

MUNICIPAL ASSURANCE CORP.

**DOCUMENT, PRINTING
AND
DISCLOSURE INFORMATION FOR
PUBLIC FINANCE TRANSACTIONS**

(Revised August 10, 2018)

This information is intended for use by Bond Counsel, printers and preparers of municipal bond offerings that will be insured by Municipal Assurance Corp. ("MAC"). Prior to any reference to MAC in your marketing efforts in respect of an MAC-insured issue, MAC must receive an executed copy of its commitment letter. Blacklined copies of each draft of each financing document, preliminary and final official statements, and bond form should be delivered to MAC for review and comment with reasonable opportunity to submit any comments prior to printing. MAC will deliver to Bond Counsel, at the pre-closing, assuming the requirements of the commitment letter have been met, an opinion of counsel as to the validity of the policy, a disclosure, no default and tax certificate of MAC, the executed policy and other certificates required in the transaction. Prior to closing, MAC will obtain rating letters from the rating agencies indicated on the official statement. Note that any questions with regard to rating agency fees should be directed to the respective rating agency.

INDEX

EXHIBIT NO.

DIRECTORY

Legal Department Directory

OFFICIAL STATEMENT

MAC Disclosure Information
(for inclusion in the Official Statement)

1

Specimen:

- Municipal Bond Insurance Policy (Form 500 NY (6/13))

WIRE INSTRUCTIONS

Procedures For Premium Payment
(including wire-transfer instructions)

2

BOND FORM

Statement of Insurance (Language for Bond Form)

3

LEGAL DEPARTMENT DIRECTORY

<u>NAME</u>	<u>TITLE</u>	<u>TELEPHONE</u>	<u>FAX</u>
<u>PUBLIC FINANCE ATTORNEYS</u>			
Lyons, Kevin	Deputy General Counsel	(212) 339-3546	(212) 857-0439
Schreiber, Elliot	Counsel	(212) 339-0869	(212) 857-0518
Torkelson, Eric	Counsel	(212) 408-6057	(212) 581-3268
Tremblay, Peter	Counsel	(212) 261-5564	(212) 857-0316
Woodruff, Natalie	Counsel	(212) 261-5553	(212) 857-0289
Workman, Terence	Counsel	(212) 408-6053	(212) 581-3268
<u>LEGAL ASSISTANTS</u>			
Cinquegrana, Nicole	Legal Assistant/Closing Coordinator	(212) 261-5593	(212) 581-3278
Paredes, Erika	Legal Assistant/Closing Coordinator	(212) 893-2706	(212) 857-0349
Udit-Adler, Audrey	Legal Assistant /Closing Coordinator	(212) 339-3548	(212) 857-0560

**MUNICIPAL ASSURANCE CORP.
("MAC")
DISCLOSURE INFORMATION
(FOR INCLUSION IN THE OFFICIAL STATEMENT)**

The following are MAC's requirements for printing the preliminary and final official statements:

1. Both the preliminary and final official statements must contain the information set forth in these Exhibits and MAC must be provided with final drafts for its approval and sign off thereon at least two business days prior to the printing thereof;
2. Any changes made to the MAC Disclosure Information for inclusion in the preliminary and final official statements must first be approved by MAC, and
3. MAC must receive 4 final official statements upon printing.

TO BE PRINTED ON THE COVER OF THE OFFICIAL STATEMENT:

The following language should be used when insuring:

1. THE ENTIRE ISSUE:

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by **MUNICIPAL ASSURANCE CORP.**

2. CAPITAL APPRECIATION BONDS:

The scheduled payment of principal of (or, in the case of Capital Appreciation Bonds, the accreted value) and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by **MUNICIPAL ASSURANCE CORP.**

3. PARTIAL MATURITIES (LESS THAN ENTIRE ISSUE):

The scheduled payment of principal of and interest on the Bonds maturing on _____ of the years _____ through _____, inclusive (the "Insured Bonds"), when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Insured Bonds by **MUNICIPAL ASSURANCE CORP.**

4. CERTIFICATES OR NOTES:

Change all references from the Bonds to Certificates or Notes wherever necessary, but **DO NOT** change the reference to the policy from Municipal Bond Insurance Policy.

PRINTER'S NOTE: USE MUNICIPAL ASSURANCE CORP.
LOGO AND INK #PMS 202 FOR RED INK and INK #PMS 647 FOR BLUE INK.
IF THIS DOCUMENT WAS MAILED IN HARDCOPY, A LOGO SHEET IS ATTACHED.
OTHERWISE, THE LOGO MAY BE REQUESTED FROM MAC'S WEBSITE
[HTTP://MACMUNIBONDS.COM/FOR-ISSUERS/CLOSING-DOCUMENTS](http://MACMUNIBONDS.COM/FOR-ISSUERS/CLOSING-DOCUMENTS)

TO BE PRINTED IN THE BODY OF THE OFFICIAL STATEMENT OR AS AN EXHIBIT

USE THE FOLLOWING LANGUAGE WHEN INSURING THE ENTIRE ISSUE:

NOTE: The language under the subheading "Bond Insurance Policy" should be modified when insuring Capital Appreciation Bonds, Partial Maturities (less than the entire issue), Certificates and/or Notes. See page 4 of Exhibit 1 for the appropriate language.

BOND INSURANCE

BOND INSURANCE POLICY

Concurrently with the issuance of the Bonds, Municipal Assurance Corp. ("MAC") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York or Connecticut insurance law.

MUNICIPAL ASSURANCE CORP.

MAC is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance, infrastructure and structured finance markets. Neither AGL nor any of the shareholders or affiliates of AGL, other than MAC, is obligated to pay any debts of MAC or any claims under any insurance policy issued by MAC.

MAC is wholly owned by Municipal Assurance Holdings Inc., which, in turn, is owned 61% by Assured Guaranty Municipal Corp. and 39% by Assured Guaranty Corp.

MAC's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") and "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA"). Each rating of MAC should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of MAC in its sole discretion. In addition, the rating agencies may at any time change MAC's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by MAC. MAC only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by MAC on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On July 12, 2018, KBRA announced it had affirmed MAC's financial strength rating of "AA+" (stable outlook). MAC can give no assurance as to any further ratings action that KBRA may take.

On June 26, 2018, S&P announced it had affirmed MAC's financial strength rating of "AA" (stable outlook). MAC can give no assurance as to any further ratings action that S&P may take.

For more information regarding MAC's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2017.

Capitalization of MAC

As of June 30, 2018, MAC's policyholders' surplus and contingency reserve were approximately \$505 million and its unearned premium reserve was approximately \$221 million, in each case, determined in accordance with statutory accounting principles.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to MAC are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

- (i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2017 (filed by AGL with the SEC on February 23, 2018);
- (ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2018 (filed by AGL with the SEC on May 4, 2018); and
- (iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2018 (filed by AGL with the SEC on August 2, 2018).

All financial statements of MAC and all other information relating to MAC included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at <http://www.sec.gov>, at AGL's website at <http://www.assuredguaranty.com>, or will be provided upon request to Municipal Assurance Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding MAC included herein under the caption "BOND INSURANCE – Municipal Assurance Corp." or included in a document incorporated by reference herein (collectively, the "MAC Information") shall be modified or superseded to the extent that any subsequently included MAC Information (either directly or through incorporation by reference) modifies or supersedes such previously included MAC Information. Any MAC Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

MAC makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, MAC has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding MAC supplied by MAC and presented under the heading "BOND INSURANCE".

The Bond Insurance language for the Official Statement under the subheading "Bond Insurance Policy" should be replaced with the following language when insuring:

1. CAPITAL APPRECIATION BONDS:

Concurrently with the issuance of the Bonds, Municipal Assurance Corp. ("MAC") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of (or, in the case of Capital Appreciation Bonds, the accreted value) and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

2. PARTIAL MATURITIES (LESS THAN THE ENTIRE ISSUE):

Concurrently with the issuance of the Bonds, Municipal Assurance Corp. ("MAC") will issue its Municipal Bond Insurance Policy (the "Policy") for the Bonds maturing on _
_ of the years _____ through _____, inclusive (the "Insured Bonds"). The Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

3. CERTIFICATES OR NOTES:

Change all references from the Bonds to Certificates or Notes wherever necessary, but **DO NOT** change the reference to the policy from Municipal Bond Insurance Policy.

**TO BE PRINTED ON THE INSIDE COVER OF OFFICIAL STATEMENT
AS PART OF THE DISCLAIMER STATEMENT:**

Municipal Assurance Corp. ("MAC") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, MAC has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding MAC supplied by MAC and presented under the heading "Bond Insurance" and "Exhibit ___ - Specimen Municipal Bond Insurance Policy".

**PROCEDURES FOR PREMIUM PAYMENT
TO
MUNICIPAL ASSURANCE CORP.
("MAC")**

This form is not to be included in the Official Statement.

MAC's issuance of its municipal bond insurance policy at bond closing is contingent upon payment and receipt of the premium. NO POLICY MAY BE RELEASED UNTIL PAYMENT OF SUCH AMOUNT HAS BEEN CONFIRMED. Set forth below are the procedures to be followed for confirming the amount of the premium to be paid and for paying such amount:

Upon determination of the final debt service schedule, fax such schedule to the appropriate MAC Analyst, Attention: MUNICIPAL DEPARTMENT:

NEW YORK OFFICE

Phone No. (212) 974-0100
Fax No. (212) 339-3450

CALIFORNIA OFFICE

Phone No. (415) 995-8000
Fax No. (415) 995-8008

Confirm with the individual in our underwriting department that you are in agreement with respect to par and premium on the transaction prior to the closing date.

Payment Date: Date of Delivery of the insured bonds.

Method of Payment: Wire transfer of Federal Funds.

Wire Transfer Instructions:

Bank: BNYMELLON, NEW YORK
ABA#: 021000018
Address: One Wall Street
New York, NY 10286
Beneficiary Name: MUNICIPAL ASSURANCE CORP.
Account No.: 8901007331
Policy No.: [To Be Assigned]

CONFIRMATION OF PREMIUM

MAC will accept as confirmation of the premium payment a wire transfer number and the name of the sending bank, to be communicated to the appropriate Legal Assistant on the closing date:

NEW YORK OFFICE

Nicole Cinquegrana (212) 261-5593
Erika Paredes (212) 893-2706
Audrey Udit-Adler (212) 339-3548

STATEMENT OF INSURANCE
(Language for the Bond Form)
This form is not to be included in the Official Statement.

The Bonds shall bear a Statement of Insurance in the following form.

The following language should be used when insuring

1. THE ENTIRE ISSUE:

Municipal Assurance Corp. ("MAC"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on this Bond to **{insert name of paying agent}, {city or county}, {state}**, or its successor, as paying agent for the Bonds (the "Paying Agent"). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from MAC or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of MAC as more fully set forth in the Policy.

2. CAPITAL APPRECIATION BONDS:

Municipal Assurance Corp. ("MAC"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") in respect of the scheduled payments due of principal of (or, in the case of Capital Appreciation Bonds, the accreted value) and interest on this Bond to **{insert name of paying agent}, {city or county}, {state}**, or its successor, as paying agent for the Bonds (the "Paying Agent"). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from MAC or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of MAC as more fully set forth in the Policy.

3. PARTIAL MATURITIES (LESS THAN ENTIRE ISSUE):

Municipal Assurance Corp. ("MAC"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on the Bonds maturing on _____ of the years _____ through _____, inclusive (the "Insured Bonds"), to **{insert name of paying agent}, {city or county}, {state}**, or its successor, as paying agent for the Insured Bonds (the "Paying Agent"). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from MAC or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the

provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of MAC as more fully set forth in the Policy.

4. **CERTIFICATES OR NOTES:**

Change all references from the Bonds to Certificates or Notes wherever necessary, but **DO NOT** change the reference to the policy from Municipal Bond Insurance Policy.