

**Special Notice to Policyholders: Merger of CIFG Guaranty, Inc. into CIFG Assurance North America, Inc.**

CIFG Holding Inc. announced today that it has completed the merger of CIFG Guaranty, Inc. with and into CIFG Assurance North America, Inc. (“CIFG NA”), concluding a corporate reorganization which began with the redomestication of CIFG companies from Bermuda in December 2009. CIFG Europe and CIFG Services, LLC, formerly direct subsidiaries of CIFG Guaranty, are now direct subsidiaries of CIFG NA.

The merger concentrates CIFG’s assets and liabilities under the regulatory supervision of the New York State Department of Insurance and results in numerous operating, regulatory and capital efficiencies.

CIFG NA has assumed all of the assets and liabilities of CIFG Guaranty, including CIFG Guaranty’s obligations to CIFG Europe under certain reinsurance and support arrangements. As part of the merger, CIFG NA has also issued a second-to-pay financial guaranty insurance policy to the Bank of New York Mellon, as insurance trustee for the policyholders of CIFG Europe. The second-to-pay policy guarantees each beneficiary of a policy issued by CIFG Europe the full and complete payment of any policy shortfall amounts due from CIFG Europe.

A copy of the second-to-pay policy and the insurance trustee agreement can be found at [www.cifg.com](http://www.cifg.com).

September 30, 2010