLEY ORD		12/30/2016	CREDIT SUISSE SECURITIES (USA)	3,770,000	158,995	XXX	.0
63938C-10-8	NAVIENT ORD		04/29/2016	MORGAN STANLEY CO	5,104,000	69,678	XXX	.0
64110D-10-4	NETAPP ORD		12/30/2016	CREDIT SUISSE SECURITIES (USA)	2,625,000	93,268	XXX	.0
651290-10-8	NEUFIELD EXPLORATION ORD		11/30/2016	VARIOUS	8,118,000	361,529	XXX	.0
65249B-10-9	NEWS CL A ORD		12/30/2016	VARIOUS	24,792,000	330,466	XXX	.0
655044-10-5	NOBLE ENERGY ORD		12/30/2016	CREDIT SUISSE SECURITIES (USA)	2,053,000	78,559	XXX	.0
655664-10-0	NORDSTROM ORD		11/30/2016	VARIOUS	3,242,000	158,571	XXX	.0
670346-10-5	NUCOR ORD		12/30/2016	VARIOUS	3,983,000	213,545	XXX	.0
67066G-10-4	NVIDIA ORD		09/30/2016	VARIOUS	4,044,000	135,894	XXX	.0
674599-10-5	OCCIDENTAL PETROLEUM ORD		10/31/2016	VARIOUS	3,245,000	242,187	XXX	.0
693475-10-5	PNC FINANCIAL SERVICES GROUP ORD		06/01/2016	VARIOUS	441,000	39,218	XXX	.0
693718-10-8	PACCAR ORD		11/30/2016	VARIOUS	4,090,000	210,018	XXX	.0
713448-10-8	PEPSICO ORD		09/30/2016	VARIOUS	4,779,000	474,524	XXX	.0
717081-10-3	PFIZER ORD		11/30/2016	VARIOUS	16,263,000	526,537	XXX	.0
723484-10-1	PINNACLE WEST ORD		07/01/2016	VARIOUS	1,537,000	107,525	XXX	.0
74144T-10-8	T ROWE PRICE GROUP ORD		10/01/2016	JEFFERIES & COMPANY, INC	3,189,000	212,741	XXX	.0
741503-40-3	THE PRICELINE GROUP ORD		07/29/2016	VARIOUS	122,000	151,854	XXX	.0
742718-10-9	PROCTER & GAMBLE ORD		07/01/2016	VARIOUS	1,508,000	122,890	XXX	.0
744320-10-2	PRUDENTIAL FINANCIAL ORD		09/30/2016	VARIOUS	3,681,000	269,036	XXX	.0
744573-10-6	PUBLIC SERVICE ENTERPRISE GROUP ORD		07/01/2016	VARIOUS	5,320,000	233,885	XXX	.0
747525-10-3	QUALCOMM ORD		07/29/2016	VARIOUS	4,843,000	285,944	XXX	.0

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ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE D - PART 3

Showing All Long-Term Bonds and Stocks **ACQUIRED** During Current Year

1	2	3	4	5	6	7	8	9
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends
751212-10-1	RALPH LAUREN CL A ORD		12/30/2016	CREDIT SUISSE SECURITIES (USA)	2,299,000	208,169	XXX	.0
756577-10-2	RED HAT ORD		08/31/2016	VARIOUS	5,654,000	415,332	XXX	.0
7591EP-10-0	REGIONS FINANCIAL ORD		12/30/2016	CREDIT SUISSE SECURITIES (USA)	9,036,000	128,987	XXX	.0
770323-10-3	ROBERT HALF ORD		12/30/2016	CREDIT SUISSE SECURITIES (USA)	5,362,000	254,678	XXX	.0
778296-10-3	ROSS STORES ORD		12/30/2016	VARIOUS	1,464,000	84,106	XXX	.0
78409V-10-4	S&P GLOBAL ORD		10/31/2016	MORGAN STANLEY CO	600,000	73,343	XXX	.0
832696-40-5	JM SMUCKER ORD		07/01/2016	VARIOUS	1,485,000	226,153	XXX	.0
844741-10-8	SOUTHWEST AIRLINES ORD		09/30/2016	VARIOUS	7,150,000	303,477	XXX	.0
857477-10-3	STATE STREET ORD		12/30/2016	CREDIT SUISSE SECURITIES (USA)	3,730,000	292,465	XXX	.0
858119-10-0	STEEL DYNAMICS ORD		12/30/2016	CREDIT SUISSE SECURITIES (USA)	4,504,000	161,333	XXX	.0
867914-10-3	SUNTRUST BANKS ORD		06/01/2016	VARIOUS	4,171,000	157,434	XXX	.0
871829-10-7	SYSCO ORD		07/29/2016	MORGAN STANLEY CO	8,731,000	438,228	XXX	.0
872540-10-9	TJX ORD		07/01/2016	VARIOUS	3,092,000	238,734	XXX	.0
87612E-10-6	TARGET ORD		11/30/2016	VARIOUS	6,169,000	470,216	XXX	.0
88076W-10-3	TERADATA ORD		04/29/2016	MORGAN STANLEY CO	7,238,000	180,462	XXX	.0
883556-10-2	THERMO FISHER SCIENTIFIC ORD		09/30/2016	VARIOUS	4,261,000	611,844	XXX	.0
90130A-20-0	TWENTY FIRST CENTURY FOX CL B ORD		12/30/2016	CREDIT SUISSE SECURITIES (USA)	2,869,000	78,594	XXX	.0
90187B-10-1	TWO HARBORS INVESTMENT REIT		07/01/2016	VARIOUS	4,385,000	36,238	XXX	.0
902494-10-3	TYSON FOODS CL A ORD		06/02/2016	VARIOUS	3,232,000	187,382	XXX	.0
90384S-30-3	ULTA SALON COSMETICS FRAGRANCE ORD		06/02/2016	VARIOUS	1,559,000	364,062	XXX	.0
910047-10-9	UNITED CONTINENTAL HOLDINGS ORD		12/30/2016	CREDIT SUISSE SECURITIES (USA)	4,448,000	318,118	XXX	.0
911363-10-9	UNITED RENTAL ORD		11/30/2016	CREDIT SUISSE SECURITIES (USA)	780,000	79,070	XXX	.0
91324P-10-2	UNITEDHEALTH GRP ORD		10/31/2016	VARIOUS	5,395,000	757,801	XXX	.0
91529Y-10-6	UNUM ORD		09/30/2016	VARIOUS	6,350,000	204,143	XXX	.0
917047-10-2	URBAN OUTFITTERS ORD		06/02/2016	VARIOUS	4,252,000	122,001	XXX	.0
91913Y-10-0	VALERO ENERGY ORD		12/30/2016	VARIOUS	5,858,000	370,658	XXX	.0
92339V-10-0	VEREIT ORD		10/31/2016	VARIOUS	14,860,000	146,964	XXX	.0
92343V-10-4	VERIZON COMMUNICATIONS ORD		10/31/2016	VARIOUS	5,514,000	274,553	XXX	.0
928563-40-2	VMWARE CL A ORD		11/30/2016	CREDIT SUISSE SECURITIES (USA)	956,000	77,732	XXX	.0
931142-10-3	WAL MART STORES ORD		12/30/2016	VARIOUS	4,521,000	302,507	XXX	.0
931427-10-8	WALGREEN BOOTS ALLIANCE ORD		11/30/2016	VARIOUS	1,391,000	112,844	XXX	.0
949746-10-1	WELLS FARGO ORD		04/01/2016	VARIOUS	1,184,000	58,581	XXX	.0
95040Q-10-4	WELLTOWER ORD		09/30/2016	JEFFERIES & COMPANY, INC	1,014,000	76,093	XXX	.0
959802-10-9	WESTERN UNION ORD		06/02/2016	VARIOUS	3,047,000	59,193	XXX	.0
984121-10-3	XEROX ORD		06/02/2016	VARIOUS	35,596,000	368,152	XXX	.0
98956P-10-2	ZIMMER BIOMET HOLDINGS ORD		09/30/2016	JEFFERIES & COMPANY, INC	885,000	115,234	XXX	.0
G36738-10-5	FRESH DEL MONTE PRODUCE ORD		10/31/2016	MORGAN STANLEY CO	1,200,000	72,641	XXX	.0
G60754-10-1	MICHAEL KORS HOLDINGS ORD	C	09/30/2016	VARIOUS	2,662,000	124,365	XXX	.0
G7945M-10-7	SEAGATE TECHNOLOGY ORD	C	04/29/2016	MORGAN STANLEY CO	1,193,000	26,043	XXX	.0
H2906T-10-9	GARMIN ORD	C	08/31/2016	JEFFERIES & COMPANY, INC	2,572,000	126,286	XXX	.0
N22717-10-7	CORE LABORATORIES ORD	C	07/29/2016	MORGAN STANLEY CO	1,359,000	158,234	XXX	.0
N53745-10-0	LYONDELLBASELL INDUSTRIES CL A ORD	C	12/30/2016	VARIOUS	4,224,000	351,470	XXX	.0
9099999	- Common Stocks - Industrial and Miscellaneous (Unaffiliated)					40,560,209	XXX	0
Common Stocks - Parent, Subsidiaries, and Affiliates								
Common Stocks - Mutual Funds								
78462F-10-3	SPDR S&P 500 ETF		12/19/2016	VARIOUS	1,760,000	386,531	XXX	.0
922040-10-0	VANGUARD CL INST INDEX MF		12/23/2016	VARIOUS	233,004,945	44,295,724	XXX	.0
9299999	- Common Stocks - Mutual Funds					44,682,255	XXX	0
Common Stocks - Money Market Mutual Funds								
9799997	- Common Stocks - Subtotals - Common Stocks - Part 3					85,242,464	XXX	0
9799998	- Common Stocks - Summary item from Part 5 for Common Stocks					14,656,426	XXX	0
9799999	- Common Stocks - Subtotals - Common Stocks					99,898,889	XXX	0
9899999	- Common Stocks - Subtotals - Preferred and Common Stocks					99,898,889	XXX	0
9999999	Totals					861,569,843	XXX	5,551,791

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ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B/A. C.V. (11+12-13)	Total Foreign Exchange Change in B/A. C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date
Bonds - U.S. Governments																				
36178N-66-0	G2 AB2921 - RMBS		10/01/2016	VARIOUS		2,019,329	1,877,716	1,963,073	1,960,308	0	(16,978)	0	(16,978)	0	1,943,330	0	75,999	75,999	57,274	09/20/2042
36178W-HJ-1	G2 AB9233 - RMBS		10/01/2016	VARIOUS		9,456,556	8,731,881	9,130,049	9,120,723	0	(58,495)	0	(58,495)	0	9,062,228	0	394,328	394,328	273,525	11/20/2042
36202F-08-2	G2 004979 - RMBS		10/01/2016	VARIOUS		1,370,805	1,255,464	1,371,301	1,369,869	0	(19,076)	0	(19,076)	0	1,350,793	0	20,012	20,012	34,125	03/20/2041
36297G-VR-8	G2 711724 - RMBS		10/28/2016	VARIOUS		1,561,189	1,461,010	1,479,893	1,478,807	0	(3,001)	0	(3,001)	0	1,475,806	0	85,383	85,383	46,112	02/20/2043
912828-WG-1	UNITED STATES TREASURY		12/30/2016	FED SELL		60,216,759	58,725,000	58,880,600	58,845,150	0	(18,931)	0	(18,931)	0	58,826,219	0	1,390,540	1,390,540	1,431,587	04/30/2021
0599999	Bonds - U.S. Governments					74,624,638	72,051,072	72,824,916	72,774,856	0	(116,481)	0	(116,481)	0	72,658,375	0	1,966,262	1,966,262	1,842,623	XXX
Bonds - All Other Governments																				
G92450-HN-1	UNITED KINGDOM OF GREAT BRITAIN AND NORT.	B.	07/07/2016	BANQUE NATIONALE DE PARIS		856,278	626,050	732,510	716,163	0	(4,502)	0	(4,502)	(150,657)	711,661	0	150,948	150,948	28,144	03/07/2025
G92450-K8-0	UNITED KINGDOM OF GREAT BRITAIN AND NORT.	B.	07/07/2016	CITIGROUP GLOBAL MARKETS/ALGO		12,716,728	11,707,135	13,277,530	12,541,010	0	(198,847)	0	(198,847)	(2,638,209)	12,342,163	0	349,210	349,210	526,297	03/07/2018
G9T44M-EK-4	UNITED KINGDOM OF GREAT BRITAIN AND NORT.	B.	07/07/2016	ROYAL BANK OF CANADA		1,353,819	1,252,100	1,143,906	1,166,489	0	6,181	0	6,181	(245,390)	1,172,671	0	187,960	187,960	19,701	09/07/2022
G9T44M-GE-6	UNITED KINGDOM OF GREAT BRITAIN AND NORT.	B.	07/07/2016	ROYAL BANK OF CANADA		1,965,973	1,752,940	1,653,879	1,671,438	0	5,028	0	5,028	(351,615)	1,676,465	0	301,181	301,181	35,462	09/07/2023
1099999	Bonds - All Other Governments					16,892,798	15,338,225	16,807,825	16,095,100	0	(192,140)	0	(192,140)	(3,385,871)	15,902,960	0	989,299	989,299	609,604	XXX
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed)																				
419791-G3-6	HAWAII ST.		10/27/2016	Exchange/ Corp Action		8,211,068	7,730,000	8,441,237	8,280,444	0	(69,376)	0	(69,376)	0	8,211,068	0	0	0	349,997	12/01/2029
641461-AL-2	NEVADA ST.		03/01/2016	Redemption		5,050,000	5,050,000	5,526,720	5,068,036	0	(18,036)	0	(18,036)	0	5,050,000	0	0	0	126,250	03/01/2019
649791-EH-9	NEW YORK ST.		06/09/2016	COMPANY, BROOKLYN		1,857,473	1,770,000	1,786,231	1,776,468	0	(1,014)	0	(1,014)	0	1,775,454	0	82,019	82,019	45,061	09/01/2018
68608K-8D-3	OREGON ST.		06/09/2016	GOLDMAN, SACHS & CO/ALGO		1,456,160	1,230,000	1,425,595	1,393,784	0	(13,035)	0	(13,035)	0	1,380,749	0	75,411	75,411	37,925	05/01/2030
745145-EK-4	PUERTO RICO COMWLTH		07/01/2016	Maturity		155,000	155,000	156,088	155,551	0	(551)	0	(551)	0	155,000	0	0	0	9,300	07/01/2016
745145-ZH-8	PUERTO RICO COMWLTH		07/01/2016	Maturity		100,000	100,000	100,452	100,229	0	(229)	0	(229)	0	100,000	0	0	0	5,500	07/01/2016
882721-LV-3	TEXAS ST.		04/01/2016	Redemption		5,625,000	5,625,000	6,304,444	5,665,073	0	(40,073)	0	(40,073)	0	5,625,000	0	0	0	140,625	04/01/2022
882722-J5-1	TEXAS ST.		06/09/2016	JP MORGAN SECURITIES INC.		3,658,480	3,500,000	3,500,000	3,500,000	0	0	0	0	0	3,500,000	0	158,480	158,480	70,903	10/01/2018
93974B-MU-3	WASHINGTON ST.		01/04/2016	Redemption		200,000	200,000	225,208	200,000	0	0	0	0	0	200,000	0	0	0	5,000	01/01/2018
97705L-JH-1	WISCONSIN ST.		05/02/2016	Redemption		10,250,000	10,250,000	11,034,023	10,279,832	0	(29,832)	0	(29,832)	0	10,250,000	0	0	0	256,250	05/01/2020
1799999	Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed)					36,563,181	35,610,000	38,499,997	36,419,416	0	(172,145)	0	(172,145)	0	36,247,271	0	315,911	315,911	1,046,811	XXX
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)																				
081077-YU-7	BELTON TEX INDPST SCH DIST		01/15/2016	First Southwest		3,457,980	3,000,000	3,148,740	3,140,668	0	(1,040)	0	(1,040)	0	3,139,629	0	318,351	318,351	65,000	02/15/2039
213039-GD-6	COOK & DU PAGE CNTYS ILL HIGH SCH DIST N		01/04/2016	Maturity		1,890,000	1,890,000	1,947,950	1,890,000	0	0	0	0	0	1,890,000	0	0	0	47,250	01/01/2021
213039-GL-8	COOK & DU PAGE CNTYS ILL HIGH SCH DIST N		01/04/2016	Maturity		2,125,000	2,125,000	2,174,016	2,125,000	0	0	0	0	0	2,125,000	0	0	0	53,125	01/01/2021
303820-8P-2	FAIRFAX CNTY VA		02/24/2016	FUND FUNDS II		12,226,332	10,270,000	11,223,775	10,982,675	0	(17,793)	0	(17,793)	0	10,964,882	0	1,261,451	1,261,451	211,106	10/01/2030
303820-8Q-0	FAIRFAX CNTY VA		02/24/2016	FUND FUNDS II		5,936,050	5,000,000	5,435,450	5,325,637	0	(7,685)	0	(7,685)	0	5,317,952	0	618,098	618,098	100,694	10/01/2031
442331-WA-8	HOUSTON TEX		01/14/2016	APEX PRYOR SECURITIES INC.		8,039,908	6,795,000	7,301,160	7,181,842	0	(2,779)	0	(2,779)	0	7,179,063	0	860,845	860,845	130,903	03/01/2030
442331-WC-4	HOUSTON TEX		12/01/2016	VARIOUS		1,763,130	1,500,000	1,584,225	1,566,207	0	(970)	0	(970)	0	1,565,237	0	197,893	197,893	32,917	03/01/2032
476575-2N-4	JERSEY CITY N J		09/01/2016	Maturity		950,000	950,000	954,532	954,479	0	(4,479)	0	(4,479)	0	950,000	0	0	0	51,110	09/01/2016
483270-AR-5	KALAMAZOO MICH PUB SCHS		05/02/2016	Redemption		4,350,000	4,350,000	4,713,660	4,378,570	0	(28,570)	0	(28,570)	0	4,350,000	0	0	0	108,750	05/01/2023
649661-VJ-2	NEW YORK N Y		01/19/2016	MORGAN STANLEY CO		3,989,540	3,415,000	3,600,400	3,560,236	0	(1,104)	0	(1,104)	0	3,559,132	0	430,407	430,407	81,106	08/01/2031
681712-PF-6	OMAHA NEB.		01/12/2016	MESIROW FINANCIAL INC		1,899,918	1,800,000	2,071,116	1,891,640	0	(2,400)	0	(2,400)	0	1,889,240	0	10,678	10,678	26,775	04/01/2017
873465-TY-4	TACOMA WASH		10/31/2016	FENNER		1,755,915	1,750,000	1,948,800	1,786,182	0	(33,142)	0	(33,142)	0	1,753,040	0	2,875	2,875	80,694	12/01/2021
2499999	Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)					48,383,773	42,845,000	46,103,823	44,783,135	0	(99,961)	0	(99,961)	0	44,683,174	0	3,700,599	3,700,599	989,431	XXX
Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																				
040654-TT-2	ARIZONA ST TRANS BRD HWY REV		10/13/2016	MORGAN STANLEY CO		9,468,320	8,000,000	8,722,400	8,549,498	0	(71,691)	0	(71,691)	0	8,477,807	0	990,513	990,513	540,167	07/01/2031
047870-EZ-9	ATLANTA GA WTR & WASTEWTR REV		01/12/2016	FUND FUNDS II		5,000,000	5,000,000	5,334,150	5,249,607	0	(512)	0	(512)	0	5,249,095	0	1,505,655	1,505,655	58,299	11/01/2027
050589-JD-3	AUBURN UNIV ALA GEN FEE REV		09/01/2016	JANNEY MONTGOMERY, SCOTT INC		2,011,999	1,695,000	1,864,568	1,861,608	0	(19,578)	0	(19,578)	0	1,842,030	0	169,969	169,969	64,975	06/01/2036
120525-CS-7	BUNCOMBE CNTY N C LTD OBLIG		01/05/2016	DEPPA FIRST ALBANY SECURITIES		2,854,030	2,450,000	2,582,153	2,554,891	0	(272)	0	(272)	0	2,554,619	0	299,410	299,410	12,590	06/01/2032
13033F-2Z-2	CALIFORNIA HEALTH FACS FING AUTH		09/01/2016	MORGAN STANLEY CO		2,608,784	2,420,000	2,511,863	2,507,021	0	(21,896)	0	(21,896)	0	2,485,125	0	123,660	123,660	128,394	08/15/2038
13077C-2J-2	CALIFORNIA ST UNIV REV		09/13/2016	Exchange/ Corp Action		4,514,745	4,490,000	4,555,495	4,541,203	0	(26,459)	0	(26,459)	0	4,514,745	0	0	0	194,567	11/01/2019
176553-ES-0	CITIZENS PPTY INS CORP FLA		06/01/2016	Maturity		2,215,000	2,215,000	2,369,961	2,229,244	0	(14,244)	0	(14,244)	0	2,215,000	0	0	0	55,375	06/01/2016
235241-QH-2	TAX REV DALLAS TEX AREA RAPID TRAN SALES		10/31/2016	FUND FUNDS II		1,459,918	1,455,000	1,464,487	1,510,994	0	(50,927)	712	(51,640)	0	1,459,355	0	563	563	67,092	12/01/2020
235241-QW-9	TAX REV DALLAS TEX AREA RAPID TRAN SALES		10/31/2016	FUND FUNDS II		1,048,532	1,045,000	1,051,813	1,084,869	0	(36,292)	449	(36,741)	0	1,048,127	0	405	405	48,186	12/01/2020
235416-Z8-0	DALLAS TEX WTRWKS & SWR SYS REV		08/17/2016	Exchange/ Corp Action		5,642,726	5,150,000	5,735,401	5,713,143	0	(70,417)	0	(70,417)	0	5,642,726	0	0	0	226,028	10/01/2039
29270C-C3-7	ENERGY NORTHWEST WASH ELEC REV		07/01/2016	Redemption		940,000	940,000	979,886	949,747	0	(9,747)	0	(9,747)	0	940,000	0	0	0	47,000	07/01/2023
29270C-C8-6	ENERGY NORTHWEST WASH ELEC REV		07/01/2016	Redemption		2,065,000	2,065,000	2,138,138	2,082,9											

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B/A. C.V. (11+12-13)	Total Foreign Exchange Change in B/A. C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date
3128K1-6C-8	FH A68067 RMBS		12/01/2016	VARIOUS		1,529	1,529	1,566	1,564	0	(35)	0	(35)	0	1,529	0	0	0	46	10/01/2037
3128M8-U8-5	FH G06607 RMBS		12/01/2016	VARIOUS		2,898,077	2,898,077	3,102,162	3,097,578	0	(199,500)	0	(199,500)	0	2,898,077	0	0	0	84,803	06/01/2041
3128MA-B8-7	FH G07849 RMBS		10/01/2016	VARIOUS		1,302,767	1,237,807	1,278,890	1,278,890	0	(2,970)	0	(2,970)	0	1,275,920	0	26,848	26,848	21,732	05/01/2044
3128MJ-S6-8	FH G08540 RMBS		12/01/2016	VARIOUS		564,066	564,066	544,573	545,103	0	(18,963)	0	(18,963)	0	564,066	0	0	0	8,632	08/01/2043
3128M-1J-SY-7	FH G08534 RMBS		12/01/2016	VARIOUS		603,730	603,730	582,866	583,397	0	20,333	0	20,333	0	603,730	0	0	0	9,447	06/01/2043
3128MJ-T2-6	FH G08568 RMBS		10/01/2016	VARIOUS		1,041,554	865,151	1,030,474	1,030,000	0	(10,081)	0	(10,081)	0	1,019,919	0	21,635	21,635	23,669	01/01/2044
3128MJ-TQ-3	FH G08558 RMBS		10/01/2016	VARIOUS		1,802,932	1,653,752	1,700,072	1,699,703	0	(7,296)	0	(7,296)	0	1,692,407	0	110,526	110,526	36,311	11/01/2043
3128P7-RA-3	FH C91381 RMBS		11/01/2016	VARIOUS		5,010,144	4,699,067	4,838,823	4,825,088	0	(26,008)	0	(26,008)	0	4,799,080	0	211,064	211,064	156,147	07/01/2031
3129J2-B6-4	FH C01839 RMBS		12/01/2016	VARIOUS		159,631	159,631	155,466	155,810	0	3,821	0	3,821	0	159,631	0	0	0	3,737	05/01/2034
3129Z5-AD-2	FH C09004 RMBS		11/01/2016	VARIOUS		3,672,109	3,511,227	3,531,532	3,531,081	0	(1,738)	0	(1,738)	0	3,529,343	0	142,765	142,765	81,469	07/01/2042
312938-YF-4	FH A90710 RMBS		12/01/2016	VARIOUS		206,294	206,294	219,556	219,279	0	(12,985)	0	(12,985)	0	206,294	0	0	0	4,528	01/01/2040
312945-Z6-6	FH A97043 RMBS		12/01/2016	VARIOUS		460,651	460,651	479,005	478,152	0	(17,501)	0	(17,501)	0	460,651	0	0	0	10,083	02/01/2041
312968-JE-1	FH B15661 RMBS		12/01/2016	VARIOUS		189,838	189,838	187,465	188,693	0	1,145	0	1,145	0	189,838	0	0	0	3,974	07/01/2019
31297U-AZ-3	FH A38124 RMBS		12/01/2016	VARIOUS		89,021	89,021	88,645	88,662	0	359	0	359	0	89,021	0	0	0	2,198	09/01/2035
3132GK-ZQ-2	FH Q04651 RMBS		12/01/2016	VARIOUS		95,934	95,934	99,048	98,968	0	(3,034)	0	(3,034)	0	95,934	0	0	0	1,941	11/01/2041
3132GM-AT-9	FH Q05718 RMBS		10/01/2016	VARIOUS		2,671,408	2,540,780	2,556,361	2,555,931	0	(1,484)	0	(1,484)	0	2,554,447	0	116,961	116,961	44,321	01/01/2042
3132GM-DJ-8	FH Q05805 RMBS		11/01/2016	VARIOUS		5,610,729	5,164,484	5,332,277	5,327,964	0	(18,603)	0	(18,603)	0	5,309,360	0	301,369	301,369	130,090	01/01/2042
3132H3-6U-2	FH U90883 RMBS		10/01/2016	VARIOUS		6,358,555	6,046,898	5,940,739	5,927,964	0	2,579	0	2,579	0	5,945,414	0	413,140	413,140	108,214	02/01/2043
3132H3-S7-9	FH U90542 RMBS		10/01/2016	VARIOUS		9,138,063	8,519,507	8,683,822	8,676,720	0	(5,884)	0	(5,884)	0	8,670,836	0	467,227	467,227	77,837	12/01/2042
3132H3-U3-5	FH U90602 RMBS		10/01/2016	VARIOUS		6,997,725	6,657,669	6,540,805	6,545,668	0	3,977	0	3,977	0	6,549,645	0	448,080	448,080	118,773	12/01/2042
3132HL-NE-9	FH Q10389 RMBS		10/01/2016	VARIOUS		2,547,143	2,411,340	2,476,386	2,475,236	0	(4,766)	0	(4,766)	0	2,470,470	0	76,673	76,673	42,295	08/01/2042
3132HN-UT-4	FH Q12394 RMBS		12/01/2016	VARIOUS		738,800	738,800	700,998	702,710	0	36,090	0	36,090	0	738,800	0	0	0	12,937	11/01/2042
3132HR-JN-1	FH Q14769 RMBS		10/01/2016	VARIOUS		2,267,738	2,141,106	2,130,983	2,131,288	0	256	0	256	0	2,131,543	0	136,194	136,194	38,315	01/01/2043
3132M5-UQ-3	FH Q25391 RMBS		10/01/2016	VARIOUS		7,310,987	6,772,987	7,128,569	7,119,122	0	(41,212)	0	(41,212)	0	7,077,910	0	233,077	233,077	168,417	03/01/2044
31331V-DV-5	FEDERAL FARM CREDIT BANKS		10/28/2016	FED SELL		874,419	850,000	872,100	860,888	0	(1,661)	0	(1,661)	0	859,228	0	115,191	115,191	43,780	10/26/2020
3133XF-JF-4	FEDERAL HOME LOAN BANKS		05/18/2016	Maturity		4,850,000	4,850,000	4,961,506	4,855,950	0	(5,950)	0	(5,950)	0	4,850,000	0	0	0	130,344	05/18/2016
3133XH-ZK-1	FEDERAL HOME LOAN BANKS		12/16/2016	Maturity @ 100.01		720,000	720,000	733,500	721,849	0	(1,849)	0	(1,849)	0	720,000	0	0	0	34,200	12/16/2016
31359M-H8-9	ASSOCIATION		03/15/2016	Maturity		250,000	250,000	264,688	250,465	0	(465)	0	(465)	0	250,000	0	0	0	6,250	03/15/2016
31371L-MZ-9	FN 255176 RMBS		12/01/2016	VARIOUS		135,038	135,038	134,511	134,582	0	456	0	456	0	135,038	0	0	0	2,797	04/01/2019
31371L-QY-4	FN 255268 RMBS		12/01/2016	VARIOUS		134,028	134,028	131,096	131,318	0	2,709	0	2,709	0	134,028	0	0	0	3,094	07/01/2034
313771-AA-5	FEDERAL HOME LOAN BANK OF CHICAGO		11/01/2016	Maturity		100,000	100,000	96,279	99,708	0	292	0	292	0	100,000	0	0	0	2,813	06/13/2016
3137EA-AG-4	FEDERAL HOME LOAN MORTGAGE CORPORATION		07/18/2016	Maturity		500,000	500,000	542,188	503,435	0	(3,435)	0	(3,435)	0	500,000	0	0	0	27,500	07/18/2016
3138A4-Y5-8	FN AH5431 RMBS		10/01/2016	VARIOUS		599,725	597,798	572,353	569,610	0	(1,991)	0	(1,991)	0	597,618	0	32,106	32,106	10,785	01/01/2026
3138A6-D8-0	FN AH4626 RMBS		10/01/2016	VARIOUS		755,931	727,968	745,826	741,954	0	(1,937)	0	(1,937)	0	740,017	0	15,914	15,914	14,135	02/01/2026
3138A6-ZA-1	FN AH8236 RMBS		11/01/2016	VARIOUS		4,338,854	4,117,130	4,217,485	4,198,758	0	(13,073)	0	(13,073)	0	4,185,685	0	153,169	153,169	80,257	01/01/2026
3138A7-QB-7	FN AH8849 RMBS		12/01/2016	VARIOUS		401,022	401,022	425,835	424,588	0	(23,566)	0	(23,566)	0	401,022	0	0	0	8,113	02/01/2041
3138A8-LC-8	FN AH6622 RMBS		12/27/2016	VARIOUS		2,954,403	2,824,142	2,920,437	2,917,036	0	(20,109)	0	(20,109)	0	2,896,928	0	57,475	57,475	111,500	03/01/2041
3138AA-AM-3	FN AH8111 RMBS		10/01/2016	VARIOUS		1,354,878	1,298,449	1,326,110	1,323,190	0	(817)	0	(817)	0	1,322,373	0	32,505	32,505	9,436	03/01/2026
3138AF-XA-3	FN A12472 RMBS		12/01/2016	VARIOUS		2,050,294	2,050,294	2,194,455	2,192,091	0	(141,797)	0	(141,797)	0	2,050,294	0	0	0	47,300	05/01/2041
3138AV-P6-6	FN A14044 RMBS		12/01/2016	VARIOUS		2,184,980	2,184,980	2,292,351	2,289,800	0	(104,821)	0	(104,821)	0	2,184,980	0	0	0	40,319	10/01/2041
3138E4-Z7-9	FN AK0765 RMBS		11/25/2016	VARIOUS		2,894,217	2,729,825	2,793,302	2,791,375	0	(11,209)	0	(11,209)	0	2,780,165	0	114,052	114,052	95,303	03/01/2042
3138E7-XW-9	FN AK3392 RMBS		12/01/2016	VARIOUS		412,787	412,787	425,286	424,939	0	(12,152)	0	(12,152)	0	412,787	0	0	0	7,956	02/01/2042
3138ED-FB-2	FN AK8261 RMBS		12/01/2016	VARIOUS		278,580	278,580	294,768	294,484	0	(15,903)	0	(15,903)	0	278,580	0	0	0	5,100	04/01/2042
3138EG-ZZ-0	FN AL0759 RMBS		12/01/2016	VARIOUS		412,355	412,355	451,142	450,345	0	(37,990)	0	(37,990)	0	412,355	0	0	0	9,116	09/01/2041
3138EH-3V-2	FN AL1711 RMBS		10/01/2016	VARIOUS		5,928,294	5,411,586	5,753,386	5,747,091	0	(28,684)	0	(28,684)	0	5,718,407	0	209,887	209,887	114,604	08/01/2041
3138EJ-EW-4	FN AL1948 RMBS		10/01/2016	VARIOUS		5,158,259	4,783,281	5,093,003	5,093,003	0	(14,153)	0	(14,153)	0	5,078,850	0	79,410	79,410	73,524	01/01/2042
3138EL-VR-1	FN AL4223 RMBS		10/01/2016	VARIOUS		3,757,012	3,479,709	3,630,341	3,627,071	0	(4,949)	0	(4,949)	0	3,622,122	0	134,890	134,890	44,543	05/01/2043
3138LS-2M-1	FN A02579 RMBS		11/01/2016	VARIOUS		8,977,935	8,535,166	8,624,185	8,621,871	0	(7,536)	0	(7,536)	0	8,614,335	0	363,601	363,601	148,588	05/01/2042
3138LY-FM-4	FN A07371 RMBS		10/28/2016	VARIOUS		2,586,013	2,449,835	2,437,636	2,437,856	0	768	0	768	0	2,438,624					

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year (Amortization)/Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B/A. C.V. (11+12-13)	Total Foreign Exchange Change in B/A. C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date
31402C-WR-9	FN 725256 - RMBS		12/01/2016	VARIOUS		79,985	79,985	79,860	79,842	.0	143	.0	143	.0	79,985	.0	.0	.0	1,774	02/01/2034
31402D-KH-2	FN 725796 - RMBS		12/01/2016	VARIOUS		13,571	13,571	13,526	13,523	.0	.48	.0	.48	.0	13,571	.0	.0	.0	.324	09/01/2019
31402D-P7-9	FN 725946 - RMBS		12/01/2016	VARIOUS		94,652	94,651	94,030	94,050	.0	601	.0	601	.0	94,651	.0	.0	.0	2,361	11/01/2034
31402Q-SZ-5	FN 735036 - RMBS		12/01/2016	VARIOUS		94,960	94,960	94,960	94,281	.0	679	.0	679	.0	94,960	.0	.0	.0	2,409	12/01/2034
31402Q-WA-5	FN 735141 - RMBS		12/01/2016	VARIOUS		79,020	79,020	76,446	76,620	.0	2,401	.0	2,401	.0	79,020	.0	.0	.0	1,986	01/01/2035
31402R-D2-2	FN 735521 - RMBS		12/01/2016	VARIOUS		35,483	35,483	35,394	35,374	.0	109	.0	109	.0	35,483	.0	.0	.0	883	03/01/2020
31403C-ZZ-3	FN 745192 - RMBS		12/01/2016	VARIOUS		22,718	22,718	22,641	22,638	.0	80	.0	80	.0	22,718	.0	.0	.0	571	06/01/2020
31403J-YU-4	FN 750523 - RMBS		12/01/2016	VARIOUS		12,701	12,701	12,061	12,832	.0	(131)	.0	(131)	.0	12,701	.0	.0	.0	315	01/01/2019
31403K-SM-6	FN 751224 - RMBS		12/01/2016	VARIOUS		6,434	6,434	6,587	6,557	.0	(122)	.0	(122)	.0	6,434	.0	.0	.0	164	02/01/2034
31403R-KJ-6	FN 755497 - RMBS		12/01/2016	VARIOUS		7,601	7,601	7,583	7,577	.0	23	.0	23	.0	7,601	.0	.0	.0	197	11/01/2018
31403Y-ED-7	FN 758932 - RMBS		12/01/2016	VARIOUS		21,893	21,893	22,513	22,002	.0	(109)	.0	(109)	.0	21,893	.0	.0	.0	569	01/01/2019
31403W-BU-0	FN 759751 - RMBS		12/01/2016	VARIOUS		74,016	74,016	74,871	74,797	.0	(781)	.0	(781)	.0	74,016	.0	.0	.0	1,992	01/01/2034
31403X-YW-9	FN 761325 - RMBS		12/01/2016	VARIOUS		26,792	26,792	26,709	26,700	.0	92	.0	92	.0	26,792	.0	.0	.0	716	04/01/2019
31404A-G5-7	FN 762620 - RMBS		12/01/2016	VARIOUS		19,142	19,142	19,612	19,573	.0	(430)	.0	(430)	.0	19,142	.0	.0	.0	446	12/01/2033
31404B-36-5	FN 764099 - RMBS		12/01/2016	VARIOUS		47,237	47,237	47,466	47,421	.0	(184)	.0	(184)	.0	47,237	.0	.0	.0	1,649	03/01/2034
31404B-00-7	FN 763752 - RMBS		12/01/2016	VARIOUS		13,298	13,298	13,298	13,288	.0	10	.0	10	.0	13,298	.0	.0	.0	350	01/01/2034
31404K-FX-5	FN 770682 - RMBS		12/01/2016	VARIOUS		177,506	177,506	178,366	178,177	.0	(671)	.0	(671)	.0	177,506	.0	.0	.0	4,285	04/01/2034
31404V-VP-0	FN 780122 - RMBS		12/01/2016	VARIOUS		37,471	37,471	36,651	36,750	.0	721	.0	721	.0	37,471	.0	.0	.0	519	05/01/2034
31405A-TF-0	FN 783650 - RMBS		12/01/2016	VARIOUS		91,857	91,856	88,125	88,320	.0	3,536	.0	3,536	.0	91,856	.0	.0	.0	2,227	06/01/2034
31405F-4E-9	FN 788421 - RMBS		12/01/2016	VARIOUS		2,888	2,888	2,879	2,878	.0	10	.0	10	.0	2,888	.0	.0	.0	62	09/01/2019
31405F-4M-1	FN 788428 - RMBS		12/01/2016	VARIOUS		4,497	4,497	4,481	4,481	.0	16	.0	16	.0	4,497	.0	.0	.0	127	09/01/2019
31406G-YR-4	FN 809920 - RMBS		12/01/2016	VARIOUS		85,290	85,290	86,049	85,931	.0	(642)	.0	(642)	.0	85,290	.0	.0	.0	3,310	03/01/2035
31410C-0T-2	FN 885266 - RMBS		12/01/2016	VARIOUS		2,509	2,510	2,535	2,527	.0	(17)	.0	(17)	.0	2,510	.0	.0	.0	70	05/01/2036
31410G-AF-0	FN 888406 - RMBS		12/01/2016	VARIOUS		134,255	134,255	127,102	127,584	.0	6,671	.0	6,671	.0	134,255	.0	.0	.0	3,300	08/01/2036
31410K-XB-5	FN 889974 - RMBS		12/01/2016	VARIOUS		181,650	181,650	196,352	195,572	.0	(13,922)	.0	(13,922)	.0	181,650	.0	.0	.0	4,200	09/01/2035
31412N-G6-6	FN 930671 - RMBS		12/27/2016	VARIOUS		2,704,742	2,704,742	2,635,047	2,629,216	.0	(22,912)	.0	(22,912)	.0	2,606,304	.0	98,438	98,438	104,092	03/01/2039
314120-E4-7	FN 931755 - RMBS		12/01/2016	VARIOUS		309,117	309,117	334,233	333,608	.0	(24,911)	.0	(24,911)	.0	309,117	.0	.0	.0	6,814	08/01/2039
31416C-EZ-5	FN 995752 - RMBS		12/01/2016	VARIOUS		6,116,927	6,116,927	5,862,517	5,850,750	.0	(26,477)	.0	(26,477)	.0	5,824,273	.0	292,654	292,654	116,839	05/01/2039
31416R-OU-0	FN AAT666 - RMBS		12/01/2016	VARIOUS		9,916,258	9,916,258	9,913,430	9,906,709	.0	(24,522)	.0	(24,522)	.0	9,882,187	.0	34,070	34,070	60,658	06/01/2039
31416W-J5-9	FN AB1503 - RMBS		10/01/2016	VARIOUS		1,212,066	1,212,066	1,187,853	1,184,156	.0	(3,167)	.0	(3,167)	.0	1,180,988	.0	31,077	31,077	17,152	09/01/2025
31416X-KD-1	FN AB2091 - RMBS		10/01/2016	VARIOUS		4,346,313	4,059,790	4,306,369	4,306,369	.0	(14,230)	.0	(14,230)	.0	4,292,139	.0	54,174	54,174	82,703	01/01/2041
31417C-5E-1	FN AB6244 - RMBS		12/01/2016	VARIOUS		9,920,947	9,120,007	9,651,058	9,638,490	.0	(43,305)	.0	(43,305)	.0	9,595,185	.0	325,762	325,762	194,515	09/01/2042
31417F-4R-6	FN AB8931 - RMBS		12/01/2016	VARIOUS		142,566	142,566	140,338	140,385	.0	2,180	.0	2,180	.0	142,566	.0	.0	.0	1,858	04/01/2043
31417Y-4C-8	FN MA0818 - RMBS		10/01/2016	VARIOUS		4,365,848	4,074,442	4,192,855	4,182,102	.0	(18,729)	.0	(18,729)	.0	4,163,373	.0	202,476	202,476	112,863	08/01/2031
31417Y-TV-9	FN MA0583 - RMBS		10/01/2016	VARIOUS		908,581	846,507	882,826	880,966	.0	(5,217)	.0	(5,217)	.0	875,748	.0	32,833	32,833	18,680	11/01/2030
31418D-KG-6	FN MA3894 - RMBS		10/01/2016	VARIOUS		4,388,875	4,096,915	4,277,771	4,268,672	.0	(29,009)	.0	(29,009)	.0	4,239,663	.0	149,213	149,213	113,353	09/01/2031
31419A-4V-6	FN AE0835 - RMBS		11/01/2016	VARIOUS		4,530,749	4,179,446	4,315,034	4,311,819	.0	(12,150)	.0	(12,150)	.0	4,299,669	.0	231,080	231,080	85,023	01/01/2041
31419A-X7-7	FN AE0701 - RMBS		12/01/2016	VARIOUS		292,778	292,778	319,144	319,036	.0	(26,258)	.0	(26,258)	.0	292,778	.0	.0	.0	6,405	12/01/2040
31419B-BT-1	FN AE0949 - RMBS		10/01/2016	VARIOUS		15,259,280	14,271,434	14,869,050	14,853,566	.0	(60,940)	.0	(60,940)	.0	14,792,625	.0	466,654	466,654	287,132	02/01/2041
341080-CL-1	FLORIDA PORTS FING COMMN REV		06/01/2016	Maturity		1,250,000	1,250,000	1,365,563	1,260,262	.0	(10,262)	.0	(10,262)	.0	1,250,000	.0	.0	.0	31,250	06/01/2016
438701-TC-8	WASTEWTR SYS		01/25/2016	HILLTOP SECURITIES INC		2,326,220	2,000,000	2,091,420	2,086,228	.0	(865)	.0	(865)	.0	2,085,363	.0	240,857	240,857	57,500	07/01/2037
442435-H7-1	HOUSTON TEX UTIL SYS REV		03/29/2016	VARIOUS		7,636,472	6,600,000	6,887,100	6,871,226	.0	(9,767)	.0	(9,767)	.0	6,861,459	.0	775,013	775,013	122,028	11/15/2036
452252-CZ-0	HIGHWAY R		07/01/2016	Redemption		7,075,000	7,075,000	7,454,857	7,116,656	.0	(41,656)	.0	(41,656)	.0	7,075,000	.0	.0	.0	353,750	01/01/2024
455167-6P-6	INDIANA UNIV REVS		01/19/2016	Piper Jaffray Co		3,412,324	2,950,000	3,094,226	3,064,553	.0	(888)	.0	(888)	.0	3,063,665	.0	348,659	348,659	20,896	06/01/2037
490278-3U-0	KENT CNTY MICH		01/19/2016	RAYMOND JAMES/FI		1,156,730	1,000,000	1,041,840	1,031,965	.0	(300)	.0	(300)	.0	1,25,665	.0	125,065	125,065	27,917	01/01/2028
491189-FC-5	KENTUCKY ASSET / LIABILITY COMMN GEN FD		06/09/2016	VARIOUS		2,506,826	2,476,392	2,486,528	2,479,337	.0	(948)	.0	(948)	.0	2,478,388	.0	28,438	28,438	48,850	04/01/2018
491189-FK-7	KENTUCKY ASSET / LIABILITY COMMN GEN FD		09/16/2016	RBC CAPITAL MARKETS		4,475,080	4,250,000	4,618,603	4,387,582	.0	(42,993)	.0	(42,993)	.0	4,344,589	.0	130,491	130,491	195,110	04/01/2018
517840-C5-1	LAS VEGAS VALLEY NEV WTR DIST		06/01/2016	Redemption		1,300,000	1,300,000	1,319,370	1,319,370	.0	(19,370)	.0	(19,370)	.0	1,300,000	.0	.0	.0	30,875	06/01/2033
517840-Z5-6	LAS VEGAS VALLEY NEV WTR DIST		06/01/2016	Maturity		1,905,000	1,905,000	1,928,793	1,907,117	.0	(2,117)	.0	(2,117)	.0	1,905,000	.0	.0	.0	31,918	06/01/2016
57583U-BZ-0	MASSACHUSETTS ST DEV FIN AGY REV		09/01/2016	JP MORGAN SECURITIES INC		6,631,630	6,140,000	6,409,178	6,263,808	.0	(24,525)	.0	(24,525)	.0	6,239,284	.0	392,346	392,346	264,642	04/01/2019
576000-NG-4	DEDICATED MIDPENINSULA REGL OPEN SPACE DIST		01/05/2016	BARCLAYS CAPITAL INC		11,949,200	10,000,000	10,935,100	10,744,143	.0	(1,825)	.0	(1,825)	.0	10,742,318	.0	1,206,882	1,206,882	198,611	08/15/2029
598022-EN-7	CALIF		01/15/2016	MORGAN STANLEY CO		4,989,608	4,120,000	4,409,306	4,351,284	.0	(1,613)	.0	(1,613)	.0	4,349,670	.0	639,938	639,938	80,111	09/01/2028
604146-AS-9	MINNESOTA ST GEN FD REV		01/12/2016	INC		2,797,486	2,385,000	2,583,933	2,540,790	.0	(726)	.0	(726)	.0	2,540,064	.0	257,422	257,422	43,725	03/01/2029
649519-CD-5	NEW YORK LIBERTY DEV CORP LIBERTY REV		01/13/2016	MORGAN STANLEY CO		9,909,509	8,310,000	8,969,482	8,827,570	.0	(2,597)	.0	(2,597)	.0	8,824,973	.0	1,084,536	1,084,536	137,346	09/15/2028
649519-CH-6	NEW YORK LIBERTY DEV CORP LIBERTY REV		01/13/2016	MORGAN STANLEY CO		1,482,655	1,260,000	1,321,904	1,307,553	.0	(317)	.0	(317)	.0	1,307,236	.0	175,			

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or otherwise DISPOSED OF During Current Year

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/Stock Dividends Received During Year	21 Stated Contractual Maturity Date
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year (Amortization)/ Accretion	13 Current Year's Other-Than-Temporary Impairment Recognized	14 Total Change in B/A. C.V. (11+12-13)	15 Total Foreign Exchange Change in B/A. C.V.						
650014-HY-2	NEW YORK ST TWY AUTH SECOND GEN HWY & BR		04/01/2016	Redemption		1,100,000	1,100,000	1,213,267	1,106,303	0	(6,303)	0	(6,303)	0	1,100,000	0	0	0	27,500	04/01/2020
650028-JW-4	NEW YORK ST TWY AUTH ST PERS INCOME TAX		03/15/2016	Redemption		7,210,000	7,210,000	8,037,059	7,250,749	0	(40,749)	0	(40,749)	0	7,210,000	0	0	0	180,250	03/15/2023
656009-KF-3	NORFOLK VA WTR REV		02/26/2016	MORGAN STANLEY CO		2,653,089	2,295,000	2,424,346	2,392,877	0	(2,719)	0	(2,719)	0	2,390,157	0	262,932	262,932	38,569	11/01/2034
656009-KG-1	NORFOLK VA WTR REV		02/26/2016	MORGAN STANLEY CO		2,785,364	2,415,000	2,543,285	2,512,124	0	(2,691)	0	(2,691)	0	2,509,434	0	275,931	275,931	40,585	11/01/2035
656009-KH-9	NORFOLK VA WTR REV		03/01/2016	PERSHING LLC		2,928,762	2,535,000	2,661,497	2,630,821	0	(2,733)	0	(2,733)	0	2,628,088	0	300,674	300,674	43,306	11/01/2036
656009-KJ-5	NORFOLK VA WTR REV		02/29/2016	UBS FINANCIAL SERVICES INC		762,030	665,000	696,056	688,537	0	(658)	0	(658)	0	687,879	0	74,151	74,151	11,268	11/01/2037
656009-KK-2	NORFOLK VA WTR REV		02/25/2016	BB&T SECURITIES, LLC		3,213,071	2,805,000	2,928,813	2,898,879	0	(2,534)	0	(2,534)	0	2,896,346	0	316,726	316,726	46,750	11/01/2038
663507-CL-3	NORTHAMPTON CNTY PA GEN PURP AUTH REV		10/13/2016	MORGAN STANLEY CO		1,650,030	1,500,000	1,641,720	1,640,797	0	(31,892)	0	(31,892)	0	1,608,905	0	41,125	41,125	68,542	11/15/2039
682001-AR-3	OMAHA PUB PWR DIST NEB ELEC REV		01/20/2016	BARCLAYS CAPITAL INC		6,070,953	5,210,000	5,511,294	5,440,074	0	(2,007)	0	(2,007)	0	5,438,067	0	632,886	632,886	125,908	02/01/2034
71884A-UW-7	PHOENIX ARIZ CIVIC IMPT CORP EXCISE TAX		06/09/2016	FUMB FUNDS II		1,292,483	1,260,000	1,260,000	1,260,000	0	0	0	0	0	1,260,000	0	32,483	32,483	39,525	07/01/2017
71884A-VL-0	PHOENIX ARIZ CIVIC IMPT CORP EXCISE TAX		06/09/2016	FUMB FUNDS II		3,892,835	3,795,000	3,795,000	3,795,000	0	0	0	0	0	3,795,000	0	97,835	97,835	119,045	07/01/2017
71884A-VW-6	SALT RIVER PROJ ARIZ AGRIC IMPT & PWR D		06/15/2016	FUMB FUNDS II		4,012,710	3,900,000	3,900,000	3,900,000	0	0	0	0	0	3,900,000	0	112,710	112,710	138,763	07/01/2017
79574C-AC-7	SALT RIVER PROJ ARIZ AGRIC IMPT & PWR D		01/04/2016	FUMB FUNDS II		11,514,604	9,720,000	10,443,362	10,292,606	0	(1,290)	0	(1,290)	0	10,291,316	0	1,223,288	1,223,288	48,600	12/01/2031
79575D-UJ-7	SOUTH CAROLINA JOBS-ECONOMIC DEV AUTH HO		01/04/2016	Redemption		5,000,000	5,000,000	4,742,400	4,781,404	0	218,596	0	218,596	0	5,000,000	0	0	0	125,000	01/01/2035
83703F-BL-5	TACOMA WASH SWR REV		08/15/2016	Maturity		1,800,000	1,800,000	1,979,118	1,823,164	0	(23,164)	0	(23,164)	0	1,800,000	0	0	0	90,000	08/15/2016
873545-FV-4	TEXAS TRANS COMMN ST HWY FD REV		10/31/2016	FENNER		5,017,000	5,000,000	4,932,950	4,941,759	0	53,340	0	53,340	0	4,995,099	0	21,901	21,901	230,556	12/01/2033
88283L-CO-7	TIPPECANOE CNTY IND NSEOB SCH BLDG CORP		04/01/2016	Redemption		1,395,000	1,395,000	1,569,766	1,404,790	0	(9,790)	0	(9,790)	0	1,395,000	0	0	0	34,875	04/01/2020
88786P-BR-9	TIPPECANOE CNTY IND NWSE SCH BLDG CORP		10/20/2016	Stifel Nicolaus & Co.		1,370,611	1,280,000	1,412,928	1,338,241	0	(12,601)	0	(12,601)	0	1,325,641	0	44,971	44,971	82,039	07/15/2019
88786R-AS-4	TIPPECANOE CNTY IND NWSE SCH BLDG CORP		07/15/2016	CITIGROUP GLOBAL MARKETS		1,120,000	1,120,000	1,137,965	1,137,965	0	(17,965)	0	(17,965)	0	1,120,000	0	0	0	44,800	07/15/2018
91417K-YA-3	UNIVERSITY COLO ENTERPRISE SYS REV		01/08/2016	MORGAN STANLEY CO		4,619,920	4,000,000	4,174,000	4,163,496	0	(665)	0	(665)	0	4,162,832	0	457,089	457,089	22,778	06/01/2037
91523N-JF-4	UNIVERSITY WASH UNIV REVS		01/19/2016	MORGAN STANLEY CO		1,739,356	1,570,000	1,579,546	1,577,276	0	(50)	0	(50)	0	1,577,226	0	162,130	162,130	21,784	04/01/2035
3199999	Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions					431,987,683	399,886,905	415,834,824	412,055,465	0	(1,506,441)	1,161	(1,507,602)	0	410,547,863	0	21,439,820	21,439,820	9,854,251	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)																				
00130H-BS-3	AES CORP		01/01/2016	Adjustment		0	0	0	510,000	17,006	0	0	17,006	0	0	0	0	0	0	07/01/2021
001546-AR-1	AK STEEL CORP		01/28/2016	J.P. MORGAN SEC'S - FIXED INC		469,700	550,000	494,279	495,000	0	1,390	0	1,390	0	496,390	0	(26,690)	(26,690)	8,074	12/01/2018
00440E-AV-9	ACE INA HOLDINGS INC		01/15/2016	WELLS FARGO SECURITIES LLC		1,021,733	1,005,000	1,001,915	1,001,954	0	19	0	19	0	1,001,973	0	19,760	19,760	7,295	05/03/2026
00507V-AC-3	ACTIVISION BLIZZARD INC		10/19/2016	Redemption		900,000	900,000	946,730	938,112	0	(848)	0	(848)	0	937,264	0	(37,264)	(37,264)	93,377	09/15/2021
009280-AK-7	AIRCASLE LTD		01/01/2016	Adjustment		0	0	0	258,000	1,709	0	0	1,709	0	0	0	0	0	0	12/01/2019
02005N-AD-2	ALLY FINANCIAL INC		01/01/2016	Adjustment		0	0	0	786,563	2,391	0	0	2,391	0	0	0	0	0	0	12/01/2017
02209S-AD-5	ALTRIA GROUP INC		08/05/2016	DEUTSCHE BANK SECURITIES, INC		4,289,499	3,625,000	4,359,092	4,359,092	0	(152,203)	0	(152,203)	0	4,206,888	0	82,610	82,610	263,719	11/10/2018
02406P-AN-0	AMERICAN AXLE & MANUFACTURING INC		01/01/2016	Adjustment		0	0	0	782,750	3,827	0	0	3,827	0	0	0	0	0	0	02/15/2019
029912-BD-3	AMERICAN TOWER CORP		09/15/2016	FIXED		7,534,128	7,250,000	7,560,974	7,560,974	0	(108,342)	0	(108,342)	0	7,452,633	0	81,495	81,495	385,156	01/15/2018
03528T-AD-3	ANIXTER INC		01/01/2016	Adjustment		0	0	0	520,000	5,841	0	0	5,841	0	0	0	0	0	0	05/01/2019
043436-AN-4	ASBURY AUTOMOTIVE GROUP INC		01/01/2016	Adjustment		0	0	0	258,125	4,066	0	0	4,066	0	0	0	0	0	0	12/15/2024
045054-AB-9	ASHTADE CAPITAL INC		01/01/2016	Adjustment		0	0	0	260,625	608	0	0	608	0	0	0	0	0	0	07/15/2022
050706-AE-8	AUDATEX NORTH AMERICA INC		03/03/2016	DIRECT		455,625	450,000	456,233	451,935	1,192	(18)	0	1,174	0	450,867	0	4,758	4,758	5,890	06/15/2021
050706-AG-3	AUDATEX NORTH AMERICA INC		03/03/2016	DIRECT		227,813	225,000	227,531	226,406	1,110	(33)	0	1,077	0	227,484	0	329	329	4,670	11/01/2023
057224-AY-3	BAKER HUGHES INC		08/01/2016	CORPORATE ACTION		2,284,240	2,000,000	2,258,044	2,258,044	0	(38,413)	0	(38,413)	0	2,219,631	0	64,609	64,609	85,417	11/15/2018
07358Y-AE-2	BSCMS 07PR16 A4 - CMBS		12/01/2016	VARIOUS		523,096	523,096	557,910	527,848	0	(4,751)	0	(4,751)	0	523,096	0	0	0	19,934	06/11/2040
084664-BE-0	BERKSHIRE HATHAWAY FINANCE CORP		06/02/2016	GOLDMAN, SACHS & CO/ALGO		4,537,638	4,200,000	4,658,858	4,371,176	0	(30,174)	0	(30,174)	0	4,341,002	0	196,636	196,636	127,260	05/15/2018
097751-BK-6	BOMBARDIER INC		12/21/2016	Call @ 106.401		300,000	300,000	285,750	275,280	11,212	4,594	0	15,806	0	291,086	0	8,914	8,914	40,172	09/15/2018
120111-BN-8	BUILDING MATERIALS CORP OF AMERICA		01/01/2016	Adjustment		0	0	0	510,000	10,356	0	0	10,356	0	0	0	0	0	0	10/15/2025
12527E-AB-4	CFCRE 11C1 A2 - CMBS		10/01/2016	VARIOUS		448,951	448,951	455,749	448,613	0	338	0	338	0	448,951	0	0	0	1,526	04/15/2044
12527E-AF-0	CF INDUSTRIES INC		12/05/2016	VARIOUS		3,828,175	4,500,000	4,444,470	4,444,882	0	2,042	0	2,042	0	4,446,925	0	(618,750)	(618,750)	277,624	03/15/2034
12543D-AR-1	COMMUNITY HEALTH SYSTEMS INC		05/16/2016	Not Available		817,377	799,000	809,296	802,995	0	(499)	0	(499)	0	802,496	0	14,881	14,881	30,825	08/15/2018
125581-GN-2	CIT GROUP INC		01/01/2016	Adjustment		0	0	0	1,047,500	13,292	0	0	13,292	0	0	0	0	0	0	05/15/2020
12592B-AE-4	CNH INDUSTRIAL CAPITAL LLC		01/01/2016	Adjustment		0	0	0	282,750	13,773	0	0	13,773	0	0	0	0	0	0	11/06/2020
13975F-AD-2	AFIN 134 A4 - ABS		12/20/2016	VARIOUS		887,003	887,003	887,973	887,973	0	(970)	0	(970)	0	887,003	0	0	0	4,089	07/20/2018
14042E-SV-8	CAPITAL ONE NA		07/27/2016	WELLS FARGO SECURITIES LLC		4,060,429	4,005,000	4,000,635	4,001,156	0	854	0	854	0	4,002,010	0	58,420	58,420	89,673	08/17/2018
14313L-AD-8	CARMX 131 A4 - ABS		12/15/2016	VARIOUS		2,971,759	2,971,759	2,970,250	2,971,759	0	1,509	0	1,509	0	2,971,759	0	0	0	4,657	08/15/2018

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks **SOLD, REDEEMED** or Otherwise **DISPOSED** OF During Current Year

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Fore ign Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B/A. C.V. (11+12-13)	Total Foreign Exchange Change in B/A. C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	
144141-DC-9	CAROLINA POWER & LIGHT CO. CATERPILLAR FINANCIAL SERVICES CORPORATION	C	05/09/2016	WELLS FARGO SECURITIES LLC	9,484,158	9,115,000	8,981,547	8,990,535	0	6,653	0	6,653	0	8,997,189	0	486,969	486,969	125,483	05/15/2022	
14912L-4D-0	WELLS FARGO SECURITIES LLC		06/02/2016	WELLS FARGO SECURITIES LLC	3,281,905	2,920,000	3,703,529	3,256,138	0	(51,463)	0	(51,463)	0	3,204,675	0	77,230	77,230	141,243	10/01/2018	
20605P-AB-7	CONCHO RESOURCES INC.		10/01/2016	Redemption	875,000	875,000	870,581	861,875	0	1,632	0	1,632	0	863,507	0	11,494	11,494	102,764	01/15/2021	
21036P-AM-0	CONSTELLATION BRANDS INC.		01/01/2016	Adjustment	0	0	0	282,563	1,333	0	0	1,333	0	0	0	0	0	0	11/15/2019	
21871D-AC-7	CORELOGIC INC.		07/18/2016	Redemption	1,000,000	1,000,000	1,045,007	1,040,000	0	(4,644)	0	(4,644)	0	1,035,356	0	(35,356)	(35,356)	81,965	06/01/2021	
22545L-AD-1	CSFB 06C5 A3 - CMBS		10/01/2016	Direct	4,703,605	4,703,605	3,223,737	4,535,676	0	167,929	0	167,929	0	4,703,605	0	0	0	148,169	12/15/2039	
23305X-AB-7	DBUBS 11LC2 A2 - CMBS	C	11/01/2016	Direct	8,036,785	8,036,785	8,058,134	8,036,369	0	415	0	415	0	8,036,785	0	0	0	120,300	07/12/2044	
23311R-AC-0	DCP MIDSTREAM LLC		08/15/2016	Bank of America SEC LLC	333,750	300,000	321,936	305,475	15,869	(4,199)	0	11,670	0	317,144	0	16,606	16,606	27,056	03/15/2019	
235825-AB-2	DANA HOLDING CORP.		06/23/2016	Redemption	775,313	750,000	775,313	770,625	4,552	(1,979)	0	2,573	0	773,198	0	2,114	2,114	43,313	02/15/2021	
24422E-0V-4	JOHN DEERE CAPITAL CORP.		06/02/2016	MKTS/SALOMON	5,690,623	5,183,000	6,249,011	5,611,666	0	(67,001)	0	(67,001)	0	5,544,666	0	145,957	145,957	222,689	09/10/2018	
24713G-AA-0	DELPHI AUTOMOTIVE PLC	C	01/22/2016	Bank of America Securities	1,384,420	1,380,000	1,377,019	1,377,084	0	45	0	45	0	1,377,129	0	7,291	7,291	8,211	11/19/2020	
247367-BH-7	DELTA AIR LINES INC PASS-THROUGH TRUST		10/01/2016	Direct	161,155	161,155	184,926	183,427	0	(22,272)	0	(22,272)	0	161,155	0	0	0	2,900	02/10/2024	
25278X-AB-5	DIAMONDBACK ENERGY INC.		11/28/2016	Redemption	750,000	750,000	772,109	755,625	15,509	(2,512)	0	12,997	0	768,622	0	(18,622)	(18,622)	108,976	10/01/2021	
254672-UH-9	DISCOVER BANK		06/22/2016	MKTS/SALOMON	4,553,595	4,500,000	4,496,405	4,496,405	0	890	0	890	0	4,497,294	0	56,301	56,301	102,050	11/13/2018	
268787-AD-0	EP ENERGY LLC		01/28/2016	VARIOUS	171,313	490,000	360,150	245,000	117,525	986	0	118,510	0	363,510	0	(192,198)	(192,198)	4,078	06/15/2023	
269871-AB-5	EAGLE SPINCO INC.		01/01/2016	Adjustment	0	0	0	253,000	2,129	0	0	2,129	0	0	0	0	0	0	02/15/2021	
292505-AJ-3	ENCANA CORP.		11/01/2016	JP MORGAN SECURITIES INC.	5,061,957	5,075,000	4,740,145	4,743,903	0	37,073	0	37,073	0	4,780,976	0	280,982	280,982	173,184	11/15/2021	
292505-AK-0	ENCANA CORP.		03/30/2016	Direct	245,250	327,000	257,967	258,144	0	260	0	260	0	258,404	0	(13,154)	(13,154)	6,315	11/15/2041	
29444U-AN-6	EQUINIX INC.		01/01/2016	Adjustment	0	0	0	784,125	2,800	0	0	2,800	0	0	0	0	0	0	01/01/2022	
30706V-AC-9	FAMILY TREE ESCROW LLC		01/01/2016	Adjustment	0	0	0	180,688	1,418	0	0	1,418	0	0	0	0	0	0	03/01/2020	
345397-XN-8	FORD MOTOR CREDIT COMPANY LLC		07/27/2016	GOLDMAN SACHS & CO/ALGO	4,703,579	4,625,000	4,625,000	4,625,000	0	0	0	0	0	4,625,000	0	78,579	78,579	96,026	10/05/2018	
35906A-AZ-1	FRONTIER COMMUNICATIONS CORP.		10/11/2016	CITIGROUP GLOBAL	287,375	275,000	275,000	266,183	0	598	0	598	0	266,780	0	20,595	20,595	31,847	09/15/2025	
398435-AC-1	GRIFOLS WORLDWIDE OPERATIONS LTD.	C	01/01/2016	MKTS/SALOMON	0	0	0	301,500	6,205	0	0	6,205	0	0	0	0	0	0	04/01/2022	
404121-AD-7	HCA INC.		01/01/2016	Adjustment	0	0	0	443,000	13,217	0	0	13,217	0	0	0	0	0	0	02/15/2022	
437076-BC-5	HOME DEPOT INC.		09/06/2016	CITIGROUP GLOBAL	5,213,099	4,680,000	4,825,361	4,803,188	0	(9,420)	0	(9,420)	0	4,793,768	0	419,331	419,331	187,200	02/15/2024	
43813M-AC-0	HAROT 152 A3 - ABS		12/21/2016	MKTS/SALOMON	631,267	631,267	631,143	0	0	123	0	123	0	631,267	0	0	0	2,029	02/21/2019	
44841D-AB-8	HUTCHISON WHAMPOA INTERNATIONAL 14 LTD.	C	02/15/2016	Chase Manhattan Bank	5,827,260	5,800,000	5,705,825	5,710,725	0	1,219	0	1,219	0	5,711,943	0	115,317	115,317	63,075	10/31/2024	
449934-AB-4	IMS HEALTH INC.		11/01/2016	Redemption	335,000	335,000	345,888	344,432	198	(1,483)	0	(1,285)	0	343,147	0	(8,147)	(8,147)	25,125	11/01/2020	
464592-AQ-7	ISLE OF CAPRI CASINOS INC.		01/01/2016	Adjustment	0	0	0	790,500	3,831	0	0	3,831	0	0	0	0	0	0	03/15/2021	
46629Y-AC-3	JPMCC 07CB18 A4 - CMBS		12/01/2016	VARIOUS	2,791,257	2,791,257	2,101,833	2,685,997	0	105,261	0	105,261	0	2,791,257	0	0	0	121,227	06/12/2047	
46636D-AE-6	JPMCC 11C4 A3 - CMBS		10/01/2016	Direct	584,469	584,469	583,208	583,447	0	1,022	0	1,022	0	584,469	0	0	0	15,371	07/15/2046	
478160-AU-8	JOHNSON & JOHNSON		06/01/2016	MERRILL LYNCH PROF CLRING CORP.	4,763,484	4,400,000	4,977,905	4,622,752	0	(36,680)	0	(36,680)	0	4,586,072	0	177,412	177,412	202,052	07/15/2018	
48121C-YK-0	JPMORGAN CHASE BANK NA		12/01/2016	MORGAN STANLEY CO.	5,237,892	4,950,000	5,203,960	5,031,923	0	(19,463)	0	(19,463)	0	5,012,460	0	225,432	225,432	203,775	10/01/2017	
48666K-AR-0	KB HOME		01/01/2016	Adjustment	0	0	0	721,375	19,582	0	0	19,582	0	0	0	0	0	0	09/15/2022	
494550-AY-2	KINDER MORGAN ENERGY PARTNERS LP		07/19/2016	JP MORGAN SECURITIES INC.	740,495	700,000	704,368	704,277	0	(1,034)	0	(1,034)	0	703,243	0	37,252	37,252	38,989	02/15/2018	
50180J-AD-7	LBUBS 07C2 A3 - CMBS		12/11/2016	VARIOUS	1,199,622	1,199,622	867,067	1,133,109	0	66,513	0	66,513	0	1,199,622	0	0	0	48,798	02/15/2040	
51769R-AA-2	LAS VEGAS MONORAIL CO.		01/01/2016	DIRECT	5	5	5	0	0	0	0	0	0	0	0	0	0	5	07/15/2019	
53219L-AN-9	LIFEPOINT HEALTH INC.		01/01/2016	Adjustment	0	0	0	50,750	346	0	0	346	0	0	0	0	0	0	12/01/2023	
594918-AC-8	MICROSOFT CORP.		06/02/2016	TORONTO DOMINION SECS USA INC.	5,800,363	5,350,000	5,626,092	5,478,367	0	(15,241)	0	(15,241)	0	5,463,126	0	337,237	337,237	115,471	06/01/2019	
629377-BJ-0	NRG ENERGY INC.		09/01/2016	VARIOUS	360,080	350,000	335,913	336,073	0	1,406	0	1,406	0	337,480	0	22,600	22,600	27,500	09/01/2020	
629377-BS-0	NRG ENERGY INC.		11/03/2016	Redemption	384,000	384,000	360,912	360,000	0	2,628	0	2,628	0	362,628	0	21,372	21,372	27,189	05/15/2021	
644535-AF-3	NEW GOLD INC (NEW)		01/01/2016	Adjustment	0	0	0	477,000	32,147	0	0	32,147	0	0	0	0	0	0	11/15/2022	
651290-AQ-1	NEWFIELD EXPLORATION CO.		01/01/2016	Adjustment	0	0	0	426,250	64,774	0	0	64,774	0	0	0	0	0	0	07/01/2024	
655044-AM-7	NOBLE ENERGY INC.		01/21/2016	DIRECT	500,000	500,000	501,250	501,240	0	(3)	0	(3)	0	501,237	0	(1,237)	(1,237)	4,080	06/01/2024	
669896-AA-8	NOVARTIS SECURITIES INVESTMENT LTD.	C	09/01/2016	RBC CAPITAL MARKETS	6,880,608	6,300,000	6,961,248	6,587,456	0	(60,476)	0	(60,476)	0	6,526,980	0	353,628	353,628	347,091	02/10/2019	
67054L-AA-5	NUMERICABLE GROUP SA	C	05/16/2016	Redemption	829,248	800,000	776,000	776,962	0	2,394	0	2,394	0	779,357	0	49,891	49,891	29,250	05/15/2019	
68402L-AC-8	ORACLE CORP.		01/15/2016	Maturity	1,000,000	1,000,000	990,190	999,948	0	52	0	52	0	1,000,000	0	0	0	26,250	01/15/2016	
68353R-ER-5	PNC BANK NA		07/22/2016	GOLDMAN SACHS & CO/ALGO	3,082,879	3,050,000	3,044,037	3,044,037	0	1,320	0	1,320	0	3,045,358	0	37,521	37,521	57,365	07/20/2018	
707569-AR-0	PENN NATIONAL GAMING INC.		05/25/2016	Adjustment	0	0	0	291,000	11,911	0	0	11,911	0	0	0	0	0	0	11/01/2021	
70959W-AE-3	PENSKE AUTOMOTIVE GROUP INC.		06/29/2016	BNY/SUNTRUST CAPITAL MARKETS	508,725	510,000	512,085	511,219	0	(29)	0	(29)	0	511,190	0	(2,465)	(2,465)	22,320	10/01/2022	
70959W-AF-0	PENSKE AUTOMOTIVE GROUP INC.		07/05/2016	BARCLAYS CAPITAL INC.	480,690	500,000	508,750	505,000	3,671	(382)	0	3,289	0	508,289	0	(27,599)	(27,599)	16,200	12/01/2024	
761735-AD-1	REYNOLDS GROUP LLC	C	11/09/2016	Direct	149,542	149,542														

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks **SOLD, REDEEMED** or Otherwise **DISPOSED** OF During Current Year

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value				16	17	18	19	20	21		
										11	12	13	14								
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B/A. C.V. (11+12-13)	Total Foreign Exchange Change in B/A. C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	
864486-AG-0	SUBURBAN PROPANE PARTNERS LP		01/01/2016	Adjustment		0	0	0	806,400	69,494	0	0	69,494	0	0	0	0	0	0	0	08/01/2021
872430-AB-2	TENET HEALTHCARE CORP		01/01/2016	Adjustment		0	0	0	263,125	1,850	0	0	1,850	0	0	0	0	0	0	0	10/01/2020
872540-AM-1	TJX CO INC		06/03/2016	MITSUBISHI UFJ SECURITIES		1,038,969	900,000	1,113,013	1,005,389	0	(13,338)	0	(13,338)	0	992,051	0	46,918	46,918	40,484	0	04/15/2019
880336-BP-4	TENET HEALTHCARE CORP		01/01/2016	Adjustment		0	0	0	342,063	1,666	0	0	1,666	0	0	0	0	0	0	0	11/01/2018
88947E-AR-1	TOLL BROTHERS FINANCE CORP		01/01/2016	Adjustment		0	0	0	211,238	3,763	0	0	3,763	0	0	0	0	0	0	0	11/15/2025
89417E-AF-8	TRAVELERS CO INC		12/05/2016	BBAT SECURITIES, LLC		1,640,955	1,500,000	1,737,465	1,612,300	0	(29,371)	0	(29,371)	0	1,582,929	0	58,026	58,026	89,975	0	06/02/2019
90320T-AA-8	UPCB FINANCE V LTD	C	08/24/2016	Redemption		299,700	299,700	321,428	318,431	2,352	(7,560)	0	(5,208)	0	313,223	0	(13,523)	(13,523)	31,174	0	11/15/2021
903293-BC-1	USG CORP		12/02/2016	Various		650,000	650,000	680,875	676,000	4,453	(2,622)	0	1,831	0	617,830	0	(27,830)	(27,830)	70,115	0	11/01/2021
90783V-AA-3	UNION PACIFIC RAILROAD COMPANY 2005-1 PA		10/01/2016	Direct		28,840	28,840	27,581	27,851	0	989	0	989	0	28,840	0	0	0	280	0	01/02/2029
911365-BA-1	UR FINANCING ESCROW CORP		08/19/2016	Redemption		667,592	650,000	684,125	683,903	0	(10,087)	0	(10,087)	0	673,816	0	(6,224)	(6,224)	35,146	0	05/15/2020
92660F-AG-9	VIDEOTRON LTD		01/01/2016	Adjustment		0	0	0	502,500	12,082	0	0	12,082	0	0	0	0	0	0	0	06/15/2024
92935V-AE-8	WFRBS 11C3 A3 - CMBS		10/20/2016	VARIOUS		10,347,515	10,000,000	9,927,584	9,962,003	0	6,193	0	6,193	0	9,968,196	0	379,319	379,319	346,814	0	03/15/2044
92936C-AC-3	WFRBS 11C4 A2 - CMBS		10/01/2016	Direct		2,836,650	2,836,650	2,853,071	2,834,321	0	2,329	0	2,329	0	2,836,650	0	0	0	32,508	0	06/17/2044
929770-AD-0	WBCMT 06C27 A3 - CMBS		10/01/2016	Direct		3,301,514	3,301,514	2,639,217	3,234,969	0	66,544	0	66,544	0	3,301,514	0	0	0	58,210	0	07/17/2045
92978P-AE-9	WBCMT 06C29 A4 - CMBS		10/17/2016	Direct		4,754,766	4,754,766	3,631,539	4,583,348	0	171,418	0	171,418	0	4,754,766	0	0	0	154,459	0	11/15/2048
B6399C-BD-8	ANHEUSER-BUSCH INBEV NV	B	07/07/2016	RBC DOMINION SECS INC		199,339	125,210	180,709	180,709	0	(2,883)	0	(2,883)	(38,015)	177,827	0	22,169	22,169	12,554	0	07/30/2024
F2082-KR-7	TOTAL CAPITAL SA	B	07/07/2016	RBC DOMINION SECS INC		168,547	156,513	167,247	163,066	0	(1,143)	0	(1,143)	(34,304)	161,923	0	6,400	6,400	3,714	0	12/14/2018
Q14900-AN-6	BHP BILLITON FINANCE LTD	B	07/07/2016	Deutsche Bank		134,605	125,210	121,782	121,782	0	188	0	188	(25,619)	121,970	0	12,951	12,951	3,441	0	09/25/2024
U9311E-AV-3	WAL-MART STORES INC	B	07/07/2016	ROYAL BANK SCOTLAND		184,632	131,471	142,533	141,926	0	(142)	0	(142)	(29,856)	141,784	0	64,999	64,999	6,688	0	01/19/2039
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)						170,950,441	165,531,389	166,631,955	175,544,921	514,355	(48,887)	0	465,468	(127,794)	167,488,856	0	3,404,486	3,404,486	5,968,078	0	XXX
Bonds - Hybrid Securities																					
000000-00-0																					
Bonds - Parent, Subsidiaries, and Affiliates																					
Bonds - SVO Identified Funds																					
8399997 - Bonds - Subtotals - Bonds - Part 4						779,402,514	731,262,591	756,703,341	757,672,893	514,355	(2,136,056)	1,161	(1,622,862)	(3,513,665)	747,528,498	0	31,816,377	31,816,377	20,310,799	0	XXX
8399998 - Bonds - Summary item from Part 5 for Bonds						18,987,461	17,937,075	20,261,752	0	0	(53,389)	0	(53,389)	0	20,208,363	0	(1,223,261)	(1,223,261)	2,778,737	0	XXX
8399999 - Bonds - Subtotals - Bonds						798,389,975	749,199,666	776,965,093	757,672,893	514,355	(2,189,445)	1,161	(1,676,251)	(3,513,665)	767,736,861	0	30,593,116	30,593,116	23,089,536	0	XXX
Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)																					
Preferred Stocks - Parent, Subsidiaries, and Affiliates																					
Common Stocks - Industrial and Miscellaneous (Unaffiliated)																					
001055-10-2	AFAC ORD		01/05/2016	VARIOUS		2,250,000	132,601	134,212	134,775	(563)	0	0	(563)	0	134,212	0	(1,611)	(1,611)	0	0	XXX
00206R-10-2	AT&T ORD		09/01/2016	CITIGROUP GLOBAL MARKETS		1,600,000	68,735	52,316	55,056	(2,740)	0	0	(2,740)	0	52,316	0	16,418	16,418	2,304	0	XXX
00287Y-10-9	ABBVIE ORD		11/30/2016	VARIOUS		4,073,000	240,449	256,884	0	0	3,556	0	(3,556)	0	256,884	0	(16,435)	(16,435)	2,322	0	XXX
00751Y-10-6	ADVANCE AUTO PARTS ORD		10/01/2016	VARIOUS		31,586	31,586	31,457	31,457	0	0	0	0	0	31,457	0	130	130	33	0	XXX
00817Y-10-8	AETNA ORD		11/30/2016	VARIOUS		2,114,000	237,772	228,040	163,910	(3,655)	0	0	(3,655)	0	228,040	0	9,732	9,732	802	0	XXX
011659-10-9	ALASKA AIR GROUP ORD		12/30/2016	(USA)		30,000	2,657	1,976	0	0	57	0	(57)	0	1,976	0	682	682	17	0	XXX
02079K-10-7	ALPHABET CL C ORD		10/31/2016	VARIOUS		162,000	117,667	88,719	122,939	(34,220)	0	0	(34,220)	0	88,719	0	28,948	28,948	0	0	XXX
02209S-10-3	ALTRIA GROUP ORD		10/01/2016	INC		300,000	20,868	16,078	17,463	(1,385)	0	0	(1,385)	0	16,078	0	4,790	4,790	496	0	XXX
02313S-10-6	AMAZON COM ORD		08/31/2016	VARIOUS		246,000	183,086	108,895	166,269	(57,374)	0	0	(57,374)	0	108,895	0	74,192	74,192	0	0	XXX
023608-10-2	AMEREN ORD		11/30/2016	CREDIT SUISSE SECURITIES		385,000	18,986	15,328	16,644	(1,315)	0	0	(1,315)	0	15,328	0	3,657	3,657	491	0	XXX
025537-10-1	AMERICAN ELECTRIC POWER ORD		10/01/2016	MORGAN STANLEY CO		363,000	23,423	19,815	21,152	(1,337)	0	0	(1,337)	0	19,815	0	3,608	3,608	407	0	XXX
026874-78-4	AMERICAN INTERNATIONAL GROUP ORD		07/06/2016	CITIGROUP GLOBAL MARKETS		300,000	15,279	15,867	18,591	(2,187)	0	0	(2,187)	0	15,867	0	(588)	(588)	192	0	XXX
03073E-10-5	AMERISOURCEBERGEN ORD		10/01/2016	MORGAN STANLEY CO		2,682,000	230,588	247,791	278,150	(12,463)	0	17,897	(30,360)	0	247,791	0	(17,203)	(17,203)	912	0	XXX
03116Z-10-0	AMGEN ORD		10/01/2016	VARIOUS		1,715,000	288,549	255,703	278,396	(15,484)	0	7,208	(22,693)	0	255,703	0	32,846	32,846	4,945	0	XXX
03675Z-10-3	ANTHEM ORD		11/30/2016	VARIOUS		1,139,000	156,164	147,383	158,822	0	11,439	0	11,439	0	147,383	0	8,781	8,781	1,864	0	XXX
037411-10-5	APACHE ORD		12/30/2016	VARIOUS		4,779,000	244,519	213,393	181,215	(4,776)	0	0	(4,776)	0	213,393	0	31,126	31,126	1,635	0	XXX
037833-10-0	APPLE ORD		10/01/2016	VARIOUS		3,895,000	371,630	400,685	409,988	0	9,303	0	(9,303)	0	400,685	0	(29,055)	(29,055)	2,678	0	XXX
03822Z-10-5	APPLIED MATERIAL ORD		07/06/2016	CITIGROUP GLOBAL MARKETS		700,000	16,527	16,779	0	0	300	0	(300)	0	16,779	0	(252)	(252)	0	0	XXX
039483-10-2	ARCHER DANIELS MIDLAND ORD		10/01/2016	CITIGROUP GLOBAL MARKETS		700,000	29,126	25,417	25,676	0	259	0	(259)	0	25,417	0	3,709	3,709	420	0	XXX
05333Z-10-2	AUTOZONE ORD		05/31/2016	MORGAN STANLEY CO		96,000	73,590	68,124	71,223	(3,100)	0	0	(3,100)	0	68,124	0	5,466	5,466	0	0	XXX
06050S-10-4	BANK OF AMERICA ORD		10/01/2016	VARIOUS		10,521,000	160,458	139,614	161,046	(1,464)	0	32,823	(34,288)	0	139,614	0	20,845	20,845	1,736	0	XXX
064058-10-0	BANK OF NEW YORK MELLON ORD		11/10/2016	MORGAN STANLEY CO		42,000	1,823	1,681	0	0	0	0	0	1,681	0	142	142	8	0	XXX	
071813-10-9	BAXTER INTERNATIONAL ORD		10/01/2016	INC		600,000	27,131	19,716	22,890	(3,174)	0	0	(3,174)	0	19,716	0	7,415	7,415	216	0	XXX
075896-10-0	BED BATH AND BEYOND ORD		02/01/2016	MORGAN STANLEY CO		823,000	35,252	39,710	39,710	0	0	0	0	0	39,710	0	(4,458)	(4,458)	0	0	XXX
084670-70-2	BERKSHIRE HATHAWAY CL B ORD		11/30/2016	VARIOUS		1,207,000	185,930	161,053	136,133	(507)	0	914	(1,421)	0	161,053	0	24,877	24,877	0	0	XXX
09057Z-20-7	BIO RAD LABORATORIES CL A ORD		02/01/2016	MORGAN STANLEY CO		40,623	37,191	40,623	40,766	(143)	0	0	(143)	0	40,623	0	(3,432)	(3,432)	0	0	XXX
09062Z-10-3	BIOGEN ORD		09/30/2016																		

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks **SOLD, REDEEMED** or Otherwise **DISPOSED** OF During Current Year

E14.6

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year (Amortization)/Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B/A. C.V. (11+12-13)	Total Foreign Exchange Change in B/A. C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date
097023-10-5	BOEING ORD		10/31/2016	VARIOUS	873.000	113,657		115,637	126,227	(1,505)	0	9,085	(10,590)	0	115,637	0	(1,980)	(1,980)	1,635	XXX
110122-10-8	BRISTOL MYERS SQUIBB ORD		10/01/2016	CITIGROUP GLOBAL MARKETS INC	370.000	27,379		22,799	25,452	(2,504)	0	149	(2,653)	0	22,799	0	4,580	4,580	422	XXX
11120U-10-5	BRIXMOR PROPERTY GROUP INC. ORD		10/01/2016	MORGAN STANLEY CO	3,671.000	104,199		87,380	86,549	(6,660)	58	0	(6,719)	0	87,380	0	16,818	16,818	2,620	XXX
124857-20-2	CBS CL B ORD		10/03/2016	JEFFERIES & COMPANY, INC	855.000	46,641		46,497	0	0	0	0	0	0	46,497	0	144	144	154	XXX
12504L-10-9	CSRE GROUP CL A ORD		03/31/2016	MORGAN STANLEY CO	1,252.000	36,117		41,781	43,294	(1,513)	0	0	(1,513)	0	41,781	0	(5,665)	(5,665)	0	XXX
12650T-10-4	CSRA ORD		10/01/2016	VARIOUS	2,554.000	64,686		68,879	76,620	(6,953)	788	0	(7,741)	0	68,879	0	(4,193)	(4,193)	457	XXX
126650-10-0	CVS HEALTH ORD		10/01/2016	MORGAN STANLEY CO	1,954.000	188,140		190,290	191,043	(753)	0	0	(753)	0	190,290	0	(2,150)	(2,150)	830	XXX
12673P-10-5	CA ORD		07/29/2016	VARIOUS	7,290.000	251,464		216,512	0	0	0	0	0	0	216,512	0	34,952	34,952	1,859	XXX
127055-10-1	CABOT ORD		09/30/2016	JEFFERIES & COMPANY, INC	36,675.000	36,675		34,169	0	0	0	0	0	0	34,169	0	2,506	2,506	209	XXX
14040H-10-5	CAPITAL ONE FINANCIAL ORD		12/30/2016	CREDIT SUISSE SECURITIES (USA)	1,874.000	160,257		119,018	126,965	0	0	15,616	(15,616)	0	119,018	0	41,240	41,240	2,952	XXX
14149Y-10-8	CARDINAL HEALTH ORD		10/01/2016	VARIOUS	3,560.000	290,453		294,079	317,801	(21,932)	1,791	0	(23,722)	0	294,079	0	(3,626)	(3,626)	1,721	XXX
151020-10-4	CELGENE ORD		11/01/2016	VARIOUS	319.000	37,515		36,394	38,203	(1,809)	0	0	(1,809)	0	36,394	0	1,121	1,121	0	XXX
156700-10-6	CENTURYLINK ORD		02/01/2016	MORGAN STANLEY CO	1,391.000	35,377		34,998	34,998	0	0	0	0	0	34,998	0	380	380	0	XXX
166764-10-0	CHEVRON ORD		11/01/2016	VARIOUS	3,120.000	282,453		258,703	271,049	(21,486)	0	0	(21,486)	0	258,703	0	23,750	23,750	856	XXX
169340-20-8	CHIMERA INVESTMENT REIT		11/01/2016	MORGAN STANLEY CO	5,161.000	84,997		70,138	62,867	0	235	0	(235)	0	70,138	0	14,859	14,859	9,737	XXX
169656-10-5	CHIPOTLE MEXICAN GRILL ORD		11/30/2016	VARIOUS	400.000	162,398		166,152	190,980	(25,728)	25,728	0	(25,728)	0	166,152	0	(3,754)	(3,754)	0	XXX
17275R-10-2	CISCO SYSTEMS ORD		12/30/2016	VARIOUS	2,666.000	79,363		69,195	72,395	(3,200)	0	0	(3,200)	0	69,195	0	10,168	10,168	2,431	XXX
172967-42-4	CITIGROUP ORD		12/30/2016	CITIGROUP GLOBAL MARKETS INC	3,267.000	159,803		136,397	169,067	(7,773)	0	31,897	(32,670)	0	136,397	0	23,406	23,406	800	XXX
177376-10-0	CITRIX SYSTEMS ORD		07/06/2016	CITIGROUP GLOBAL MARKETS INC	300.000	23,636		22,684	22,695	(11)	0	0	(11)	0	22,684	0	952	952	0	XXX
189754-10-4	COACH ORD		12/30/2016	VARIOUS	1,856.000	65,620		67,855	0	0	7,847	0	(7,847)	0	67,855	0	(2,236)	(2,236)	626	XXX
191216-10-0	COCA-COLA ORD		07/29/2016	MORGAN STANLEY CO	25,845.000	28,082		25,845	27,666	(1,822)	0	0	(1,822)	0	25,845	0	2,237	2,237	451	XXX
20030N-10-1	COMCAST CL A ORD		10/01/2016	VARIOUS	585.000	34,435		32,985	33,012	(26)	0	0	(26)	0	32,985	0	1,450	1,450	136	XXX
205363-10-4	COMPUTER SCIENCES ORD		11/01/2016	VARIOUS	2,554.000	80,354		83,465	83,465	0	0	0	0	0	83,465	0	(3,110)	(3,110)	358	XXX
209115-10-4	CONSOLIDATED EDISON ORD		09/01/2016	VARIOUS	1,336.000	93,287		83,220	85,865	(2,644)	0	0	(2,644)	0	83,220	0	10,066	10,066	500	XXX
222070-20-3	COTY CL A ORD		03/01/2016	VARIOUS	1,580.000	45,284		40,495	40,495	0	0	0	0	0	40,495	0	4,789	4,789	0	XXX
231021-10-6	CUMMINS ORD		07/06/2016	CITIGROUP GLOBAL MARKETS INC	200.000	21,838		17,602	17,602	0	0	0	0	0	17,602	0	4,236	4,236	390	XXX
23317H-10-2	DDR REIT		12/30/2016	CREDIT SUISSE SECURITIES (USA)	5,748.000	87,298		100,188	0	0	1,056	0	(1,056)	0	100,188	0	(12,889)	(12,889)	2,011	XXX
237194-10-5	DARDEN RESTAURANTS ORD		11/30/2016	VARIOUS	882.000	61,073		51,530	56,130	(4,399)	202	0	(4,601)	0	51,530	0	9,543	9,543	1,534	XXX
247361-70-2	DELTA AIR LINES ORD		10/01/2016	MORGAN STANLEY CO	4,423.000	172,208		161,130	224,202	(25,437)	37,635	0	(63,072)	0	161,130	0	11,079	11,079	1,194	XXX
254687-10-6	WALT DISNEY ORD		09/01/2016	MORGAN STANLEY CO	211.000	20,967		21,915	22,172	(257)	0	0	(257)	0	21,915	0	(948)	(948)	150	XXX
25754A-20-1	DOMINOS PIZZA ORD		01/29/2016	MORGAN STANLEY CO	119.000	13,520		11,852	13,239	(1,387)	0	0	(1,387)	0	11,852	0	1,668	1,668	0	XXX
260543-10-3	DOW CHEMICAL ORD		05/31/2016	MORGAN STANLEY CO	548.000	28,126		23,643	28,211	(4,568)	0	0	(4,568)	0	23,643	0	4,483	4,483	504	XXX
278642-10-3	EBAY ORD		11/01/2016	VARIOUS	7,884.000	211,134		188,102	211,321	(7,821)	0	20,566	(28,387)	0	188,102	0	23,032	23,032	0	XXX
28176E-10-8	EDWARDS LIFESCIENCES ORD		12/30/2016	CREDIT SUISSE SECURITIES (USA)	221.000	20,779		21,799	0	0	0	0	0	0	21,799	0	(1,020)	(1,020)	0	XXX
285512-10-9	ELECTRONIC ARTS ORD		11/01/2016	VARIOUS	3,741.000	251,894		248,446	233,373	(9,480)	1,790	0	(11,270)	0	248,446	0	3,448	3,448	0	XXX
291011-10-4	EMERSON ELECTRIC ORD		01/05/2016	VARIOUS	592.000	27,863		27,163	28,315	(1,153)	0	0	(1,153)	0	27,163	0	700	700	0	XXX
293646-10-3	ENTERGY ORD		07/06/2016	CITIGROUP GLOBAL MARKETS INC	200.000	16,338		13,672	13,672	0	0	0	0	0	13,672	0	2,666	2,666	340	XXX
30161N-10-1	EXELON ORD		10/01/2016	CITIGROUP GLOBAL MARKETS INC	600.000	21,726		16,662	16,662	0	0	0	0	0	16,662	0	5,064	5,064	377	XXX
302130-10-9	EXPEDITORS INTERNATIONAL OF WASH ORD		07/29/2016	VARIOUS	2,070.000	94,574		93,357	93,357	0	0	0	0	0	93,357	0	1,217	1,217	256	XXX
302196-10-8	EXPRESS SCRIPTS HOLD ORD		06/02/2016	VARIOUS	1,460.000	110,705		100,287	100,287	35	0	0	(35)	0	100,287	0	10,417	10,417	0	XXX
302316-10-2	EXXON MOBIL ORD		11/01/2016	VARIOUS	2,145.000	192,265		165,033	167,203	(2,170)	0	0	(2,170)	0	165,033	0	27,232	27,232	3,175	XXX
302490-10-1	FMC TECHNOLOGIES ORD		11/01/2016	JEFFERIES & COMPANY, INC	3,798.000	108,842		100,005	90,772	(7,322)	7,322	0	(7,322)	0	100,005	0	8,837	8,837	0	XXX
30303M-10-2	FACEBOOK CL A ORD		12/30/2016	VARIOUS	1,946.000	228,295		199,120	108,009	(11,696)	0	0	(11,696)	0	199,120	0	29,174	29,174	0	XXX
315616-10-2	F5 NETWORKS ORD		11/01/2016	CITIGROUP GLOBAL MARKETS INC	200.000	22,420		19,392	19,392	0	0	0	0	0	19,392	0	3,028	3,028	0	XXX
343412-10-2	FLUOR ORD		12/30/2016	CREDIT SUISSE SECURITIES (USA)	6,669.000	357,946		316,850	53,170	(90)	13,430	0	(13,520)	0	316,850	0	41,097	41,097	3,406	XXX
345370-86-0	FORD MOTOR ORD		10/01/2016	VARIOUS	13,748.000	174,026		167,076	41,636	(294)	1,449	0	(1,743)	0	167,076	0	6,950	6,950	4,537	XXX
363576-10-9	ARTHUR J GALLAGHER ORD		07/29/2016	MORGAN STANLEY CO	1,069.000	52,427		50,857	0	0	0	0	0	0	50,857	0	1,570	1,570	0	XXX
36467N-10-9	GAMESTOP CL A ORD		01/05/2016	VARIOUS	845.000	23,803		23,694	23,694	0	0	0	0	0	23,694	0	110	110	0	XXX
364760-10-8	GAP ORD		12/30/2016	VARIOUS	6,924.000	177,333		164,195	154,177	0	5,874	0	(5,874)	0	164,195	0	13,138	13,138	2,789	XXX
369550-10-8	GENERAL DYNAMICS ORD		10/01/2016	VARIOUS	2,386.000	327,667		326,104	327,741	(1,637)	0	0	(1,637)	0	326,104	0	1,563	1,563	1,646	XXX
369604-10-3	GENERAL ELECTRIC ORD		10/31/2016	VARIOUS	11,170.000	347,481		285,393	309,133	(60,443)	0	0	(60,443)	0	285,393	0	62,087	62,087	6,955	XXX
37045V-10-0	GENERAL MOTORS ORD		10/01/2016	VARIOUS	13,365.000	384,057		398,199	231,948	(16,315)	25,544	0	(41,859)	0	398,199	0	(14,142)	(14,142)	6,042	XXX
375558-10-3	GILEAD SCIENCES ORD		07/06/2016	CITIGROUP GLOBAL MARKETS INC																

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B/A. C.V. (11+12-13)	Total Foreign Exchange Change in B/A. C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	
44106N-10-2	HOSPITALITY PROPERTIES REIT		MORGAN STANLEY CO.	2,292,000	73,143		59,357	59,936	(579)			(579)		59,357		13,787	13,787	3,484	XXX	
44107P-10-4	HOST HOTELS & RESORTS REIT		VARIOUS	16,490,000	305,680		264,087			6,821		(6,821)		264,087		41,593	41,593	549	XXX	
446413-10-6	HUNTINGTON INGALLS INDUSTRIES ORD.		CREDIT SUISSE SECURITIES (USA)	213,000	39,297		32,678			2,358		(2,358)		32,678		6,619	6,619	128	XXX	
457187-10-2	INGREDION ORD.		VARIOUS	1,203,000	153,150		102,502	115,296	(12,793)			(12,793)		102,502		50,648	50,648	1,556	XXX	
458140-10-0	INTEL ORD.		CITIGROUP GLOBAL MARKETS	1,600,000	52,463		50,316	55,120	(3,467)		1,338	(4,805)		50,316		2,147	2,147	832	XXX	
45866F-10-4	INTERCONTINENTAL EXCHANGE ORD.		VARIOUS	600,000	139,869		153,756	153,756						153,756		(13,887)	(13,887)		XXX	
459200-10-1	INTERNATIONAL BUSINESS MACHINES ORD.		VARIOUS	2,346,000	337,799		322,857	322,857						322,857		14,943	14,943	3,164	XXX	
460146-10-3	INTERNATIONAL PAPER ORD.		VARIOUS	1,649,000	57,495		62,167							62,167		(4,672)	(4,672)		XXX	
461202-10-3	INTUIT ORD.		MORGAN STANLEY CO.	1,296,000	127,488		125,064	125,064						125,064		2,424	2,424	389	XXX	
46625H-10-0	JPMORGAN CHASE ORD.		VARIOUS	10,298,000	680,417		609,611	669,082	(24,467)		44,539	(69,006)		609,611		70,806	70,806	13,614	XXX	
478160-10-4	JOHNSON & JOHNSON ORD.		CITIGROUP GLOBAL MARKETS	700,000	85,342		69,293	71,904	(2,611)			(2,611)		69,293		16,049	16,049	1,085	XXX	
48203R-10-4	JUNIPER NETWORKS ORD.		VARIOUS	5,925,000	141,293		154,867	163,530	(5,313)		3,350	(8,663)		154,867		(13,574)	(13,574)	593	XXX	
494368-10-3	KIMBERLY CLARK ORD.		VARIOUS	247,000	31,212		26,937	31,443	(4,507)			(4,507)		26,937		4,276	4,276	665	XXX	
49446R-10-9	KIMCO REALTY REIT		CITIGROUP GLOBAL MARKETS	500,000	15,820		11,530	13,230	(1,700)			(1,700)		11,530		4,290	4,290	383	XXX	
501044-10-1	KROGER ORD.		VARIOUS	7,958,000	254,121		284,957	332,883	(45,166)		2,760	(47,926)		284,957		(30,836)	(30,836)	2,185	XXX	
518439-10-4	ESTEE LAUDER CL A ORD.		VARIOUS	980,000	83,934		80,096	86,299	(6,203)			(6,203)		80,096		3,839	3,839	508	XXX	
52228B-10-4	LEUCADIA NATIONAL ORD.		MORGAN STANLEY CO.	2,700,000	50,622		51,408				334	(334)		51,408		(786)	(786)	169	XXX	
532457-10-8	ELI LILLY ORD.		VARIOUS	1,082,000	85,000		84,522	91,169	(4,717)		1,931	(6,647)		84,522		478	478	177	XXX	
55272X-10-2	MFA FINANCIAL REIT		MORGAN STANLEY CO.	9,484,000	71,138		62,594	62,594						62,594		8,544	8,544	5,690	XXX	
56585A-10-2	MARATHON PETROLEUM ORD.		MORGAN STANLEY CO.	3,998,000	148,244		197,790	207,256	(9,466)			(9,466)		197,790		(49,547)	(49,547)	1,279	XXX	
571903-20-2	MARRIOTT INTERNATIONAL CL A ORD.		MORGAN STANLEY CO.	354,000	24,647		23,732	23,732						23,732		914	914	89	XXX	
574599-10-6	MASCO ORD.		VARIOUS	8,216,000	268,428		212,663	224,193	(19,225)			(19,225)		212,663		55,765	55,765	2,001	XXX	
576360-10-4	MASTERCARD CL A ORD.		MORGAN STANLEY CO.	1,061,000	102,857		97,646	103,299	(5,216)		437	(5,653)		97,646		5,212	5,212	403	XXX	
581550-10-3	MCKESSON ORD.		CITIGROUP GLOBAL MARKETS	100,000	18,689		15,725	19,723			3,998	(3,998)		15,725		2,964	2,964	77	XXX	
582839-10-6	MEAD JOHNSON NUTRITION ORD.		VARIOUS	578,000	51,999		45,287	45,633	(346)			(346)		45,287		6,712	6,712	715	XXX	
58933Y-10-5	MERCK & CO ORD.		CITIGROUP GLOBAL MARKETS	900,000	52,415		47,538	47,538						47,538		4,877	4,877	1,242	XXX	
59156R-10-8	METLIFE ORD.		VARIOUS	4,155,000	190,738		165,494	200,313			34,819	(34,819)		165,494		25,244	25,244	4,888	XXX	
592688-10-5	METTLER TOLEDO ORD.		CREDIT SUISSE SECURITIES (USA)	117,000	48,384		47,362							47,362		1,022	1,022		XXX	
594918-10-4	MICROSOFT ORD.		VARIOUS	15,954,000	932,537		695,277	885,128	(189,851)			(189,851)		695,277		237,260	237,260	16,618	XXX	
617446-44-8	MORGAN STANLEY ORD.		VARIOUS	20,608	2,567		26,211	26,211	(70)		5,533	(5,603)		20,608		758	758	247	XXX	
626717-10-2	MURPHY OIL ORD.		MORGAN STANLEY CO.	2,298,000	43,905		51,590	51,590						51,590		(7,685)	(7,685)		XXX	
629377-50-8	NRG ENERGY ORD.		VARIOUS	3,225,000	36,040		37,958							37,958		(1,918)	(1,918)	468	XXX	
63938C-10-8	NAVIENT ORD.		VARIOUS	3,847,000	41,931		44,048	44,048						44,048		(2,117)	(2,117)		XXX	
64110L-10-6	NETFLIX ORD.		MORGAN STANLEY CO.	1,272,000	127,462		131,252	145,491	(9,447)		4,793	(14,240)		131,252		(3,790)	(3,790)		XXX	
65249B-10-9	NEWS CL A ORD.		VARIOUS	13,442,000	185,961		156,977	166,906	(947)		21,107	(22,055)		156,977		28,984	28,984	1,088	XXX	
655664-10-0	NORDSTROM ORD.		CITIGROUP GLOBAL MARKETS	400,000	14,948		15,220	19,924			4,704	(4,704)		15,220		(272)	(272)	296	XXX	
670346-10-5	NUCOR ORD.		VARIOUS	4,067,000	216,367		158,529	160,354	(6,171)			(6,171)		158,529		57,837	57,837	5,028	XXX	
670666-10-4	NVIDIA ORD.		VARIOUS	6,681,000	477,274		151,606	220,206	(68,599)			(68,599)		151,606		325,668	325,668	2,371	XXX	
693718-10-8	PACCAR ORD.		VARIOUS	1,358,000	66,312		64,369	64,369						64,369		1,942	1,942	1,745	XXX	
697435-10-5	PALO ALTO NETWORKS ORD.		VARIOUS	258,000	37,599		43,957	45,444	(1,488)			(1,488)		43,957		(6,358)	(6,358)		XXX	
713448-10-8	PEPSICO ORD.		VARIOUS	4,520,000	471,713		431,306	473,281	(17,254)			(17,254)		431,306		40,407	40,407	11,553	XXX	
717081-10-3	PFIZER ORD.		VARIOUS	5,270,000	177,623		156,203	170,116	(39)		13,874	(13,913)		156,203		21,420	21,420	2,091	XXX	
718546-10-4	PHILLIPS 66 ORD.		MORGAN STANLEY CO.	530,000	42,443		42,316	43,354	(1,038)			(1,038)		42,316		127	127	631	XXX	
72147K-10-8	PILGRIMS PRIDE ORD.		VARIOUS	2,204,000	47,022		41,881	48,686	(6,805)			(6,805)		41,881		5,141	5,141	6,061	XXX	
723484-10-1	PINNACLE WEST ORD.		VARIOUS	1,580,000	116,840		96,573	101,878	(5,306)			(5,306)		96,573		20,267	20,267	2,298	XXX	
724479-10-0	PITNEY BOWES ORD.		MORGAN STANLEY CO.	974,000	20,987		19,637	20,113	(476)			(476)		19,637		1,350	1,350	183	XXX	
731068-10-2	POLARIS INDUSTRIES ORD.		VARIOUS	288,000	24,861		24,754	24,754						24,754		108	108		XXX	
74144T-10-8	T ROWE PRICE GROUP ORD.		VARIOUS	4,226,000	308,978		290,687	137,261	(408)			(408)		290,687		18,290	18,290	1,245	XXX	
742718-10-9	PROCTER & GAMBLE ORD.		MORGAN STANLEY CO.	409,000	33,234		32,152	32,479	(327)			(327)		32,152		1,082	1,082	411	XXX	
744320-10-2	PRUDENTIAL FINANCIAL ORD.		CITIGROUP GLOBAL MARKETS	400,000	27,247		28,536	32,564	(570)		3,458	(4,028)		28,536		(1,289)	(1,289)	560	XXX	
744573-10-6	PUBLIC SERVICE ENTERPRISE GROUP ORD.		CITIGROUP GLOBAL MARKETS	600,000	27,941		23,214	23,214						23,214		4,727	4,727	492	XXX	
747525-10-3	QUALCOMM ORD.		VARIOUS	2,051,000	107,837		102,519	102,519						102,519		5,317	5,317	510	XXX	
74762E-10-2	QUANTA SERVICES ORD.		CREDIT SUISSE SECURITIES (USA)	2,096,000	72,398		42,444	42,444						42,444		29,954	29,954		XXX	
74967R-10-6	RMR GROUP CL A ORD.		Corporate Action	0,047	1		1	1						1		0	0	0	XXX	
756577-10-2	RED HAT ORD.		VARIOUS	582,000	44,141		41,841	48,195	(6,354)			(6,354)		41,841		2,300	2,300		XXX	
75886F-10-7	REGENERON PHARMACEUTICALS ORD.		MORGAN STANLEY CO.	109,000	41,125		39,288	59,173			19,885	(19,885)		39,288		1,837	1,837		XXX	
770323-10-3	ROBERT HALF ORD.		CITIGROUP GLOBAL MARKETS	568,000	20,953		21,675	26,776			5,101	(5,101)		21,675		(722)	(722)	250	XXX	

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ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks **SOLD, REDEEMED** or Otherwise **DISPOSED** OF During Current Year

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B/A. C.V. (11+12-13)	Total Foreign Exchange Change in B/A. C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date
773903-10-9	ROCKWELL AUTOMAT ORD		10/01/2016	VARIOUS	2,113,000	242,745		216,815	216,815	.0	.0	.0	.0	.0	216,815	.0	25,930	25,930	2,668	XXX
81211K-10-0	SEALED AIR ORD		11/01/2016	VARIOUS	6,242,000	294,239		276,393	276,393	.0	.0	.0	.0	.0	276,393	.0	15,846	15,846	748	XXX
824348-10-6	SHERWIN WILLIAMS ORD		07/29/2016	MORGAN STANLEY CO	398,000	114,449		101,003	103,321	(2,318)	.0	.0	(2,318)	.0	101,003	.0	13,446	13,446	344	XXX
83088M-10-2	SKYWORKS SOLUTIONS ORD		11/01/2016	MORGAN STANLEY CO	1,347,000	92,201		103,490	103,490	.0	.0	.0	.0	.0	103,490	.0	(11,289)	(11,289)	.0	XXX
832696-40-5	JM SMUCKER ORD		10/31/2016	VARIOUS	361,000	49,457		50,612	.0	.0	4,389	.0	4,389	.0	50,612	.0	(1,155)	(1,155)	196	XXX
833034-10-1	SNAP ON ORD		10/01/2016	VARIOUS	264,000	42,951		40,959	45,258	(3,431)	.0	.0	.0	.0	40,959	.0	1,992	1,992	224	XXX
844741-10-8	SOUTHWEST AIRLINES ORD		12/30/2016	VARIOUS	7,067,000	336,248		271,795	221,156	(4,901)	.0	21,055	(25,955)	.0	271,795	.0	64,453	64,453	2,259	XXX
85571B-10-5	STARWOOD PROPERTY REIT		10/01/2016	VARIOUS	5,568,000	105,048		110,215	114,478	.0	.0	.0	.0	.0	110,215	.0	(5,167)	(5,167)	4,780	XXX
867914-10-3	SUNTRUST BANKS ORD		10/01/2016	VARIOUS	4,140,000	176,566		149,371	177,358	(12,914)	.0	15,073	(27,986)	.0	149,371	.0	27,195	27,195	2,698	XXX
871829-10-7	SYSCO ORD		09/30/2016	JEFFERIES & COMPANY, INC	1,536,000	75,534		71,777	.0	.0	27	.0	27	.0	71,777	.0	3,757	3,757	476	XXX
872540-10-9	TJX ORD		07/06/2016	VARIOUS	618,000	48,100		45,040	29,640	(44)	.0	.0	(44)	.0	45,040	.0	3,060	3,060	88	XXX
87612E-10-6	TARGET ORD		10/01/2016	VARIOUS	4,187,000	299,761		301,186	270,545	(23)	5,712	.0	(5,735)	.0	301,186	.0	(1,426)	(1,426)	1,737	XXX
88076W-10-3	TERADATA ORD		03/02/2016	VARIOUS	671,000	17,006		16,111	.0	.0	.0	.0	.0	.0	16,111	.0	894	894	.0	XXX
881609-10-1	TESORO ORD		10/01/2016	VARIOUS	1,546,000	117,071		118,787	162,902	(17,116)	.0	26,999	(44,115)	.0	118,787	.0	(1,717)	(1,717)	1,546	XXX
883203-10-1	TEXTRON ORD		02/01/2016	MORGAN STANLEY CO	1,417,000	48,317		55,656	59,528	(3,872)	.0	.0	(3,872)	.0	55,656	.0	(7,339)	(7,339)	28	XXX
883556-10-2	THERMO FISHER SCIENTIFIC ORD		12/30/2016	VARIOUS	1,814,000	257,326		256,853	.0	.0	.0	.0	.0	.0	256,853	.0	(472)	(472)	514	XXX
887317-30-3	TIME WARNER ORD		02/01/2016	MORGAN STANLEY CO	273,000	19,408		17,655	17,655	.0	.0	.0	.0	.0	17,655	.0	1,753	1,753	.0	XXX
90187B-10-1	TWO HARBORS INVESTMENT REIT		10/01/2016	MORGAN STANLEY CO	9,706,000	84,517		77,066	74,617	.0	1,478	.0	(1,478)	.0	77,066	.0	7,451	7,451	6,746	XXX
902494-10-3	TYSON FOODS CL A ORD		12/30/2016	VARIOUS	2,578,000	163,437		128,919	137,485	(8,566)	.0	.0	(8,566)	.0	128,919	.0	34,518	34,518	1,249	XXX
903845-30-3	ULTA SALON COSMETICS FRAGRANCE ORD		11/30/2016	VARIOUS	821,000	212,120		191,079	.0	.0	.0	.0	.0	.0	191,079	.0	21,041	21,041	.0	XXX
911684-10-8	UNITED STATES CELLULAR ORD		04/01/2016	MORGAN STANLEY CO	1,104,000	50,004		41,830	45,054	(3,224)	.0	.0	(3,224)	.0	41,830	.0	8,174	8,174	.0	XXX
91529V-10-6	UNUM ORD		11/30/2016	VARIOUS	5,015,000	203,512		155,064	166,949	(141)	.0	11,745	(11,886)	.0	155,064	.0	48,448	48,448	3,582	XXX
				CREDIT SUISSE SECURITIES																
917047-10-2	URBAN OUTFITTERS ORD		12/30/2016	(USA)	962,000	27,513		26,455	.0	.0	.0	.0	(990)	.0	26,455	.0	1,058	1,058	.0	XXX
91913V-10-0	VALERO ENERGY ORD		11/01/2016	VARIOUS	2,234,000	115,074		113,934	157,966	(20,591)	23,441	.0	(44,032)	.0	113,934	.0	1,140	1,140	2,681	XXX
92220P-10-5	VARIAN MEDICAL SYSTEMS ORD		04/29/2016	MORGAN STANLEY CO	1,528,000	123,818		114,058	123,462	(9,314)	.0	.0	(9,314)	.0	114,058	.0	9,760	9,760	.0	XXX
92343V-10-4	VERIZON COMMUNICATIONS ORD		11/01/2016	VARIOUS	1,237,000	65,069		57,174	.0	.0	.0	.0	.0	.0	57,174	.0	7,895	7,895	1,624	XXX
92553P-20-1	VIACOM CL B ORD		02/01/2016	MORGAN STANLEY CO	24,321	536,000		21,852	22,062	(210)	.0	.0	(210)	.0	21,852	.0	2,469	2,469	214	XXX
928563-40-2	VIMWARE CL A ORD		11/01/2016	VARIOUS	749,000	42,287		42,371	42,371	.0	.0	.0	.0	.0	42,371	.0	(84)	(84)	.0	XXX
929089-10-0	VOYA FINANCIAL ORD		09/29/2016	JEFFERIES & COMPANY, INC	960,000	27,887		23,770	35,434	.0	.0	11,664	(11,664)	.0	23,770	.0	4,117	4,117	29	XXX
931142-10-3	WAL MART STORES ORD		10/01/2016	VARIOUS	772,000	55,227		47,324	47,324	.0	.0	.0	.0	.0	47,324	.0	7,903	7,903	976	XXX
931427-10-8	WALGREEN BOOTS ALLIANCE ORD		06/10/2016	BARCLAYS CAPITAL INC /LE	200,000	15,751		15,762	.0	.0	.0	.0	.0	.0	15,762	.0	(11)	(11)	144	XXX
941848-10-3	WATERS ORD		07/01/2016	VARIOUS	843,000	108,756		106,637	113,451	(6,891)	.0	123	(6,814)	.0	106,637	.0	2,119	2,119	.0	XXX
949746-10-1	WELLS FARGO ORD		10/01/2016	MORGAN STANLEY CO	1,366,000	66,431		68,086	74,256	(391)	.0	5,779	(6,170)	.0	68,086	.0	(1,655)	(1,655)	643	XXX
959802-10-9	WESTERN UNION ORD		11/01/2016	VARIOUS	7,175,000	133,110		129,195	118,743	(12)	.0	134	(136)	.0	129,195	.0	3,916	3,916	204	XXX
98389B-10-0	XCEL ENERGY ORD		11/01/2016	MORGAN STANLEY CO	5,620,000	236,998		193,070	201,814	(8,744)	.0	.0	(8,744)	.0	193,070	.0	43,929	43,929	4,064	XXX
984121-10-3	XEROX ORD		10/31/2016	MORGAN STANLEY CO	4,700,000	45,568		44,603	.0	.0	938	.0	938	.0	44,603	.0	965	965	1,093	XXX
				CREDIT SUISSE SECURITIES																
98956P-10-2	ZIMMER BIOMET HOLDINGS ORD		11/30/2016	(USA)	263,000	26,845		34,195	.0	.0	49	.0	(49)	.0	34,195	.0	(7,350)	(7,350)	.0	XXX
98978V-10-3	ZOETIS CL A ORD		10/01/2016	MORGAN STANLEY CO	913,000	39,102		42,423	43,751	(1,328)	.0	.0	(1,328)	.0	42,423	.0	(3,320)	(3,320)	87	XXX
G16962-10-5	BUNGE ORD		11/01/2016	VARIOUS	1,222,000	66,716		82,788	83,438	.0	650	.0	(650)	.0	82,788	.0	(16,072)	(16,072)	381	XXX
G44126-10-1	HERBALIFE ORD		09/30/2016	JEFFERIES & COMPANY, INC	737,000	45,681		39,518	39,518	.0	.0	.0	.0	.0	39,518	.0	6,163	6,163	.0	XXX
				CREDIT SUISSE SECURITIES																
G60754-10-1	MICHAEL KORS HOLDINGS ORD		12/30/2016	(USA)	779,000	33,379		31,207	31,207	.0	.0	.0	.0	.0	31,207	.0	2,172	2,172	.0	XXX
G7945M-10-7	SEAGATE TECHNOLOGY ORD		10/01/2016	VARIOUS	1,471,000	39,999		49,558	48,575	(889)	.0	1,315	(2,203)	.0	49,558	.0	(9,559)	(9,559)	1,448	XXX
				CREDIT SUISSE SECURITIES																
N22717-10-7	CORE LABORATORIES ORD		12/30/2016	(USA)	451,000	54,022		50,661	.0	.0	1,851	.0	(1,851)	.0	50,661	.0	3,361	3,361	211	XXX
N53745-10-0	LYONDELLBASELL INDUSTRIES CL A ORD		11/01/2016	VARIOUS	1,046,000	83,106		77,843	90,902	(15)	.0	13,044	(13,058)	.0	77,843	.0	5,263	5,263	2,424	XXX
9099999	Common Stocks - Industrial and Miscellaneous (Unaffiliated)					21,657,898	XXX	19,692,703	17,653,629	(939,100)	0	690,729	(1,629,830)	0	19,692,703	0	1,965,196	1,965,196	235,915	XXX
Common Stocks - Parent, Subsidiaries, and Affiliates																				
Common Stocks - Mutual Funds																				
78462P-10-3	SPDR S&P 500 ETF		12/30/2016	VARIOUS	1,903,000	411,272		406,036	421,926	.0	.0	.0	.0	.0	406,036	.0	5,237	5,237	.0	XXX
922040-10-0	VANGUARD CL INST INDEX MF		12/23/2016	Capital Gain Distribution	0.000	227,158		.0	.0	.0	.0	.0	.0	.0	.0	.0	227,158	227,158	.0	XXX
9299999	Common Stocks - Mutual Funds					638,430	XXX	406,036	121,926	0	0	0	0	0	406,036	0	232,395	232,395	0	XXX
Common Stocks - Money Market Mutual Funds																				
9799997	Common Stocks - Subtotals - Common Stocks - Part 4					22,296,329	XXX	20,098,738	17,775,555	(939,100)	0	690,729	(1,629,829)	0	20,098,738	0	2,197,591	2,197,591	235,915	XXX
9799998	Common Stocks - Summary item from Part 5 for Common Stocks					15,031,153	XXX	14,656,426	0	0	0	0	(485,115)	0	14,171,311	0	859,842	859,842	97,613	XXX
9799999	Common Stocks - Subtotals - Common Stocks					37,327,482	XXX	34,755,164	17,775,555	(939,100)	0	1,175,844	(2,114,944)	0	34,270,049	0	3,057,432	3,057,432	333,528	XXX
9899999	Common Stocks - Subtotals - Preferred and Common Stocks					37,327,482	XXX	34,755,164	17,775,555	(939,100)	0	1,175,844	(2,114,944)	0	34,270,049	0	3,057,432	3,057,432	333,528	XXX
9999999	Totals					835,717,456	XXX	811,720,257	775,448,448	(424,745)	(2,189,445)	1,177,005	(3,791,195)	(3,513,665)	802,006,910	0	33,650,548	33,650,548	23,423,064	XXX

E14.8

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE D - PART 5

Showing all Long-Term Bonds and Stocks **ACQUIRED** During Year and Fully **DISPOSED OF** During Current Year

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Disposal Date	7 Name of Purchaser	8 Par Value (Bonds) or Number of Shares (Stocks)	9 Actual Cost	10 Consideration	11 Book/ Adjusted Carrying Value at Disposal	Change in Book/Adjusted Carrying Value					17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Interest and Dividends Received During Year	21 Paid for Accrued Interest and Dividends	
											12 Unrealized Valuation Increase/ (Decrease)	13 Current Year's (Amortization)/ Accretion	14 Current Year's Other Than Temporary Impairment Recognized	15 Total Change In B./A. C.V. (12 + 13 - 14)	16 Total Foreign Exchange Change in B./A. C.V.						
Bonds - U.S. Governments																					
Bonds - All Other Governments																					
D4085N-CE-3	KFW	B	01/29/2016	ROYAL BANK OF SCOTLAND PLC LON	07/07/2016	CITIGROUP GLOBAL MARKETS/ALGO	939,075	961,209	981,997	959,023	0	(2,186)	0	(2,186)	0	0	20,615	20,615	15,446	8,322	
1099999 - Bonds - All Other Governments							939,075	961,209	981,997	959,023	0	(2,186)	0	(2,186)	0	0	20,615	20,615	15,446	8,322	
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed)																					
149792-NJ-6	HAWAII ST		10/27/2016	Exchange/ Corp Action	12/06/2016	LOOP CAPITAL MARKETS LLC	4,780,000	5,077,478	5,439,592	5,071,574	0	(5,904)	0	(5,904)	0	0	368,018	368,018	124,147	96,928	
1799999 - Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed)							4,780,000	5,077,478	5,439,592	5,071,574	0	(5,904)	0	(5,904)	0	0	368,018	368,018	124,147	96,928	
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)																					
Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																					
23542J-BJ-8	DALLAS TEX WTRWKS & SWR SYS REV		08/17/2016	Exchange/ Corp Action	09/02/2016	J.V.B. Financial Group, LLC	905,000	991,586	1,051,465	990,459	0	(1,127)	0	(1,127)	0	0	61,006	61,006	19,608	17,094	
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions							905,000	991,586	1,051,465	990,459	0	(1,127)	0	(1,127)	0	0	61,006	61,006	19,608	17,094	
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
001055-AD-4	AFLAC INC		06/02/2016	WELLS FARGO SECURITIES LLC	12/20/2016	CORPORATE ACTION	5,038,000	6,925,638	5,038,000	6,900,569	0	(25,069)	0	(25,069)	0	0	(1,862,569)	(1,862,569)	2,288,083	164,155	
163851-AB-8	CHEMOURS CO LLC		06/02/2016	VARIOUS	12/01/2016	VARIOUS	585,000	530,973	571,128	533,127	0	2,154	0	2,154	0	0	38,001	38,001	14,301	927	
163851-AD-0	CHEMOURS CO LLC		05/10/2016	CREDIT SUISSE SECURITIES (USA)	12/01/2016	MORGAN STANLEY CO	105,000	94,411	104,213	94,775	0	364	0	364	0	0	9,438	9,438	8,086	16	
20605P-AB-7	CONCHO RESOURCES INC		03/02/2016	WELLS FARGO SECURITIES LLC	10/01/2016	Redemption	200,000	203,000	200,000	202,734	0	(266)	0	(266)	0	0	(2,734)	(2,734)	16,489	2,022	
248019-AS-0	DELUXE CORP		09/06/2016	VARIOUS	11/15/2016	Redemption	800,000	831,750	800,000	824,000	0	(7,750)	0	(7,750)	0	0	(24,000)	(24,000)	48,000	11,244	
25278X-AB-5	DIAMONDBACK ENERGY INC		03/29/2016	GOLDMAN SACHS & CO/ALGO	12/01/2016	VARIOUS	290,000	300,875	290,000	299,774	0	(1,101)	0	(1,101)	0	0	(9,774)	(9,774)	31,081	0	
546347-AH-8	LOUISIANA-PACIFIC CORP		02/11/2016	VARIOUS	09/14/2016	Redemption	500,000	515,798	500,000	513,886	0	(1,912)	0	(1,912)	0	0	(13,886)	(13,886)	50,354	7,126	
55303W-AA-5	MGM GROWTH PROPERTIES LLC		04/06/2016	JP MORGAN SECURITIES INC	10/11/2016	Jefferies High Yield Trading LLC	95,000	95,000	102,600	95,000	0	0	0	0	0	0	7,600	7,600	2,583	0	
655044-AD-7	NOBLE ENERGY INC		04/04/2016	VARIOUS	07/19/2016	KEYBANC CAPITAL MARKETS INC	595,000	650,885	681,983	645,456	0	(5,429)	0	(5,429)	0	0	36,528	36,528	19,226	4,089	
655044-AG-0	NOBLE ENERGY INC		03/09/2016	WELLS FARGO SECURITIES LLC	10/11/2016	MORGAN STANLEY CO	400,000	328,664	411,796	329,244	0	580	0	580	0	0	82,552	82,552	19,192	6,942	
69327R-AC-5	PDC ENERGY INC		04/15/2016	VARIOUS	11/01/2016	BARCLAYS CAPITAL INC	1,150,000	1,145,500	1,190,250	1,145,922	0	422	0	422	0	0	44,328	44,328	47,060	17,577	
745867-AV-3	PULTEGROUP INC		02/25/2016	MKTS/SALOMON	10/11/2016	SUMRIDGE PARTNERS LLC	230,000	230,000	242,995	230,000	0	0	0	0	0	0	12,995	12,995	6,055	0	
829259-AO-3	SINCLAIR TELEVISION GROUP INC		02/04/2016	SUMRIDGE PARTNERS LLC	10/01/2016	Redemption	200,000	208,000	200,000	207,346	0	(654)	0	(654)	0	0	(7,346)	(7,346)	21,918	3,471	
88023U-AB-7	TEMPUR PEDIC INTERNATIONAL INC		01/13/2016	Jefferies High Yield Trading LLC	06/23/2016	Redemption	425,000	448,375	451,692	444,292	0	(4,083)	0	(4,083)	0	0	7,399	7,399	15,259	2,760	
92933B-AE-4	WNG ACQUISITION CORP		06/15/2016	Trading LLC	10/18/2016	Corporate Action	700,000	722,610	729,750	721,182	0	(1,428)	0	(1,428)	0	0	8,568	8,568	31,850	18,083	
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)							11,313,000	13,231,479	11,514,406	13,187,307	0	(44,172)	0	(44,172)	0	0	(1,672,900)	(1,672,900)	2,619,536	238,412	
Bonds - Hybrid Securities																					
Bonds - Parent, Subsidiaries, and Affiliates																					
Bonds - SVO Identified Funds																					
8399998 - Bonds - Subtotals - Bonds							17,937,075	20,261,752	18,987,461	20,208,363	0	(53,389)	0	(53,389)	0	0	(1,223,261)	(1,223,261)	2,778,737	360,756	
Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)																					
Preferred Stocks - Parent, Subsidiaries, and Affiliates (Unaffiliated)																					
Common Stocks - Industrial and Miscellaneous (Unaffiliated)																					
00507V-10-9	ACTIVISION BLIZZARD ORD		03/02/2016	VARIOUS	11/01/2016	MORGAN STANLEY CO	7,754,000	248,416	263,868	248,416	0	0	0	0	0	0	15,452	15,452	2,016	0	
00508Y-10-2	AQUITY BRANDS ORD		01/29/2016	VARIOUS	11/01/2016	MORGAN STANLEY CO	346,000	78,039	84,026	74,321	0	3,719	0	3,719	0	0	9,706	9,706	81	0	
00751Y-10-6	ADVANCE AUTO PARTS ORD		01/22/2016	CREDIT SUISSE SECURITIES (USA)	03/02/2016	JEFFERIES & COMPANY, INC	77,000	11,125	11,729	11,125	0	0	0	0	0	0	605	605	0	0	
00817Y-10-8	AETNA ORD		04/29/2016	VARIOUS	11/01/2016	JEFFERIES & COMPANY, INC	971,000	107,936	112,260	107,936	0	0	0	0	0	0	4,323	4,323	299	0	
011659-10-9	ALASKA AIR GROUP ORD		06/01/2016	MORGAN STANLEY CO	12/30/2016	(USA)	1,323,000	87,618	117,101	77,118	0	0	10,501	(10,501)	0	0	39,983	39,983	728	0	
025537-10-1	AMERICAN ELECTRIC POWER ORD		01/29/2016	VARIOUS	10/01/2016	MORGAN STANLEY CO	645,000	37,964	41,761	37,964	0	0	0	0	0	0	3,797	3,797	722	0	
03073E-10-5	AMERISOURCEBERGEN ORD		03/01/2016	VARIOUS	10/01/2016	MORGAN STANLEY CO	1,115,000	102,891	94,697	96,503	0	6,387	0	(6,387)	0	0	(1,806)	(1,806)	314	0	
037411-10-5	APACHE ORD		06/01/2016	VARIOUS	12/30/2016	VARIOUS	4,409,000	229,333	282,623	229,038	0	295	0	295	0	0	53,585	53,585	1,604	0	
053332-10-2	AUTOZONE ORD		04/01/2016	VARIOUS	08/31/2016	VARIOUS	472,000	351,242	375,723	350,932	0	310	0	(310)	0	0	24,791	24,791	0	0	
05605H-10-0	BWX TECHNOLOGIES ORD		06/01/2016	MORGAN STANLEY CO	09/09/2016	JEFFERIES & COMPANY, INC	2,646,000	93,220	102,648	93,220	0	0	0	0	0	0	9,428	9,428	238	0	
057224-10-7	BAKER HUGHES ORD		09/30/2016	JEFFERIES & COMPANY, INC	12/01/2016	(USA)	7,468,000	370,260	479,920	369,898	0	0	362	(362)	0	0	110,022	110,022	1,270	0	
060505-10-4	BANK OF AMERICA ORD		01/05/2016	VARIOUS	10/01/2016	JEFFERIES & COMPANY, INC	740,000	12,127	11,595	9,820	0	0	2,307	(2,307)	0	0	1,775	1,775	130	0	
064058-10-0	BANK OF NEW YORK MELLON ORD		04/29/2016	MORGAN STANLEY CO	11/01/2016	VARIOUS	1,718,000	69,088	73,310	66,744	0	0	2,344	(2,344)	0	0	6,566	6,566	527	0	
075896-10-0	BED BATH AND BEYOND ORD		04/01/2016	VARIOUS	11/01/2016	VARIOUS	5,480,000	270,027	253,093	266,958	0	0	3,069	(3,069)	0	0	(13,865)	(13,865)	121	0	
084670-70-2	BERKSHIRE HATHWAY CL B ORD		07/01/2016	VARIOUS	11/30/2016	CREDIT SUISSE SECURITIES (USA)	1,291,000	173,073	203,807	173,062	0	0	10	(10)	0	0	30,745	30,745	0	0	
090572-20-7	BIO RAD LABORATORIES CL A ORD		01/22/2016	CREDIT SUISSE SECURITIES (USA)	11/01/2016	MORGAN STANLEY CO	109,000	13,882	13,803	13,882	0	0	0	0	0	0	(78)	(78)	0	0	

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ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE D - PART 5

Showing all Long-Term Bonds and Stocks **ACQUIRED** During Year and Fully **DISPOSED OF** During Current Year

1	2	3	4	5	6	7	8	9	10	11	Change in Book/Adjusted Carrying Value					17	18	19	20	21
											12	13	14	15	16					
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stocks)	Actual Cost	Consideration	Book/ Adjusted Carrying Value at Disposal	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change In B./A. C.V. (12 + 13 - 14)	Total Foreign Exchange Change in B./A. C.V.	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
525327-10-2	LEIDOS HOLDINGS ORD		04/29/2016	MORGAN STANLEY CO	07/01/2016	VARIOUS	1,402,000	69,480	67,550	68,297	0	0	1,183	(1,183)	0	0	(747)	(747)	449	0
526107-10-7	LENNOX INTERNATIONAL ORD		02/01/2016	MORGAN STANLEY CO	07/15/2016	VARIOUS	455,000	54,155	54,794	54,155	0	0	0	0	0	0	10,640	10,640	359	0
532457-10-8	ELI LILLY ORD		06/02/2016	VARIOUS	10/31/2016	VARIOUS	854,000	86,190	85,787	83,238	0	0	2,952	(2,952)	0	0	2,549	2,549	453	0
535678-10-6	L INEAR TECHNOLOGY ORD		06/02/2016	VARIOUS	10/01/2016	JEFFERIES & COMPANY, INC	1,512,000	71,517	88,107	70,353	0	0	1,164	(1,164)	0	0	17,753	17,753	484	0
550021-10-9	LULULEMON ATHLETICA ORD		08/31/2016	JEFFERIES & COMPANY, INC	09/30/2016	JEFFERIES & COMPANY, INC	959,000	73,669	58,669	73,669	0	0	0	0	0	0	(15,000)	(15,000)	0	0
56585A-10-2	MARATHON PETROLEUM ORD		03/01/2016	VARIOUS	11/01/2016	MORGAN STANLEY CO	3,725,000	158,165	134,917	140,284	0	0	17,881	(17,881)	0	0	(5,366)	(5,366)	1,069	0
571903-20-2	MARRIOTT INTERNATIONAL CL A ORD		03/01/2016	VARIOUS	04/01/2016	MORGAN STANLEY CO	188,000	12,908	12,660	12,908	0	0	0	0	0	0	(248)	(248)	0	0
574599-10-6	MASCO ORD		01/29/2016	VARIOUS	11/01/2016	JEFFERIES & COMPANY, INC	2,617,000	68,437	89,849	68,437	0	0	0	0	0	0	21,412	21,412	555	0
576360-10-4	MASTERCARD CL A ORD		03/01/2016	VARIOUS	11/01/2016	MORGAN STANLEY CO	563,000	50,766	54,579	50,745	0	0	22	(22)	0	0	3,835	3,835	139	0
61174X-10-9	MONSTER BEVERAGE ORD		10/31/2016	VARIOUS	11/01/2016	VARIOUS	1,863,000	258,366	249,576	258,366	0	0	0	0	0	0	(8,790)	(8,790)	0	0
617446-44-8	MORGAN STANLEY ORD		04/29/2016	MORGAN STANLEY CO	07/01/2016	JEFFERIES & COMPANY, INC	562,000	15,219	14,596	14,601	0	0	618	(618)	0	0	(5)	(5)	0	0
620076-30-7	MOTOROLA SOLUTIONS ORD		04/29/2016	MORGAN STANLEY CO	06/02/2016	VARIOUS	2,929,000	220,064	202,175	220,064	0	0	0	0	0	0	(17,890)	(17,890)	0	0
626717-10-2	MURPHY OIL ORD		01/05/2016	VARIOUS	11/01/2016	MORGAN STANLEY CO	880,000	19,982	16,355	19,982	0	0	0	0	0	0	(3,627)	(3,627)	0	0
629377-50-8	NRG ENERGY ORD		01/22/2016	(USA)	03/02/2016	MORGAN STANLEY CO	1,185,000	11,657	13,504	11,657	0	0	0	0	0	0	1,847	1,847	172	0
63938C-10-8	NAVIENT ORD		02/01/2016	MORGAN STANLEY CO	09/01/2016	VARIOUS	1,325,000	12,397	14,041	12,397	0	0	0	0	0	0	1,645	1,645	205	0
64110L-10-6	NETFLIX ORD		03/01/2016	VARIOUS	11/01/2016	VARIOUS	528,000	52,642	53,481	52,129	0	0	513	(513)	0	0	1,352	1,352	0	0
651290-10-8	NEWFIELD EXPLORATION ORD		04/29/2016	VARIOUS	07/01/2016	VARIOUS	3,186,000	96,300	132,982	96,300	0	0	0	0	0	0	36,682	36,682	0	0
651639-10-6	NEWMONT MINING ORD		10/01/2016	MORGAN STANLEY CO	12/30/2016	(USA)	7,011,000	302,297	244,492	275,691	0	0	26,606	(26,606)	0	0	(31,199)	(31,199)	495	0
65249B-10-9	NEWS CL A ORD		03/02/2016	VARIOUS	11/01/2016	JEFFERIES & COMPANY, INC	3,446,000	40,722	48,096	38,378	0	0	2,343	(2,343)	0	0	9,718	9,718	345	0
65473P-10-5	NISOURCE ORD		04/29/2016	VARIOUS	11/01/2016	VARIOUS	7,849,000	175,167	187,016	175,167	0	0	0	0	0	0	11,849	11,849	1,466	0
67020Y-10-0	NUANCE COMMUNICATIONS ORD		04/01/2016	MORGAN STANLEY CO	07/01/2016	VARIOUS	3,504,000	65,533	54,722	60,116	0	0	5,418	(5,418)	0	0	(5,393)	(5,393)	0	0
670346-10-5	NUCOR ORD		06/01/2016	VARIOUS	11/30/2016	(USA)	1,240,000	49,022	77,214	49,022	0	0	0	0	0	0	28,192	28,192	1,267	0
68389X-10-8	ORACLE ORD		08/31/2016	JEFFERIES & COMPANY, INC	09/30/2016	JEFFERIES & COMPANY, INC	3,827,000	157,637	150,607	157,637	0	0	0	0	0	0	(7,030)	(7,030)	0	0
693506-10-7	PPG INDUSTRIES ORD		07/01/2016	VARIOUS	07/29/2016	MORGAN STANLEY CO	1,647,000	171,607	172,358	171,607	0	0	0	0	0	0	750	750	0	0
697435-10-5	PALO ALTO NETWORKS ORD		01/22/2016	(USA)	11/01/2016	BARCLAYS CAPITAL INC /LE	68,000	10,026	9,965	10,026	0	0	0	0	0	0	(61)	(61)	0	0
718546-10-4	PHILLIPS 66 ORD		04/29/2016	VARIOUS	11/01/2016	VARIOUS	3,926,000	314,033	313,479	314,032	0	0	1	(1)	0	0	(553)	(553)	4,334	0
72147K-10-8	PILGRIMS PRIDE ORD		04/01/2016	VARIOUS	12/30/2016	(USA)	1,342,000	30,996	25,598	28,343	0	0	2,653	(2,653)	0	0	(2,745)	(2,745)	3,691	0
724479-10-0	PITNEY BOWES ORD		01/29/2016	VARIOUS	12/30/2016	VARIOUS	4,864,000	96,594	87,282	88,411	0	0	8,184	(8,184)	0	0	(1,128)	(1,128)	2,729	0
74144T-10-8	T ROWE PRICE GROUP ORD		04/29/2016	VARIOUS	12/29/2016	VARIOUS	1,574,000	113,919	117,245	105,877	0	0	8,042	(8,042)	0	0	11,367	11,367	1,780	0
74736K-10-1	QORVO ORD		08/31/2016	JEFFERIES & COMPANY, INC	11/30/2016	VARIOUS	1,299,000	74,760	70,886	72,406	0	0	2,354	(2,354)	0	0	(1,520)	(1,520)	0	0
74762E-10-2	QUANTA SERVICES ORD		11/30/2016	VARIOUS	12/30/2016	(USA)	5,227,000	121,963	181,717	120,164	0	0	1,799	(1,799)	0	0	61,553	61,553	0	0
74876Y-10-1	QUINTILES TRANSNATIONAL HOLDINGS ORD		03/01/2016	VARIOUS	04/29/2016	MORGAN STANLEY CO	1,174,000	74,719	81,073	74,719	0	0	0	0	0	0	6,354	6,354	0	0
75281A-10-9	RANGE RESOURCES ORD		07/29/2016	VARIOUS	11/01/2016	MORGAN STANLEY CO	4,115,000	175,356	139,272	159,456	0	0	15,900	(15,900)	0	0	(20,184)	(20,184)	115	0
75886F-10-7	REGENERON PHARMACEUTICALS ORD		01/22/2016	(USA)	11/01/2016	MORGAN STANLEY CO	29,000	13,848	10,941	10,453	0	0	3,395	(3,395)	0	0	489	489	0	0
761713-10-6	REYNOLDS AMERICAN ORD		10/01/2016	JEFFERIES & COMPANY, INC	10/31/2016	MORGAN STANLEY CO	11,790,000	560,233	648,048	556,748	0	0	3,485	(3,485)	0	0	91,300	91,300	690	0
770323-10-3	ROBERT HALF ORD		07/01/2016	VARIOUS	11/01/2016	VARIOUS	8,836,000	359,709	323,921	337,091	0	0	22,618	(22,618)	0	0	(13,170)	(13,170)	444	0
773903-10-9	ROCKWELL AUTOMAT ORD		04/01/2016	VARIOUS	11/01/2016	JEFFERIES & COMPANY, INC	1,030,000	101,318	124,364	101,318	0	0	0	0	0	0	23,046	23,046	2,021	0
81211K-10-0	SEALED AIR ORD		02/01/2016	VARIOUS	11/01/2016	MERRILL LYNCH PIERCE	2,151,000	87,880	98,673	87,880	0	0	0	0	0	0	10,792	10,792	624	0
824348-10-6	SHERWIN WILLIAMS ORD		03/01/2016	VARIOUS	10/31/2016	MORGAN STANLEY CO	298,000	76,806	84,514	76,806	0	0	0	0	0	0	7,708	7,708	509	0
83088M-10-2	SKYWORKS SOLUTIONS ORD		01/22/2016	(USA)	02/01/2016	MORGAN STANLEY CO	355,000	23,576	24,664	23,576	0	0	0	0	0	0	1,087	1,087	0	0
845467-10-9	SOUTHWESTN EMER ORD		07/29/2016	MORGAN STANLEY CO	11/30/2016	(USA)	5,174,000	75,441	58,177	71,608	0	0	3,833	(3,833)	0	0	(13,431)	(13,431)	0	0
848574-10-9	SPIRIT AEROSYSTEMS HLDGS A ORD		03/01/2016	VARIOUS	09/30/2016	JEFFERIES & COMPANY, INC	1,273,000	58,690	56,769	54,739	0	0	3,951	(3,951)	0	0	2,030	2,030	0	0
85571B-10-5	STARWOOD PROPERTY REIT		01/22/2016	(USA)	10/01/2016	MORGAN STANLEY CO	1,470,000	26,636	31,981	26,636	0	0	0	0	0	0	5,345	5,345	1,411	0
871503-10-8	SYMANTEC ORD		06/02/2016	VARIOUS	12/14/2016	(USA)	4,158,000	72,147	101,656	72,147	0	0	0	0	0	0	29,509	29,509	936	0
871607-10-7	SYNOPSYS ORD		11/30/2016	(USA)	12/30/2016	(USA)	1,281,000	77,924	75,820	77,924	0	0	0	0	0	0	(2,103)	(2,103)	0	0
871829-10-7	SYSCO ORD		03/02/2016	VARIOUS	09/30/2016	JEFFERIES & COMPANY, INC	1,333,000	58,982	65,551	58,982	0	0	0	0	0	0	6,569	6,569	826	0
872540-10-9	TJX ORD		03/01/2016	VARIOUS	11/01/2016	MORGAN STANLEY CO	13,010	13,010	13,010	13,010	0	0	0	0	0	0	0	0	579	0
87612E-10-6	TARGET ORD		01/22/2016	VARIOUS	10/01/2016	JEFFERIES & COMPANY, INC	984,000	69,692	69,121	68,703	0	0	990	(990)	0	0	418	418	1,692	0
87901J-10-5	TENGA ORD		04/01/2016	MORGAN STANLEY CO	10/03/2016	VARIOUS	6,136,000	143,102	137,753	142,714	0	0	388	(388)	0	0	(4,961)	(4,961)	1,160	0
88076W-10-3	TERADATA ORD		01/29/2016	MORGAN STANLEY CO	02/29/2016	GOLDMAN SACHS & CO, NY	15,000	362	375	362	0	0	0	0	0	0	12	12	0	0
881609-10-1	TESORO ORD		06/01/2016	VARIOUS	11/01/2016	VARIOUS	1,420,000	123,888	106,864	106,386	0	0	17,501	(17,501)	0	0	478	478	1,521	0
883203-10-1	TEXTRON ORD		01/22/2016	(USA)	02/01/2016	MORGAN ST														

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE D - PART 5

Showing all Long-Term Bonds and Stocks **ACQUIRED** During Year and Fully **DISPOSED OF** During Current Year

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Disposal Date	7 Name of Purchaser	8 Par Value (Bonds) or Number of Shares (Stocks)	9 Actual Cost	10 Consideration	11 Book/ Adjusted Carrying Value at Disposal	Change in Book/Adjusted Carrying Value					17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Interest and Dividends Received During Year	21 Paid for Accrued Interest and Dividends
											12 Unrealized Valuation Increase/ (Decrease)	13 Current Year's (Amortization)/ Accretion	14 Current Year's Other Than Temporary Impairment Recognized	15 Total Change In B./A. C.V. (12 + 13 - 14)	16 Total Foreign Exchange Change in B./A. C.V.					
887317-30-3	TIME WARNER ORD		01/22/2016	CREDIT SUISSE SECURITIES (USA)	11/01/2016	MORGAN STANLEY CO.	193,000	13,608	13,917	13,608	0	0	0	0	0	309	309	0	0	
90187B-10-1	TWO HARBORS INVESTMENT REIT		01/22/2016	CREDIT SUISSE SECURITIES (USA)	11/01/2016	MORGAN STANLEY CO.	2,432,000	17,960	21,177	17,960	0	0	0	0	0	3,217	3,217	1,119	0	
910047-10-9	UNITED CONTINENTAL HOLDINGS ORD		04/29/2016	MORGAN STANLEY CO.	09/30/2016	JEFFERIES & COMPANY, INC	1,483,000	68,060	75,565	60,862	0	0	7,198	(7,198)	0	14,703	14,703	0	0	
911684-10-8	UNITED STATES CELLULAR ORD		01/22/2016	CREDIT SUISSE SECURITIES (USA)	04/01/2016	MORGAN STANLEY CO.	406,000	14,348	18,175	14,348	0	0	0	0	0	3,826	3,826	0	0	
92220P-10-5	VARIAN MEDICAL SYSTEMS ORD		03/01/2016	VARIOUS	04/29/2016	MORGAN STANLEY CO.	634,000	49,107	51,375	49,107	0	0	0	0	0	2,268	2,268	0	0	
92553P-20-1	VIACOM CL B ORD		01/22/2016	CREDIT SUISSE SECURITIES (USA)	02/01/2016	MORGAN STANLEY CO.	260,000	11,259	11,836	11,259	0	0	0	0	0	577	577	0	0	
929089-10-0	VOYA FINANCIAL ORD		03/01/2016	VARIOUS	11/01/2016	JEFFERIES & COMPANY, INC	400,000	11,856	11,620	9,904	0	0	1,952	(1,952)	0	1,716	1,716	8	0	
941848-10-3	WATERS ORD		01/22/2016	CREDIT SUISSE SECURITIES (USA)	07/01/2016	JEFFERIES & COMPANY, INC	116,000	14,740	16,481	14,740	0	0	0	0	0	1,741	1,741	0	0	
959802-10-9	WESTERN UNION ORD		01/22/2016	CREDIT SUISSE SECURITIES (USA)	11/01/2016	VARIOUS	1,751,000	30,331	33,634	30,331	0	0	0	0	0	3,303	3,303	560	0	
966837-10-6	WHOLE FOODS MARKET ORD		02/01/2016	MORGAN STANLEY CO.	04/29/2016	VARIOUS	3,615,000	106,764	108,361	106,764	0	0	0	0	0	1,596	1,596	339	0	
981475-10-6	WORLD FUEL SERVICES ORD		07/01/2016	VARIOUS	10/31/2016	VARIOUS	2,331,000	112,133	104,631	110,006	0	0	2,127	(2,127)	0	(5,375)	(5,375)	219	0	
98389B-10-1	XCEL ENERGY ORD		06/01/2016	VARIOUS	10/01/2016	VARIOUS	6,850,000	270,012	297,921	270,012	0	0	0	0	0	27,909	27,909	3,316	0	
98849B-10-1	YUM BRANDS ORD		10/31/2016	VARIOUS	11/30/2016	VARIOUS	1,210,000	93,433	98,463	93,433	0	0	0	0	0	5,030	5,030	572	0	
98850P-10-9	YUM CHINA ORD		10/31/2016	Exchange/ Corp Action	12/06/2016	Southwest Securities	306,000	7,168	8,519	7,168	0	0	0	0	0	1,352	1,352	0	0	
98978V-10-3	ZOETIS CL A ORD		01/22/2016	CREDIT SUISSE SECURITIES (USA)	02/01/2016	MORGAN STANLEY CO.	241,000	10,472	10,343	10,472	0	0	0	0	0	(130)	(130)	0	0	
G16962-10-5	BUNGE ORD		01/22/2016	CREDIT SUISSE SECURITIES (USA)	04/01/2016	MORGAN STANLEY CO.	322,000	19,356	18,112	18,248	0	0	1,108	(1,108)	0	(136)	(136)	122	0	
G3157S-10-6	ENSCO CL A ORD		04/01/2016	MORGAN STANLEY CO.	06/17/2016	VARIOUS	7,089,000	72,642	75,082	72,431	0	0	210	(210)	0	2,651	2,651	13	0	
G4412G-10-1	HERBALIFE ORD		06/01/2016	VARIOUS	11/30/2016	VARIOUS	556,000	29,146	29,007	29,139	0	0	7	(7)	0	(132)	(132)	0	0	
G7945M-10-7	SEAGATE TECHNOLOGY ORD		01/29/2016	VARIOUS	11/01/2016	VARIOUS	991,000	32,475	23,843	25,695	0	0	6,780	(6,780)	0	(1,852)	(1,852)	1,249	0	
H1467J-10-4	CHUBB ORD		02/01/2016	MORGAN STANLEY CO.	11/01/2016	MORGAN STANLEY CO.	526,000	59,185	61,868	59,185	0	0	0	0	0	2,683	2,683	352	0	
Y09827-10-9	BROADCOM ORD		03/01/2016	VARIOUS	10/01/2016	VARIOUS	1,028,000	142,217	159,297	142,217	0	0	0	0	0	17,080	17,080	1,018	0	
9099999 - Common Stocks - Industrial and Miscellaneous (Unaffiliated)								13,726,995	14,086,999	13,244,067	0	0	482,928	(482,928)	0	0	842,932	842,932	94,461	0
Common Stocks - Parent, Subsidiaries, and Affiliates																				
Common Stocks - Mutual Funds																				
78462F-10-3	SPDR S&P 500 ETF		09/22/2016	VARIOUS	11/30/2016	VARIOUS	4,521,000	929,430	944,153	927,244	0	0	2,187	(2,187)	0	16,910	16,910	3,152	0	
9299999 - Common Stocks - Mutual Funds								929,430	944,153	927,244	0	0	2,187	(2,187)	0	0	16,910	16,910	3,152	0
Common Stocks - Money Market Mutual Funds																				
9799998 - Common Stocks - Subtotals - Common Stocks								14,656,426	15,031,153	14,171,311	0	0	485,115	(485,115)	0	0	859,842	859,842	97,613	0
9899999 - Common Stocks - Subtotals - Preferred and Common Stocks								14,656,426	15,031,153	14,171,311	0	0	485,115	(485,115)	0	0	859,842	859,842	97,613	0
9999999 Totals								34,918,178	34,018,613	34,379,674	0	(53,389)	485,115	(538,504)	0	0	(363,419)	(363,419)	2,876,350	360,756

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ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE D - PART 6 - SECTION 1

Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

1 CUSIP Identification	2 Description Name of Subsidiary, Controlled or Affiliated Company	3 Foreign	4 NAIC Company Code	5 ID Number	6 NAIC Valuation Method (See Purposes And Procedures Manual of the NAIC Investment Analysis Office)	7 Do Insurer's Assets Include Intangible Assets Connected with Holding of Such Company's Stock?	8 Total Amount of Such Intangible Assets	9 Book / Adjusted Carrying Value	10 Nonadmitted Amount	Stock of Such Company Owned by Insurer on Statement Date	
										11 Number of Shares	12 % of Outstanding
Preferred Stocks - Parent											
Preferred Stocks - U.S. Property & Casualty Insurer											
Preferred Stocks - U.S. Life Insurer											
Preferred Stocks - U.S. Health Entity											
Preferred Stocks - Alien Insurer											
Preferred Stocks - Non-Insurer Which Controls Insurer											
Preferred Stocks - Investment Subsidiary											
Preferred Stocks - Other Affiliates											
Common Stocks - Parent											
Common Stocks - U.S. Property & Casualty Insurer											
Common Stocks - U.S. Life Insurer											
Common Stocks - U.S. Health Entity											
Common Stocks - Alien Insurer											
Common Stocks - Non-Insurer Which Controls Insurer											
Common Stocks - Investment Subsidiary											
Common Stocks - Other Affiliates											
000000-00-0	Fifteen 521 LLC		00000		2ciB3Z	No	0	0	0	0.000	100.0
000000-00-0	FGIC UK Limited	B	00000		2ciB4Z	No	0	33,200,000	0	175,000,000	100.0
1799999 - Common Stocks - Other Affiliates							0	33,200,000	0	XXX	XXX
1899999 - Common Stocks - Subtotals - Common Stocks							0	33,200,000	0	XXX	XXX
1999999 Totals - Preferred and Common Stocks							0	33,200,000	0	XXX	XXX

- 1. Amount of insurer's capital and surplus from the prior period's statutory statement reduced by any admitted EDP, goodwill and net deferred tax assets included therein: \$ 66,400,000
- 2. Total amount of intangible assets nonadmitted: \$

SCHEDULE D - PART 6 - SECTION 2

1 CUSIP Identification	2 Name of Lower-Tier Company	3 Name of Company Listed in Section 1 Which Controls Lower-Tier Company	4 Total Amount of Intangible Assets Included in Amount Shown in Column 8, Section 1	Stock in Lower-Tier Company Owned Indirectly by Insurer on Statement Date	
				5 Number of Shares	6 % of Outstanding
NONE					
0399999 Totals - Preferred and Common				XXX	XXX

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE DA - PART 1

Showing all **SHORT-TERM INVESTMENTS** Owned December 31 of Current Year

1	2	Codes		5	6	7	8	Change In Book/Adjusted Carrying Value				13	14	Interest						21	
		3	4					9	10	11	12			15	16	17	18	19	20		
CUSIP Identification	Description	Code	Foreign	Date Acquired	Name of Vendor	Maturity Date	Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Par Value	Actual Cost	Amount Due And Accrued Dec. 31 of Current Year On Bond Not In Default	Non-Admitted Due and Accrued	Rate of	Effective Rate of	When Paid	Amount Received During Year	Paid for Accrued Interest	
Bonds - U.S. Governments Issuer Obligations																					
Bonds - U.S. Governments - Residential Mortgage-Backed Securities																					
Bonds - U.S. Governments - Commercial Mortgage-Backed Securities																					
Bonds - U.S. Governments - Other Loan-Backed and Structured Securities																					
Bonds - All Other Governments - Issuer Obligations																					
Bonds - All Other Governments - Residential Mortgage-Backed Securities																					
Bonds - All Other Governments - Single Class Mortgage-Backed/Asset-Backed Securities																					
Bonds - All Other Governments - Other Loan-Backed and Structured Securities																					
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations																					
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed) - Residential Mortgage-Backed Securities																					
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed) - Commercial Mortgage-Backed Securities																					
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed) - Other Loan-Backed and Structured Securities																					
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations																					
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Residential Mortgage-Backed Securities																					
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Commercial Mortgage-Backed Securities																					
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Other Loan-Backed and Structured Securities																					
Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and their Political Subdivisions - Issuer Obligations																					
Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and their Political Subdivisions - Residential Mortgage-Backed Securities																					
Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and their Political Subdivisions - Commercial Mortgage-Backed Securities																					
Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and their Political Subdivisions - Other Loan-Backed and Structured Securities																					
Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations																					
Bonds - Industrial and Miscellaneous (Unaffiliated) - Residential Mortgage-Backed Securities																					
Bonds - Industrial and Miscellaneous (Unaffiliated) - Commercial Mortgage-Backed Securities																					
Bonds - Industrial and Miscellaneous (Unaffiliated) - Other Loan-Backed and Structured Securities																					
Bonds - Hybrid Securities - Issuer Obligations																					
Bonds - Hybrid Securities - Residential Mortgage-Backed Securities																					
Bonds - Hybrid Securities - Commercial Mortgage-Backed Securities																					
Bonds - Hybrid Securities - Other Loan-Backed and Structured Securities																					
Bonds - Parent, Subsidiaries and Affiliates Bonds - Issuer Obligations																					
Bonds - Parent, Subsidiaries and Affiliates Bonds - Residential Mortgage-Backed Securities																					
Bonds - Parent, Subsidiaries and Affiliates Bonds - Commercial Mortgage-Backed Securities																					
Bonds - Parent, Subsidiaries and Affiliates Bonds - Other Loan-Backed and Structured Securities																					
Bonds - SVO Identified Funds - Bond Mutual Funds - as Identified by the SVO																					
Parent, Subsidiaries and Affiliates - Mortgage Loans																					
Parent, Subsidiaries and Affiliates - Other Short-Term Invested Assets																					
Mortgage Loans																					
Exempt Money Market Mutual Funds - as Identified by the SVO																					
31607A-70-3	FIDELITY IMM GOVT INSTL			12/30/2016	Direct		6,354,401	0	0	0	0	0	6,354,401	1,390	0	0.440	0.000	N/A	2,052	0	
31607A-80-2	FIDELITY IMM TRS 0 INSTL			12/30/2016	VARIOUS		50,167	0	0	0	0	0	50,167	0	0	0.370	0.000	N/A	106	0	
608919-71-8	FEDERATED GOVT OBL PRMR			12/30/2016	Direct		1,257,595	0	0	0	0	0	1,257,595	398	0	0.430	0.000	N/A	629	0	
857492-70-6	STATE STR INSTI US GOVT CL			12/01/2016	Direct		71,597,419	0	0	0	0	0	71,597,419	18,718	0	0.440	0.000	N/A	6,499	0	
857492-70-6	STATE STR INSTI US GOVT CL	SD		12/30/2016	Direct		485,155	0	0	0	0	0	485,155	147	0	0.440	0.000	N/A	257	0	
94975H-29-6	WELLS FRGO TREASURY PLUS CL I			12/02/2016	VARIOUS		35,081	0	0	0	0	0	35,081	9	0	0.340	0.000	N/A	55	0	
8899999	Bonds - Exempt Money Market Mutual Funds - as Identified by the SVO						79,779,818	0	0	0	0	XXX	79,779,818	20,561	0	XXX	XXX	XXX	9,598	0	
All Other Money Market Mutual Funds																					
Other Short-Term Invested Assets																					
9199999 Totals							79,779,818	0	0	0	0	XXX	79,779,818	20,561	0	XXX	XXX	XXX	9,598	0	

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Schedule DB - Part A - Section 1

NONE

Schedule DB - Part A - Section 2

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part B - Section 2

NONE

Schedule DB - Part D - Section 1

NONE

Schedule DB - Part D - Section 2

NONE

Schedule DL - Part 1

NONE

Schedule DL - Part 2

NONE

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned December 31 of Current Year

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
NONE							
8699999 Total Cash Equivalents					0	0	0

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ANNUAL STATEMENT FOR THE YEAR 2016 OF THE FINANCIAL GUARANTY INSURANCE COMPANY

SCHEDULE E - PART 3 - SPECIAL DEPOSITS

States, etc.	1 Type of Deposits	2 Purpose of Deposits	Deposits For the Benefit of All Policyholders		All Other Special Deposits	
			3 Book/Adjusted Carrying Value	4 Fair Value	5 Book/Adjusted Carrying Value	6 Fair Value
1. Alabama	AL		.0	.0	.0	.0
2. Alaska	AK		.0	.0	.0	.0
3. Arizona	AZ		.0	.0	.0	.0
4. Arkansas	AR		.0	.0	.0	.0
5. California	CA		.0	.0	.0	.0
6. Colorado	CO		.0	.0	.0	.0
7. Connecticut	CT		.0	.0	.0	.0
8. Delaware	DE		.0	.0	.0	.0
9. District of Columbia	DC		.0	.0	.0	.0
10. Florida	FL	.B Property and Casualty	173,594	230,005	.0	.0
11. Georgia	GA	.ST Property and Casualty	35,081	35,081	.0	.0
12. Hawaii	HI		.0	.0	.0	.0
13. Idaho	ID		.0	.0	.0	.0
14. Illinois	IL		.0	.0	.0	.0
15. Indiana	IN		.0	.0	.0	.0
16. Iowa	IA		.0	.0	.0	.0
17. Kansas	KS		.0	.0	.0	.0
18. Kentucky	KY		.0	.0	.0	.0
19. Louisiana	LA	.B Property and Casualty	100,400	135,297	.0	.0
20. Maine	ME		.0	.0	.0	.0
21. Maryland	MD		.0	.0	.0	.0
22. Massachusetts	MA		.0	.0	.0	.0
23. Michigan	MI		.0	.0	.0	.0
24. Minnesota	MN		.0	.0	.0	.0
25. Mississippi	MS		.0	.0	.0	.0
26. Missouri	MO		.0	.0	.0	.0
27. Montana	MT		.0	.0	.0	.0
28. Nebraska	NE		.0	.0	.0	.0
29. Nevada	NV		.0	.0	.0	.0
30. New Hampshire	NH		.0	.0	.0	.0
31. New Jersey	NJ		.0	.0	.0	.0
32. New Mexico	NM	.B Property and Casualty	166,229	202,688	.0	.0
33. New York	NY	.B Property and Casualty	.0	.0	3,551,778	4,209,964
34. North Carolina	NC		.0	.0	.0	.0
35. North Dakota	ND		.0	.0	.0	.0
36. Ohio	OH		.0	.0	.0	.0
37. Oklahoma	OK		.0	.0	.0	.0
38. Oregon	OR		.0	.0	.0	.0
39. Pennsylvania	PA		.0	.0	.0	.0
40. Rhode Island	RI		.0	.0	.0	.0
41. South Carolina	SC		.0	.0	.0	.0
42. South Dakota	SD		.0	.0	.0	.0
43. Tennessee	TN		.0	.0	.0	.0
44. Texas	TX	.B Property and Casualty	.0	.0	171,432	189,858
45. Utah	UT		.0	.0	.0	.0
46. Vermont	VT		.0	.0	.0	.0
47. Virginia	VA		.0	.0	.0	.0
48. Washington	WA		.0	.0	.0	.0
49. West Virginia	WV		.0	.0	.0	.0
50. Wisconsin	WI		.0	.0	.0	.0
51. Wyoming	WY		.0	.0	.0	.0
52. American Samoa	AS		.0	.0	.0	.0
53. Guam	GU		.0	.0	.0	.0
54. Puerto Rico	PR	.B Property and Casualty	520,366	553,528	.0	.0
55. US Virgin Islands	VI		.0	.0	.0	.0
56. Northern Mariana Islands	MP		.0	.0	.0	.0
57. Canada	CAN		.0	.0	.0	.0
58. Aggregate Other Alien	OT	.XXX	.0	.0	.0	.0
59. Total	XXX	XXX	995,671	1,156,598	3,723,210	4,399,822
DETAILS OF WRITE-INS						
5801.						
5802.						
5803.						
5898.	Sum of remaining write-ins for Line 58 from overflow page	.XXX	.0	.0	.0	.0
5899.	Totals (Lines 5801 - 5803 + 5898) (Line 58 above)	XXX	0	0	0	0

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