

For Immediate Release

Reduction in Insured Par Exposure

ACA website (www.aca.com), New York – June 24, 2022 – ACA Financial Guaranty Corporation (“ACA”), a monoline bond insurance company operating in run-off, has executed an agreement to commute all of its outstanding \$128.4 million of assumed reinsurance exposure. This commutation will be reflected in ACA’s financial statements as of June 30, 2022.

ACA has also entered into an assumption agreement (the “Assumption Agreement”) under which ACA will work with an AA-rated insurer to novate \$43.9 million of insured par exposure such that ACA will have no insurance liability on this par exposure going forward. Please note that the closing relating to the Assumption Agreement is subject to review and approval by the Maryland Insurance Administration (the “MIA”). ACA has already received the consent of the Holders of ACA’s Surplus Notes to execute the Assumption Agreement, subject to the review and approval of the MIA.

About ACA Financial Guaranty Corporation

Founded in 1997, ACA Financial Guaranty Corporation is a monoline bond insurance company licensed in 50 states and 4 territories and principally regulated by the Maryland Insurance Administration. On August 8, 2008, the Company and counterparties to its structured finance products reached an agreement on a restructuring plan for ACA. The plan, approved by the Maryland Insurance Administration, provided for settlement of the structured finance obligations and protection for ACA’s municipal policyholders. ACA operates as a runoff insurance company and focuses on actively managing its remaining insured tax-exempt obligations. ACA’s portfolio consists of fewer than 21 obligors guarantying timely payment of principal and interest on approximately \$100 million of generally high yield municipal bonds.