



National Takes Action to Extend PREPA Restructuring Support Agreement

Title III Bankruptcy Filing Unnecessary and Improper and Puts Commonwealth at Risk; PREPA RSA has Broad Creditor Support

National to Continue Pursuing Lawsuit to Compel Oversight Board to Comply with Obligations Under PROMESA

PURCHASE, N.Y.--(BUSINESS WIRE)--National Public Finance Guarantee Corporation (National), an indirect subsidiary of MBIA Inc. (NYSE:MBI), today announced that it and the other supporting creditors offered the Puerto Rico Electric Power Authority ("PREPA") an extension of the Restructuring Support Agreement ("RSA") until June 30, 2017 that included a re-lending that would have allowed PREPA to avoid a default on July 1, 2017. The offer was delivered to Puerto Rico Governor Ricardo Rosselló, PREPA and the Puerto Rico Fiscal Agency & Financial Advisory Authority ("AAFAF"), but all have refused to sign the extension.

National believes this extension and the related funding would have provided additional time for discussions to avoid a Title III bankruptcy filing by PREPA, which National also believes is unnecessary and improper and would put the Commonwealth at risk by disrupting the provision of electricity on the island.

“PREPA and the Rosselló administration have rejected the only lifeline available on the island,” said Bill Fallon, CEO of National Public Finance Guarantee Corporation. “They are bending to the will of the Oversight Board. The RSA has broad creditor support and has been approved by all required parties, including two governors, the Puerto Rico legislature, AAFAF, the Puerto Rico Energy Commission and the PREPA board. The Governor should stand by his agreement that we achieved almost two months ago.”

National will continue to pursue its lawsuit in the U.S. District Court for the District of Puerto Rico that seeks to compel the Oversight Board to comply with its obligations under the Puerto Rico Oversight, Management, and Economic Stability Act.

National has adequate resources, with claims-paying resources totaling \$4.6 billion at March 31, 2017, to ensure that its policyholders will receive the full amount of the scheduled interest and principal payments that come due on their National insured bonds.

Forward-Looking Statements

This release includes statements that are not historical or current facts and are “forward-looking statements” made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The words “believe,” “anticipate,” “project,” “plan,” “expect,” “estimate,” “intend,” “will likely result,” “looking forward” or “will continue,” and similar expressions identify forward-looking statements. These statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical earnings and those presently anticipated or projected, including, among other factors, the possibility that MBIA Inc. or National will experience increased credit losses or impairments on public finance obligations issued by state, local and territorial governments and finance authorities that are experiencing unprecedented fiscal stress; the possibility that loss reserve estimates are not adequate to cover potential claims; MBIA Inc.’s or National’s ability to fully implement their strategic plan; and changes in general economic and competitive conditions. These and other factors that could affect financial performance or could cause actual results to differ materially from estimates contained in or underlying MBIA Inc.’s or National’s

forward-looking statements are discussed under the “Risk Factors” section in MBIA Inc.’s most recent Annual Report on Form 10-K, which may be updated or amended in MBIA Inc.’s subsequent filings with the Securities and Exchange Commission. MBIA Inc. and National caution readers not to place undue reliance on any such forward-looking statements, which speak only to their respective dates. National and MBIA Inc. undertake no obligation to publicly correct or update any forward-looking statement if it later becomes aware that such result is not likely to be achieved.

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

Contacts

National Public Finance Guarantee Corporation

Media:

Greg Diamond, 914-765-3190

or

Fixed-Income Investor Relations:

Kevin Brown, 914-765-3385

or

MBIA Inc.

Investor and Media Relations:

Greg Diamond, 914-765-3190