



ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2009
OF THE CONDITION AND AFFAIRS OF THE
ACA Financial Guaranty Corporation

NAIC Group Code 0000, NAIC Company Code 22896, Employer's ID Number 52-1474358
Organized under the Laws of Maryland, State of Domicile or Port of Entry Maryland
Country of Domicile United States
Incorporated/Organized 06/25/1986, Commenced Business 10/31/1986
Statutory Home Office 7 Saint Paul Street, Suite 1660, Baltimore, MD 21202
Main Administrative Office 140 Broadway, 47th Floor, New York, NY 10005-1101
Mail Address 140 Broadway, 47th Floor, New York, NY 10005-1101
Primary Location of Books and Records 140 Broadway, 47th Floor, New York, NY 10005-1101
Internet Website Address http://www.aca.com
Statutory Statement Contact Eugene Thomas Carew, 212-375-2041
ecarew@aca.com, 212-375-2100

OFFICERS

Table with 4 columns: Name, Title, Name, Title. Includes Raymond John Brooks Jr. (President and CEO), Philip Sam Sherman # (Treasurer and CFO), Steven Joseph Berkowitz (Secretary and General Counsel).

OTHER OFFICERS

DIRECTORS OR TRUSTEES

Table with 4 columns: Name, Name, Name, Name. Includes Raymond John Brooks Jr., Richard Joseph Caplan, Roger Dale Cunningham, Bradley Irving Dietz, Willis Thomas King Jr., Dwight Edward Lacey, Paul Douglas McFarlane, Andrew Nathan Rothseid, John Bruce Sprung.

State of New York

County of New York ss

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.

Raymond John Brooks, Jr.
President and CEO

Philip Sam Sherman
Treasurer and CFO

Steven Joseph Berkowitz
Secretary and General Counsel

Subscribed and sworn to before me this
day of February, 2010

- a. Is this an original filing? Yes [X] No []
b. If no,
1. State the amendment number
2. Date filed
3. Number of pages attached

Meredith G Berrett

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

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).....	369,446,765		369,446,765	368,798,756
2. Stocks (Schedule D):				
2.1 Preferred stocks	0		0	0
2.2 Common stocks	769,815	769,815	0	0
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 (\$1,689,850 , Schedule E, Part 1), cash equivalents (\$0 , Schedule E, Part 2) and short-term investments (\$35,940,735 , Schedule DA).....	37,630,585		37,630,585	63,858,810
6. Contract loans, (including \$premium notes)			0	0
7. Other invested assets (Schedule BA)	1,090,255		1,090,255	1,090,068
8. Receivables for securities			0	0
9. Aggregate write-ins for invested assets	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	408,937,420	769,815	408,167,605	433,747,634
11. Title plants less \$charged off (for Title insurers only).....			0	0
12. Investment income due and accrued	3,792,609		3,792,609	3,221,109
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection			0	0
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$earned but unbilled premium).....			0	0
13.3 Accrued retrospective premium.....			0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers			0	0
14.2 Funds held by or deposited with reinsured companies			0	0
14.3 Other amounts receivable under reinsurance contracts			0	0
15. Amounts receivable relating to uninsured plans			0	0
16.1 Current federal and foreign income tax recoverable and interest thereon	51,373,276		51,373,276	0
16.2 Net deferred tax asset.....	39,763,673	39,763,673	0	3,821,634
17. Guaranty funds receivable or on deposit			0	0
18. Electronic data processing equipment and software.....	178,180	61,883	116,297	382,156
19. Furniture and equipment, including health care delivery assets (\$)	1,350,850	1,350,850	0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
21. Receivables from parent, subsidiaries and affiliates			0	0
22. Health care (\$) and other amounts receivable.....			0	0
23. Aggregate write-ins for other than invested assets	2,777,282	2,763,132	14,150	36,879
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	508,173,290	44,709,353	463,463,937	441,209,412
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
26. Total (Lines 24 and 25)	508,173,290	44,709,353	463,463,937	441,209,412
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998)(Line 9 above)	0	0	0	0
2301. Security Deposit.....	2,725,122	2,725,122	0	0
2302. Prepaid Premium Tax.....	38,010	38,010	0	0
2303. Other Assets.....	14,150	0	14,150	36,879
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	2,777,282	2,763,132	14,150	36,879

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	29,269,309	19,781,236
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)		0
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	1,960,489	1,191,909
4. Commissions payable, contingent commissions and other similar charges		0
5. Other expenses (excluding taxes, licenses and fees)	3,330,127	3,434,574
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	186,625	171,819
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))		0
7.2 Net deferred tax liability		0
8. Borrowed money \$ and interest thereon \$		0
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$420,901 and including warranty reserves of \$)	205,167,794	219,749,396
10. Advance premium		0
11. Dividends declared and unpaid:		
11.1 Stockholders		0
11.2 Policyholders		0
12. Ceded reinsurance premiums payable (net of ceding commissions)		0
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)		0
14. Amounts withheld or retained by company for account of others		0
15. Remittances and items not allocated		0
16. Provision for reinsurance (Schedule F, Part 7)	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates		0
18. Drafts outstanding		0
19. Payable to parent, subsidiaries and affiliates	416,870	466,032
20. Payable for securities		20,679,861
21. Liability for amounts held under uninsured plans		0
22. Capital notes \$ and interest thereon \$		0
23. Aggregate write-ins for liabilities	85,676,336	74,448,191
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23)	326,007,550	339,923,018
25. Protected cell liabilities		0
26. Total liabilities (Lines 24 and 25)	326,007,550	339,923,018
27. Aggregate write-ins for special surplus funds	0	0
28. Common capital stock	15,000,000	15,000,000
29. Preferred capital stock		0
30. Aggregate write-ins for other than special surplus funds	0	0
31. Surplus notes		0
32. Gross paid in and contributed surplus	363,974,000	372,633,700
33. Unassigned funds (surplus)	(241,517,613)	(286,347,306)
34. Less treasury stock, at cost:		
34.1 shares common (value included in Line 28 \$)		0
34.2 shares preferred (value included in Line 29 \$)		0
35. Surplus as regards policyholders (Lines 27 to 33, less 34) (Page 4, Line 39)	137,456,387	101,286,394
36. Totals (Page 2, Line 26, Col. 3)	463,463,937	441,209,412
DETAILS OF WRITE-INS		
2301. Contingency Reserve	85,638,680	74,448,191
2302. Other Payables	37,656	
2303.		
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	85,676,336	74,448,191
2701.		
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0
2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)	0	0
3001.		
3002.		
3003.		
3098. Summary of remaining write-ins for Line 30 from overflow page	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	0	0

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4)	15,445,989	26,097,813
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	10,422,104	250,932,065
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	4,741,747	19,248,408
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	17,290,540	30,589,170
5. Aggregate write-ins for underwriting deductions	0	0
6. Total underwriting deductions (Lines 2 through 5)	32,454,391	300,769,643
7. Net income of protected cells	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(17,008,402)	(274,671,830)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	16,756,238	22,415,677
10. Net realized capital gains (losses) less capital gains tax of \$ 0 (Exhibit of Capital Gains (Losses)).....	(15,008,600)	(41,142,817)
11. Net investment gain (loss) (Lines 9 + 10)	1,747,638	(18,727,140)
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$)	0	0
13. Finance and service charges not included in premiums	0	0
14. Aggregate write-ins for miscellaneous income	8,781,995	25,223,974
15. Total other income (Lines 12 through 14)	8,781,995	25,223,974
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(6,478,769)	(268,174,996)
17. Dividends to policyholders	0	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)	(6,478,769)	(268,174,996)
19. Federal and foreign income taxes incurred	(55,235,704)	779,877
20. Net income (Line 18 minus Line 19) (to Line 22)	48,756,935	(268,954,873)
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	101,286,387	229,140,047
22. Net income (from Line 20)	48,756,935	(268,954,873)
23. Net transfers (to) from Protected Cell accounts	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$	598,349	24,752,611
25. Change in net unrealized foreign exchange capital gain (loss)	0	0
26. Change in net deferred income tax	(91,233,102)	65,878,923
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 26, Col. 3)	89,238,299	(65,070,955)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	0	0
29. Change in surplus notes	0	(10,000,000)
30. Surplus (contributed to) withdrawn from protected cells	0	0
31. Cumulative effect of changes in accounting principles	0	0
32. Capital changes:		
32.1. Paid in	0	0
32.2. Transferred from surplus (Stock Dividend)	0	0
32.3. Transferred to surplus	0	0
33. Surplus adjustments:		
33.1. Paid in	(8,659,700)	14,329,850
33.2. Transferred to capital (Stock Dividend)	0	0
33.3. Transferred from capital	0	0
34. Net remittances from or (to) Home Office	0	0
35. Dividends to stockholders	0	0
36. Change in treasury stock (Page 3, Lines 34.1 and 34.2, Column 2 minus Column 1)	0	0
37. Aggregate write-ins for gains and losses in surplus	(2,530,782)	111,210,784
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	36,170,000	(127,853,660)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 35)	137,456,387	101,286,387
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.....	324,495	11,533
1402. Equity Earnings in Affiliates.....	8,364,500	25,193,441
1403. Surveillance Consent Fees.....	93,000	19,000
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)	8,781,995	25,223,974
3701. Change In Contingency Reserve.....	(11,190,489)	111,210,784
3702. ReClass Adjustment.....	8,659,707	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)	(2,530,782)	111,210,784

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	864,387	(16,929,553)
2. Net investment income	17,076,465	27,065,499
3. Miscellaneous income	8,781,995	25,223,974
4. Total (Lines 1 through 3)	<u>26,722,847</u>	<u>35,359,920</u>
5. Benefit and loss related payments	934,031	238,524,097
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	20,117,238	51,645,826
8. Dividends paid to policyholders	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	(3,862,428)	(6,295,730)
10. Total (Lines 5 through 9)	<u>17,188,841</u>	<u>283,874,192</u>
11. Net cash from operations (Line 4 minus Line 10)	<u>9,534,006</u>	<u>(248,514,272)</u>
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	90,849,372	240,886,038
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	18,250,000
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	0	20,695,529
12.8 Total investment proceeds (Lines 12.1 to 12.7)	<u>90,849,372</u>	<u>279,831,567</u>
13. Cost of investments acquired (long-term only):		
13.1 Bonds	106,796,030	30,121,705
13.2 Stocks	0	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	4,329,850
13.6 Miscellaneous applications	20,679,862	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	<u>127,475,892</u>	<u>34,451,555</u>
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)	<u>(36,626,520)</u>	<u>245,380,012</u>
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	(10,000,000)
16.2 Capital and paid in surplus, less treasury stock	0	14,329,850
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)	864,289	1,125,484
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	<u>864,289</u>	<u>5,455,334</u>
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)	(26,228,225)	2,321,074
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	63,858,809	61,537,735
19.2 End of year (Line 18 plus Line 19.1)	<u>37,630,584</u>	<u>63,858,809</u>

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Lines 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	864,387	219,749,396	205,167,794	15,445,989
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	864,387	219,749,396	205,167,794	15,445,989
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		205,167,794			205,167,794
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	0	205,167,794	0	0	205,167,794
36.	Accrued retrospective premiums based on experience					
37.	Earned but unbilled premiums					
38.	Balance (Sum of Line 35 through 37)					205,167,794
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 . Percentage of Debt Exposure

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	864,387					864,387
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	864,387	0	0	0	0	864,387
DETAILS OF WRITE-INS						
3401.						
3402.						
3403.						
3498. Summary 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 \$864,387

2. Amount at which such installment premiums would have been reported had they been reported on an annualized basis \$864,387

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

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	.0
2. Allied lines				.0	.0	.0	.0	.0
3. Farmowners multiple peril				.0	.0	.0	.0	.0
4. Homeowners multiple peril				.0	.0	.0	.0	.0
5. Commercial multiple peril				.0	.0	.0	.0	.0
6. Mortgage guaranty				.0	.0	.0	.0	.0
8. Ocean marine				.0	.0	.0	.0	.0
9. Inland marine				.0	.0	.0	.0	.0
10. Financial guaranty	934,031		.0	934,031	29,269,309	19,781,236	10,422,104	67.5
11.1 Medical professional liability - occurrence				.0	.0	.0	.0	.0
11.2 Medical professional liability - claims-made				.0	.0	.0	.0	.0
12. Earthquake				.0	.0	.0	.0	.0
13. Group accident and health				.0	.0	.0	.0	.0
14. Credit accident and health (group and individual)				.0	.0	.0	.0	.0
15. Other accident and health				.0	.0	.0	.0	.0
16. Workers' compensation				.0	.0	.0	.0	.0
17.1 Other liability - occurrence				.0	.0	.0	.0	.0
17.2 Other liability - claims-made				.0	.0	.0	.0	.0
17.3 Excess Workers' Compensation				.0	.0	.0	.0	.0
18.1 Products liability - occurrence				.0	.0	.0	.0	.0
18.2 Products liability - claims-made				.0	.0	.0	.0	.0
19.1,19.2 Private passenger auto liability				.0	.0	.0	.0	.0
19.3,19.4 Commercial auto liability				.0	.0	.0	.0	.0
21. Auto physical damage				.0	.0	.0	.0	.0
22. Aircraft (all perils)				.0	.0	.0	.0	.0
23. Fidelity				.0	.0	.0	.0	.0
24. Surety				.0	.0	.0	.0	.0
26. Burglary and theft				.0	.0	.0	.0	.0
27. Boiler and machinery				.0	.0	.0	.0	.0
28. Credit				.0	.0	.0	.0	.0
29. International				.0	.0	.0	.0	.0
30. Warranty				.0	.0	.0	.0	.0
31. Reinsurance - Nonproportional Assumed Property	XXX			.0	.0	.0	.0	.0
32. Reinsurance - Nonproportional Assumed Liability	XXX			.0	.0	.0	.0	.0
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX			.0	.0	.0	.0	.0
34. Aggregate write-ins for other lines of business	.0	.0	.0	.0	.0	.0	.0	.0
35. TOTALS	934,031	0	0	934,031	29,269,309	19,781,236	10,422,104	67.5
DETAILS OF WRITE-INS								
3401.								
3402.								
3403.								
3498. Summary 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	0	0	0	0.0

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ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

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 from Authorized and Unauthorized Companies	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	29,269,309			29,269,309				29,269,309	1,960,489
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	.0	.0	.0	.0	.0	.0	.0	.0	.0
35. TOTALS	29,269,309	0	0	29,269,309	0	0	0	29,269,309	1,960,489
DETAILS OF WRITE-INS									
3401.									
3402.									
3403.									
3498. Summary 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)	0	0	0	0	0	0	0	0	0

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

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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	4,741,747			4,741,747
1.2 Reinsurance assumed				0
1.3 Reinsurance ceded				0
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	4,741,747	0	0	4,741,747
2. Commission and brokerage:				
2.1 Direct, excluding contingent				0
2.2 Reinsurance assumed, excluding contingent				0
2.3 Reinsurance ceded, excluding contingent				0
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	0	0	0
3. Allowances to manager and agents				0
4. Advertising				0
5. Boards, bureaus and associations				0
6. Surveys and underwriting reports				0
7. Audit of assureds' records				0
8. Salary and related items:				
8.1 Salaries		6,586,065	346,635	6,932,700
8.2 Payroll taxes		175,870	9,256	185,126
9. Employee relations and welfare		900,938	47,418	948,356
10. Insurance		768,752	40,461	809,213
11. Directors' fees		483,632	25,454	509,086
12. Travel and travel items		86,221	4,538	90,759
13. Rent and rent items		2,833,095	149,110	2,982,205
14. Equipment		351,487	18,499	369,986
15. Cost or depreciation of EDP equipment and software		424,665	22,351	447,016
16. Printing and stationery		419,772	22,093	441,865
17. Postage, telephone and telegraph, exchange and express		217,649	11,455	229,104
18. Legal and auditing		2,725,402	666,908	3,392,310
19. Totals (Lines 3 to 18)	0	15,973,548	1,364,178	17,337,726
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$		247,316		247,316
20.2 Insurance department licenses and fees		397,301		397,301
20.3 Gross guaranty association assessments				0
20.4 All other (excluding federal and foreign income and real estate)		5,614		5,614
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	0	650,231	0	650,231
21. Real estate expenses				0
22. Real estate taxes				0
23. Reimbursements by uninsured plans				0
24. Aggregate write-ins for miscellaneous expenses	0	666,761	8,201	674,962
25. Total expenses incurred	4,741,747	17,290,540	1,372,379	(a) 23,404,666
26. Less unpaid expenses - current year	1,960,489	3,516,752		5,477,241
27. Add unpaid expenses - prior year	1,191,909	3,606,393	0	4,798,302
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)	3,973,167	17,380,181	1,372,379	22,725,727
DETAILS OF WRITE-INS				
2401. Consulting Expenses		605,945	5,000	610,945
2402. Miscellaneous Expenses		60,816	3,201	64,017
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page	0	0	0	0
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	0	666,761	8,201	674,962

(a) Includes management fees of \$ 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) 1,232,773	1,222,372
1.1 Bonds exempt from U.S. tax	(a) 580,698	290,374
1.2 Other bonds (unaffiliated)	(a) 15,577,479	16,494,727
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)	0	0
2.21 Common stocks of affiliates	0	0
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 101,369	56,333
7. Derivative instruments	(f)	
8. Other invested assets	64,812	64,812
9. Aggregate write-ins for investment income	0	0
10. Total gross investment income	17,557,131	18,128,618
11. Investment expenses		(g) 1,372,380
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		0
16. Total deductions (Lines 11 through 15)		1,372,380
17. Net investment income (Line 10 minus Line 16)		16,756,238
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 \$ 450,951 accrual of discount less \$ 1,339,367 amortization of premium and less \$ 1,028,360 paid for accrued interest on purchases.
- (b) Includes \$ accrual of discount less \$ 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 \$ paid for accrued interest on purchases.
- (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
- (e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
- (i) Includes \$ depreciation on real estate and \$ 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			0		
1.1 Bonds exempt from U.S. tax	(469,550)		(469,550)		
1.2 Other bonds (unaffiliated)	(3,801,005)	(10,738,044)	(14,539,049)	598,349	
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)	0	0	0	0	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	0	0	0	0	0
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)	(4,270,555)	(10,738,044)	(15,008,599)	598,349	0
DETAILS OF WRITE-INS					
0901.					
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 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	769,815	769,815	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. Other invested assets (Schedule BA)	0	0	0
8. Receivables for securities	0	0	0
9. Aggregate write-ins for invested assets	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	769,815	769,815	0
11. Title plants (for Title insurers only).....	0	0	0
12. Investment income due and accrued	0	0	0
13. Premiums and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection	0	0	0
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	0	0	0
13.3 Accrued retrospective premiums.....	0	0	0
14. Reinsurance:			
14.1 Amounts recoverable from reinsurers	0	0	0
14.2 Funds held by or deposited with reinsured companies	0	0	0
14.3 Other amounts receivable under reinsurance contracts	0	0	0
15. Amounts receivable relating to uninsured plans	0	0	0
16.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
16.2 Net deferred tax asset.....	39,763,673	127,175,141	87,411,468
17. Guaranty funds receivable or on deposit	0	0	0
18. Electronic data processing equipment and software.....	61,883	2,294,777	2,232,894
19. Furniture and equipment, including health care delivery assets.....	1,350,850	565,205	(785,645)
20. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
21. Receivables from parent, subsidiaries and affiliates	0	0	0
22. Health care and other amounts receivable.....	0	0	0
23. Aggregate write-ins for other than invested assets	2,763,132	3,142,714	379,582
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	44,709,353	133,947,652	89,238,299
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
26. Total (Lines 24 and 25)	44,709,353	133,947,652	89,238,299
DETAILS OF WRITE-INS			
0901.			
0902.			
0903.			
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998)(Line 9 above)	0	0	0
2301. Security Deposit.....	2,725,122	2,726,122	1,000
2302. Prepaid Premium Tax.....	38,010	416,592	378,582
2303.	0	0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	2,763,132	3,142,714	379,582

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Practices

The accompanying financial statements have been completed in accordance with the National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures Manual which have been adopted by the Maryland Insurance Administration ("MIA").

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

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. Actual results could differ from those estimates.

C. Accounting Policy

Premium revenue recognition

Installment premiums are earned over each installment period, which is generally one year or less. Up-front premiums are earned in proportion to the expiration of risk. Unearned premiums represent that portion of premiums which is applicable to coverage of risk to be provided in the future on policies in force. When an insured issue is retired or defeased prior to the end of the expected period or coverage, the remaining unearned premiums, less any amount credited to a refunding issue insured by the Company, are recognized as earned premium.

Premium written allocation

Written premium is allocated to states and other jurisdictions by using the state of the obligor. In the case of a secondary market deal it is allocated to the state where the trustee is located.

Expense recognition

Expense incurred in connection with acquiring new insurance business, if any, including such acquisition costs as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowance received or receivable.

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds are stated at amortized cost using the effective interest rate method.
- (3) The Company has no common stock other than the common stock of an offshore subsidiary, ACA Capital (Singapore) Pte. Ltd. ("ACA Singapore") which is carried as a non-admitted asset. For additional information please see (7) below.
- (4) The Company has no preferred stocks.
- (5) The Company has no mortgage loans.
- (6) Loan-backed securities are stated at amortized cost or the lower of amortized cost or fair market value, using the effective interest rate method. The retrospective adjustment method is used to value all securities
- (7) In June 2006, the Company established a wholly-owned subsidiary, ACA Singapore, for the purpose of expanding the Company's structured credit business into the Asian markets. However, this business was discontinued in 2007 and the Company is currently undertaking the necessary steps to conclude ACA Singapore's business operations. The Company expects to complete the un-wind of ACA Singapore in the first half of 2010. As of December 31, 2009, the Company contributed approximately \$632 thousand of capital into ACA Singapore and did not admit its interest in the amount of \$770 thousand.
- (8) The Company has no joint ventures.
- (9) The Company has no derivatives.
- (10) The Company has no premium deficiencies.
- (11) Unpaid losses are established when an insured obligation defaults in payment. Such liabilities are necessarily based on assumptions and estimates and while management believes these amounts are adequate, the ultimate liability may be in excess of or less than the amount provided. Loss reserves are recorded at the net present value of expected payments. The Company has unpaid losses of \$29.3 million at December 31, 2009 consisting of five case reserves. Total unpaid losses and loss adjustment expenses at December 31, 2009 and 2008 were \$31.2 million and \$21.0 million, respectively.

On January 4, 2010, the Company paid a loss of \$83 thousand for The Connector 2000 Association (Connector), a toll road credit, with par outstanding of \$19.8 million. The Company expects to continue paying claims on this credit. However, because SSAP 60 does not allow for establishment of a loss reserve until a default in payment occurs, the Company will not accrue this loss until the first quarter of 2010. Based upon the Company's current estimates the claim reserve will be in the range of \$19 to \$23 million on a present value basis.

During the fourth quarter of 2008, COPIA: The American Center for Wine, Food and the Arts ("COPIA") filed for bankruptcy. The Company insures bonds issued by COPIA with an accreted value of approximately \$83.8 million and expects to pay claims on this credit. However, because SSAP 60 does not allow for establishment of a loss reserve until a default in payment occurs, the Company has not accrued this loss in its 2008 or 2009 financial statements. COPIA currently has a debt service reserve of approximately \$4.9 million. This cash reserve has been and is expected to continue to make scheduled payments in respect of the insured bonds. Upon the depletion of the debt service reserve, the Company will begin making claim payments and at that time will establish a loss reserve. The Company expects that this will occur in 2012. The bankruptcy process was concluded in January 2010 and legal ownership of the underlying property has been transferred to a trust and will be liquidated under the direction and control of ACA. Proceeds from the sale of the property are expected to reimburse the Company for its loss adjustment expenses and then to pay down the outstanding bonds on a pro-rata basis. It is estimated the sale may take some time to consummate given the current real estate environment and local entitlement issues. In the interim, the Company is incurring costs to maintain the property, including employment of essential personnel and property taxes, as well as legal costs in connection with this credit's legal activities. During 2009, the Company paid LAE for COPIA of \$2.9 million and as of December 31, 2009, had a reserve for COPIA LAE of \$1.2 million. Based on the Company's current estimates, the claim reserve may be in the range of \$60 to \$70 million on a present value basis.

The Company ultimately expects to pay claims on additional insured bonds classified in credit quality category 4. In addition to COPIA, Connector and credits on which a loss has been recognized, credits with par outstanding of \$196 million have experienced a material decline in creditworthiness and will probably be unable to make all principal and interest payments on the insured bonds. However, because SSAP 60 does not allow for establishment of loss reserves until a default in payment occurs, the Company has not accrued any losses on these insured bonds. Where possible, the Company has taken action and is attempting to either minimize potential loss payments or eliminate the probability of default.

NOTES TO FINANCIAL STATEMENTS

Losses incurred in connection with the Company's restructuring under the Global Settlement Agreement were fully settled on August 8, 2008. See Note 20(C) for details on the restructuring transaction.

(12) There has been no change to the Company's capitalization policy.

(13) The Company has no pharmaceutical rebate receivables.

2. ACCOUNTING CHANGES AND CORRECTION OF ERRORS

A. Not applicable.

3. BUSINESS COMBINATION AND GOODWILL

The Company was not party to any business combinations and does not hold goodwill.

4. DISCONTINUED OPERATIONS

The Company had no discontinued operations.

5. INVESTMENTS

A. Mortgage Loans

The Company has no mortgage loans.

B. Debt Restructuring

The Company has no debt restructuring.

C. Reverse Mortgages

The Company has no reverse mortgages.

D. Loan-Backed Securities

(1) Not required in Annual Statement Notes.

(2) Prepayment assumptions are derived from an average of those forecast by a number of Wall Street dealers as tabulated by Bloomberg L.P. and referred to as Bloomberg consensus estimates.

(3) Not required in Annual Statement Notes.

(4) During 2009 the Company recognized an other than temporary impairment of loan-backed securities based upon the projected cash flows of the underlying loans being less than the amortized cost basis of the security. The detail is in (5) below

(5)

CUSIP	Security Name	Amortized Cost Prior to Impairment	Impairment	Fair Value	Amortized Cost After the Impairment
1248MBAJ4	Credit-Based Asset Servicing	\$ 1,998,807	\$ 549,807	\$ 874,440	\$ 1,449,000
46601WBE4	Ixion	11,055,174	9,935,174	1,120,000	1,120,000
	Total	\$ 13,053,981	\$ 10,484,981	\$ 1,994,440	\$ 2,569,000

(6) The fair value and gross unrealized losses related to loan-backed and structured securities, where impairments have not been recognized, that have been in a continuous unrealized loss position for 12 months or longer is \$31.4 million and \$1.2 million, respectively. The fair value and gross unrealized losses related to loan-backed and structured securities, where impairments have not been recognized, that have been in a continuous unrealized loss position for less than 12 months is \$19.5 million and \$1.4 million, respectively.

(7) All of the securities discussed in (6) above with the exception of one, with a fair value of \$0.9 million and gross unrealized loss of \$0.6 million, are rated investment grade by a nationally recognized security rating organization. The price depreciation is attributable to the widening of credit spreads. In all instances there is excess credit coverage within each structure and cash flows of the underlying collateral are expected to be sufficient to pay principal and interest.

(8) Not required in Annual Statement Notes.

E. Repurchase Agreements

The Company has not used repurchase agreements.

F. The Company has no real estate investments.

G. The Company has no low-income housing tax credit investment.

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

The Company has an investment in ACA Service L.L.C., ("ACA Service") at December 31, 2009, which is non-admitted for statutory reporting purposes.

The Company has a \$770 thousand investment in ACA Singapore (see Note 1C(7) above) at December 31, 2009. This investment is also non-admitted for statutory reporting purposes.

7. INVESTMENT INCOME

All investment income due and accrued with amounts that are over 90 days past due are considered a non-admitted asset. The Company has no past due investment income.

8. DERIVATIVE INSTRUMENTS

The Company has no derivative instruments.

NOTES TO FINANCIAL STATEMENTS

9. INCOME TAXES

A The components of the net deferred tax assets and deferred tax liabilities are as follows:

<u>Description</u>	<u>12/31/09</u>	<u>12/31/08</u>
Gross deferred tax assets	\$ 39,766,671	\$ 131,006,577
Gross deferred tax liabilities	(2,998)	(9,802)
Net deferred tax asset	39,763,673	130,996,775
Non-admitted deferred tax asset	(39,763,673)	(127,175,141)
Net admitted deferred tax asset	-	3,821,634
Decrease (increase) in nonadmitted deferred tax assets	\$ 87,411,468	\$ (69,239,239)

B N/A

C The components of federal income tax expense (benefit) are as follows:

<u>Description</u>	<u>12/31/09</u>	<u>12/31/08</u>
Current year (benefit) / expense	\$ (51,373,276)	\$ -
Prior year (over) / under accrual	(3,862,429)	120,363
Current income tax expense / (benefit)	(55,235,705)	120,363
Less: expense / (benefit) on capital gain / (loss)	-	-
Current ordinary income tax expense / (benefit)	\$ (55,235,705)	\$ 120,363

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities are as follows:

<u>Deferred tax assets</u>	<u>12/31/09</u>	<u>12/31/08</u>	<u>Change</u>
Contingency reserve	\$ 29,973,540	\$ 26,056,869	\$ 3,916,671
Unearned premiums reserve	5,884,967	7,693,025	(1,808,058)
Net operating loss carryforward	3,228,927	78,252,156	(75,023,229)
Capital loss carryforward	-	16,333,254	(16,333,254)
Fixed assets	-	1,641,872	(1,641,872)
Unamortized licenses	346,500	472,500	(126,000)
Unrealized investment losses	206,835	416,257	(209,422)
Other temporary differences	125,902	140,643	(14,741)
Gross deferred tax asset	39,766,671	131,006,576	(91,239,905)
Non-admitted deferred tax asset	(39,763,673)	(127,175,141)	87,411,468
Gross admitted deferred tax asset	\$ 2,998	\$ 3,831,435	\$ (3,828,437)

<u>Deferred tax liabilities</u>	<u>12/31/09</u>	<u>12/31/08</u>	<u>Change</u>
Other	(2,998)	(9,801)	6,803
Gross deferred tax liabilities	(2,998)	(9,801)	6,803
Net admitted deferred tax asset / (liability)	\$ -	\$ 3,821,634	\$ (3,821,634)

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

Total deferred tax assets	\$ 39,766,671	\$ 131,006,576	\$ (91,239,905)
Total deferred tax liabilities	(2,998)	(9,801)	6,803
Net deferred tax asset (liability)	\$ 39,763,673	\$ 130,996,775	\$ (91,233,102)

D The actual tax expense (benefit) on income from operations differs from tax expense (benefit) calculated at the U.S. statutory tax rate. A reconciliation of the Company's income tax expense (benefit) together with the significant book to tax adjustments for December 31, 2009 is set forth below:

<u>Description</u>	<u>2009</u>
Income before federal income taxes	\$ (6,478,768)
Expected tax expense at 35%	\$ (2,267,569)
Change in contingency reserve	(3,916,671)
Current year AMT	649,547
Unrealized losses through other comprehensive income	209,422
Tax exempt interest, net of proration	(86,386)
Reduction of NOL for excluded cancellation of indebtedness	17,879,880
Provision to return deferred tax adjustments	(1,696,722)
Change in statutory valuation allowance	29,082,651
Prior period adjustment for refund claim and other	(3,856,754)
Total statutory tax expense	\$ 35,997,397
Federal income tax (benefit) / expense	\$ (55,235,705)
Change in net deferred income taxes	91,233,102
Total statutory tax expense	\$ 35,997,397

NOTES TO FINANCIAL STATEMENTS

E 1) The Company and its wholly owned subsidiaries generated a net operating loss of \$240 million during 2008 that was reduced by the tax benefit of \$51 million related to the cancellation of indebtedness income excluded by its disregarded subsidiary, ACA Service L.L.C. The remaining net operating loss of \$189 million is available to offset net income subject to federal income tax.

<u>Net operating loss</u>	<u>Original</u>	<u>Utilized</u>	<u>Carryforward</u>	<u>Expiration</u>
1/1/08 - 08/10/08	\$ 172,735,954	\$ 148,636,638	\$ 24,099,316	12/31/27
08/11/08 - 12/31/08	16,576,430	-	16,576,430	12/31/28
Total	<u>\$ 189,312,384</u>	<u>\$ 148,636,638</u>	<u>\$ 40,675,746</u>	

2) On November 6, 2009, the "Worker, Homeownership, and Business Assistance Act of 2009" was enacted that, in addition to other provisions, extended the carryback period from two years to up to five years for net operating losses ("NOLs") incurred in 2008 or 2009.

In January 2010, the Company filed an expedited NOL carryback claim to recoup \$51.5 million.

Fifth preceding year (9/15/04 - 12/31/04)	\$ 204,344
Fourth preceding year (1/1/05 - 12/31/05)	9,327,332
Third preceding year (1/1/06 - 12/31/06)	25,966,077
Second preceding year (1/1/07 - 11/21/07)	16,025,523
First preceding year (11/22/07 - 12/31/07)	-
Total taxes expected to be recouped	<u>\$ 51,523,276</u>

3) N/A

F 1) The Company was included in its parent's, Manifold Capital Corp's, formerly known as ACA Capital Holdings Inc. ("ACACH") between November 21, 2007 and August 11, 2008 with the following members:

- Manifold Capital Corp.
- ACA Holding L.L.C.
- ACA Financial Products, Inc.
- ACA Assurance, Ltd.

2) A written tax sharing agreement was executed at the close of the Restructuring Transaction and was approved by the MIA. The agreement sets forth the manner in which total consolidated tax for all entities is allocated to each entity in the consolidation. Generally, the allocation is based upon separate return calculations.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES, AFFILIATES AND OTHER RELATED PARTIES

A. Effective November 9, 2006, ACACH completed its initial public offering of 6,875,000 shares of newly issued common stock and 23,541 shares of existing common stock ("IPO"). ACACH realized gross proceeds of \$13 per share on the newly issued common stock, or \$89.4 million. On November 10, 2006, ACACH commenced its listing on the New York Stock Exchange ("NYSE") and traded under the symbol "ACA". The Company received a \$10 million capital contribution from ACACH from the proceeds of the IPO in December 2006.

On January 14, 2008, ACACH's common stock was removed by the NYSE from listing and registration on the NYSE and began trading on the over-the-counter bulletin board under the symbol "ACAH.PK". On January 16, 2008, ACACH filed with the Securities and Exchange Commission a notice of termination of registration and suspension of duty to file reports under the Securities Exchange Act of 1934. This termination of registration and suspension of duty to file reports became effective on April 16, 2008 and applies retroactively to the date of notice. See Note 20(C) for a description of the events leading up to ACACH's delisting.

On August 8, 2008, the Company underwent a restructuring plan and settled its obligations with its structured credit counterparties. As a result of the restructuring, ACACH no longer controls the Company. Rather, control resides with certain former structured credit counterparties with no one counterparty having the ability to individually exert control. See Note 20(C) for additional information regarding ACACH and the Company following the Company's restructuring which took place on August 8, 2008.

B. Prior to August 8, 2008, the Company issued financial guaranty insurance policies to swap counterparties of certain of its affiliated special purpose vehicles ("SPVs"), whereby the Company guarantees timely payment of the SPVs obligations under the structured credit default swaps. Under the terms of the restructuring, all insurance contracts under structured credit defaults were settled and terminated. See Note 20(C) below.

C. Not applicable.

D. The Company has \$416 thousand payable to affiliates. .

E. Prior to August 8, 2008, the Company issued financial guaranty insurance policies to swap counterparties of certain of its affiliated special purpose vehicles ("SPVs"), whereby the Company guarantees timely payment of the SPVs obligations under the structured credit default swaps. As part of the August 8 restructuring transaction, the Company no longer has exposure to structure credit default swap transactions. See Note 20(C) below.

F. For the first three months of 2008, costs were allocated between the Company and its affiliates pursuant to a cost sharing, staffing and management services agreement and a funding agreement. The MIA approved these agreements on January 25, 2006. At April 1, 2008, in light of the pending restructuring transaction, the cost allocation arrangement was terminated.

G. At December 31, 2009, the majority common shareholder, ACA Holding, L.L.C. ("ACAH"), a Delaware holding company, held a 76.6% share in the common shares of the Company. The minority shareholder, KPR Ltd. ("KPR"), a Cayman Island company and a wholly-owned subsidiary of ACAH, held the remaining 23.4% share in the common shares of the Company. Each of ACAH and KPR are wholly-owned by ACACH. On August 11, 2008, KPR purchased its 23.4% interest in the Company from ACA Solutions, Ltd, a wholly owned subsidiary of ACAH. Effective at the closing of the restructuring transaction entered into on August 8, 2008, ACACH disclaimed control over the Company. This disclaimer of control was approved by the MIA. See Note 20(C) for a discussion of the restructuring transaction.

NOTES TO FINANCIAL STATEMENTS

- H. The Company's majority common shareholder and ultimate parent, ACAH and ACACH, respectively, are not owned directly or indirectly via any of the Company's downstream subsidiaries or controlled or affiliated entities. See Note 20(C) for information regarding the ownership structure of the Company following the closing of its restructuring transaction that took place on August 8, 2008.
- I. The Company holds no investment in any SCA entity that exceeds 10% of admitted assets.
- J. The Company impaired its \$26.0 million investment in ACA Service, LLC during the year ended December 31, 2008. This did not impact the Company's total surplus because the investment was previously and continues to be recorded as a non-admitted asset.
- K. Not applicable.
- L. The Company does not hold an investment in a downstream noninsurance holding company.

11. DEBT

The Company has no debt.

12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS

- A. The Company has no Defined Benefit Plan.
- B. The Company sponsors a defined contribution plan, which covers all full-time employees of the Company as of their start date with the Company. Eligible participants may contribute a percentage of their salary, subject to IRS limitations. The Company's contributions are based on a fixed percentage of employees' contributions subject to IRS limitations. At December 31, 2009, the fair value of plan assets was \$6.6 million. The Company recognized expense in the amount of \$164.7 thousand and \$323.1 thousand for the defined contribution plan in 2009 and 2008, respectively.
- C. The Company has no Multi-employer Plan.
- D. The Company has no Consolidated/Holding Company Plan.

E & F The Company has no Post-employment Benefits and Compensated Absences.

13. CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATION

- (1) The Company has 1,000,000 shares of common stocks authorized, issued and outstanding with a par value of \$15.00 per share.
- (2) The Company has no preferred stock outstanding.
- (3) Under Maryland insurance law, the Company may pay a dividend without the prior approval of the Commissioner of the MIA from earned surplus, as defined, subject to the maintenance of a minimum-capital requirement, and the dividend, which together with all dividends declared or distributed by it during the preceding twelve months, may not exceed the lesser 10% of its policyholder surplus shown on its last filed statement, or net income, as defined, for such twelve-month period. In addition, as part of the Company's restructuring discussed in Note 20(C) below, the surplus notes restrict the Company from paying dividends without the prior approval of the surplus note holders
- (4) No dividends were paid in 2009 or 2008.
- (5) The Company has negative earned surplus at December 31, 2009 therefore no dividends can be paid in 2010
- (6) There are no restrictions on unassigned surplus.
- (7) The Company is not a mutual company.
- (8) The Company holds no stock for special purpose.
- (9) The Company holds no special surplus funds.
- (10) The portion of unassigned surplus represented by cumulative unrealized losses is \$598 thousand.
- (11)

Date Issued	Interest Rate	Par Value (Face Value of Notes)	Carrying Value of Note	Principal And/Or Interest Paid Current Year	Total Principal And/Or Interest Paid	Unapproved Principal And/Or Interest	Date of maturity
08/08/2008	no stated rate	1,000,000,000	-	-	-	-	Within 30 days after the expiration, commutation or bulk reinsurance of the last insurance policy issued by the Company

As part of the restructuring transaction which took place on August 8, 2008, surplus notes with a face amount of \$1 billion were issued to former structured credit counterparties. See Note 20(C) for a description of the notes. These notes were recorded in the surplus notes section of the balance sheet with an offsetting \$1 billion contra account since no cash was received from the former counterparties at note issuance and all payments to the former counterparties under the note require MIA's advance approval. Upon the MIA's approval of payment, the approved portion will reduce the unassigned surplus and contra account. The actual payments will reduce the surplus notes directly.

A surplus note in the amount of \$10,000,000 was issued to ACACH on December 29, 2004 in exchange for \$10,000,000 in cash and had a maturity date of December 29, 2034. As part of the Company's restructuring which occurred on August 8, 2008, this surplus note was cancelled. The \$10 million principal balance on the note was reclassified to gross paid in and contributed capital and interest payable under the note in the amount of \$629,465 was written off. See Note 20(C).

(12&13) The Company has not gone through any quasi-reorganization.

14. CONTINGENCIES

- A. The Company has no contingent commitments.
- B. The Company has no assessments other than those arising in the normal course of business. Such assessments are not material.

NOTES TO FINANCIAL STATEMENTS

- C. The Company has no gain contingencies.
- D. The Company is one of a number of defendants in a lawsuit in the Superior Court of the State of California (Los Angeles County) brought by Retirement Housing Foundation and several affiliates relating to the plaintiffs' issuance of auction-rate securities insured by the Company. The plaintiffs allege that the Company's insurance of securities backed by sub-prime mortgages was not financially responsible and was contrary to the Company's statement about its investment practices, and that when the Company's credit rating was downgraded from "A" to "CCC" after the collapse of the sub-prime market, the plaintiffs were forced to refinance their securities. While this action is in the preliminary stages, the Company believes it has substantial defenses to the claims against it. Accordingly, on October 22, 2009, the Company filed a demurrer seeking to have the case dismissed. There is no argument date set for the Company's demurrer. Also, plaintiffs have requested permission to file a second amended complaint, but have not yet provided the Company with the proposed amendment.

The Company (specifically, ACA Management, LLC) is one of a large number of defendants in an action currently pending in the First Judicial District Court for the State of New Mexico (Santa Fe) brought by an individual claiming to sue in the name of the State of New Mexico. The complaint generally alleges that Vanderbilt Capital Advisors (and certain of its affiliates) engaged in an unlawful "pay to play" scheme with various New Mexico State officials, causing New Mexico to overpay for certain CDO investments, including some with which the Company was — in an unspecified way — connected. The complaint seeks damages in excess of \$90 million and various civil penalties although it is not clearly alleged what relief is sought against the Company. Since no allegations of wrongdoing are specified against the Company in the complaint, the Company intends — at the first appropriate procedural time — to move to dismiss the complaint on the grounds that it fails to state any legally cognizable claim. In the meantime, the Company has moved to dismiss the case on the procedural grounds that it is not subject to jurisdiction in the New Mexico courts. No date has been set for consideration of the Company's motion.

Various lawsuits against the Company have arisen in the course of the Company's business. Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position or the results of operations of the Company.

15. LEASES

- A. In 2006, the Company assumed all of ACA Services' obligations under its lease of office space and subleased additional office space at 140 Broadway, New York, New York. These leases expired in 2009. On December 7, 2006, the Company entered into a renewal lease for all its space at 140 Broadway which expires on April 30, 2020. This lease provides for scheduled periodic rent increases and escalations in real estate taxes and building operating costs. The Company's rental expense for the period ended December 31, 2009 and December 31, 2008 was \$2.4 million and \$2.3 million, respectively.

At December 31, 2009, future minimum rental payments under the renewal lease are as follows:

Year Ending December 31	
2010	\$2,509,971
2011	2,655,172
2012	2,655,172
2013	2,655,172
2014	2,655,172
Beyond 5 Years	<u>15,501,269</u>
Total	\$28,631,927

The Company is pursuing the termination of its office space lease at 140 Broadway in order to reduce its monthly rental costs. The commercial rent market in New York City continues to show softness due to the state of the economy and the impact of job losses in the financial industry and related sectors. Many institutions have more office space than needed and thus a growing inventory of available space continues to put downward pressure on rental rates. Because of the state of the market, the Company currently anticipates a loss of approximately \$13 million on the termination of its lease.

- B. Not applicable.

16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENT WITH CONCENTRATION OF CREDIT RISK

The Company has no financial instrument with off-balance sheet risk.

17. SALES, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

- A. The Company had no transfer of receivables reported as sales.
- B. The Company had no transfer and servicing of financial assets.
- C. The Company had no wash sales.

18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED A&H PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS.

- A. The Company has no Administrative Services Only (ASO) plan.
- B. The Company has no Administrative Services Contract (ASC) plan.
- C. The Company has no Medicare or other similarly structured cost based retirement contract.

19. DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD PARTY ADMINISTRATION

The Company has no direct premium written or produced by managing general agents or third party administration.

20. OTHER ITEMS

- A. The Company had no extraordinary items during 2009 and 2008.
- B. The Company had no troubled debt restructuring during 2009 and 2008.
- C. Assets in the amount of \$4,733,219 and \$4,817,015 at December 31, 2009 and December 31, 2008 respectively, were on deposit with state authorities or trustees as required by state licensing regulations.

In support of the Company's lease obligations, \$2,725,122 is held by the Company's lessor as collateral. This collateral deposit is treated as a non-admitted asset as of December 31, 2009 and 2008.

On November 9, 2007, Standard & Poor's Ratings Services ("S&P") placed its "A" financial strength rating of the Company on "Credit Watch with negative implications". S&P based its rating action on its opinion that the (\$1.7) billion unrealized mark to market loss recorded by ACACH on

NOTES TO FINANCIAL STATEMENTS

GAAP basis for the nine months ended September 30, 2007 would likely impair the Company's ability to generate a satisfactory level of new business. Amongst other things, S&P also cited ACACH's inability to access its credit facility under its revised terms as a relevant factor in its rating action. See Note 10(A).

The substantial unrealized mark-to-market loss was caused by the devaluation of mortgage securities, including sub-prime mortgages and securitizations comprised of sub-prime mortgages, which occurred in the credit markets in 2007. This market stress began in the first half of 2007 and continued to deepen throughout 2007 as many financial institutions recorded significant write-downs in connection with their exposure to mortgage related securities. Mortgage defaults levels in 2007 reached historically high levels. These defaults in 2007, coupled with market predictions of additional defaults, negatively impacted mortgage related securitizations, resulting in realized losses in these securities and large declines in unrealized market valuations. The value of the insured credit swaps issued by insured affiliates of ACACH continued to experience declines during 2008, which resulted in additional unrealized valuation losses based on accounting principles generally accepted in the United States of America ("GAAP").

Based on these negative developments, on December 19, 2007, S&P downgraded the financial strength and financial enhancement ratings of the Company to "CCC" (Developing Outlook) from "A" (CreditWatch Negative). Under the terms of the Company's insured credit swap transactions, the Company's downgrade to a level below "A-" resulted in an obligation for the Company's insured affiliates to post collateral based on the fair value of the insured credit swaps. Under the terms of the swaps, a failure to post collateral would have represented an event of default under the insured credit swaps, or if collateral was not posted, a mandatory termination payment in an amount approximately equal to the collateral call. This termination payment would give rise to a claim of the counterparties under the related insurance policy. Based on the fair values of the Company's affiliates' insured credit swap transactions, ACACH did not have the ability to post such collateral or make such termination payments. The Company estimates that the fair value of all of its insured credit swaps amounted to (\$1.7) billion, as of September 30, 2007.

In light of the insured affiliates' inability to post collateral or make these termination payments, and in order to avoid a regulatory proceeding, the Company and its affiliates entered into multiple forbearance agreements in which their counterparties agreed not to exercise remedies and ultimately a restructuring transaction (the "Restructuring Transaction") with its structured credit and other similarly situated counterparties. The Restructuring Transaction was consummated following a period of claim forbearance by the swap counterparties that began on December 19, 2007, culminating in a Restructuring Transaction completed on August 8, 2008.

On August 8, 2008, the Company completed its Restructuring Transaction in order to settle potential claims arising out of Company's insured credit swap policies and certain medium term note obligations issued by a subsidiary of the Company and guaranteed by the Company. Certain other parties to which the Company had obligations were also settled. The Restructuring Transaction included three main components.

The first of the three components of the Restructuring Transaction consisted of a Global Settlement Agreement whereby insured credit swap counterparties' claims were settled by the payment in cash of an aggregate loss amount of approximately \$209 million. In addition, the counterparties received an aggregate 95% voting interest in newly created surplus notes (the "Surplus Notes") with a total face amount of \$1 billion. The remaining 5% or \$50 million is non-voting and was issued to ACACH.

The second component of the Restructuring Transaction involved a Medium Term Note ("MTN") Restructuring Agreement which provided for the settlement of a \$100 million medium term note guaranteed by the Company. This obligation was settled by a cash payment of approximately \$48 million to the note holders in 2008 and the relinquishment by the Company of investments in CDO equity with an estimated value of \$2.5 million, also for the benefit of Surplus Note holders. Of the total cash settlement, approximately \$32 million was paid out of a cash collateral account supporting the issued note held by the subsidiary while the remaining amount of approximately \$16 million was funded by cash from the Company and its other subsidiaries.

The third component of the Restructuring Transaction centered on the Intercompany Agreement which treated ACACH and its non-ACA FG subsidiaries as one sub-group and ACA FG and its subsidiary as a separate sub-group. By its terms, the Intercompany Agreement provided for the cancellation of a previously issued intercompany surplus note as well as intercompany balances between the Company's sub-group and the ACACH sub-group. It also provided for a global release of liability among the two sub-groups. In general, the release discharges the entities from any and all actions, cause of action, suits, debts, liens, contracts, rights and other legal obligations against each other, except those provided for in the Intercompany Agreement. ACACH has provided an indemnification for claims against ACA FG and its subsidiaries, including employee claims, up to a maximum of \$10 million for claims made prior to August 8, 2010.

As provided for by the Restructuring Transaction, subsequent to the closing, the Company is required to conduct its ongoing operations on a run-off basis. As such, the Company will not write any new insurance policies unless it is approved by its board of directors and the MIA.

Subsequent to the closing of the Restructuring Transaction, the Company is required to and has operated under an order issued by the MIA, Case No.: MIA: 2008-08-011 dated August 7, 2008 (the "Order"). The Order provides, among other things, that the Company operate as a run-off company. In connection with the Order, following the Restructuring Transaction, the Company wound down all subsidiaries no longer necessary for the conduct of its ongoing business, including 73 special purpose entities created for the insured credit swap and CDO asset management businesses.

In addition, following the closing of the Restructuring Transaction, the Company submitted a formal request to the MIA seeking approval for the release of that portion of its contingency reserve related to insurance contracts terminated as part of the restructuring as well as certain non-municipal contracts for which the exposure has expired. The request for release was approved by the MIA on October 15, 2008 and is effective for the September 30, 2008 financial statements. The total amount of contingency reserve released at September 30, 2008 based on MIA approval was \$155.1 million.

Following the completion of the Restructuring Transaction, S&P completed its review of the Company's financial strength rating and concluded that the rating was "B". At the Company's request, S&P has since withdrawn its financial strength rating and no longer rates the Company.

- D. The Company had no uncollectible balances.
- E. Not applicable.
- F. The Company had no state transferable credits.
- G. Subprime Exposure Related Risk Exposure
 - (1) The Company no longer has risk in its insured exposures to subprime mortgages, except for one insured securitization of manufactured housing mortgages. Other previously insured subprime mortgage exposure was included in the Global Settlement Agreement described in Note 20(C). The one remaining exposure has a par amount of \$5.7 million at December 31, 2009 and the Company has an outstanding loss reserve against this exposure in the amount of \$4.5 million.
 - (2) The Company has no investments consisting of direct exposure to subprime-mortgages.
 - (3) The Company has the following indirect exposures to sub-prime mortgages included in its investment portfolio at December 31, 2009:

NOTES TO FINANCIAL STATEMENTS

	1 Actual Cost	2 Book/Adjusted Carrying Value (excluding interest)	3 Fair Value	4 Other Than Temporary Impairment Losses Recognized
a. Residential mortgage backed securities	5,864,117	5,824,695	5,821,079	549,807
b. Commercial mortgage backed securities				
c. Collateralized debt obligations	1,120,005	1,120,000	1,120,000	9,935,174
d. Structured securities				
e. Equity investment in SCAs				
f. Other assets				
g. Total	6,984,122	6,944,695	6,941,079	10,484,981

(4) As stated in G (1) above, the Company has an outstanding loss reserve in the amount of \$4.5 million.

21. EVENTS SUBSEQUENT

None

22. REINSURANCE

A. Unsecured Reinsurance Recoverables

The Company does not have an unsecured aggregate recoverable for losses paid and unpaid, including IBNR, loss adjustment expenses and unearned premium with any individual reinsurers, authorized or unauthorized, that exceed 3% of the Company's policyholder surplus.

B. Reinsurance Recoverable in Dispute

The Company has no reinsurance recoverable in dispute.

C. Reinsurance Assumed and Ceded

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
Affiliates	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
All other	6,810,929	-0-	420,901	-0-	6,390,028	-0-
Total	\$ 6,810,929	\$ -0-	\$ 420,901	\$ -0-	\$ 6,390,028	\$ -0-

Direct Unearned Premium Reserve \$198,777,766.

There are no contingent commission or profit sharing arrangements.

D. Uncollectible Reinsurance

The Company has no uncollectible reinsurance balances.

E. Commutation of Ceded Reinsurance

The Company had no commutations in 2009.

F. Retroactive Reinsurance

The Company has no retroactive reinsurance contracts.

G. Reinsurance Accounted for as a Deposit

The Company did not account for any reinsurance as deposits.

23. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION

The Company has not entered into any retrospectively rated contracts or contracts subject to redetermination.

24. CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

During 2009, the Company incurred losses and LAE of \$15.2 million consisting of \$8.0 million for new claims and \$7.2 million relating to prior accident years. More than half of the prior year development resulted from additional tax obligations of a student housing credit which eliminated cash flow available for debt service and resulted in a complete loss on this credit. The remaining development relates primary to LAE, specifically legal costs for the protracted bankruptcy proceedings of COPIA, as well as other operating expenses of COPIA. (see Note 1C 11).

As per the Restructuring Transaction described in Note 20(C), the Company paid claims to its insured credit swap counterparties in the amount of \$209 million at the transaction's closing date on August 8, 2008. Additionally, a claim payment in the amount of \$15 million was made to holders of the medium term note obligation that was also settled as part of the restructuring. Expenses incurred in connection with the Restructuring Transaction in the amount of approximately \$18 million were recorded as loss adjustment expenses. No further liability exists with respect to these claims.

During the first quarter of 2008, an insured asset-backed obligation defaulted with respect to an interest payment due. As a result, a case reserve was established in the amount of \$7.8 million during the period, representing the insured principal on the insured obligation. Claim payments in the amount of approximately \$0.3 million were made in April 2008 and July 2008 for interest payments with respect to this obligation. As part of the Restructuring Transaction, this claim was fully settled with a payment in the amount of \$3.8 million and no additional liability exists.

During 2008, the Company increased its case reserve for an insured public finance obligation by the amount of \$14.3 million, bringing the total reserve to \$15 million. This amount represented the anticipated debt service shortfall that the Company expects is likely to occur given the facts and circumstances of the insured credit. Claim payments totaling \$1.2 million were made by the Company during 2008.

25. INTERCOMPANY POOLING ARRANGEMENTS

NOTES TO FINANCIAL STATEMENTS

The Company has no intercompany pooling arrangements.

26. STRUCTURED SETTLEMENTS

The Company has no structured settlements.

27. HEALTH CARE RECEIVABLE

The Company has no health care receivable.

28. PARTICIPATING POLICIES

The Company does not write participating policy business.

29. PREMIUM DEFICIENCY RESERVE

The Company has no premium deficiency reserve.

30. HIGH DEDUCTIBLES ON UNPAID CLAIMS

The Company has no high deductibles on unpaid claims.

31. DISCOUNTING OF LIABILITIES FOR UNPAID LOSSES OR UNPAID LOSS ADJUSTMENT EXPENSES

The Company discounts unpaid losses using the rate that approximates yield on its investment portfolio. At December 31, 2009 the discount rate used was 4.5%. The amount of discount associated with the Company's loss reserves at December 31, 2009 was \$18.7 million. Loss adjustment expenses are not discounted.

32. ASBESTOS/ENVIRONMENTAL RESERVES

The Company does not write this line of business and therefore has no asbestos/environmental reserves.

33. SUBSCRIBER SAVINGS ACCOUNTS

The Company has no subscriber savings accounts.

34. MULTIPLE PERIL CROP INSURANCE

The Company does not write this line of business.

35. FINANCIAL GUARANTY INSURANCE

A.

(1) a The Company has not recorded unearned premiums related to installment payments at December 31, 2009.

b+c The Company has not recorded premiums receivable on installment contracts at December 31, 2009.

(2) a The amount of premium revenue that has been accelerated in 2009 was \$4.1 million. The acceleration was due to the prepayment or advance refunding of credits.

b. Schedule of the future expected earned premium revenue on non-installment contracts as of December 31, 2009

1.		
	1 st Quarter 2010	\$2,734,149
	2 nd Quarter 2010	2,078,058
	3 rd Quarter 2010	3,117,395
	4 th Quarter 2010	2,585,628
	Year 2011	10,140,287
	Year 2012	9,589,348
	Year 2013	9,531,135
	Year 2014	9,644,908
2.		
	2015 through 2019	45,978,971
	2020 through 2024	42,804,065
	2025 through 2029	35,071,467
	2030 through 2034	24,813,677
	2035 through 2039	6,751,028
	2040 through 2044	277,656
	Year 2045	<u>50,023</u>
	Total	\$205,167,794

(3) Claim liability:

a. The Company used a rate of 4.5% to discount the claim liability. This rate approximates the yield on its investment portfolio at December 31, 2009.

NOTES TO FINANCIAL STATEMENTS

- b. Significant components of the change in the claim liability for the period

Components	Amounts
Losses and LAE Reserve Prior Year	\$20,973,145
Accretion of the discount	563,460
Change in timing	0
New reserves for defaults of insured contracts	7,252,825
Change in deficiency reserves	2,440,369
Change in incurred but not reported claims	<u>0</u>
Losses and LAE Reserve Current Year	\$31,229,798

The Company's credit quality classifications are:

- (4) a. Category 1: Fully Performing
Covenants have been met and there have been no significant negative deviations from expected performance.
- Category 2: Watch
Performing below expected levels but current and projected revenues are adequate to service debt.
- Category 3: Deteriorating
Performing significantly below expected levels; corrective action is required to avert a longer-term risk of payment default.
- Category 4: Paid or Expected Claim
Material decline in creditworthiness and ability to pay debt service; unreimbursed draws on debt service reserves and/or payment defaults have occurred or are probable.
- b. Risk management activities are performed by ACA's portfolio management department. Portfolio analysts monitor all insured transactions in the portfolio to determine whether their financial performance is consistent with underwriting expectations and to identify any deterioration in the obligor's ability or willingness to pay insured debt service. Portfolio management staff are also responsible for recommending and undertaking remedial actions to prevent or mitigate losses.
- All transactions in the insured portfolio are assigned one of four internal credit quality classifications that reflect the current and expected performance of the obligor. Ratings are reviewed and updated on a regular basis as analysts obtain more current financial and market information from the obligor, the trustee, or from public sources such as rating agencies and fixed income analysts. The frequency with which individual obligors are reviewed is based on ACA's judgment of potential performance volatility and varies according to credit classification, sector, geography, size of exposure, and exogenous events.

- B. Schedule of insured financial obligations at the end of the period

	Credit Quality Categories				Total
	1	2	3	4	
Number of policies	432	92	38	36	598
Remaining weighted-average contract period (in years)	13	13	15	14	
Insured contractual payments outstanding:					
Principal	\$ 4,622,038,360	\$ 1,021,388,513	\$ 460,039,563	\$ 351,920,417	\$ 6,455,386,853
Interest	3,050,073,244	793,414,600	391,880,611	336,782,926	4,572,151,381
Total	<u>\$ 7,672,111,604</u>	<u>\$ 1,814,803,113</u>	<u>\$ 851,920,174</u>	<u>\$ 688,703,343</u>	<u>\$11,027,538,234</u>
Gross claim liability	\$ -	\$ -	\$ -	\$ 49,959,086	\$ 49,959,086
Less:					
Gross potential recoveries	-	-	-	-	-
Discount, net	-	-	-	18,729,289	18,729,289
Net claim liability	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 31,229,798</u>	<u>\$ 31,229,798</u>
Unearned premium revenue	\$ 118,915,520	\$ 42,155,716	\$ 26,718,686	\$ 17,377,872	\$ 205,167,794
Claim liability reported in the balance sheet	-	-	-	\$ 31,229,798	\$ 31,229,798
Reinsurance recoverables	-	-	-	-	-

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 [] No [X]
- 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 [] No [] NA [X]
- 1.3 State Regulating? Maryland.....
- 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.12/31/2007
- 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.12/31/2007
- 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).05/07/2009
- 3.4 By what department or departments? Maryland Insurance Administration.....
- 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 [X] No [] NA []
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [] NA []
- 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 [] No [X]
- 6.2 If yes, give full information
- 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 control
- 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
.....
.....
.....
.....

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

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 Office of Thrift Supervision (OTS), 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 OTS	6 FDIC	7 SEC

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Deloitte & Touche, LLP., Two World Financial Center, New York, NY 10281-1414
10. 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?.....
Joel S. Chansky, Milliman USA (Actuarial Consultant), 289 Edgewater Drive, Wakefield, MA 01880
- 11.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
- 11.11 Name of real estate holding company
- 11.12 Number of parcels involved.....
- 11.13 Total book/adjusted carrying value..... \$.....
- 11.2 If yes, provide explanation
12. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 12.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 12.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
- 12.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
- 12.4 If answer to (12.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] NA []
- 13.1 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? Yes [X] No []
- 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.
- 13.11 If the response to 13.1 is No, please explain:
- 13.2 Has the code of ethics for senior managers been amended?..... Yes [X] No []
- 13.21 If the response to 13.2 is Yes, provide information related to amendment(s).
After the restructuring the Company updated its Code of Ethics & Conduct
- 13.3 Have any provisions of the code of ethics been waived for any of the specified officers?..... Yes [] No [X]
- 13.31 If the response to 13.3 is Yes, provide the nature of any waiver(s).

BOARD OF DIRECTORS

14. 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 []
15. 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 []
16. 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 []

GENERAL INTERROGATORIES

FINANCIAL

17. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]
- 18.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 18.11 To directors or other officers \$
 - 18.12 To stockholders not officers .. \$
 - 18.13 Trustees, supreme or grand (Fraternal only) \$
- 18.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 18.21 To directors or other officers .. \$
 - 18.22 To stockholders not officers ... \$
 - 18.23 Trustees, supreme or grand (Fraternal only) \$
- 19.1 Were any assets reported in the 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]
- 19.2 If yes, state the amount thereof at December 31 of the current year:
- 19.21 Rented from others \$
 - 19.22 Borrowed from others \$
 - 19.23 Leased from others \$
 - 19.24 Other \$
- 20.1 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]
- 20.2 If answer is yes:
- 20.21 Amount paid as losses or risk adjustment \$
 - 20.22 Amount paid as expenses \$
 - 20.23 Other amounts paid \$
- 21.1 Does the reporting entity report any amounts due from the parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []
- 21.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

INVESTMENT

- 22.1 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 22.3)..... Yes [X] No []
- 22.2 If no, give full and complete information relating thereto:
- 22.3 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 16 where this information is also provide)
- 22.4 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]
- 22.5 If answer to 22.4 is YES, report amount of collateral \$
- 22.6 If answer to 22.4 is NO, report amount of collateral \$
- 23.1 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 19.1 and 22.3) Yes [X] No []
- 23.2 If yes, state the amount thereof at December 31 of the current year:
- 23.21 Subject to repurchase agreements \$
 - 23.22 Subject to reverse repurchase agreements..... \$
 - 23.23 Subject to dollar repurchase agreements..... \$
 - 23.24 Subject to reverse dollar repurchase agreements.. \$
 - 23.25 Pledged as collateral..... \$
 - 23.26 Placed under option agreements..... \$
 - 23.27 Letter stock or securities restricted as to sale..... \$
 - 23.28 On deposit with state or other regulatory body..... \$ 4,733,219
 - 23.29 Other..... \$
- 23.3 For category (23.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....
.....
.....
.....

- 24.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]
- 24.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] NA [X]
If no, attach a description with this statement.
- 25.1 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]
- 25.2 If yes, state the amount thereof at December 31 of the current year. \$

GENERAL INTERROGATORIES

26. 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 3, III Conducting Examinations, F - Custodial or Safekeeping agreements of the NAIC Financial Condition Examiners Handbook? Yes [] No []

26.01 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
U.S. Bank, National Association.....	1025 Connecticut Avenue NW, Suite 517, Washington, DC 20036.....

26.02 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)
.....
.....

26.03 Have there been any changes, including name changes, in the custodian(s) identified in 26.01 during the current year? Yes [] No []

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

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

26.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
107038.....	JP Morgan Asset Management.....	245 Park Avenue, New York, NY 10167.....

27.1 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 []

27.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
.....
.....
27.2999 TOTAL		0

27.3 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
.....
.....

GENERAL INTERROGATORIES

28. 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 (+)
28.1 Bonds.....	405,387,501	415,441,709	10,054,208
28.2 Preferred stocks.....	0	0	0
28.3 Totals	405,387,501	415,441,709	10,054,208

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

Bond pricing vendors: IDC, Kenny, Bloomberg and Deutsche Bank (as trustee for one security).....

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

29.2 If 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 [X]

29.3 If no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
Industry wide recognized bond pricing vendors as detailed in 28.4 above.....

30.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed?..... Yes [X] No []

30.2 If no, list exceptions:

OTHER

31.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?.....\$0

31.2 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
.....	0

32.1 Amount of payments for legal expenses, if any?.....\$2,349,546

32.2 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
Fried, Frank, Harris, Shriver & Jacobson.....	1,632,739

33.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?...\$0

33.2 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
.....	0

GENERAL INTERROGATORIES

(continued)

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? \$

1.31 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:

- 1.61 Total premium earned \$0
- 1.62 Total incurred claims \$0
- 1.63 Number of covered lives 0

All years prior to most current three years:

- 1.64 Total premium earned \$0
- 1.65 Total incurred claims \$0
- 1.66 Number of covered lives 0

1.7 Group policies:

Most current three years:

- 1.71 Total premium earned \$0
- 1.72 Total incurred claims \$0
- 1.73 Number of covered lives 0

All years prior to most current three years:

- 1.74 Total premium earned \$0
- 1.75 Total incurred claims \$0
- 1.76 Number of covered lives 0

2. Health Test:

		1		2
		Current Year		Prior Year
2.1	Premium Numerator	\$0	\$	.....0
2.2	Premium Denominator	\$15,445,989	\$	.....26,097,813
2.3	Premium Ratio (2.1/2.2)	.....0.000		.....0.000
2.4	Reserve Numerator	\$0	\$	.....0
2.5	Reserve Denominator	\$236,397,592	\$	.....240,722,541
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:

- 3.21 Participating policies \$
- 3.22 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:

- 5.21 Out of Attorney's-in-fact compensation..... Yes [] No [] NA [X]
- 5.22 As a direct expense of the exchange..... Yes [] No [] NA [X]

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:.....
 The Company is a monoline financial guaranty insurer and as such does not write workers' compensation 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:.....
 The Company is in runoff and no longer evaluates its probable maximum loss exposure.....
- 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?.....
 The Company is a monoline financial guaranty insurer and as such does not write property insurance.....
- 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.
 According to SSAP 60, the Company is required to establish contingency reserves as a financial guaranty insurer. These reserves are established in addition to specific case reserves on financial guaranty business to ensure the payment of claims in the event of an economic catastrophe.....
- 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 the 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 agreements 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 32 of SSAP No. 62, 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 13.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:
 12.11 Unpaid losses..... \$
 12.12 Unpaid underwriting expenses (including loss adjustment expenses)..... \$
- 12.2 Of the amount on Line 13.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds?..... \$
 12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes unpaid losses under loss deductible features of commercial policies?..... Yes [] No [] NA [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 the 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 the 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):..... \$189,999,999
 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.
- 14.1 Is the company 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 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 not 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 \$.....
- 17.12 Unfunded portion of Interrogatory 17.11..... \$.....
- 17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11 \$.....
- 17.14 Case reserves portion of Interrogatory 17.11..... \$.....
- 17.15 Incurred but not reported portion of Interrogatory 17.11..... \$.....
- 17.16 Unearned premium portion of Interrogatory 17.11..... \$.....
- 17.17 Contingent commission portion of Interrogatory 17.11..... \$.....

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 \$.....
- 17.19 Unfunded portion of Interrogatory 17.18..... \$.....
- 17.20 Paid losses and loss adjustment expenses portion of Interrogatory 17.18 \$.....
- 17.21 Case reserves portion of Interrogatory 17.18..... \$.....
- 17.22 Incurred but not reported portion of Interrogatory 17.18..... \$.....
- 17.23 Unearned premium portion of Interrogatory 17.18..... \$.....
- 17.24 Contingent commission portion of Interrogatory 17.18..... \$.....

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 2009 OF THE ACA Financial Guaranty Corporation

FIVE-YEAR HISTORICAL DATA

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

	1 2009	2 2008	3 2007	4 2006	5 2005
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)	864,387	(17,133,192)	107,003,274	72,602,774	90,244,468
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
6. Total (Line 35)	864,387	(17,133,192)	107,003,274	72,602,774	90,244,468
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)	864,387	(17,165,492)	105,470,974	69,867,866	86,605,241
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
12. Total (Line 35)	864,387	(17,165,492)	105,470,974	69,867,866	86,605,241
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(17,008,402)	(274,671,830)	8,612,649	32,051,500	9,008,476
14. Net investment gain (loss) (Line 11)	1,747,638	(18,727,140)	25,882,816	24,149,270	19,788,205
15. Total other income (Line 15)	8,781,995	25,223,974	148,168	209,500	225,048
16. Dividends to policyholders (Line 17)	0	0	0	0	0
17. Federal and foreign income taxes incurred (Line 19)	(55,235,704)	779,877	3,806,331	18,475,230	8,870,897
18. Net income (Line 20)	48,756,935	(268,954,873)	30,837,302	37,935,039	20,150,831
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 24, Col. 3)	463,463,937	441,209,412	691,791,549	640,900,479	595,365,786
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 13.1)	0	0	0	0	0
20.2 Deferred and not yet due (Line 13.2)	0	0	15,375	4,782,571	8,140,139
20.3 Accrued retrospective premiums (Line 13.3)	0	0	0	0	0
21. Total liabilities excluding protected cell business (Page 3, Line 24)	326,007,550	339,923,018	462,651,493	367,256,722	329,257,010
22. Losses (Page 3, Line 1)	29,269,309	19,781,236	7,373,268	(5,980,693)	(4,816,484)
23. Loss adjustment expenses (Page 3, Line 3)	1,960,489	1,191,909	562,331	600,921	250,000
24. Unearned premiums (Page 3, Line 9)	205,167,794	219,749,396	263,012,701	249,834,648	249,242,021
25. Capital paid up (Page 3, Lines 28 & 29)	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
26. Surplus as regards policyholders (Page 3, Line 35)	137,456,387	101,286,394	229,140,057	273,643,757	266,108,776
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	9,534,006	(248,514,272)	64,024,123	39,798,230	50,832,509
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 10, Col. 3) x 100.0					
30. Bonds (Line 1)	90.5	85.0	87.9	80.0	86.4
31. Stocks (Lines 2.1 & 2.2)	0.0	0.0	0.1	0.0	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)	9.2	14.7	9.1	18.7	12.5
35. Contract loans (Line 6)	0.0	0.0	0.0	0.0	0.0
36. Other invested assets (Line 7)	0.3	0.3	2.9	1.3	1.2
37. Receivables for securities (Line 8)	0.0	0.0	0.0	0.0	0.0
38. Aggregate write-ins for invested assets (Line 9)	0.0	0.0	0.0	0.0	0.0
39. Cash, cash equivalents and invested assets (Line 10)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
40. Affiliated bonds, (Sch. D, Summary, Line 12, Col. 1)	0	0	0	0	0
41. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1)	0	0	0	0	0
42. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)	769,815	769,815	763,291	153,543	0
43. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
44. Affiliated mortgage loans on real estate	0	0	0	0	0
45. All other affiliated	0	0	0	0	0
46. Total of above Lines 40 to 45	769,815	769,815	763,291	153,543	0
47. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 46 above divided by Page 3, Col. 1, Line 35 x 100.0)	0.6	0.8	0.3	0.1	0.0

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2009	2 2008	3 2007	4 2006	5 2005
Capital and Surplus Accounts (Page 4)					
48. Net unrealized capital gains (losses) (Line 24)	598,349	24,752,611	(29,961,174)	(2,661,146)	(2,077,221)
49. Dividends to stockholders (Line 35)	0	0	(3,810,636)	(2,661,146)	(2,077,221)
50. Change in surplus as regards policyholders for the year (Line 38)	36,170,000	(127,853,660)	(44,503,710)	7,534,981	(23,893,830)
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
51. 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
52. Property lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	0	0	0
53. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
54. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	934,031	238,524,097	24,130,609	(796,880)	16,847,731
55. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
56. Total (Line 35)	934,031	238,524,097	24,130,609	(796,880)	16,847,731
Net Losses Paid (Page 9, Part 2, Col. 4)					
57. 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
58. Property lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	0	0	0
59. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
60. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	934,031	238,524,097	24,130,609	(796,880)	16,847,731
61. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
62. Total (Line 35)	934,031	238,524,097	24,130,609	(796,880)	16,847,731
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
63. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
64. Losses incurred (Line 2)	67.5	961.5	40.6	(2.8)	19.4
65. Loss expenses incurred (Line 3)	30.7	73.8	0.7	1.8	0.8
66. Other underwriting expenses incurred (Line 4)	111.9	117.2	49.4	54.7	60.5
67. Net underwriting gain (loss) (Line 8)	(110.1)	(1,052.5)	9.3	46.3	19.3
Other Percentages					
68. 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)	984.3	(31.3)	43.1	54.0	32.3
69. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	98.2	1,035.3	41.3	(1.0)	20.2
70. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 35, Col. 1 x 100.0)	0.6	(16.9)	46.0	25.5	32.5
One Year Loss Development (000 omitted)					
71. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2 - Summary, Line 12, Col. 11)	8,247	(2,852)	4,718	(2,984)	698
72. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 71 above divided by Page 4, Line 21, Col. 1 x 100.0)	8.1	(1.2)	1.7	(1.1)	0.2
Two Year Loss Development (000 omitted)					
73. 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)	(1,445)	10,255	1,941	714	3,173
74. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 73 above divided by Page 4, Line 21, Col. 2 x 100.0)	(0.6)	3.7	0.7	0.2	2.3

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 2009 OF THE ACA Financial Guaranty Corporation

EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)

NAIC Group Code 0000

BUSINESS IN THE STATE OF Consolidated

DURING THE YEAR 2009

NAIC Company Code 22896

Table with 12 columns: Line of Business, Direct Premiums Written, Direct Premiums Earned, Dividends Paid or Credited to Policyholders on Direct Business, Direct Unearned Premium Reserves, Direct Losses Paid (deducting salvage), Direct Losses Incurred, Direct Losses Unpaid, Direct Defense and Cost Containment Expense Paid, Direct Defense and Cost Containment Expense Incurred, Direct Defense and Cost Containment Expense Unpaid, Commissions and Brokerage Expenses, Taxes, Licenses and Fees. Rows include various insurance categories like Fire, Medical malpractice, etc., and a TOTALS row.

(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

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ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

SCHEDULE F - PART 1

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

1 Federal ID Number	2 NAIC Company Code	3 Name of Reinsured	4 Domiciliary Jurisdiction	5 Assumed Premium	Reinsurance On			9 Contingent Commissions Payable	10 Assumed Premiums Receivable	11 Unearned Premium	12 Funds Held By or Deposited With Reinsured Companies	13 Letters of Credit Posted	14 Amount of Assets Pledged or Compensating Balances to Secure Letters of Credit	15 Amount of Assets Pledged or Collateral Held in Trust						
					6 Paid Losses and Loss Adjustment Expenses	7 Known Case Losses and LAE	8 Cols. 6 +7													
0199999 - Total - Affiliates - U.S. Intercompany Pooling																				
0499999 - Total - Affiliates																				
52-1533088	30180	Assured Guaranty Corp.	MD				0			167										
13-3250292	18287	Financial Security Assurance Inc.	NY				0			6,644										
0599998 - Other U.S. Unaffil Insurers - Reins Col 8 < 100,000																				
0599999 - Total - Other U.S. Unaffiliated Insurers																				
0699998 - Pools and Associations - Reins Col 8 < 100,000																				
0799998 - Pools and Associations - Reins Col 8 < 100,000																				
0999998 - Other Non-U.S. Insurers - Reins Col 8 < 100,000																				
9999999 Totals																				

SCHEDULE F - PART 2

Premium Portfolio Reinsurance Effected or (Canceled) during Current Year

1 Federal ID Number	2 NAIC Company Code	3 Name of Company	4 Date of Contract	5 Original Premium	6 Reinsurance Premium
NONE					

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

SCHEDULE F - PART 3

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

1 Federal ID Number	2 NAIC Company Code	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Reinsurance Contracts Ceding 75% or More of Direct Premiums Written	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 Commis-sions	15 Cols. 7 thru 14 Totals	16 Ceded Balances Payable	17 Other Amounts Due to Reinsurers			
0499999 - Total - Authorized - Affiliates																			
52-1533088	30180	Assured Guaranty Corp.	MD												167			167	
0599998 - Other U.S. Unaffil Insurers (Under \$100,000)																			
0599999 - Authorized - Other U.S. Unaffiliated Insurers																			
0899998 - Authorized - Other Non-U.S. Insurers (Under \$100,000)																			
0999999 - Total - Authorized																			
1399999 - Total - Unauthorized - Affiliates																			
1499998 - Unauthorized - Other U.S. Unaffiliated Insurers (Under \$100,000)																			
AA-1320035	00000	AXA Re	FR												254			254	
1799998 - Unauthorized - Other Non-U.S. Insurers (Under \$100,000)																			
1799999 - Unauthorized - Other Non-U.S. Insurers																			
1899999 - Total - Unauthorized																			
1999999 - Total - Authorized and Unauthorized																			
2099999 - Total - Protected Cells																			
9999999 Totals																			

NOTE: 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.		

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.			Yes [] No []
2.			Yes [] No []
3.			Yes [] No []
4.			Yes [] No []
5.			Yes [] No []

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

SCHEDULE F - PART 4

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

1 Federal 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		
NONE												
9999999 Totals									0	0	0.0	0.0

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ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

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
Federal ID Number	NAIC Company Code	Name of Reinsurer	Domiciliary Jurisdiction	Reinsurance Recoverable all Items Schedule F Part 3, Col. 15	Funds Held By Company Under Reinsurance Treaties	Letters of Credit	Ceded Balances Payable	Miscellaneous Balances	Other Allowed Offset Items	Sum of Cols. 6 thru 10 but not in excess of Col. 5	Subtotal Col. 5 minus Col. 11	Recoverable Paid Losses & LAE Expenses Over 90 Days Past Due not in Dispute	20% of Amount in Col. 13	Smaller of Col. 11 or Col. 14	Smaller of Col. 11 or 20% of Amount in Dispute Included in Col. 5	Total Provision for Unauthorized Reinsurance Smaller of Col.5 or Cols. 12 +15 + 16
AA-1320035	00000	AXA Re.	FR	254		667				254	0		0	0	0	0
0899999 - Other Non-U.S. Insurers				254		667				254	0					0
0999999 - Total - Affiliates and Others				254		667				254	0					0
1099999 - Total - Protected Cells										0	0		0	0	0	0
9999999 Totals				254		667				254	0					0

1. Amounts in dispute totaling \$are included in Column 5.
2. Amounts in dispute totaling \$are excluded from Column 13.

Schedule F - Part 6

NONE

Schedule F - Part 7

NONE

SCHEDULE F - PART 8

Restatement of Balance Sheet to Identify Net Credit for Reinsurance

	1 As Reported (Net of Ceded)	2 Restatement Adjustments	3 Restated (Gross of Ceded)
<u>ASSETS</u> (Page 2, Col. 3)			
1. Cash and invested assets (Line 10)	408,167,605		408,167,605
2. Premiums and considerations (Line 13)	0		0
3. Reinsurance recoverable on loss and loss adjustment expense payments (Line 14.1)	0		0
4. Funds held by or deposited with reinsured companies (Line 14.2)	0		0
5. Other assets	55,296,332		55,296,332
6. Net amount recoverable from reinsurers		420,901	420,901
7. Protected cell assets (Line 25)	0	0	0
8. Totals (Line 26)	463,463,937	420,901	463,884,838
<u>LIABILITIES</u> (Page 3)			
9. Losses and loss adjustment expenses (Lines 1 through 3)	31,229,798		31,229,798
10. Taxes, expenses, and other obligations (Lines 4 through 8)	3,516,752		3,516,752
11. Unearned premiums (Line 9)	205,167,794	420,901	205,588,695
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 ceded 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	86,093,206		86,093,206
19. Total liabilities excluding protected cell business (Line 24)	326,007,550	420,901	326,428,451
20. Protected cell liabilities (Line 25)	0		0
21. Surplus as regards policyholders (Line 35)	137,456,387	X X X	137,456,387
22. Totals (Line 36)	463,463,937	420,901	463,884,838

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 [X]

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

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	5	6	7	8	9			
				Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded			
1. Prior	XXX	XXX	XXX	0	0	0	0	0	0	0	0	XXX
2. 2000	13,902	10,901	3,001	0	0	0	0	0	0	0	0	XXX
3. 2001	13,500	11,913	1,587	948	47	5	0	0	0	140	905	XXX
4. 2002	17,650	6,200	11,449	2,722	265	2	0	0	0	5,036	2,459	XXX
5. 2003	25,956	5,888	20,068	0	0	0	0	0	0	0	0	XXX
6. 2004	36,048	7,861	28,187	19,789	0	6,000	0	0	0	0	25,789	XXX
7. 2005	51,224	4,634	46,589	5,985	0	1,871	0	0	0	0	7,856	XXX
8. 2006	72,477	3,202	69,275	0	0	3,164	0	0	0	0	3,164	XXX
9. 2007	94,135	1,842	92,293	24,048	0	15	0	0	0	0	24,062	XXX
10. 2008	26,172	74	26,098	241,129	0	19,074	0	0	0	0	260,203	XXX
11. 2009	15,533	87	15,446	520	0	351	0	0	0	0	870	XXX
12. Totals	XXX	XXX	XXX	295,141	313	30,480	0	0	0	5,176	325,308	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.	0	0	0	0	0	0	0	0	0	0	0	0	XXX
2.	0	0	0	0	0	0	0	0	0	0	0	0	XXX
3.	0	0	0	0	0	0	0	0	0	0	0	0	XXX
4.	0	0	0	0	0	0	0	0	0	0	0	0	XXX
5.	0	0	0	0	0	0	0	0	0	0	0	0	XXX
6.	0	0	0	0	0	0	0	0	0	0	0	0	XXX
7.	4,872	0	0	0	92	0	0	0	0	0	0	4,965	XXX
8.	0	0	0	0	1,200	0	0	0	0	0	0	1,200	XXX
9.	0	0	0	0	0	0	0	0	0	0	0	0	XXX
10.	30,993	0	0	0	308	0	0	0	0	0	0	31,302	XXX
11.	12,133	0	0	0	360	0	0	0	0	0	0	12,493	XXX
12. Totals	47,999	0	0	0	1,960	0	0	0	0	0	0	49,959	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	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	0	0	XXX	0	0
2.	0	0	0	0.0	0.0	0.0	0	0	0	0	0
3.	953	48	905	7.1	0.4	57.1	0	0	0	0	0
4.	2,724	265	2,459	15.4	4.3	21.5	0	0	0	0	0
5.	0	0	0	0.0	0.0	0.0	0	0	0	0	0
6.	25,789	0	25,789	71.5	0.0	91.5	0	0	0	0	0
7.	12,821	0	12,821	25.0	0.0	27.5	402	0	4,471	92	0
8.	4,364	0	4,364	6.0	0.0	6.3	0	0	0	1,200	0
9.	24,062	0	24,062	25.6	0.0	26.1	0	0	0	0	0
10.	291,505	0	291,505	1,113.8	0.0	1,117.0	13,031	0	17,962	308	0
11.	13,363	0	13,363	86.0	0.0	86.5	5,296	0	6,837	360	0
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	18,729	0	XXX	29,269	1,960

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 2009 OF THE ACA Financial Guaranty Corporation

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 2000	2 2001	3 2002	4 2003	5 2004	6 2005	7 2006	8 2007	9 2008	10 2009	11 One Year	12 Two Year
1. Prior	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2. 2000	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3. 2001	XXX	.905	.905	.905	.905	.905	.905	.905	.905	.905	.0	.0
4. 2002	XXX	XXX	.0	.0	3,353	3,173	3,152	3,153	2,953	2,459	(.494)	(.694)
5. 2003	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. 2004	XXX	XXX	XXX	XXX	21,131	22,009	22,046	26,227	25,789	25,789	.0	(.439)
7. 2005	XXX	XXX	XXX	XXX	XXX	11,241	8,241	8,985	14,160	12,821	(1,339)	3,836
8. 2006	XXX	XXX	XXX	XXX	XXX	XXX	.331	.124	1,124	4,364	3,240	4,240
9. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	32,450	24,062	24,062	.0	(8,388)
10. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	284,664	291,505	6,840	XXX
11. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	13,363	XXX	XXX
12. Totals											8,247	(1,445)

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 2000	2 2001	3 2002	4 2003	5 2004	6 2005	7 2006	8 2007	9 2008	10 2009	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
1. Prior	.000	.0	.0	.0	.0	.0	.0	.0	.0	.0	XXX	XXX
2. 2000	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	XXX	XXX
3. 2001	XXX	.905	.905	.905	.905	.905	.905	.905	.905	.905	XXX	XXX
4. 2002	XXX	XXX	2,303	4,563	7,887	11,286	8,661	7,406	3,702	2,459	XXX	XXX
5. 2003	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0	.0	XXX	XXX
6. 2004	XXX	XXX	XXX	XXX	12,600	25,370	25,869	25,869	25,789	25,789	XXX	XXX
7. 2005	XXX	XXX	XXX	XXX	XXX	.793	2,943	5,001	7,241	7,856	XXX	XXX
8. 2006	XXX	XXX	XXX	XXX	XXX	XXX	.96	.112	.299	3,164	XXX	XXX
9. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	23,964	24,062	24,062	XXX	XXX
10. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	258,403	260,203	XXX	XXX
11. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	870	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 2000	2 2001	3 2002	4 2003	5 2004	6 2005	7 2006	8 2007	9 2008	10 2009
1. Prior	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2. 2000	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3. 2001	XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. 2002	XXX	XXX	.0	.0	.0	.0	.0	.0	.0	.0
5. 2003	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0	.0
6. 2004	XXX	XXX	XXX	XXX	.131	.0	.0	.0	.0	.0
7. 2005	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0
8. 2006	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0
9. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0
10. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0
11. 2009	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 - Prof. Liab. Occur

NONE

Schedule P - Part 1F - Prof. Liab. Claim

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 A

NONE

Schedule P - Part 1O - Reinsurance B

NONE

Schedule P - Part 1P - Reinsurance C

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 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX	(752)	0	2,989	0	0	0	1,243	2,237	XXX
2. 2008	26,172	74	26,098	241,129	0	19,074	0	0	0	0	260,203	XXX
3. 2009	15,533	87	15,446	520	0	351	0	0	0	0	870	XXX
4. Totals	XXX	XXX	XXX	240,897	0	22,413	0	0	0	1,243	263,310	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.	4,872	0	0	0	1,292	0	0	0	0	0	0	6,165	1
2.	30,993	0	0	0	308	0	0	0	0	0	0	31,302	2
3.	12,133	0	0	0	360	0	0	0	0	0	0	12,493	2
4.	47,999	0	0	0	1,960	0	0	0	0	0	0	49,959	5

	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	402	0	XXX	4,471	1,292
2.	291,505	0	291,505	1,113.8	0.0	1,117.0	13,031	0	0.0	17,962	308
3.	13,363	0	13,363	86.0	0.0	86.5	5,296	0	0.0	6,837	360
4.	XXX	XXX	XXX	XXX	XXX	XXX	18,729	0	XXX	29,269	1,960

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 - Prof. Liab. Occur

NONE

Schedule P - Part 2F - Prof. Liab. Claim

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 2009 OF THE ACA Financial Guaranty Corporation

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 2000	2 2001	3 2002	4 2003	5 2004	6 2005	7 2006	8 2007	9 2008	10 2009	11 One Year	12 Two Year
1. Prior	0	0	0	0	0	0	0	0	0	0	0	0
2. 2000	0	0	0	0	0	0	0	0	0	0	0	0
3. 2001	XXX	0	0	0	0	0	0	0	0	0	0	0
4. 2002	XXX	XXX	0	0	0	0	0	0	0	0	0	0
5. 2003	XXX	XXX	XXX	0	0	0	0	0	0	0	0	0
6. 2004	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0	0
7. 2005	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0
8. 2006	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0
9. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
10. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX
11. 2009	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. 2000	0	0	0	0	0	0	0	0	0	0	0	0
3. 2001	XXX	0	0	0	0	0	0	0	0	0	0	0
4. 2002	XXX	XXX	0	0	0	0	0	0	0	0	0	0
5. 2003	XXX	XXX	XXX	0	0	0	0	0	0	0	0	0
6. 2004	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0	0
7. 2005	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0
8. 2006	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0
9. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
10. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX
11. 2009	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	8,587	5,735	7,142	1,407	(1,445)						
2. 2008	XXX	284,664	291,505	6,840	XXX							
3. 2009	XXX	XXX	13,363	XXX	XXX							
4. Totals											8,247	(1,445)

SCHEDULE P - PART 2T - WARRANTY

1. Prior	XXX	0	0	0	0	0						
2. 2008	XXX	0	0	0	XXX							
3. 2009	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 - Prof. Liab. Occur

NONE

Schedule P - Part 3F - Prof. Liab. Claim

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

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	
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009			
1. Prior	.000	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2. 2000	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3. 2001	.XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. 2002	.XXX	.XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
5. 2003	.XXX	.XXX	.XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. 2004	.XXX	.XXX	.XXX	.XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0
7. 2005	.XXX	.XXX	.XXX	.XXX	.XXX	.0	.0	.0	.0	.0	.0	.0	.0
8. 2006	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.0	.0	.0	.0	.0	.0	.0
9. 2007	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.0	.0	.0	.0	.0	.0
10. 2008	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.0	.0	.0	.0	.0
11. 2009	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.0	.0	.0	.0

NONE

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. 2000	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3. 2001	.XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. 2002	.XXX	.XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
5. 2003	.XXX	.XXX	.XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. 2004	.XXX	.XXX	.XXX	.XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0
7. 2005	.XXX	.XXX	.XXX	.XXX	.XXX	.0	.0	.0	.0	.0	.0	.0	.0
8. 2006	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.0	.0	.0	.0	.0	.0	.0
9. 2007	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.0	.0	.0	.0	.0	.0
10. 2008	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.0	.0	.0	.0	.0
11. 2009	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.0	.0	.0	.0

NONE

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

1. Prior	.XXX	.000	(1,260)	.977	.XXX	.XXX						
2. 2008	.XXX	258,403	260,203	.XXX	.XXX							
3. 2009	.XXX	870	.XXX	.XXX								

SCHEDULE P - PART 3T - WARRANTY

1. Prior	.XXX	.000	.0	.0	.XXX	.XXX						
2. 2008	.XXX	.0	.0	.XXX	.XXX							
3. 2009	.XXX	.0	.XXX	.XXX								

NONE

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 - Prof. Liab. Occur

NONE

Schedule P - Part 4F - Prof. Liab. Claim

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 - Special Property

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

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 2000	2 2001	3 2002	4 2003	5 2004	6 2005	7 2006	8 2007	9 2008	10 2009
1. Prior	0	0	0	0	0	0	0	0	0	0
2. 2000	0	0	0	0	0	0	0	0	0	0
3. 2001	XXX	0	0	0	0	0	0	0	0	0
4. 2002	XXX	XXX	0	0	0	0	0	0	0	0
5. 2003	XXX	XXX	XXX	0	0	0	0	0	0	0
6. 2004	XXX	XXX	XXX	XXX	0	0	0	0	0	0
7. 2005	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
8. 2006	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0
9. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
10. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2009	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. 2000	0	0	0	0	0	0	0	0	0	0
3. 2001	XXX	0	0	0	0	0	0	0	0	0
4. 2002	XXX	XXX	0	0	0	0	0	0	0	0
5. 2003	XXX	XXX	XXX	0	0	0	0	0	0	0
6. 2004	XXX	XXX	XXX	XXX	0	0	0	0	0	0
7. 2005	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
8. 2006	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0
9. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
10. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

NONE

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

1. Prior	XXX	0	0	0						
2. 2008	XXX	0	0							
3. 2009	XXX	0								

SCHEDULE P - PART 4T - WARRANTY

1. Prior	XXX	0	0	0						
2. 2008	XXX	0	0							
3. 2009	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 [X]
- 1.4 Does the company report any DDR reserve as loss or loss adjustment expense reserve? Yes [] No [X]
- 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 [X]
- 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	2000		
1.603	2001		
1.604	2002		
1.605	2003		
1.606	2004		
1.607	2005		
1.608	2006		
1.609	2007		
1.610	2008		
1.611	2009		
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 [] No [X]
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? Answer: 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
 5.2 Surety
6. Claim count information is reported per claim or per claimant (Indicate which).....CLAIM
 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 [] No [X]
- 7.2 An extended statement may be attached.

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, etc.	1	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9	
		2	3							Dividends Paid or Credited to Policyholders on Direct Business	Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Finance and Service Charges Not Included in Premiums	Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
1. Alabama	AL	L	.0	111,805	.0	.0	.0	.0	.0	.0
2. Alaska	AK	L	.0	51,272	.0	.0	.0	.0	.0	.0
3. Arizona	AZ	L	.0	309,315	.0	.0	.0	.0	.0	.0
4. Arkansas	AR	L	.0	151,868	.0	.0	.0	.0	.0	.0
5. California	CA	L	.0	1,112,826	.0	36,563	741,461	704,898	.0	.0
6. Colorado	CO	L	.0	460,355	.0	.0	.0	.0	.0	.0
7. Connecticut	CT	L	.0	45,327	.0	.0	.0	.0	.0	.0
8. Delaware	DE	L	.0	400,869	.0	.0	.0	.0	.0	.0
9. District of Columbia	DC	L	.0	151,496	.0	.0	.0	.0	.0	.0
10. Florida	FL	L	101,460	1,685,494	.0	.0	.0	.0	.0	.0
11. Georgia	GA	L	.0	217,198	.0	.0	.0	.0	.0	.0
12. Hawaii	HI	L	.0	.0	.0	.0	.0	.0	.0	.0
13. Idaho	ID	L	.0	.0	.0	.0	.0	.0	.0	.0
14. Illinois	IL	L	182,485	553,680	.0	.0	.0	.0	.0	.0
15. Indiana	IN	L	.0	3,585	.0	.0	.0	.0	.0	.0
16. Iowa	IA	L	.0	.0	.0	.0	.0	.0	.0	.0
17. Kansas	KS	L	.0	18,627	.0	.0	.0	.0	.0	.0
18. Kentucky	KY	L	.0	25,780	.0	.0	.0	.0	.0	.0
19. Louisiana	LA	L	12,506	122,267	.0	288,127	4,279,661	3,991,534	.0	.0
20. Maine	ME	L	.0	.0	.0	.0	.0	.0	.0	.0
21. Maryland	MD	L	.0	59,914	.0	.0	.0	.0	.0	.0
22. Massachusetts	MA	L	.0	289,445	.0	.0	.0	.0	.0	.0
23. Michigan	MI	L	.0	216,564	.0	.0	.0	.0	.0	.0
24. Minnesota	MN	L	3,303	1,205,414	.0	(751,734)	(991,420)	4,470,707	.0	.0
25. Mississippi	MS	L	142	178,679	.0	1,166,195	4,057,336	17,961,984	.0	.0
26. Missouri	MO	L	9,690	203,497	.0	.0	.0	.0	.0	.0
27. Montana	MT	L	.0	.0	.0	.0	.0	.0	.0	.0
28. Nebraska	NE	L	.0	.0	.0	.0	.0	.0	.0	.0
29. Nevada	NV	L	.0	102,434	.0	.0	.0	.0	.0	.0
30. New Hampshire	NH	L	60,200	264,911	.0	.0	.0	.0	.0	.0
31. New Jersey	NJ	L	.0	299,270	.0	.0	.0	.0	.0	.0
32. New Mexico	NM	L	.0	7,633	.0	.0	.0	.0	.0	.0
33. New York	NY	L	.0	2,271,138	.0	.0	.0	.0	.0	.0
34. North Carolina	NC	L	.0	32,782	.0	.0	.0	.0	.0	.0
35. North Dakota	ND	L	.0	29,840	.0	.0	.0	.0	.0	.0
36. Ohio	OH	L	.0	49,866	.0	.0	.0	.0	.0	.0
37. Oklahoma	OK	L	.0	281,743	.0	.0	.0	.0	.0	.0
38. Oregon	OR	L	.0	63,956	.0	.0	.0	.0	.0	.0
39. Pennsylvania	PA	L	47,600	496,843	.0	.0	.0	.0	.0	.0
40. Rhode Island	RI	L	.0	12,959	.0	.0	.0	.0	.0	.0
41. South Carolina	SC	L	.0	73,551	.0	.0	.0	.0	.0	.0
42. South Dakota	SD	L	.0	204,638	.0	.0	.0	.0	.0	.0
43. Tennessee	TN	L	.0	.0	.0	.0	.0	.0	.0	.0
44. Texas	TX	L	.0	2,102,597	.0	194,880	2,335,066	2,140,186	.0	.0
45. Utah	UT	L	.0	.0	.0	.0	.0	.0	.0	.0
46. Vermont	VT	L	.0	65,927	.0	.0	.0	.0	.0	.0
47. Virginia	VA	L	20,000	50,984	.0	.0	.0	.0	.0	.0
48. Washington	WA	L	.0	706,228	.0	.0	.0	.0	.0	.0
49. West Virginia	WV	L	.0	.0	.0	.0	.0	.0	.0	.0
50. Wisconsin	WI	L	.0	67,132	.0	.0	.0	.0	.0	.0
51. Wyoming	WY	L	.0	21,421	.0	.0	.0	.0	.0	.0
52. American Samoa	AS	N	.0	.0	.0	.0	.0	.0	.0	.0
53. Guam	GU	L	.0	112,152	.0	.0	.0	.0	.0	.0
54. Puerto Rico	PR	L	.0	90,978	.0	.0	.0	.0	.0	.0
55. U.S. Virgin Islands	VI	L	.0	78,927	.0	.0	.0	.0	.0	.0
56. Northern Mariana Islands	MP	N	.0	.0	.0	.0	.0	.0	.0	.0
57. Canada	ON	N	.0	.0	.0	.0	.0	.0	.0	.0
58. Aggregate other alien	OT	XXX	427,000	213,500	.0	.0	.0	.0	.0	.0
59. Totals	(a) 54		864,386	15,276,687	0	934,032	10,422,105	29,269,309	0	0
DETAILS OF WRITE-INS										
5801. Alien(01)		XXX	427,000	213,500	.0	.0	.0	.0	.0	.0
5802.		XXX								
5803.		XXX								
5898. Summary of remaining write-ins for Line 58 from overflow page.		XXX	.0	.0	.0	.0	.0	.0	.0	.0
5899. Totals (Lines 5801 through 5803 + 5898) (Line 58 above)		XXX	427,000	213,500	0	0	0	0	0	0

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

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

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

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

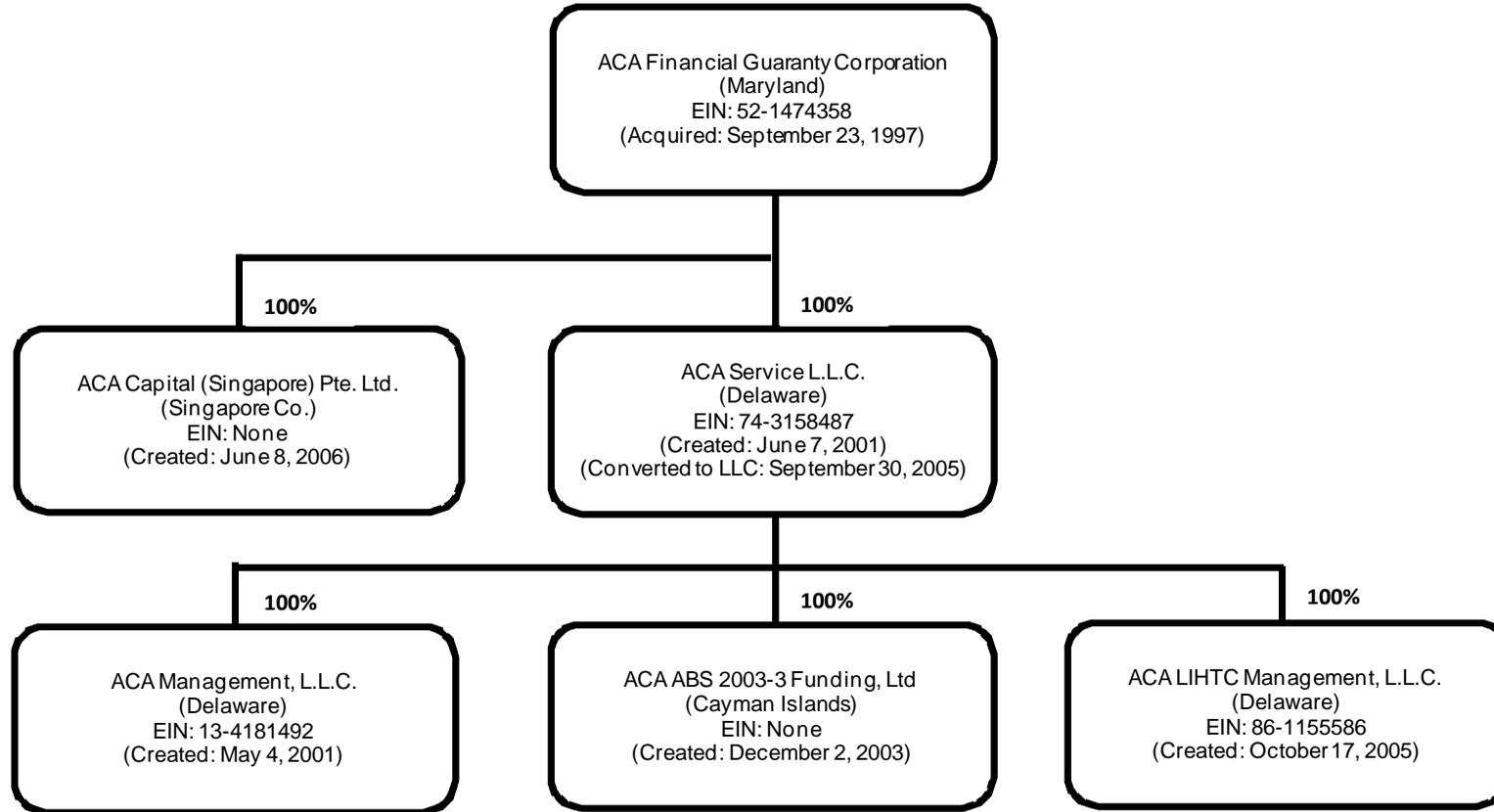
Allocated by States and Territories

States, Etc.		Direct Business Only					Totals
		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	
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. U.S. Virgin Islands	VI						0
56. Northern Mariana Islands	MP						0
57. Canada	CN						0
58. Aggregate Other Alien	OT						0
59. Totals		0	0	0	0	0	0

NONE

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

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	Federal 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)
22896	52-1474358	ACA Financial Guaranty Corporation	8,364,500								8,364,500	
	13-4181492	ACA Management LLC	(8,364,500)								(8,364,500)	
			0								0	
											0	
9999999 Control Totals			0	0	0	0	0	0	XXX	0	0	0

95

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	<u>RESPONSES</u>
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?	.....WAIVED.....
4. Will the confidential Risk-based Capital Report be filed with the state of domicile, if required, by March 1?	.....WAIVED.....

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 Risk Interrogatories be filed by April 1?	.....YES.....

MAY FILING	
8. Will this company be included in a combined annual statement which is filed with the NAIC by May 1?	.....WAIVED.....

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.....

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	
11. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?	.....NO.....
12. Will the Financial Guaranty Insurance Exhibit be filed March 1?	.....YES.....
13. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?	.....NO.....
14. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed by March 1?	.....NO.....
15. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC by March 1?	.....NO.....
16. Will the Premiums Attributed to Protected Cells Exhibit be filed by March 1?	.....NO.....
17. 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.....
18. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1?	.....NO.....
19. Will the confidential Actuarial Opinion Summary be filed with the state of domicile, if required by March 15 (or the date otherwise specified)?	.....YES.....
20. Will the Reinsurance Attestation Supplement be filed with the state of domicile and the NAIC by March 1?	.....YES.....
21. Will the Exceptions to the Reinsurance Attestation Supplement be filed with the state of domicile by March 1?	.....SEE EXPLANATION.....
22. Will the Bail Bond Supplement be filed with the state of domicile and the NAIC by March 1?	.....NO.....

APRIL FILING	
23. Will the Credit Insurance Experience Exhibit be filed with the state of domicile and the NAIC by April 1?	.....NO.....
24. Will the Long-term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?	.....NO.....
25. Will the Accident and Health Policy Experience Exhibit be filed by April 1?	.....NO.....

Explanation:

11.

13.

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

14.

15.

16.

17. The Company has all No answers on Interrogatory 9 indicating that there is nothing to report.

18.

21. The Company does not have any exceptions to report.

22.

23.

24.

25.

Bar Code:

3.	 2 2 8 9 6 2 0 0 9 3 9 0 0 0 0 0 0
4.	 2 2 8 9 6 2 0 0 9 3 9 0 0 0 0 0 0
8.	 2 2 8 9 6 2 0 0 9 2 0 1 0 0 0 0 0
11.	 2 2 8 9 6 2 0 0 9 4 2 0 0 0 0 0 0
13.	 2 2 8 9 6 2 0 0 9 3 6 0 5 9 0 0 0
14.	 2 2 8 9 6 2 0 0 9 4 5 5 0 0 0 0 0
15.	 2 2 8 9 6 2 0 0 9 4 9 0 0 0 0 0 0
16.	 2 2 8 9 6 2 0 0 9 3 8 5 0 0 0 0 0
18.	 2 2 8 9 6 2 0 0 9 3 6 5 0 0 0 0 0
22.	 2 2 8 9 6 2 0 0 9 5 0 0 0 0 0 0 0
23.	 2 2 8 9 6 2 0 0 9 2 3 0 5 9 0 0 0
24.	 2 2 8 9 6 2 0 0 9 3 0 6 0 0 0 0 0
25.	 2 2 8 9 6 2 0 0 9 2 1 0 0 0 0 0 0

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SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities	4,894,662	1.199	4,894,662	1.199
1.2 U.S. government agency obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies		0.000		0.000
1.22 Issued by U.S. government sponsored agencies	48,434,192	11.866	48,434,192	11.866
1.3 Non-U.S. government (including Canada, excluding mortgaged-backed securities)		0.000		0.000
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations		0.000		0.000
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations		0.000		0.000
1.43 Revenue and assessment obligations	1,788,682	0.438	1,788,682	0.438
1.44 Industrial development and similar obligations		0.000		0.000
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Issued or guaranteed by GNMA	25,617,438	6.276	25,617,438	6.276
1.512 Issued or guaranteed by FNMA and FHLMC	34,486,004	8.449	34,486,004	8.449
1.513 All other		0.000		0.000
1.52 CMOs and REMICs:				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA	15,447,375	3.785	15,447,375	3.785
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		0.000		0.000
1.523 All other	46,867,719	11.482	46,867,719	11.482
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities)	151,096,994	37.018	151,096,994	37.018
2.2 Unaffiliated non-U.S. securities (including Canada)	40,813,699	9.999	40,813,699	9.999
2.3 Affiliated securities		0.000		0.000
3. Equity interests:				
3.1 Investments in mutual funds		0.000		0.000
3.2 Preferred stocks:				
3.21 Affiliated		0.000		0.000
3.22 Unaffiliated		0.000		0.000
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated		0.000		0.000
3.32 Unaffiliated		0.000		0.000
3.4 Other equity securities:				
3.41 Affiliated		0.000		0.000
3.42 Unaffiliated		0.000		0.000
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated		0.000		0.000
3.52 Unaffiliated		0.000		0.000
4. Mortgage loans:				
4.1 Construction and land development		0.000		0.000
4.2 Agricultural		0.000		0.000
4.3 Single family residential properties		0.000		0.000
4.4 Multifamily residential properties		0.000		0.000
4.5 Commercial loans		0.000		0.000
4.6 Mezzanine real estate loans		0.000		0.000
5. Real estate investments:				
5.1 Property occupied by the company		0.000	0	0.000
5.2 Property held for the production of income (including \$ of property acquired in satisfaction of debt)		0.000	0	0.000
5.3 Property held for sale (including \$ property acquired in satisfaction of debt)		0.000	0	0.000
6. Contract loans		0.000	0	0.000
7. Receivables for securities		0.000	0	0.000
8. Cash, cash equivalents and short-term investments	37,630,585	9.219	37,630,585	9.219
9. Other invested assets	1,090,255	0.267	1,090,255	0.267
10. Total invested assets	408,167,604	100.000	408,167,604	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 7).....	0
3. Current year change in encumbrances:	
3.1 Totals, Part 1, Column 13.....	0
3.2 Totals, Part 3, Column 11.....	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
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
8. Deduct current year's depreciation:	
8.1 Totals, Part 1, Column 11.....	0
8.2 Totals, Part 3, Column 9.....	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
3. Capitalized deferred interest and other:	
3.1 Totals, Part 1, Column 12.....	0
3.2 Totals, Part 3, Column 11.....	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
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
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
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.....	1,090,068
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
3. Capitalized deferred interest and other:	
3.1 Totals, Part 1, Column 16.....	0
3.2 Totals, Part 3, Column 12.....	0
4. Accrual of discount.....	187
5. Unrealized valuation increase (decrease):	
5.1 Totals, Part 1, Column 13.....	0
5.2 Totals, Part 3, Column 9.....	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
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
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	1,090,255
12. Deduct total nonadmitted amounts.....	0
13. Statement value at end of current period (Line 11 minus Line 12).....	1,090,255

SCHEDULE D - VERIFICATION BETWEEN YEARS

Bonds and Stocks

1. Book /adjusted carrying value, December 31 of prior year.....	369,568,588
2. Cost of bonds and stocks acquired, Part 3, Column 7.....	106,796,030
3. Accrual of discount.....	450,951
4. Unrealized valuation increase (decrease):	
4.1 Part 1, Column 12.....	205,683
4.2 Part 2, Section 1, Column 15.....	0
4.3 Part 2, Section 2, Column 13.....	0
4.4 Part 4, Column 11.....	392,666
5. Total gain (loss) on disposals, Part 4, Column 19.....	(4,270,555)
6. Deduction consideration for bonds and stocks disposed of, Part 4, Column 7.....	90,849,372
7. Deduct amortization of premium.....	1,339,367
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.....	0
9. Deduct current year's other than temporary impairment recognized:	
9.1 Part 1, Column 14.....	10,738,044
9.2 Part 2, Section 1, Column 17.....	0
9.3 Part 2, Section 2, Column 14.....	0
9.4 Part 4, Column 13.....	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	370,216,580
11. Deduct total nonadmitted amounts.....	769,815
12. Statement value at end of current period (Line 10 minus Line 11).....	369,446,765

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

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	78,946,293	83,513,400	78,894,891	78,304,609
	2. Canada				
	3. Other Countries				
	4. Totals	78,946,293	83,513,400	78,894,891	78,304,609
U. S. States, Territories and Possessions (Direct and guaranteed)	5. Totals	0	0	0	0
U.S. Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	6. Totals	0	0	0	0
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	51,722,061	54,629,018	51,659,101	52,124,377
Industrial and Miscellaneous and Credit Tenant Loans and Hybrid Securities (unaffiliated)	8. United States.....	194,851,427	197,556,139	195,847,408	189,007,886
	9. Canada.....	3,062,575	3,096,750	3,065,820	3,000,000
	10. Other Countries	40,864,409	40,705,667	41,120,641	72,994,428
	11. Totals	238,778,411	241,358,556	240,033,869	265,002,314
Parent, Subsidiaries and Affiliates	12. Totals	0	0	0	0
	13. Total Bonds	369,446,765	379,500,974	370,587,861	395,431,300
PREFERRED STOCKS					
Industrial and Miscellaneous (unaffiliated)	14. United States				
	15. Canada				
	16. Other Countries				
	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				
	21. Canada				
	22. Other Countries				
	23. Totals	0	0	0	0
Parent, Subsidiaries and Affiliates	24. Totals	769,815	769,815	631,531	
	25. Total Common Stocks	769,815	769,815	631,531	
	26. Total Stocks	769,815	769,815	631,531	
	27. Total Bonds and Stocks	370,216,580	380,270,789	371,219,392	

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

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

Quality Rating per the 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 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
1. U.S. Governments											
1.1 Class 1	5,854,919	56,274,185	6,038,277	7,434,792	3,344,120	78,946,293	19.5	87,557,982	20.3	78,946,293	
1.2 Class 2						.0	0.0				
1.3 Class 3						.0	0.0				
1.4 Class 4						.0	0.0				
1.5 Class 5						.0	0.0				
1.6 Class 6						0	0.0				
1.7 Totals	5,854,919	56,274,185	6,038,277	7,434,792	3,344,120	78,946,293	19.5	87,557,982	20.3	78,946,293	0
2. All Other Governments											
2.1 Class 1						.0	0.0				
2.2 Class 2						.0	0.0				
2.3 Class 3						.0	0.0				
2.4 Class 4						.0	0.0				
2.5 Class 5						.0	0.0				
2.6 Class 6						0	0.0				
2.7 Totals	0	0	0	0	0	0	0.0			0	0
3. U.S. States, Territories and Possessions etc., Guaranteed											
3.1 Class 1						.0	0.0				
3.2 Class 2						.0	0.0				
3.3 Class 3						.0	0.0				
3.4 Class 4						.0	0.0				
3.5 Class 5						.0	0.0				
3.6 Class 6						0	0.0				
3.7 Totals	0	0	0	0	0	0	0.0			0	0
4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed											
4.1 Class 1						.0	0.0	5,065,712	1.2		
4.2 Class 2						.0	0.0				
4.3 Class 3						.0	0.0				
4.4 Class 4						.0	0.0				
4.5 Class 5						.0	0.0				
4.6 Class 6						0	0.0				
4.7 Totals	0	0	0	0	0	0	0.0	5,065,712	1.2	0	0
5. U.S. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed											
5.1 Class 1	5,016,600	15,575,485	15,493,244	12,192,679	2,655,371	50,933,379	12.6	69,808,258	16.2	50,933,379	
5.2 Class 2						.0	0.0	3,638,428	0.8		
5.3 Class 3		785,073				785,073	0.2	734,168	0.2	785,073	
5.4 Class 4						.0	0.0				
5.5 Class 5			3,609			3,609	0.0			3,609	
5.6 Class 6						0	0.0				
5.7 Totals	5,016,600	16,360,558	15,496,853	12,192,679	2,655,371	51,722,061	12.8	74,180,854	17.2	51,722,061	0

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ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

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

Quality Rating per the 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 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
6. Industrial and Miscellaneous (unaffiliated)											
6.1 Class 1	50,904,942	88,630,653	41,786,678	653,333	28,270,926	210,246,532	51.9	229,645,881	53.2	186,797,472	23,449,059
6.2 Class 2	5,234,128	46,024,000	1,568,703	480,924	6,491,198	59,798,953	14.8	30,272,790	7.0	50,243,424	9,555,529
6.3 Class 3					801,125	801,125	0.2	974,950	0.2	801,125	
6.4 Class 4					1,120,000	1,120,000	0.3				1,120,000
6.5 Class 5		337,038		360,870		697,908	0.2	1,658,232	0.4	337,038	360,870
6.6 Class 6	52,053	270,312	536,341	1,195,923		2,054,629	0.5	2,500,039	0.6	2,054,629	
6.7 Totals	56,191,123	135,262,003	43,891,722	2,691,050	36,683,249	274,719,147	67.8	265,051,892	61.2	240,233,688	34,485,458
7. Credit Tenant Loans											
7.1 Class 1						0	0.0				
7.2 Class 2						0	0.0				
7.3 Class 3						0	0.0				
7.4 Class 4						0	0.0				
7.5 Class 5						0	0.0				
7.6 Class 6						0	0.0				
7.7 Totals	0	0	0	0	0	0	0.0			0	0
8. Hybrid Securities											
8.1 Class 1						0	0.0				
8.2 Class 2						0	0.0				
8.3 Class 3						0	0.0				
8.4 Class 4						0	0.0				
8.5 Class 5						0	0.0				
8.6 Class 6						0	0.0				
8.7 Totals	0	0	0	0	0	0	0.0			0	0
9. Parent, Subsidiaries and Affiliates											
9.1 Class 1						0	0.0				
9.2 Class 2						0	0.0				
9.3 Class 3						0	0.0				
9.4 Class 4						0	0.0				
9.5 Class 5						0	0.0				
9.6 Class 6						0	0.0				
9.7 Totals	0	0	0	0	0	0	0.0			0	0

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ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

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

Quality Rating per the 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 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
10. Total Bonds Current Year											
10.1 Class 1	(d) 61,776,461	160,480,323	63,318,199	20,280,804	34,270,417	340,126,204	83.9	XXX	XXX	316,677,144	23,449,059
10.2 Class 2	(d) 5,234,128	46,024,000	1,568,703	480,924	6,491,198	59,798,953	14.8	XXX	XXX	50,243,424	9,555,529
10.3 Class 3	(d) 0	785,073	0	0	801,125	1,586,198	0.4	XXX	XXX	1,586,198	0
10.4 Class 4	(d) 0	0	0	0	1,120,000	1,120,000	0.3	XXX	XXX	0	1,120,000
10.5 Class 5	(d) 0	337,038	3,609	360,870	0	701,517	0.2	XXX	XXX	340,647	360,870
10.6 Class 6	(d) 52,053	270,312	536,341	1,195,923	0	2,054,629	0.5	XXX	XXX	2,054,629	0
10.7 Totals	67,062,642	207,896,746	65,426,852	22,318,521	42,682,740	405,387,501	100.0	XXX	XXX	370,902,042	34,485,458
10.8 Line 10.7 as a % of Col. 6	16.5	51.3	16.1	5.5	10.5	100.0	XXX	XXX	XXX	91.5	8.5
11. Total Bonds Prior Year											
11.1 Class 1	88,168,128	114,791,384	110,580,257	34,315,546	44,222,518	XXX	XXX	392,077,833	90.8	379,674,552	12,403,281
11.2 Class 2	697,284	8,820,344	6,214,211	710,015	17,469,365	XXX	XXX	33,911,218	7.9	21,715,456	12,195,763
11.3 Class 3		1,135,368			573,750	XXX	XXX	1,709,118	0.4	1,709,118	0
11.4 Class 4						XXX	XXX	0		0	XXX
11.5 Class 5		1,658,232				XXX	XXX	1,658,232	0.4	1,658,232	0
11.6 Class 6	200,106	781,898	872,534	645,501		XXX	XXX	2,500,039	0.6	2,500,039	0
11.7 Totals	89,065,518	127,187,225	117,667,002	35,671,062	62,265,633	XXX	XXX	431,856,440	100.0	407,257,397	24,599,044
11.8 Line 11.7 as a % of Col. 8	20.6	29.5	27.2	8.3	14.4	XXX	XXX	100.0	XXX	94.3	5.7
12. Total Publicly Traded Bonds											
12.1 Class 1	58,710,994	144,990,758	63,318,198	20,280,804	29,376,389	316,677,143	78.1	379,674,552	87.9	316,677,143	XXX
12.2 Class 2	5,234,128	37,615,625	1,568,703	480,924	5,344,045	50,243,425	12.4	21,715,456	5.0	50,243,425	XXX
12.3 Class 3		785,073			801,125	1,586,198	0.4	1,709,118	0.4	1,586,198	XXX
12.4 Class 4						0	0.0	0		0	XXX
12.5 Class 5		337,038	3,609	360,870	0	340,647	0.1	1,658,232	0.4	340,647	XXX
12.6 Class 6	52,053	270,312	536,341	1,195,923		2,054,629	0.5	2,500,039	0.6	2,054,629	XXX
12.7 Totals	63,997,175	183,998,806	65,426,851	21,957,651	35,521,559	370,902,042	91.5	407,257,397	94.3	370,902,042	XXX
12.8 Line 12.7 as a % of Col. 6	17.3	49.6	17.6	5.9	9.6	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	15.8	45.4	16.1	5.4	8.8	91.5	XXX	XXX	XXX	91.5	XXX
13. Total Privately Placed Bonds											
13.1 Class 1	3,065,467	15,489,565			4,894,027	23,449,059	5.8	12,403,280	2.9	XXX	23,449,059
13.2 Class 2		8,408,376			1,147,153	9,555,529	2.4	12,195,763	2.8	XXX	9,555,529
13.3 Class 3						0	0.0			XXX	0
13.4 Class 4						1,120,000	0.3			XXX	1,120,000
13.5 Class 5				360,870		360,870	0.1			XXX	360,870
13.6 Class 6						0	0.0			XXX	0
13.7 Totals	3,065,467	23,897,941	0	360,870	7,161,180	34,485,458	8.5	24,599,043	5.7	XXX	34,485,458
13.8 Line 13.7 as a % of Col. 6	8.9	69.3	0.0	1.0	20.8	100.0	XXX	XXX	XXX	XXX	100.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	0.8	5.9	0.0	0.1	1.8	8.5	XXX	XXX	XXX	XXX	8.5

(a) Includes \$ 34,485,458 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.

(b) Includes \$ _____, current year, _____ prior year of bonds with Z* designations. The letter "Z" means the NAIC designation was not assigned by _____, current year, \$ _____ prior year of bonds with Z designations and \$ _____ 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 \$ _____, current year, _____ prior year of bonds with 5* designations and _____, current year, _____ 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 non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$ _____; NAIC 2 \$ _____; NAIC 3 \$ _____; NAIC 4 \$ _____; NAIC 5 \$ _____; NAIC 6 \$ _____.

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ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

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 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
1. U.S. Governments											
1.1 Issuer Obligations	3,795,603	49,533,251				53,328,854	13.2	59,023,087	13.7	53,328,854	
1.2 Single Class Mortgage-Backed/Asset-Backed Securities	2,059,316	6,740,934	6,038,277	7,434,792	3,344,120	25,617,439	6.3	28,534,895	6.6	25,617,439	
1.7 Totals	5,854,919	56,274,185	6,038,277	7,434,792	3,344,120	78,946,293	19.5	87,557,982	20.3	78,946,293	0
2. All Other Governments											
2.1 Issuer Obligations						.0	0.0				
2.2 Single Class Mortgage-Backed/Asset-Backed Securities						.0	0.0				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
2.3 Defined						.0	0.0				
2.4 Other						.0	0.0				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES											
2.5 Defined						.0	0.0				
2.6 Other						.0	0.0				
2.7 Totals	0	0	0	0	0	0	0.0			0	0
3. U.S. States, Territories, and Possessions Guaranteed											
3.1 Issuer Obligations						.0	0.0				
3.2 Single Class Mortgage-Backed/Asset-Backed Securities						.0	0.0				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
3.3 Defined						.0	0.0				
3.4 Other						.0	0.0				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES											
3.5 Defined						.0	0.0				
3.6 Other						.0	0.0				
3.7 Totals	0	0	0	0	0	0	0.0			0	0
4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed											
4.1 Issuer Obligations						.0	0.0	5,065,712	1.2		
4.2 Single Class Mortgage-Backed/Asset-Backed Securities						.0	0.0				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
4.3 Defined						.0	0.0				
4.4 Other						.0	0.0				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES											
4.5 Defined						.0	0.0				
4.6 Other						.0	0.0				
4.7 Totals	0	0	0	0	0	0	0.0	5,065,712	1.2	0	0
5. U.S. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed											
5.1 Issuer Obligations		785,073	3,609		1,000,000	1,788,682	0.4	15,475,109	3.6	1,788,682	
5.2 Single Class Mortgage-Backed/Asset-Backed Securities	5,012,935	13,940,319	8,869,742	5,916,392	746,617	34,486,005	8.5	43,313,545	10.0	34,486,004	
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
5.3 Defined	3,665	1,635,166	6,623,502	6,276,287	908,754	15,447,374	3.8	15,392,200	3.6	15,447,375	
5.4 Other						.0	0.0				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES											
5.5 Defined						.0	0.0				
5.6 Other						.0	0.0				
5.7 Totals	5,016,600	16,360,558	15,496,853	12,192,679	2,655,371	51,722,061	12.8	74,180,854	17.2	51,722,061	0

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ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

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 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
6. Industrial and Miscellaneous											
6.1 Issuer Obligations	52,966,898	116,863,760	18,374,423	628,419	26,447,724	215,281,224	53.1	168,087,871	38.9	181,982,331	33,298,892
6.2 Single Class Mortgage-Backed/Asset-Based Securities						0	0.0				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES						0	0.0				
6.3 Defined						0	0.0				
6.4 Other	28,042	136,166	240,294	866,708	583,795	1,855,005	0.5	1,997,268	0.6	1,855,005	
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
6.5 Defined	1,336,905	12,618,397	22,374,112		8,531,729	44,861,143	11.1	66,508,017	15.4	44,794,577	66,566
6.6 Other	1,859,279	5,643,680	2,902,893	1,195,923	1,120,000	12,721,775	3.1	28,458,736	6.5	11,601,775	1,120,000
6.7 Totals	56,191,124	135,262,003	43,891,722	2,691,050	36,683,248	274,719,147	67.8	265,051,892	61.4	240,233,688	34,485,458
7. Credit Tenant Loans											
7.1 Issuer Obligations						0	0.0				
7.2 Single Class Mortgage-Backed/Asset-Based Securities						0	0.0				
7.7 Totals	0	0	0	0	0	0	0.0			0	0
8. Hybrid Securities											
8.1 Issuer Obligations						0	0.0				
8.2 Single Class Mortgage-Backed/Asset-Based Securities						0	0.0				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
8.3 Defined						0	0.0				
8.4 Other						0	0.0				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
8.5 Defined						0	0.0				
8.6 Other						0	0.0				
8.7 Totals	0	0	0	0	0	0	0.0			0	0
9. Parents, Subsidiaries and Affiliates											
9.1 Issuer Obligations						0	0.0				
9.2 Single Class Mortgage-Backed/Asset-Based Securities						0	0.0				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
9.3 Defined						0	0.0				
9.4 Other						0	0.0				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
9.5 Defined						0	0.0				
9.6 Other						0	0.0				
9.7 Totals	0	0	0	0	0	0	0.0			0	0

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ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

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 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total From Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
10. Total Bonds Current Year											
10.1 Issuer Obligations	56,762,501	167,182,084	18,378,032	628,419	27,447,724	270,398,760	66.7	XXX	XXX	237,099,867	33,298,892
10.2 Single Class Mortgage-Backed/Asset-Backed Securities MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES	7,072,251	20,681,253	14,908,019	13,351,184	4,090,737	60,103,444	14.8	XXX	XXX	60,103,443	0
10.3 Defined	3,665	1,635,166	6,623,502	6,276,287	908,754	15,447,374	3.8	XXX	XXX	15,447,375	0
10.4 Other MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES	28,042	136,166	240,294	866,708	583,795	1,855,005	0.5	XXX	XXX	1,855,005	0
10.5 Defined	1,336,905	12,618,397	22,374,112	0	8,531,729	44,861,143	11.1	XXX	XXX	44,794,577	66,566
10.6 Other	1,859,279	5,643,680	2,902,893	1,195,923	1,120,000	12,721,775	3.1	XXX	XXX	11,601,775	1,120,000
10.7 Totals	67,062,643	207,896,746	65,426,852	22,318,521	42,682,739	405,387,501	100.0	XXX	XXX	370,902,042	34,485,458
10.8 Line 10.7 as a % of Col. 6	16.5	51.3	16.1	5.5	10.5	100.0	XXX	XXX	XXX	91.5	8.5
11. Total Bonds Prior Year											
11.1 Issuer Obligations	74,037,943	95,313,446	43,302,679	6,650,860	28,346,851	XXX	XXX	247,651,779	57.3	237,510,213	10,141,566
11.2 Single Class Mortgage-Backed/Asset-Backed Securities MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES	6,357,541	19,384,288	15,446,952	18,840,560	11,819,100	XXX	XXX	71,848,441	16.6	71,848,440	0
11.3 Defined	36,653	139,551	3,539,995	9,156,753	2,519,248	XXX	XXX	15,392,200	3.6	15,392,200	0
11.4 Other MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES	28,042	1,575,899	421,369	866,708	583,795	XXX	XXX	1,997,268	0.5	1,997,268	0
11.5 Defined	7,408,285	3,519,019	47,048,983	0	8,531,729	XXX	XXX	66,508,016	15.4	63,099,245	3,408,772
11.6 Other	1,225,096	7,255,023	7,907,023	1,022,888	11,048,706	XXX	XXX	28,458,736	6.6	17,410,030	11,048,706
11.7 Totals	89,065,518	127,187,226	117,667,001	35,671,061	62,265,634	XXX	XXX	431,856,440	100.0	407,257,396	24,599,044
11.8 Line 11.7 as a % of Col. 8	20.6	29.5	27.2	8.3	14.4	XXX	XXX	100.0	XXX	94.3	5.7
12. Total Publicly Traded Bonds											
12.1 Issuer Obligations	53,763,600	143,284,143	18,378,032	267,549	21,406,543	237,099,867	58.5	237,510,213	55.0	237,099,867	XXX
12.2 Single Class Mortgage-Backed/Asset-Backed Securities MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES	7,072,250	20,681,253	14,908,018	13,351,184	4,090,737	60,103,442	14.8	71,848,439	16.6	60,103,442	XXX
12.3 Defined	3,665	1,635,166	6,623,502	6,276,287	908,754	15,447,374	3.8	15,392,200	3.6	15,447,374	XXX
12.4 Other MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES	28,042	136,166	240,294	866,708	583,795	1,855,005	0.5	1,997,268	0.6	1,855,005	XXX
12.5 Defined	1,270,339	12,618,397	22,374,112	0	8,531,729	44,794,577	11.0	63,099,245	14.6	44,794,577	XXX
12.6 Other	1,859,279	5,643,680	2,902,893	1,195,923	1,120,000	11,601,775	2.9	17,410,030	3.9	11,601,775	XXX
12.7 Totals	63,997,175	183,998,805	65,426,851	21,957,651	35,521,558	370,902,040	91.5	407,257,395	94.3	370,902,040	XXX
12.8 Line 12.7 as a % of Col. 6	17.3	49.6	17.6	5.9	9.6	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	15.8	45.4	16.1	5.4	8.8	91.5	XXX	XXX	XXX	91.5	XXX
13. Total Privately Placed Bonds											
13.1 Issuer Obligations	2,998,901	23,897,941	0	360,870	6,041,180	33,298,892	8.2	10,141,567	2.3	XXX	33,298,892
13.2 Single Class Mortgage-Backed/Asset-Backed Securities MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES	0	0	0	0	0	0	0.0	0	0	XXX	0
13.3 Defined	0	0	0	0	0	0	0.0	0	0	XXX	0
13.4 Other MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES	0	0	0	0	0	0	0.0	0	0	XXX	0
13.5 Defined	66,566	0	0	0	0	66,566	0.0	3,408,772	0.8	XXX	66,566
13.6 Other	0	0	0	0	1,120,000	1,120,000	0.3	11,048,706	2.6	XXX	1,120,000
13.7 Totals	3,065,467	23,897,941	0	360,870	7,161,180	34,485,458	8.5	24,599,045	5.7	XXX	34,485,458
13.8 Line 13.7 as a % of Col. 6	8.9	69.3	0.0	1.0	20.8	100.0	XXX	XXX	XXX	XXX	100.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	0.8	5.9	0.0	0.1	1.8	8.5	XXX	XXX	XXX	XXX	8.5

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ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

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.....	63,057,684	63,057,684	0	0	0
2. Cost of short-term investments acquired	164,803,446	164,803,446			
3. Accrual of discount.....	0				
4. Unrealized valuation increase (decrease).....	0				
5. Total gain (loss) on disposals.....	0				
6. Deduct consideration received on disposals.....	191,920,395	191,920,395			
7. Deduct amortization of premium.....	0				
8. Total foreign exchange change in book/adjusted carrying value.....	0				
9. Deduct current year's other than temporary impairment recognized.....	0				
10. Book adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	35,940,735	35,940,735	0	0	0
11. Deduct total nonadmitted amounts.....	0				
12. Statement value at end of current period (Line 10 minus Line 11)	35,940,735	35,940,735	0	0	0

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

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Schedule DB - Part A - VBY

NONE

Schedule DB - Part B - VBY

NONE

Schedule DB - Part C - VBY

NONE

Schedule DB - Part D - VBY

NONE

Schedule DB - Part E - VBY

NONE

Schedule DB - Part F - Section 1

NONE

Schedule DB - Part F - Section 2

NONE

Schedule E - Verification

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

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

SCHEDULE BA - PART 1

Showing Other Long-Term Invested Assets OWNED December 31 of Current Year

1 CUSIP Identification	2 Name or Description	3 Code	4 Location		6 Name of Vendor or General Partner	7 NAIC Designation	8 Date Originally Acquired	9 Type and Strategy	10 Actual Cost	11 Fair Value	12 Book/ Adjusted Carrying Value Less Encumbrances	Change in Book/Adjusted Carrying Value					18 Investment Income	19 Commitment for Additional Investment	20 Percentage of Ownership
			4 City	5 State								13 Unrealized Valuation Increase (Decrease)	14 Current Year's (Depreciation) or (Amortization)/ Accretion	15 Current Year's Other than Temporary Impairment Recognized	16 Capitalized Deferred Interest and Other	17 Total Foreign Exchange Change in B. / A.C.V.			
.64952G-AE-8	New York Life Insurance Series 144A 5		New York	NY	Lehman Brothers	1FE	05/05/2003		1,089,264	1,014,156	1,090,255	0	187	0	0	0	64,625	0	0.000
2199999 - Surplus Debentures, etc. - Unaffiliated									1,089,264	1,014,156	1,090,255	0	187	0	0	64,625	0	XXX	
.000000-00-0	Investment in Subsidiary (ACA Service)		New York	NY	ACA Service LLC				26,010,780										100.000
3899999 - Any Other Class of Assets - Affiliated									26,010,780										XXX
3999999 - Total Unaffiliated									1,089,264	1,014,156	1,090,255	0	187	0	0	64,625	0	XXX	
4099999 - Total Affiliated									26,010,780									XXX	
4199999 Totals									27,100,044	1,014,156	1,090,255	0	187	0	0	64,625	0	XXX	

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Schedule BA - Part 2

NONE

Schedule BA - Part 3

NONE

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

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	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	Maturity
.31339X-2M-5.	Fed Home Ln Bank				.1.	3,914,432	105.7500	4,335,750	4,100,000	4,007,892	.0	24,073	.0	.0	3.875	4.585	JD	7,502	158,875	12/06/2006	06/14/2013
.3133MT-ZL-5.	Fed Hm Ln Bk Bd.				.1.	4,023,040	107.2810	4,291,240	4,000,000	4,009,431	.0	(3,075)	.0	.0	4.500	4.410	MN	23,000	180,000	03/04/2005	11/15/2012
.3133X2-6Y-6.	Fed Home Ln Bank				.1.	4,079,166	109.8130	4,282,707	4,000,000	3,981,970	.0	(21,930)	.0	.0	5.130	4.455	MN	20,563	200,070	03/04/2005	05/24/2013
.3134A4-UK-8.	Freddie Mac				.1.	16,205,312	109.4380	17,510,080	16,000,000	16,091,151	.0	(21,222)	.0	.0	4.875	4.711	MN	99,667	780,000	02/22/2006	11/15/2013
.3134A4-UM-4.	Freddie Mac				.1.	4,391,661	108.0940	4,864,230	4,500,000	4,439,695	.0	13,139	.0	.0	4.500	4.868	JJ	93,375	202,500	06/27/2006	01/15/2014
.31359M-HK-2.	FNMA				.1.	3,608,469	105.6880	3,699,080	3,500,000	3,527,704	.0	(22,024)	.0	.0	5.500	4.810	MS	56,681	192,500	02/22/2006	03/15/2011
.31359M-PF-4.	FNMA				.1.	3,954,000	107.0940	4,283,760	4,000,000	3,980,118	.0	6,673	.0	.0	4.375	4.570	MS	51,528	175,000	10/07/2005	09/15/2012
.31359M-UT-8.	FNMA				.1.	4,500,502	106.3440	4,999,231	4,701,000	4,600,629	.0	20,620	.0	.0	4.125	4.679	AO	40,938	193,916	08/20/2004	04/15/2014
.31359M-XH-1.	FNMA				.1.	3,677,688	100.4380	3,816,644	3,800,000	3,795,603	.0	31,996	.0	.0	3.875	4.758	FA	55,628	147,250	01/26/2006	02/15/2010
.912827-7L-0.	US Treasury Note	SD			.1.	3,838,595	107.6020	4,126,537	3,835,000	3,836,302	.0	(660)	.0	.0	4.875	4.855	FA	70,617	186,956	08/09/2006	02/15/2012
.912827-7L-0.	US Treasury Note				.1.	200,187	107.6020	215,204	200,000	200,068	.0	(34)	.0	.0	4.875	4.855	FA	3,683	9,750	08/09/2006	02/15/2012
.912828-CT-5.	US Treasury				.1.	861,413	107.8830	922,400	855,000	858,292	.0	(640)	.0	.0	4.250	4.157	FA	13,725	36,338	09/08/2004	08/15/2014
0199999	Total Bonds - U.S. Government - Issuer Obligations					53,254,465	XXX	57,346,863	53,391,000	53,328,854	.0	26,915	.0	.0	XXX	XXX	XXX	536,906	2,463,155	XXX	XXX
.36200A-BE-8.	GNMA Pool 595037			2.	.1.	7,066	106.8280	7,331	6,862	7,055	.0	(4)	.0	.0	6.000	5.230	MON	34	412	11/04/2003	10/15/2032
.36200A-CW-7.	GNMA Pool 595085			2.	.1.	252,566	106.8280	262,032	245,284	251,818	.0	(158)	.0	.0	6.000	5.598	MON	1,226	14,717	11/04/2003	10/15/2032
.36200E-TY-7.	GNMA Pool 599167			2.	.1.	306,403	106.7030	317,515	297,569	305,026	.0	(248)	.0	.0	6.000	5.778	MON	1,488	17,854	11/04/2003	12/15/2033
.36200M-AT-0.	GNMA Pool 604018			2.	.1.	2,774,765	105.5200	2,845,459	2,696,606	2,768,457	.0	(1,642)	.0	.0	5.500	4.981	MON	12,359	148,313	04/22/2003	02/15/2033
.36200M-EN-9.	GNMA Pool 604141			2.	.1.	112,012	106.7030	116,075	108,783	111,786	.0	(75)	.0	.0	6.000	5.436	MON	544	6,527	11/04/2003	03/15/2033
.362000-ZR-4.	GNMA Pool 569684			2.	.1.	131,304	106.8280	136,225	127,519	130,990	.0	(78)	.0	.0	6.000	5.473	MON	638	7,651	11/04/2003	02/15/2032
.36200R-LX-8.	GNMA Pool 570142			2.	.1.	68,252	106.8280	70,810	66,284	68,109	.0	(26)	.0	.0	6.000	5.390	MON	331	3,977	11/04/2003	12/15/2031
.36200R-XT-4.	GNMA Pool 570490			2.	.1.	6,925	106.8280	7,184	6,725	6,908	.0	(3)	.0	.0	6.000	5.459	MON	34	404	11/04/2003	12/15/2031
.36200S-US-7.	GNMA Pool 571293			2.	.1.	10,840	106.8280	11,247	10,528	10,786	.0	(31)	.0	.0	6.000	5.762	MON	53	632	11/04/2003	11/15/2031
.36201A-PF-9.	GNMA Pool 577422			2.	.1.	20,645	106.8280	21,419	20,050	20,612	.0	(10)	.0	.0	6.000	5.228	MON	100	1,203	11/04/2003	01/15/2032
.36201D-AX-0.	GNMA Pool 579722			2.	.1.	134,634	106.8280	139,680	130,752	134,352	.0	(118)	.0	.0	6.000	5.425	MON	654	7,845	11/04/2003	08/15/2032
.36201E-AG-5.	GNMA Pool 580607			2.	.1.	35,834	106.7030	37,134	34,801	35,743	.0	(15)	.0	.0	6.000	5.546	MON	174	2,088	11/04/2003	02/15/2033
.36201F-AF-4.	GNMA Pool 581506			2.	.1.	8,428	106.7030	8,734	8,185	8,416	.0	(3)	.0	.0	6.000	5.171	MON	41	491	11/04/2003	04/15/2033
.36201K-JQ-0.	GNMA Pool 585371			2.	.1.	68,634	106.8280	71,207	66,656	68,549	.0	(19)	.0	.0	6.000	4.935	MON	333	3,999	11/04/2003	04/15/2032
.36201Y-FD-3.	GNMA Pool 606864			2.	.1.	25,179	106.7030	26,092	24,453	25,145	.0	(9)	.0	.0	6.000	5.201	MON	122	1,467	11/04/2003	10/15/2033
.36207E-ND-2.	GNMA Pool 429788			2.	.1.	119,850	106.7030	124,196	116,394	119,604	.0	30	.0	.0	6.000	5.478	MON	582	6,984	11/04/2003	12/15/2033
.36210J-HW-1.	GNMA Pool 493545			2.	.1.	5,424	106.8280	5,627	5,268	5,412	.0	4	.0	.0	6.000	5.387	MON	26	316	11/04/2003	03/15/2031
.36213F-U4-3.	GNMA Pool 553303			2.	.1.	2,217	106.7030	2,297	2,153	2,214	.0	.0	.0	.0	6.000	4.200	MON	11	129	11/04/2003	06/15/2033
.36213R-2A-4.	GNMA Pool 562469			2.	.1.	1,340,179	103.5280	1,380,396	1,333,356	1,339,286	.0	256	.0	.0	5.000	4.956	MON	5,556	66,668	02/13/2004	02/15/2034
.36213R-ZF-7.	GNMA Pool 562442			2.	.1.	579,815	105.4260	595,097	564,468	577,399	.0	(1,841)	.0	.0	5.500	5.296	MON	2,587	31,046	01/16/2004	01/15/2034
.36213T-GW-7.	GNMA Pool 563713			2.	.1.	107,076	106.7030	110,959	110,959	106,806	.0	(90)	.0	.0	6.000	5.538	MON	520	6,239	11/04/2003	01/15/2033
.36213U-EZ-9.	GNMA Pool 564552			2.	.1.	12,138	106.8280	12,593	11,788	12,079	.0	(39)	.0	.0	6.000	5.755	MON	59	707	11/04/2003	12/15/2031
.36213V-GN-2.	GNMA Pool 565505			2.	.1.	6,795	106.8280	7,050	6,599	6,785	.0	3	.0	.0	6.000	5.203	MON	33	396	11/04/2003	09/15/2032
.36290X-PM-6.	GNMA Pool 620628			2.	.1.	136,575	106.7030	141,527	132,637	136,322	.0	112	.0	.0	6.000	5.411	MON	663	7,958	11/04/2003	09/15/2033
.36290X-PT-1.	GNMA Pool 620634			2.	.1.	122,413	106.7030	126,852	118,884	122,291	.0	32	.0	.0	6.000	4.467	MON	594	7,133	11/04/2003	09/15/2033
.36290Y-TN-8.	GNMA Pool 621657			2.	.1.	2,120	106.7030	2,196	2,058	2,110	.0	(2)	.0	.0	6.000	5.780	MON	10	124	11/04/2003	12/15/2033
.36291C-PV-1.	GNMA Pool 624236			2.	.1.	20,905	106.7030	21,663	20,302	20,883	.0	56	.0	.0	6.000	4.719	MON	102	1,218	11/04/2003	12/15/2033
.36291E-AD-3.	GNMA Pool 625604			2.	.1.	30,275	106.7030	31,373	29,402	30,235	.0	(12)	.0	.0	6.000	5.185	MON	147	1,764	11/04/2003	12/15/2033
.36291E-AV-3.	GNMA Pool 625620			2.	.1.	5,445	106.7030	5,643	5,288	5,435	.0	(3)	.0	.0	6.000	5.442	MON	26	317	11/04/2003	12/15/2033
.36296X-H8-0.	GNMA POOL 704155			2.	.1.	19,185,713	104.8950	19,520,926	18,609,968	19,176,825	.0	(8,889)	.0	.0	5.500	5.103	MON	85,296	938,253	12/18/2008	01/15/2039
0299999	Total Bonds - U.S. Government - Single Class Mortgage-Backed/Asset-Backed Securities					25,640,426	XXX	26,166,537	24,913,609	25,617,438	.0	(12,818)	.0	.0	XXX	XXX	XXX	114,344	1,286,832	XXX	XXX
0399999	Total - U.S. Government Bonds					78,894,891	XXX	83,513,400	78,304,609	78,946,293	.0	14,097	.0	.0	XXX	XXX	XXX	651,249	3,749,987	XXX	XXX
.14052W-AP-2.	Capital Tr Agy Fla Rev Seminole Tribe Co.			1.	.1FE	1,000,000	122.0110	1,220,110	1,000,000	1,000,000	.0	.0	.0	.0	8.950	8.950	AO	22,375	89,500	05/15/2003	10/01/2033
.524805-F4-5.	Lehigh Cnty Pa Gen Purp Auth.			1.	.5FE	3,550	75.4760	3,774	5,000	3,609	.0	59	.0	.0	6.000	11,000	MN	50	150	04/30/2009	11/01/2018
.745190-LV-8.	Puerto Rico Hwy & Trans Rev.	SD		3FE		860,633	105.7310	792,983	750,000	785,073	64,098	(13,193)	.0	.0	5.500	3,529	JJ	20,625	41,250	09/18/2003	07/01/2012
2599999	Total Bonds - U.S. Special Revenue - Issuer Obligations					1,864,182	XXX	2,016,866	1,755,000	1,788,682	64,098	(13,133)	.0	.0	XXX	XXX	XXX	43,050	130,900	XXX	XXX
.31387C																					

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

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	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	Maturity
31359S-26-4	Fanniemae Whole Loan NW 2001-W1 AF6			2	1	237,907	99.8960	228,897	229,135	250,399	.0	4,804	.0	.0	6.902	5.916	MON	1,318	15,815	02/20/2004	06/25/2031
31393W-K4-0	Freddie Mac 2643 OH			2	1	4,509,375	100.9480	5,047,400	5,000,000	4,563,287	.0	28,292	.0	.0	5.000	6.041	MON	20,833	250,000	06/07/2007	07/15/2033
31394D-JJ-0	Fannie Mae 2005-29 QE			2	1	4,497,656	101.3720	5,068,600	5,000,000	4,560,796	.0	35,585	.0	.0	5.000	6.123	MON	20,833	250,000	06/07/2007	04/25/2035
31394Y-KX-1	Freddie Mac 2791 UG			2	1	3,182,562	104.7630	3,363,579	3,210,655	3,191,720	.0	2,739	.0	.0	5.000	5.138	MON	13,378	160,533	11/08/2004	05/15/2019
31395J-W5-1	Freddie Mac Series 2888 Class HG			2	1	2,843,438	101.2700	3,038,100	3,000,000	2,881,173	.0	18,282	.0	.0	5.000	5.554	MON	12,500	150,000	11/02/2004	11/15/2034
2799999	Total Bonds - U.S. Spectral Revenue - Defined Multi-Class Residential Mortgage-Backed Securities					15,270,937	XXX	16,746,575	16,439,790	15,447,375	.0	89,702	.0	.0	XXX	XXX	XXX	68,862	826,347	XXX	XXX
3199999	Total - U.S. Special Revenue Bonds					51,659,101	XXX	54,629,018	52,124,377	51,722,061	.0	64,098	.0	.0	XXX	XXX	XXX	272,996	2,890,255	XXX	XXX
00184A-AC-9	Time Warner Inc.				2FE	1,127,179	116.1630	1,080,316	930,000	1,109,062	.0	(4,077)	.0	.0	7.625	6.009	AO	14,970	75,563	01/04/2005	04/15/2031
00206R-AP-7	AT&T Inc.				1FE	1,090,510	112.8250	1,128,250	1,000,000	1,074,011	.0	(16,499)	.0	.0	6.700	4.590	MN	8,561	66,628	01/09/2009	11/15/2013
00209A-AF-3	AT&T Wireless Svcs Inc.				1FE	846,996	129.2310	775,386	600,000	823,450	.0	(5,346)	.0	.0	8.750	5.698	MS	17,500	52,500	02/08/2005	03/01/2031
002819-AA-8	Abbott Labs.				1FE	2,998,830	109.2950	3,278,850	3,000,000	2,999,226	.0	197	.0	.0	6.150	5.158	MN	13,304	154,500	11/06/2007	11/30/2012
020002-AN-1	Allstate Corporation				1FE	1,617,660	108.2780	1,624,170	1,500,000	1,534,325	.0	(15,021)	.0	.0	5.255	4.972	FA	34,708	91,875	09/11/2003	02/15/2012
02209S-AC-7	Allria Group Inc.				2FE	4,310,124	115.5630	4,449,176	3,850,000	4,267,400	.0	(42,723)	.0	.0	8.500	5.329	MN	46,360	242,250	09/23/2009	11/10/2013
025816-AV-1	Amercan Express				1FE	1,495,905	104.8600	1,572,900	1,500,000	1,498,365	.0	830	.0	.0	5.250	5.313	MS	23,844	78,750	09/08/2006	09/12/2011
0258M0-CY-3	Amer Express Credit Co.				1FE	3,336,540	112.3880	3,371,640	3,000,000	3,314,747	.0	(21,793)	.0	.0	7.300	4.159	FA	79,692	0	09/18/2009	08/20/2013
026870-BC-1	Amer Intl Group				1FE	399,636	82.7540	331,016	400,000	399,694	.0	32	.0	.0	5.600	5.612	AO	4,542	22,400	10/13/2006	10/18/2016
031162-AZ-3	Amgen Inc.				1FE	997,770	107.2350	1,072,350	1,000,000	997,909	.0	139	.0	.0	5.700	5.729	FA	23,750	30,875	01/13/2009	02/01/2019
03523T-AA-6	Anheuser Busch Inbev Wor 144A				2FE	1,849,445	113.4160	2,098,196	1,850,000	1,849,469	.0	24	.0	.0	7.200	7.207	JJ	61,420	67,710	01/07/2009	01/15/2014
039483-AU-6	Archer Daniels				1FE	974,020	96.4180	964,180	1,000,000	975,589	.0	420	.0	.0	5.375	5.554	MS	15,826	53,750	09/19/2005	09/15/2035
060505-BF-0	Bank of America Corp.				1FE	4,819,373	103.2360	4,986,299	4,830,000	4,827,870	.0	2,013	.0	.0	4.375	4.421	JD	21,313	211,313	05/20/2004	12/01/2011
079860-AK-8	Bellsouth Corp.				1FE	950,745	97.5830	912,401	935,000	949,610	.0	(256)	.0	.0	6.000	5.879	MN	7,168	56,100	01/04/2005	11/15/2034
097014-AH-7	Boeing Capital Corp.				1FE	430,020	108.9000	435,600	400,000	411,678	.0	(3,495)	.0	.0	5.800	4.756	JJ	10,698	23,200	02/12/2004	01/15/2013
120568-AH-3	Bunge LTD Finance Corp.				2FE	1,043,648	104.0920	1,040,920	1,000,000	1,017,996	.0	(4,775)	.0	.0	5.875	5.283	MN	7,507	58,750	10/14/2003	05/15/2013
14040H-AS-4	Capital One Financial Co.				2FE	3,367,050	113.2230	3,396,690	3,000,000	3,350,103	.0	(16,947)	.0	.0	7.375	4.422	MN	23,354	111,240	10/01/2009	05/23/2014
171232-AF-8	Chubb Corporation				1FE	401,985	107.4330	392,130	365,000	375,099	.0	365	.0	.0	6.000	4.440	MN	2,798	21,900	02/10/2004	11/15/2011
172967-BU-4	Citigroup Inc.				1FE	1,351,025	84.3550	1,054,438	1,250,000	1,342,141	.0	(1,991)	.0	.0	5.875	5.317	FA	26,315	73,438	02/08/2005	02/22/2033
172967-DY-4	Citigroup Inc.				1FE	1,992,380	94.6330	1,892,660	2,000,000	1,994,038	.0	651	.0	.0	5.500	5.550	FA	41,556	110,000	02/05/2007	02/15/2017
172967-EM-9	Citigroup Inc.				1FE	2,987,160	100.7980	3,023,940	3,000,000	2,989,020	.0	1,029	.0	.0	6.125	6.183	MN	20,417	183,750	11/14/2007	11/21/2017
191216-AK-6	Coca - Cola Co.				1FE	4,742,923	107.7220	5,116,795	4,750,000	4,743,943	.0	572	.0	.0	5.350	5.369	MN	32,472	254,125	10/29/2007	11/15/2017
191219-BT-0	Coca Cola Enterprises				1FE	2,238,040	115.9600	2,319,200	2,000,000	2,197,435	.0	(40,605)	.0	.0	7.375	4.737	MS	48,347	122,917	01/09/2009	03/03/2014
20030N-AC-5	Comcast Corp.				2FE	1,406,991	109.1830	1,315,655	1,205,000	1,390,469	.0	(3,722)	.0	.0	7.050	5.830	MS	25,014	84,953	02/08/2005	03/15/2033
20825C-AE-4	Conocophillips				1FE	574,571	107.1540	605,420	565,000	568,466	.0	(1,153)	.0	.0	4.750	4.511	AO	5,666	26,838	02/10/2004	10/15/2012
20825R-AB-7	Conocophil				1FE	1,488,660	108.5950	1,628,925	1,500,000	1,493,994	.0	1,581	.0	.0	5.500	5.632	AO	17,417	82,500	04/13/2006	04/15/2013
209111-EP-4	Consolidated Edison				1FE	997,160	104.1370	1,041,370	1,000,000	997,834	.0	247	.0	.0	5.300	5.337	JD	4,417	53,000	11/28/2006	12/01/2016
22238H-G0-7	Countrywide Finl Corp MTN				1FE	1,497,105	106.1510	1,592,265	1,500,000	1,498,415	.0	563	.0	.0	5.800	5.845	JD	5,800	87,000	06/04/2007	06/07/2012
224044-BH-9	Cox Communications				2FE	1,512,420	106.1280	1,591,920	1,500,000	1,506,827	.0	(1,008)	.0	.0	5.500	5.405	AO	20,625	82,500	09/24/2003	10/01/2015
25179S-AD-2	Devon Financing Corp.				2FE	864,793	125.2910	814,392	650,000	844,639	.0	(4,564)	.0	.0	7.875	5.497	MS	12,939	51,188	02/08/2005	09/30/2031
254687-AW-6	Walt Disney Company				1FE	990,260	106.2250	1,062,250	1,000,000	992,055	.0	1,764	.0	.0	4.500	4.722	JD	4,125	44,125	12/17/2008	12/15/2013
25468P-BX-3	Walt Disney Company				2FE	1,083,370	109.2310	1,092,310	1,000,000	1,023,139	.0	(9,877)	.0	.0	6.375	5.227	MS	21,250	63,750	11/20/2002	03/01/2012
25746U-AN-9	Dominion Resources Inc.				2FE	664,908	103.8350	623,010	600,000	659,421	.0	(1,239)	.0	.0	6.300	5.536	MS	11,130	37,800	02/08/2005	03/15/2033
263534-B0-1	Dupont El Nemour				1FE	996,540	105.6940	1,056,940	1,000,000	997,382	.0	301	.0	.0	5.250	5.295	JD	2,333	52,500	12/12/2006	12/15/2016
26442C-AA-2	Duke Energy Carolinas				1FE	1,199,844	104.9210	1,259,052	1,200,000	1,199,762	.0	2	.0	.0	6.100	6.101	JD	6,100	73,200	05/31/2007	06/01/2037
291011-AT-1	Emerson Electric				1FE	826,954	106.0800	880,464	830,000	828,784	.0	318	.0	.0	4.500	4.546	MN	6,225	37,350	04/24/2003	05/01/2013
341081-EU-7	Florida Pwr & Light				1FE	1,134,676	97.4060	1,110,428	1,140,000	1,134,969	.0	87	.0	.0	5.400	5.431	MS	20,520	61,560	09/19/2005	09/01/2035
369550-AL-2	General Dynamics				1FE	1,502,400	102.5810	1,538,715	1,500,000	1,500,213	.0	(438)	.0	.0	4.500	4.469	FA	25,500	67,500	07/02/2004	08/15/2010
369626-4C-5	General Elec Cap Corp.				1FE	4,367,880	108.1070	4,324,280	4,000,000	4,357,022	.0	(10,858)	.0	.0	5.900	3.668	MN	31,467	118,000	11/05/2009	05/13/2014
369626-ZY-3	General Elec Cap Corp.				1FE	1,040,460	106.3090	1,063,090	1,000,000	1,015,612	.0	(4,663)	.0	.0	5.450	4.890	JJ	25,131	54,500	12/30/2003	01/15/2013
38141E-A2-5	Goldman Sachs Group Inc.				1FE	1,814,443	116.5800	2,156,730	1,850,000	1,816,481	.0	2,038	.0	.0	7.500	7.729	FA	52,417	73,229	01/29	

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

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	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	Maturity
459745-FQ-3	International Lease Fin Corp.				2FE	1,996,900	.96	1,921,080	2,000,000	1,999,416	.0	.652	.0	.0	4.875	4.910	MS	32,500	97,500	08/18/2005	09/01/2010
478366-AQ-0	Johnson Controls				2FE	724,906	.104	760,822	725,000	724,960	.0	.20	.0	.0	5.250	5.253	JJ	17,551	38,063	01/09/2006	01/15/2011
494368-AX-1	Kimberly-Clark Corp.				1FE	1,013,711	.108	1,021,716	1,015,000	1,014,400	.0	.131	.0	.0	5.000	5.016	FA	19,172	50,750	07/31/2003	08/15/2013
496820-AB-7	Kingsway America Inc.			1	5FE	337,038	.57	337,038	590,000	337,038	188,968	(.68)	253,063	.0	7.500	7.486	FA	18,438	44,250	07/28/2004	02/01/2012
548661-CJ-4	Lowe's Companies				1FE	1,487,550	.98	1,471,920	1,500,000	1,488,217	.0	.200	.0	.0	5.500	5.557	AO	17,417	82,500	10/03/2005	10/15/2035
58013M-EC-4	McDonalds Corp.				1FE	1,646,040	.108	1,453,475	1,650,000	1,645,937	.0	.50	.0	.0	6.300	6.318	AO	21,945	103,950	10/15/2007	10/15/2037
59217E-BW-3	Met Life Glob Funding I Series 144A				1FE	3,172,680	.105	3,174,900	3,000,000	3,164,751	.0	(7,929)	.0	.0	5.125	3.770	JD	8,969	76,875	10/01/2009	06/10/2014
595620-AF-2	Midamerican Energy Company				1FE	2,498,925	.107	2,954,000	2,500,000	2,499,400	.0	.189	.0	.0	5.650	5.659	JJ	65,132	141,250	06/26/2007	07/15/2012
61747Y-CF-0	Morgan Stanley				1FE	3,222,330	.107	3,225,600	3,000,000	3,212,235	.0	(10,095)	.0	.0	6.000	4.208	MN	24,000	90,000	10/06/2009	05/13/2014
61748A-AE-6	Morgan Stanley				1FE	2,244,409	.100	2,313,225	2,300,000	2,271,127	.0	5,889	.0	.0	4.750	5.079	AO	27,313	109,250	12/17/2004	04/01/2014
620076-AX-7	Motorola Inc.				2FE	628,399	.106	649,820	525,000	553,132	.0	(14,353)	.0	.0	8.000	4.902	MN	7,000	42,000	02/10/2004	11/01/2011
64952W-AE-3	New York Life Global FDG 144 A				1FE	2,993,070	.101	3,056,040	3,000,000	2,998,901	.0	1,462	.0	.0	4.625	4.677	FA	52,031	138,750	08/02/2005	08/16/2010
652482-BJ-8	News America Inc.				2FE	752,697	.100	703,507	700,000	749,001	.0	(878)	.0	.0	6.200	5.672	JD	1,929	43,400	04/01/2005	12/15/2034
718172-AG-4	Philip Morris Intl Inc.				1FE	3,433,140	.113	3,399,360	3,000,000	3,409,663	.0	(23,477)	.0	.0	6.875	3.368	MS	59,583	.0	09/23/2009	03/17/2014
725906-AH-4	Placer Dome				1FE	1,012,747	.98	980,230	1,000,000	1,011,525	.0	(219)	.0	.0	6.375	6.279	MS	21,250	63,750	07/11/2003	03/01/2033
74153W-BY-4	Pricoa Global Funding 1 Series 144A				1FE	3,178,560	.106	3,183,120	3,000,000	3,170,430	.0	(8,130)	.0	.0	5.450	4.040	JD	9,083	81,750	10/01/2009	06/11/2014
743263-AJ-4	Progress Energy Inc.				2FE	907,433	.108	879,247	810,000	843,746	.0	(13,643)	.0	.0	6.850	4.899	AO	11,714	55,485	11/04/2004	04/15/2012
78387G-AP-8	SBC Communications				1FE	1,293,588	.107	1,566,000	1,250,000	1,294,095	.0	.148	.0	.0	5.100	5.115	MS	19,447	66,045	10/27/2004	09/15/2014
852060-AT-9	Sprint Capital				3FE	1,129,268	.94	801,125	850,000	801,125	232,620	(5,245)	.0	.0	8.750	6.228	MS	21,899	74,375	12/17/2004	03/15/2032
87612E-AR-7	Target Corp.				1FE	997,220	.109	1,096,540	1,000,000	997,195	.0	34	.0	.0	6.500	6.521	AO	13,722	65,000	10/02/2007	10/15/2037
88732J-AG-3	Time Warner Cable Inc.				2FE	998,218	.106	843,430	1,000,000	999,033	.0	.351	.0	.0	5.400	5.442	JJ	26,850	54,000	10/30/2007	07/02/2012
88732J-AQ-1	Time Warner Cable Inc.				2FE	4,105,500	.116	4,090,590	3,500,000	4,072,537	.0	(32,963)	.0	.0	8.250	3.910	FA	109,885	.0	09/23/2009	02/14/2014
90130N-AB-9	21st Century Insurance				2FE	1,997,464	.98	1,966,020	2,000,000	1,998,743	.0	.259	.0	.0	5.900	5.917	JD	5,244	118,000	07/08/2004	12/15/2013
907818-BY-3	Union Pacific Corp.				2FE	272,645	.110	267,549	235,000	267,549	.0	(991)	.0	.0	7.125	5.871	FA	6,977	16,744	02/10/2004	02/01/2028
91913Y-AE-0	Valero Energy Corp.				2FE	514,564	.102	411,352	400,000	504,176	.0	(2,352)	.0	.0	7.500	5.464	AO	6,333	30,000	02/08/2005	04/15/2032
92344G-AX-4	Verizon Global				1FE	1,191,432	.97	1,170,156	1,200,000	1,191,829	.0	.131	.0	.0	5.850	5.901	MS	20,670	70,200	09/08/2005	09/15/2035
92344S-AJ-9	Cellco Part/Veri Wireless				1FE	2,144,310	.114	2,297,340	2,000,000	2,139,561	.0	(4,749)	.0	.0	7.375	5.353	MN	18,847	73,750	11/10/2009	11/15/2013
92344U-AA-3	Verizon New Jersey Series A				2FE	1,585,740	.106	1,598,160	1,500,000	1,524,381	.0	(11,074)	.0	.0	5.875	5.027	JJ	40,146	88,125	09/09/2003	01/17/2012
92553P-AE-2	Viacom Inc.				1FE	4,095,000	.103	4,125,040	4,000,000	4,092,431	.0	(2,569)	.0	.0	4.375	3.832	MS	60,764	.0	11/04/2009	09/15/2014
949746-MZ-1	Wells Fargo & Co.				1FE	3,992,400	.102	3,559,900	4,000,000	3,998,807	.0	1,616	.0	.0	4.625	4.668	FA	72,972	185,000	08/01/2005	08/09/2010
983024-AL-4	Wyeth				1FE	991,344	.104	1,044,610	1,000,000	991,714	.0	.127	.0	.0	6.000	6.063	FA	22,667	61,500	02/08/2006	02/15/2036
C06305-25-1	Bank of Hawaii C.D.	SD			1	50,000	.0	50,000	50,000	50,000	.0	.0	.0	.0	0.800	0.800	MA	206	.0	06/30/2009	06/30/2011
15135U-AA-7	Cenovus Energy Inc Series 144A		A		2FE	3,065,820	.103	3,096,750	3,000,000	3,062,575	.0	(3,245)	.0	.0	4.500	4.008	MS	38,625	.0	09/23/2009	09/15/2014
00083P-AA-2	ACA ABS 2007-3 144A		F		1FE	4,636,593	.27	4,331,105	15,507,000	4,894,027	.0	148,806	.0	.0	0.000	3.056	FMAN	.0	.0	06/30/2007	05/07/2047
00279V-CA-1	Abbey Natl Treasury Serv Series 144A		F		1FE	3,999,080	.100	4,014,240	4,000,000	3,998,953	.0	(127)	.0	.0	3.875	3.880	MN	21,958	.0	11/04/2009	11/10/2014
034863-AA-8	Anglo America Capital Series 144A		F		2FE	3,511,260	.119	3,599,820	3,000,000	3,496,332	.0	(14,928)	.0	.0	9.375	5.018	AO	64,844	.0	11/05/2009	04/08/2014
04530D-AB-8	Aspen Insurance		R		2FE	1,066,956	.101	1,065,396	1,070,000	1,068,252	.0	.303	.0	.0	6.000	6.039	FA	24,253	64,200	04/04/2005	08/15/2014
06739F-FZ-9	Barclays Bank Plc.		F		1FE	3,163,380	.106	3,180,030	3,000,000	3,156,116	.0	(7,264)	.0	.0	5.200	3.933	JJ	74,100	.0	10/01/2009	07/10/2014
111021-AD-3	British Telecom PLC		F		2FE	1,181,240	.107	1,071,320	1,000,000	1,026,416	.0	(25,468)	.0	.0	9.125	5.553	JD	4,056	88,750	11/20/2002	12/15/2010
11102A-AB-7	British Telecom PLC		F		2FE	4,157,200	.104	4,171,160	4,000,000	4,145,737	.0	(11,463)	.0	.0	5.150	3.867	JJ	94,989	.0	09/23/2009	01/15/2013
225460-AA-5	Credit Suisse New York		R		1FE	3,245,850	.108	3,255,600	3,000,000	3,234,008	.0	(11,842)	.0	.0	5.500	3.541	MN	27,500	81,125	10/01/2009	05/01/2014
26156F-AA-1	Dresdner Fndg Trust I Series 144A		F	1	5FE	664,890	.72	360,870	500,000	360,870	(286,193)	(4,062)	.0	.0	8.151	5.644	JD	113	40,760	02/08/2005	06/30/2029
268317-AA-2	Electricite De France 144A		F		1FE	1,992,060	.108	2,174,180	2,000,000	1,993,286	.0	1,226	.0	.0	5.500	5.592	JJ	47,361	55,000	01/21/2009	01/26/2014
55608J-AA-6	Macquarie Group Ltd Series 144A		R		2FE	3,170,430	.108	3,241,410	3,000,000	3,162,146	.0	(8,284)	.0	.0	7.300	5.934	FA	88,208	.0	09/18/2009	08/01/2014
677788-AA-9	Oil Casualty Insurance Series 144A		F		2FE	1,146,973	.77	852,000	1,155,000	1,147,153	.0	.96	.0	.0	8.000	8.062	MS	27,207	92,400	09/14/2004	09/15/2034
81013T-AB-7	Scottish Power PLC		F		1FE	934,935	.106	992,736	935,000	934,875	.0	.7	.0	.0	5.375	5.376	MS	14,798	50,256	03/15/2005	03/15/2015
87927V-AL-2	Telecom Italia Capital		R		2FE	4,140,200	.103	4,145,920	4,000,000	4,136,364	.0	(3,836)	.0	.0	4.950	4.150	MS	50,500	.0	11/04/2009	09/30/2014
902118-BM-9	Tyco International Finan.		F		2FE	2,989,590	.3	3,066,690	3,000,000	2,989,875	.0	285	.0	.0	4.125	4.202	AO	29,563	.0	09/30/2009	10/15/2014
3299999	Total Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations					180,624,848	.XXX	182,980,665	184,248,000	179,340,489	135,395	(270,245)	253,063	.0	XXX	XXX	XXX	2,560,088</			

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

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	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	Maturity
.07383F-7W-2	Bear Stearns Comm Mtg 2005-PWR8 A4			2	1FE	5,887,266	.95	5,739,600	6,000,000	5,930,471	.0	11,016	.0	.0	4.674	4.957	MON	23,370	280,440	.08/03/2005	.06/11/2041
.07383F-U4-8	Bear Stearns Comm Mtg 2004-T16			2	1FE	495,695	.100	493,965	492,949	492,486	.0	(161)	.0	.0	4.030	3.893	MON	1,655	19,866	.10/20/2004	.06/13/2010
.07387B-AH-6	Bear Stearns Commerical Mort 2005-PWR9 A			2	1FE	1,005,490	.95	958,680	1,000,000	1,002,843	.0	(671)	.0	.0	4.871	4.830	MON	4,059	48,710	.09/11/2005	.08/11/2015
.07387B-CL-5	Bear Stearns Commerical Mort BSCMS 2005			2	1FE	4,081,410	.98	3,984,484	4,060,000	4,070,809	.0	(2,874)	.0	.0	5.149	5.109	MON	17,422	211,612	.01/12/2006	.09/12/2015
.12513E-AG-9	Citigroup Deutsche Bank 2005-CD1 A4 Commercial Mtg Pass-Through 2005-C6			2	1FE	2,502,140	.99	2,495,725	2,500,000	2,502,140	.0	.0	.0	.0	5.224	5.220	MON	10,884	132,424	.10/27/2005	.09/15/2015
.126171-AF-4	Chase Commercial Mortgage Series 2001-24			2	1FE	6,029,589	.97	5,825,700	6,000,000	6,029,589	.0	.0	.0	.0	5.116	5.091	MON	25,580	306,960	.08/05/2005	.07/10/2015
.161505-HW-5	Citigroup Commercial Mtg Trust Cgmt 200			2	1FE	72,237	100	66,622	66,497	66,566	.0	(838)	.0	.0	5.974	3.472	MON	331	4,028	.03/07/2003	.03/12/2010
.173067-EE-5	Commercial Mortgage Pass-Throu Comm 2004			2	1FE	3,014,802	.95	2,876,460	3,000,000	3,005,035	.0	(2,129)	.0	.0	4.733	4.689	MON	11,833	141,907	.12/15/2004	.10/15/2014
.20047N-AD-4	GS Mortgage Securities Corp 2005-664 AAA			2	1FE	2,140,579	.98	2,103,929	2,130,000	2,131,688	.0	(1,890)	.0	.0	4.584	4.524	MON	8,137	97,639	.10/27/2004	.09/15/2013
.36228C-VU-4	LB-UBS Commercial Mtg Trust Lbubs 2004-C			2	1FE	5,924,297	.96	5,809,020	6,000,000	5,951,782	.0	6,783	.0	.0	4.751	4.951	MON	23,755	285,060	.08/03/2005	.07/10/2039
.52108H-P3-2	LB-UBS Commercial Mtg Trust 2004-C2			2	1FE	487,624	100	485,219	485,219	485,026	.0	(450)	.0	.0	3.992	3.906	MON	1,076	19,370	.10/19/2004	.01/15/2010
.52108H-ZX-5	Merrill Lynch Mortgage Trust 2005-LC1 A4			2	1FE	1,176,953	.97	1,221,250	1,250,000	1,216,348	.0	10,925	.0	.0	3.973	5.452	MON	2,759	49,662	.02/01/2007	.03/15/2029
.59022H-NC-2	Wachovia Bank Commercial Mort. 2005-C22			2	1FE	4,021,814	.97	3,885,720	4,000,000	4,010,770	.0	(3,065)	.0	.0	5.291	5.249	MON	17,637	211,640	.12/16/2005	.12/12/2015
.92976B-BN-1	2005-C22			2	1FE	4,019,876	.97	3,904,720	4,000,000	4,010,075	.0	(2,640)	.0	.0	5.265	5.229	MON	17,549	213,510	.12/15/2005	.11/15/2015
3699999	Total Bonds - Industrial and Miscellaneous (Unaffiliated) - Defined Multi-Class Commercial Mortgage-Backed Securities					44,791,490	.XXX	43,716,654	44,984,665	44,861,143	.0	20,512	.0	.0	XXX	XXX	XXX	182,237	2,217,108	XXX	XXX
.03062X-AD-8	AmeriCredit Automobile Rec. Series 2006			2	2FE	2,676,161	102	2,748,954	2,676,814	2,676,648	.0	116	.0	.0	5.210	5.274	MON	9,685	139,462	.09/14/2006	.09/06/2013
.03072S-LD-5	Ameriquest Mortgage Securities 2003-1A1			2	1FE	1,915,060	.95	1,835,834	1,915,060	1,915,060	.0	.0	.0	.0	4.965	4.966	MON	7,924	95,083	.10/21/2003	.11/25/2033
.09774X-AK-8	Bombardier Capital Mortgage Se 1998-B Mt			2	6FE	2,092,705	.32	2,850,059	.0	2,054,629	.997	(39,072)	.0	.0	6.810	25.617	MON	49,895	598,745	.09/19/2007	.03/15/2026
.17305E-DF-9	Citibank Credit Card Issuance 2006-A4 A4			2	1FE	2,946,873	105	3,104,905	2,950,000	2,948,861	.0	635	.0	.0	5.450	5.474	MON	22,776	160,775	.04/26/2006	.05/10/2013
.61750W-AX-1	Morgan Stanley Captial I Series 2006-1Q1			2	1FE	1,005,429	.92	927,950	1,000,000	1,003,445	.0	(690)	.0	.0	5.332	5.290	MON	4,443	53,320	.12/14/2006	.11/15/2016
.92978P-AE-9	Wachovia Bank Commercial Mort Series 200			2	1FE	1,004,947	.93	938,350	1,000,000	1,003,132	.0	(631)	.0	.0	5.308	5.273	MON	4,423	53,080	.12/13/2006	.11/15/2016
.46601W-BE-4	Ixion 2007-33A A 144A			2	4FE	1,120,000	10	1,120,000	1,120,000	1,120,000	.0	6,468	9,935,174	.0	0.935	0.994	MON	7,275	135,063	.07/27/2007	.06/27/2035
.98935V-AA-3	Zenith Funding LTD Series 2004-1A Class			2	6FE	.0	.0	0.0000	.0	.0	.0	.0	.0	3.255	0.000	MJSD	.0	.0	.12/21/2004	.12/06/2039	
.600620-AA-5	ACA ABS 2003-3 144A			2	6	.0	.0	0.0000	.0	.0	5.192	(5,192)	.0	.0	0.296	.0	MJSD	.0	.0	.08/08/2008	.09/10/2033
3799999	Total Bonds - Industrial and Miscellaneous (Unaffiliated) - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities					12,761,180	.XXX	13,526,052	33,369,302	12,721,775	6,190	(38,367)	9,935,174	.0	XXX	XXX	XXX	106,422	1,235,517	XXX	XXX
3899999	Total - Industrial and Miscellaneous Bonds (Unaffiliated)					240,033,870	.XXX	241,358,556	265,002,314	238,778,411	141,585	(285,717)	10,738,044	.0	XXX	XXX	XXX	2,859,924	9,965,871	XXX	XXX
7799999	Total - Issuer Obligations					235,743,495	.XXX	242,344,394	239,394,000	234,458,025	199,493	(256,463)	253,063	.0	XXX	XXX	XXX	3,140,044	8,973,224	XXX	XXX
7899999	Total - Single Class Mortgage-Backed/Asset-Backed Securities					60,164,408	.XXX	62,032,114	58,843,196	60,103,442	.0	(17,971)	.0	.0	XXX	XXX	XXX	275,428	3,219,840	XXX	XXX
7999999	Total - Defined Multi-Class Residential Mortgage-Backed Securities					15,270,937	.XXX	16,746,575	16,439,790	15,447,375	.0	89,702	.0	.0	XXX	XXX	XXX	68,862	826,347	XXX	XXX
8099999	Total - Other Multi-Class Residential Mortgage-Backed Securities					1,856,353	.XXX	1,135,186	2,400,346	1,855,005	.0	2,383	549,807	.0	XXX	XXX	XXX	11,178	134,077	XXX	XXX
8199999	Total - Defined Multi-Class Commercial Mortgage-Backed Securities					44,791,490	.XXX	43,716,654	44,984,665	44,861,143	.0	20,512	.0	.0	XXX	XXX	XXX	182,237	2,217,108	XXX	XXX
8299999	Total - Other Multi-Class Commercial Mortgage-Backed Securities					12,761,180	.XXX	13,526,052	33,369,302	12,721,775	6,190	(38,367)	9,935,174	.0	XXX	XXX	XXX	106,422	1,235,517	XXX	XXX
8399999	Totals					370,587,862	.XXX	379,500,974	395,431,300	369,446,765	205,683	(200,205)	10,738,044	0	XXX	XXX	XXX	3,784,169	16,606,113	XXX	XXX

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ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

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																				
999999	Total - Preferred Stocks							XXX											XXX	XXX

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ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

SCHEDULE D - PART 2 - SECTION 2

Showing all COMMON STOCKS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	3 Codes		5 Number of Shares	6 Book / Adjusted Carrying Value	7 Fair Value		9 Actual Cost	10 Dividends			13 Change in Book / Adjusted Carrying Value			17 NAIC Market Indicator (a)	18 Date Acquired	
		Code	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.
Y0002#-10-7	ACA Capital Singapore LTD		D	100,000,000	769,815	7.698	769,815	631,531						0		U	06/23/2006
9199999 - Total	Common Stock - Parent, Subsidiaries, Affiliates				769,815	XXX	769,815	631,531								XXX	XXX
9799999 Total - Common Stocks					769,815	XXX	769,815	631,531								XXX	XXX
9899999 Total - Preferred and Common Stocks					769,815	XXX	769,815	631,531	0	0	0	0	0	0	0	XXX	XXX

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

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ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

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
.01N052-61-6	GNMA TBA 5.500% 04/01/36		.01/01/2009	RBC		(20,618,750)	(20,000,000)	(61,111)
.36296X-H8-0	GNMA POOL 704155 5.500% 01/15/39		.01/01/2009	RBC		19,185,713	18,609,968	56,864
0399999 - Total	- Bonds - U.S. Government					(1,433,037)	(1,390,032)	(4,247)
.524805-F4-5	Lehigh Cnty Pa Gen Purp Auth		.04/30/2009	Raymond James Associates		3,550	5,000	3
3199999 - Total	- Bonds - U.S. Special Revenue					3,550	5,000	3
.00206R-AP-7	AT&T Inc 6.700% 11/15/13		.01/09/2009	Fidelity Capital Markets Fins		1,090,510	1,000,000	10,608
.02209S-AC-7	Altria Group Inc 8.500% 11/10/13		.09/23/2009	Various		4,310,120	3,850,000	92,249
.0258M0-CY-3	Amer Express Credit Co		.09/18/2009	Citigroup Global Markets		3,336,540	3,000,000	20,075
.031162-AZ-3	Amgen Inc 5.700% 02/01/19		.01/13/2009	Merrill Lynch		997,770	1,000,000	.0
.03523T-AA-6	Anheuser Busch Inbev Wor 144A		.01/07/2009	Barclays Capital Inc - NY Fins		1,849,440	1,850,000	.0
.14040H-AS-4	Capital One Financial Co		.10/01/2009	Credit Suisse First Boston		3,367,050	3,000,000	82,354
.191219-BT-0	Coca Cola Enterprises 7.375% 03/03/14		.01/09/2009	GFI Securities LLC Fins		2,238,040	2,000,000	29,090
.36962G-4C-5	General Elec Cap Corp 5.900% 05/13/14		.11/05/2009	Morgan Stanley Dean Witt Fins		4,367,880	4,000,000	116,033
.38141E-A2-5	Goldman Sachs Group Inc		.01/29/2009	Goldman Sachs		1,814,440	1,850,000	.0
.40429C-FW-7	HSBC Finance Corp 5.250% 01/15/14		.10/05/2009	Credit Suisse First Boston		3,795,410	3,641,000	44,071
.59217E-BW-3	Met Life Glob Funding I Series 144A		.10/01/2009	Wachovia		3,172,680	3,000,000	49,542
.61747Y-CF-0	Morgan Stanley 6.000% 05/13/14		.10/06/2009	Morgan Stanley Dean Witt Fins		3,222,330	3,000,000	73,000
.718172-AG-4	Philip Morris Intl Inc		.09/23/2009	Credit Suisse First Boston		3,433,140	3,000,000	6,302
.74153W-BY-4	Priscoa Global Funding I Series 144A		.10/01/2009	Deutsche Govt/Agency		3,178,560	3,000,000	52,229
.88732J-AQ-1	Time Warner Cable Inc 8.250% 02/14/14		.09/23/2009	Goldman Sachs		4,105,500	3,500,000	35,292
.92344S-AJ-9	Cellco Part/Veri Wireless		.11/10/2009	Tax Free Exchange		2,144,310	2,000,000	71,701
.92553P-AE-2	Viacom Inc 4.375% 09/15/14		.11/04/2009	Deutsche Govt/Agency		4,095,000	4,000,000	35,486
.C06305-25-1	Bank of Hawaii C.D. 0.800% 06/30/11		.06/30/2009	Direct Issue		50,000	50,000	.0
.15135U-AA-7	Cenovus Energy Inc Series 144A	A	.09/23/2009	RBC Dain Rausher Inc		3,065,820	3,000,000	3,750
.00279V-CA-1	Abbey Natl Treasury Serv Series 144A	F	.11/04/2009	Credit Suisse First Boston		3,999,080	4,000,000	.0
.034863-AA-8	Anglo America Capital Series 144A	F	.11/05/2009	Morgan Stanley Dean Witt Fins		3,511,260	3,000,000	25,000
.06739F-FZ-9	Barclays Bank Plc 5.200% 07/10/14	F	.10/01/2009	First Tennessee		3,163,380	3,000,000	37,267
.11102A-AB-7	British Telecom Plc 5.150% 01/15/13	F	.09/23/2009	BA Securities		4,157,200	4,000,000	41,772
.22546Q-AA-5	Credit Suisse New York	R	.10/01/2009	Credit Suisse First Boston		3,245,850	3,000,000	69,667
.268317-AA-2	Electricite De France 144A	F	.01/21/2009	BA Securities		1,992,060	2,000,000	.0
.55608J-AA-6	Macquarie Group Ltd Series 144A	R	.09/18/2009	Citigroup Global Markets		3,170,430	3,000,000	28,592
.87927V-AL-2	Telecom Italia Capital	R	.11/04/2009	Credit Suisse First Boston		4,140,200	4,000,000	21,450
.902118-BM-9	Tyco International Finan	F	.09/30/2009	BA Securities		2,989,590	3,000,000	.0
3899999 - Total	- Bonds - Industrial and Miscellaneous (Unaffiliated)					84,003,590	78,741,000	945,530
8399997 - Total	- Bonds - Part 3					82,574,103	77,355,968	941,286
8399998 - Total	- Bonds - Part 5					24,221,927	23,390,032	87,074
8399999 - Total	- Bonds					106,796,030	100,746,000	1,028,360
8999998 - Total	- Preferred Stocks - Part 5					.0	XXX	.0
8999999 - Total	- Preferred Stocks					.0	XXX	.0
9799998 - Total	- Common Stocks - Part 5					.0	XXX	.0
9799999 - Total	- Common Stocks					.0	XXX	.0
9899999 - Total	- Preferred and Common Stocks					.0	XXX	.0
9999999 Totals						106,796,030	XXX	1,028,360

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ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

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	For eign 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	Maturity Date	
31344A-US-1	Freddie Mac 4.250% 07/15/09	07/15/2009	Maturity		4,700,000	4,700,000	4,622,245	4,687,435	.0	12,565	.0	12,565	.0	4,700,000	.0	.0	.0	199,750	07/15/2009	
36200A-BE-8	GNMA Pool 595037 6.000% 10/15/32	12/01/2009	Paydown		1,631	1,631	1,679	1,677	.0	(47)	.0	(47)	.0	1,631	.0	.0	.0	52	10/15/2032	
36200A-CW-7	GNMA Pool 595085 6.000% 10/15/32	12/01/2009	Paydown		47,142	47,142	48,542	48,429	.0	(1,286)	.0	(1,286)	.0	47,142	.0	.0	.0	1,886	10/15/2032	
36200E-TY-7	GNMA Pool 599167 6.000% 12/15/33	12/01/2009	Paydown		5,737	5,737	5,907	5,885	.0	(149)	.0	(149)	.0	5,737	.0	.0	.0	190	12/15/2033	
36200M-AT-0	GNMA Pool 604018 5.500% 02/15/33	12/01/2009	Paydown		255,870	255,870	263,286	262,844	.0	(6,973)	.0	(6,973)	.0	255,870	.0	.0	.0	9,005	02/15/2033	
36200M-EN-9	GNMA Pool 604141 6.000% 03/15/33	12/01/2009	Paydown		27,630	27,630	28,451	28,412	.0	(782)	.0	(782)	.0	27,630	.0	.0	.0	933	03/15/2033	
362000-2R-4	GNMA Pool 599684 6.000% 02/15/32	12/01/2009	Paydown		31,338	31,338	32,269	32,211	.0	(872)	.0	(872)	.0	31,338	.0	.0	.0	1,087	02/15/2032	
36200R-LX-8	GNMA Pool 570142 6.000% 12/15/31	12/01/2009	Paydown		19,492	19,492	20,071	20,036	.0	(544)	.0	(544)	.0	19,492	.0	.0	.0	678	12/15/2031	
36200R-XT-4	GNMA Pool 570490 6.000% 12/15/31	12/01/2009	Paydown		2,401	2,401	2,472	2,467	.0	(66)	.0	(66)	.0	2,401	.0	.0	.0	77	12/15/2031	
36200S-US-7	GNMA Pool 571293 6.000% 11/15/31	12/01/2009	Paydown		259	259	267	266	.0	(7)	.0	(7)	.0	259	.0	.0	.0	9	11/15/2031	
36201A-PF-9	GNMA Pool 577422 6.000% 01/15/32	12/01/2009	Paydown		7,118	7,118	7,329	7,320	.0	(203)	.0	(203)	.0	7,118	.0	.0	.0	271	01/15/2032	
36201D-AX-0	GNMA Pool 579722 6.000% 08/15/32	12/01/2009	Paydown		45,163	45,163	46,504	46,448	.0	(1,284)	.0	(1,284)	.0	45,163	.0	.0	.0	1,950	08/15/2032	
36201E-AG-5	GNMA Pool 580607 6.000% 02/15/33	12/01/2009	Paydown		8,216	8,216	8,460	8,442	.0	(226)	.0	(226)	.0	8,216	.0	.0	.0	269	02/15/2033	
36201F-AF-4	GNMA Pool 581506 6.000% 04/15/33	12/01/2009	Paydown		1,506	1,506	1,551	1,549	.0	(43)	.0	(43)	.0	1,506	.0	.0	.0	40	04/15/2033	
36201K-JQ-0	GNMA Pool 585371 6.000% 04/15/32	12/01/2009	Paydown		35,112	35,112	36,155	36,120	.0	(1,008)	.0	(1,008)	.0	35,112	.0	.0	.0	1,220	04/15/2032	
36201Y-FD-3	GNMA Pool 606864 6.000% 10/15/33	12/01/2009	Paydown		6,599	6,599	6,795	6,788	.0	(189)	.0	(189)	.0	6,599	.0	.0	.0	237	10/15/2033	
36207E-ND-2	GNMA Pool 429788 6.000% 12/15/33	12/01/2009	Paydown		33,620	33,620	34,619	34,539	.0	(919)	.0	(919)	.0	33,620	.0	.0	.0	1,142	12/15/2033	
36210J-HW-1	GNMA Pool 493545 6.000% 03/15/31	12/01/2009	Paydown		2,692	2,692	2,772	2,764	.0	(72)	.0	(72)	.0	2,692	.0	.0	.0	104	03/15/2031	
36213F-U4-3	GNMA Pool 553303 6.000% 06/15/33	12/01/2009	Paydown		473	473	487	487	.0	(14)	.0	(14)	.0	473	.0	.0	.0	4	06/15/2033	
36213R-2A-4	GNMA Pool 562469 5.000% 02/15/34	12/01/2009	Paydown		124,081	124,081	124,716	124,609	.0	(528)	.0	(528)	.0	124,081	.0	.0	.0	4,653	02/15/2034	
36213R-ZF-7	GNMA Pool 562442 5.500% 01/15/34	12/01/2009	Paydown		574,442	574,442	590,059	589,473	.0	(15,032)	.0	(15,032)	.0	574,442	.0	.0	.0	26,095	01/15/2034	
36213T-GW-7	GNMA Pool 563713 6.000% 01/15/33	12/01/2009	Paydown		31,235	31,235	32,162	32,108	.0	(873)	.0	(873)	.0	31,235	.0	.0	.0	1,252	01/15/2033	
36213U-EZ-9	GNMA Pool 564552 6.000% 12/15/31	12/01/2009	Paydown		328	328	337	337	.0	(9)	.0	(9)	.0	328	.0	.0	.0	11	12/15/2031	
36213V-GN-2	GNMA Pool 565505 6.000% 09/15/32	12/01/2009	Paydown		2,117	2,117	2,176	2,176	.0	(59)	.0	(59)	.0	2,117	.0	.0	.0	57	09/15/2032	
36290X-PM-6	GNMA Pool 620628 6.000% 09/15/33	12/01/2009	Paydown		44,272	44,272	45,586	45,465	.0	(1,133)	.0	(1,133)	.0	44,272	.0	.0	.0	1,327	09/15/2033	
36290Y-PT-1	GNMA Pool 620634 6.000% 09/15/33	12/01/2009	Paydown		116,402	116,402	119,858	119,707	.0	(3,304)	.0	(3,304)	.0	116,402	.0	.0	.0	2,252	09/15/2033	
36290Y-TN-8	GNMA Pool 621657 6.000% 12/15/33	12/01/2009	Paydown		35	35	36	36	.0	(1)	.0	(1)	.0	35	.0	.0	.0	1	12/15/2033	
36291C-PV-1	GNMA Pool 624236 6.000% 12/15/33	12/01/2009	Paydown		6,215	6,215	6,399	6,376	.0	(161)	.0	(161)	.0	6,215	.0	.0	.0	76	12/15/2033	
36291E-AD-3	GNMA Pool 625604 6.000% 12/15/33	12/01/2009	Paydown		2,730	2,730	2,811	2,808	.0	(78)	.0	(78)	.0	2,730	.0	.0	.0	117	12/15/2033	
36291E-AV-3	GNMA Pool 625620 6.000% 12/15/33	12/01/2009	Paydown		1,773	1,773	1,826	1,823	.0	(50)	.0	(50)	.0	1,773	.0	.0	.0	73	12/15/2033	
912828-CV-0	US Treasury 3.375% 09/15/09	09/15/2009	Maturity		1,033,000	1,033,000	1,037,923	1,033,714	.0	(714)	.0	(714)	.0	1,033,000	.0	.0	.0	34,884	09/15/2009	
039999	- Bonds - U.S. Governments				7,168,630	7,168,630	7,133,753	7,192,750	0	(24,120)	0	(24,120)	0	7,168,630	0	0	0	289,680	XXX	
244068-FM-9	Deer Park NY School District	01/22/2009	Citigroup Global Markets		138,628	138,628	136,233	133,227	.0	(72)	.0	(72)	.0	133,155	.0	5,472	5,472	729	06/15/2016	
626207-KP-8	Municipal Elec Auth GA North Syracuse NY 5.000%	01/14/2009	Various		1,810,612	1,770,000	1,844,411	1,833,244	.0	(234)	.0	(234)	.0	1,833,011	.0	(22,399)	(22,399)	48,493	01/01/2021	
662735-LJ-6	06/15/23	01/07/2009	Depfa First Albany Security		1,898,025	1,875,000	2,050,931	2,036,061	.0	(271)	.0	(271)	.0	2,035,790	.0	(137,765)	(137,765)	7,031	06/15/2023	
936733-GJ-7	Warwich VY Cent Sch Dist NY	01/07/2009	Depfa First Albany Security		1,076,307	1,035,000	1,131,079	1,063,180	.0	(588)	.0	(588)	.0	1,062,591	.0	13,716	13,716	3,881	06/15/2010	
249999	- Bonds - U.S. Political Subdivisions of Subdivisions, Territories and Possessions (Direct and Guaranteed)				4,923,571	4,805,000	5,162,654	5,065,712	0	(1,165)	0	(1,165)	0	5,064,547	0	(140,976)	(140,976)	60,135	XXX	
313595-2G-4	Fanniemae Whole Loan NW 2001-W1 AF6 FNMA Pool No 580078 7.000%	12/01/2009	Paydown		32,213	32,213	33,446	34,527	.0	(2,314)	.0	(2,314)	.0	32,213	.0	.0	.0	1,181	06/25/2031	
31387C-M3-2	09/01/31	12/01/2009	Paydown		432	432	444	444	.0	(11)	.0	(11)	.0	432	.0	.0	.0	47	09/01/2031	
31402D-F7-0	FNMA Pool 725690 6.000% 08/01/34	12/01/2009	Paydown		3,268,239	3,268,239	3,377,266	3,372,169	.0	(103,930)	.0	(103,930)	.0	3,268,239	.0	.0	.0	104,633	08/01/2034	
31405R-AR-7	FNMA Pool 796816 5.500% 10/01/34	12/01/2009	Paydown		3,875,154	3,875,154	3,934,796	3,931,129	.0	(55,965)	.0	(55,965)	.0	3,875,154	.0	.0	.0	110,053	10/01/2034	
31407U-EK-8	FNMA Pool 840838 5.500% 11/01/35	12/01/2009	Paydown		1,537,872	1,537,872	1,518,168	1,531,656	.0	19,216	.0	19,216	.0	1,537,872	.0	.0	.0	42,068	11/01/2035	
344610-BB-5	Fontana Calif Pub Fing Auth	01/07/2009	Citigroup Global Markets		2,293,177	2,340,000	2,435,425	2,419,603	.0	(361)	.0	(361)	.0	2,419,242	.0	(126,065)	(126,065)	44,704	09/01/2020	
649830-C7-2	New York St Dorm Auth Revs	01/08/2009	Security		1,811,530	1,835,000	1,928,897	1,908,076	.0	(306)	.0	(306)	.0	1,907,770	.0	(96,240)	(96,240)	48,933	07/01/2021	
649830-EA-3	New York St Dorm Auth Revs	06/26/2009	Morgan Stanley Dean Witt Fins		1,130,880	1,140,000	1,245,393	1,218,825	.0	(3,895)	.0	(3,895)	.0	1,214,931	.0	(84,051)	(84,051)	59,850	07/01/2017	
64983R-HF-7	New York State Dorm Auth Revs	01/08/2009	Fins		1,950,465	1,805,000	2,138,329	2,071,540	.0	(637)	.0	(637)	.0	2,070,903	.0	(120,438)	(120,438)	15,994	05/15/2020	
64985Y-BB-5	New York St Environmental Facs	01/08/2009	Mestrow & co. Inc Fins		1,734,870	1,500,000	1,740,030	1,664,184	.0	(714)	.0	(714)	.0	1,663,470	.0	71,400	71,400	6,125	12/15/2015	
649903-LG-4	New York ST Dorm Auth Revs	09/16/2009	Morgan Stanley & Co		4,459,608	4,055,000	4,512,728	4,458,713	.0	(25,925)	.0	(25,925)	.0	4,432,788	.0	26,820	26,820	260,196	07/01/2018	
319999	- Bonds - U.S. Special Revenues and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Government and Their Political Subdivisions				22,094,441	21,388,911	22,864,923	22,597,857	0	(174,842)	0	(174,842)	0	22,423,014	0	(328,573)	(328,573)	693,754	XXX	
03062X-AD-8	AmeriCredit Automobile Rec. Series 2006	12/06/2009	Paydown		323,186	323,186	323,107	323,152	.0	34	.0	34	.0	323,186	.0	.0	.0	15,575	09/06/2013	
03072S-LD-5	Ameriquest Mortgage Securities 2003-1A1	12/01/2009	Paydown		715,384	715,384	715,384	715,384	.0	.0										

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

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	Maturity Date	
09774X-AK-8	Bombardier Capital Mortgage Se 1998-B Mtg		12/01/2009	Paydown		.0	.0	407,334	407,334	194	(407,528)		(407,334)		.0	.0	.0	.0	53,472	03/15/2026	
12513Y-AF-7	Citigroup/Deutsche Bk Comm Mtg 2007-CD4		10/22/2009	Credit Suisse First Boston		3,416,016	3,750,000	3,768,494	3,764,836		(1,833)		(1,833)		3,763,003	.0	(346,988)	(346,988)	180,726	01/11/2017	
126671-R4-0	Countrywide Asset-Backed Certs Series 20		12/01/2009	Paydown		151,916	151,916	154,574	153,742		(1,827)		(1,827)		151,916	.0	.0	.0	2,642	08/25/2032	
12667F-GA-7	Countrywide Alternative Cwalt 2004-7T1 A		06/01/2009	Paydown		124,920	124,920	128,053	125,176		(256)		(256)		124,920	.0	.0	.0	2,279	08/25/2009	
161505-HW-5	Chase Commercial Mortgage Series 2001-24		12/01/2009	Paydown		323,575	323,575	351,508	327,991		(4,416)		(4,416)		323,575	.0	.0	.0	10,650	03/12/2010	
345397-TZ-6	Ford Motor Credit 7.000% 10/01/13		05/21/2009	Goldman Sachs		1,914,000	2,400,000	2,050,704	1,658,232	392,472			392,472		2,050,704	.0	(136,704)	(136,704)	110,133	10/01/2013	
38143U-AA-9	Goldman Sachs Group Inc		01/15/2009	Maturity		1,940,000	1,940,000	1,930,295	1,939,851		149		149		1,940,000	.0	.0	.0	37,588	01/15/2009	
396789-JW-0	Greenwich Capital Commercial Series 2005		05/27/2009	Goldman Sachs		1,042,500	2,000,000	2,009,972	2,005,786		(496)		(496)		2,005,291	.0	(962,791)	(962,791)	48,590	01/10/2015	
52108H-P3-2	LB-UBS Commercial Mtg Trust Lbubs 2004-C		12/11/2009	Paydown		2,689,781	2,689,781	2,703,110	2,691,199		(1,419)		(1,419)		2,689,781	.0	.0	.0	88,615	01/15/2010	
55312T-AD-5	Merrill Lynch/Countrywide Comm 2007-6 A4		06/01/2009	Barclays Capital Inc - NY Fins		2,032,734	3,000,000	3,016,460	3,013,377		(777)		(777)		3,012,600	.0	(979,865)	(979,865)	82,732	03/12/2017	
55313K-AE-1	Merrill Lynch/Countrywide Comm 2007-7 A4		10/22/2009	Deutsche Govt/Agency		1,431,719	1,700,000	1,709,275	1,707,760		(858)		(858)		1,706,902	.0	(275,183)	(275,183)	88,846	05/12/2017	
620076-AP-4	Motorola Inc 6.500% 11/15/28		12/01/2009	Citigroup Global Markets		352,000	400,000	445,468	441,475		(1,069)		(1,069)		440,405	.0	(88,405)	(88,405)	27,372	11/15/2028	
925524-AZ-3	Viacom Inc 5.750% 04/30/11		08/27/2009	Corporate Action		1,432,688	1,350,000	1,342,607	1,345,851		1,092		1,092		1,346,942	.0	85,745	85,745	64,688	04/30/2011	
981516-AK-1	World Savings Bank FSB		05/08/2009	Maturity		2,200,000	2,200,000	2,200,000	2,200,000		.0		.0		2,200,000	.0	.0	.0	20,390	05/08/2009	
003016-75-2	Hibernia Nat'l Bank C.D. 2.900% Bank of Hawaii C.D.		03/10/2009	Maturity		70,000	70,000	70,000	70,000		.0		.0		70,000	.0	.0	.0	1,623	03/10/2009	
006305-25-1	06/30/09		06/30/2009	Maturity		50,000	50,000	50,000	50,000		.0		.0		50,000	.0	.0	.0	1,450	06/30/2009	
136375-BJ-0	Canadian Nat'l RR 4.250% 08/01/09		07/27/2009	Corporate Action		1,000,000	1,000,000	994,390	999,261		721		721		999,982	.0	.18	.18	44,646	08/01/2009	
44841S-AC-3	Hutchison Whamp Intl Series 144A		06/08/2009	Corporate Action		462,480	500,000	606,975	600,724		(771)		(771)		599,953	.0	(137,473)	(137,473)	35,175	11/24/2033	
3899999	- Bonds - Industrial and Miscellaneous (Unaffiliated)					32,509,637	36,471,063	36,797,320	36,337,228	392,666	(419,252)	0	(26,585)	0	36,310,643	0	(3,801,006)	(3,801,006)	1,416,667	XXX	
8399997	- Bonds - Part 4					66,696,279	69,833,605	71,958,650	71,193,547	392,666	(619,378)	0	(226,712)	0	70,966,835	0	(4,270,555)	(4,270,555)	2,460,235	XXX	
8399998	- Bonds - Part 5					24,153,093	23,390,032	24,221,927	0	0	(68,834)	0	(68,834)	0	24,153,093	0	0	0	241,362	XXX	
8399999	- Total - Bonds					90,849,372	93,223,637	96,180,577	71,193,547	392,666	(688,212)	0	(295,546)	0	95,119,928	0	(4,270,555)	(4,270,555)	2,701,597	XXX	
8999998	- Preferred Stocks - Part 5					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
8999999	- Total - Preferred Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
9799998	- Common Stocks - Part 5					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
9799999	- Total - Common Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
9899999	- Total - Preferred and Common Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
9999999	Totals					90,849,372	XXX	96,180,577	71,193,547	392,666	(688,212)	0	(295,546)	0	95,119,928	0	(4,270,555)	(4,270,555)	2,701,597	XXX	

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ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

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.						
01N052-61-6...	GNMA TBA 5.500% 04/01/36		01/01/2009	RBC	01/01/2009	RBC	20,000,000	20,618,750	20,618,750	20,618,750	0	0	0	0	0	0	0	0	0	61,111	61,111
36296X-H8-0...	GNMA POOL 704155 5.500% 01/15/39		01/01/2009	RBC	12/01/2009	Paydown	1,390,032	1,433,037	1,390,032	1,390,032	0	(43,004)	0	(43,004)	0	0	0	0	0	37,258	4,247
0399999	Bonds - U.S. Governments						21,390,032	22,051,787	22,008,782	22,008,782	0	(43,004)	0	(43,004)	0	0	0	0	0	98,369	65,358
92344S-AH-3...	Cellco Part/Veri Wireless 144A		01/09/2009	Morgan Stanley Dean Witt	11/10/2009	Tax Free Exchange	2,000,000	2,170,140	2,144,310	2,144,310	0	(25,830)	0	(25,830)	0	0	0	0	0	142,993	21,715
3899999	Bonds - Industrial and Miscellaneous (Unaffiliated)						2,000,000	2,170,140	2,144,310	2,144,310	0	(25,830)	0	(25,830)	0	0	0	0	0	142,993	21,715
8399998	Subtotal Bonds						23,390,032	24,221,927	24,153,093	24,153,093	0	(68,834)	0	(68,834)	0	0	0	0	0	241,362	87,074
9999999	Totals							24,221,927	24,153,093	24,153,093	0	(68,834)	0	(68,834)	0	0	0	0	0	241,362	87,074

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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 or Alien Insurer Identification Number	5 NAIC Valuation Method (See SVO Purposes and Procedures Manual)	6 Do Insurer's Admitted Assets Include Intangible Assets Connected with Holding of Such Company's Stock?	7 Total Amount of Such Intangible Assets	8 Book / Adjusted Carrying Value	Stock of Such Company Owned by Insurer on Statement Date	
								9 Number of Shares	10 % of Outstanding
Y0002#-10-7...	ACA Capital Singapore PTE Ltd.....	D	00000	4ciB5	No	769,815	769,815	100,000,000	100.0
1799999	- Common Stock - Other Affiliates					769,815	769,815	XXX	XXX
1899999	- Total Common Stocks					769,815	769,815	XXX	XXX
1999999	Totals					769,815	769,815	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: \$
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 7, Section 1	Stock in Lower-Tier Company Owned Indirectly by Insurer on Statement Date	
				5 Number of Shares	6 % of Outstanding
NONE					
0399999	Total			XXX	XXX

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

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	
0199999	- U.S. Governments - Issuer Obligations						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
0299999	- U.S. Governments - Single Class Mortgage-Backed/Asset-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
0399999	- Total - U.S. Government Bonds						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
0499999	- All Other Governments - Issuer Obligations						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
0599999	- All Other Governments - Single Class Mortgage-Backed/ Asset-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
0699999	- All Other Governments - Defined Multi-Class Residential Mortgage-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
0799999	- All Other Governments - Other Multi-Class Residential Mortgage-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
0899999	- All Other Governments - Defined Multi-Class Commercial Mortgage-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
0999999	- All Other Governments - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
1099999	- Total - All Other Government Bonds						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
1199999	- U.S. States, Territories and Possessions - Issuer Obligations						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
1299999	- U.S. States, Territories and Possessions - Single Class Mortgage-Backed/Asset-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
1399999	- U.S. States, Territories and Possessions - Defined Multi-Class Residential Mortgage-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
1499999	- U.S. States, Territories and Possessions - Other Multi-Class Residential Mortgage-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
1599999	- U.S. States, Territories and Possessions - Defined Multi-Class Commercial Mortgage-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
1699999	- U.S. States, Territories and Possessions - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
1799999	- Total - U.S. States, Territories and Possessions Bonds						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
1899999	- U.S. Political Subdivisions - Issuer Obligations						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
1999999	- U.S. Political Subdivisions - Single Class Mortgage-Backed/Asset-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2099999	- U.S. Political Subdivisions - Defined Multi-Class Residential Mortgage-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2199999	- U.S. Political Subdivisions - Other Multi-Class Residential Mortgage-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2299999	- U.S. Political Subdivisions - Defined Multi-Class Commercial Mortgage-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2399999	- U.S. Political Subdivisions - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2499999	- Total - U.S. Political Subdivisions Bonds						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2599999	- U.S. Special Revenue - Issuer Obligations						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2699999	- U.S. Special Revenue - Single Class Mortgage-Backed/Asset-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2799999	- U.S. Special Revenue - Defined Multi-Class Residential Mortgage-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2899999	- U.S. Special Revenue - Other Multi-Class Residential Mortgage-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2999999	- U.S. Special Revenue - Defined Multi-Class Commercial Mortgage-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3099999	- U.S. Special Revenue - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3199999	- Total - U.S. Special Revenue Bonds						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3299999	- Industrial and Miscellaneous - Issuer Obligations						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3399999	- Industrial and Miscellaneous - Single Class Mortgage-Backed/Asset-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3499999	- Industrial and Miscellaneous - Defined Multi-Class Residential Mortgage-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3599999	- Industrial and Miscellaneous - Other Multi-Class Residential Mortgage-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3699999	- Industrial and Miscellaneous - Defined Multi-Class Commercial Mortgage-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3799999	- Industrial and Miscellaneous - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3899999	- Total - Industrial and Miscellaneous Bonds						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3999999	- Credit Tenant Loans - IO						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4099999	- Credit Tenant Loans - Single Class Mortgage-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4199999	- Total - Credit Tenant Loans						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4299999	- Hybrid Securities - Issuer Obligations						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4399999	- Hybrid Securities - Single Class Mortgage-Backed/Asset-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4499999	- Hybrid Securities - Defined Multi-Class Residential Mortgage-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4599999	- Hybrid Securities - Other Multi-Class Residential Mortgage-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4699999	- Hybrid Securities - Defined Multi-Class Commercial Mortgage-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4799999	- Hybrid Securities - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4899999	- Total - Hybrid Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4999999	- Parent, Subsidiaries and Affiliates - Issuer Obligations						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
5099999	- Parent, Subsidiaries and Affiliates - Single Class Mortgage-Backed/Asset-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
5199999	- Parent, Subsidiaries and Affiliates - Defined Multi-Class Residential Mortgage-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
5299999	- Parent, Subsidiaries and Affiliates - Other Multi-Class Residential Mortgage-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
5399999	- Parent, Subsidiaries and Affiliates - Defined Multi-Class Commercial Mortgage-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
5499999	- Parent, Subs and Affiliates OC						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
5599999	- Total - Parent, Subsidiaries and Affiliates Bonds						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
7799999	- Total - Issuer Obligations						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
7899999	- Total - Single Class Mortgaged-Backed/Asset-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
7999999	- Total - Defined Multi-Class Residential Mortgage-Backed Securities						.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0

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Schedule DB - Part A - Section 1

NONE

Schedule DB - Part A - Section 2

NONE

Schedule DB - Part A - Section 3

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part B - Section 2

NONE

Schedule DB - Part B - Section 3

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Part C - Section 3

NONE

Schedule DB - Part D - Section 1

NONE

Schedule DB - Part D - Section 2

NONE

Schedule DB - Part D - Section 3

NONE

Schedule DB - Part E - Section 1

NONE

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

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 Totals						0	0	0

E26

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE ACA Financial Guaranty Corporation

SCHEDULE E PART 3 - SPECIAL DEPOSITS

States, Etc.	1 Type of Deposits	2 Purpose of Deposits	Deposits For		All Other Special Deposits	
			The Benefit of All Policyholders		5 Book/Adjusted Carrying Value	6 Fair Value
			3 Book/Adjusted Carrying Value	4 Fair Value		
1. Alabama	AL					
2. Alaska	AK					
3. Arizona	AZ					
4. Arkansas	AR					
5. California	CA					
6. Colorado	CO					
7. Connecticut	CT					
8. Delaware	DE					
9. District of Columbia	DC					
10. Florida	FL					
11. Georgia	GA	ST	RSD for financial guaranty		61,844	61,844
12. Hawaii	HI					
13. Idaho	ID					
14. Illinois	IL					
15. Indiana	IN					
16. Iowa	IA					
17. Kansas	KS					
18. Kentucky	KY					
19. Louisiana	LA					
20. Maine	ME					
21. Maryland	MD	B	RSD for financial guaranty	2,400,815	2,582,448	
22. Massachusetts	MA	B	RSD for financial guaranty		100,034	107,602
23. Michigan	MI					
24. Minnesota	MN					
25. Mississippi	MS					
26. Missouri	MO					
27. Montana	MT					
28. Nebraska	NE					
29. Nevada	NV					
30. New Hampshire	NH					
31. New Jersey	NJ					
32. New Mexico	NM	B	RSD for financial guaranty		100,034	107,602
33. New York	NY					
34. North Carolina	NC	B	RSD for financial guaranty		200,068	215,204
35. North Dakota	ND					
36. Ohio	OH					
37. Oklahoma	OK					
38. Oregon	OR	B	RSD for financial guaranty		260,088	279,765
39. Pennsylvania	PA					
40. Rhode Island	RI					
41. South Carolina	SC					
42. South Dakota	SD					
43. Tennessee	TN					
44. Texas	TX					
45. Utah	UT					
46. Vermont	VT					
47. Virginia	VA	B	RSD for financial guaranty		275,093	295,906
48. Washington	WA					
49. West Virginia	WV					
50. Wisconsin	WI					
51. Wyoming	WY					
52. American Samoa	AS					
53. Guam	GU	C	RSD for financial guaranty		50,000	50,000
54. Puerto Rico	PR	B	RSD for financial guaranty		785,073	792,983
55. US Virgin Islands	VI	B	RSD for financial guaranty		500,170	538,010
56. Northern Mariana Islands	MP					
57. Canada	CN					
58. Aggregate Other Alien	OT	XXX	XXX	0	0	0
59. Total	XXX	XXX		2,400,815	2,582,448	2,332,404
DETAILS OF WRITE-INS						
5801.						
5802.						
5803.						
5898.	Summary of remaining write-ins for Line 58 from overflow page	XXX	XXX	0	0	0
5899.	Totals (Lines 5801 - 5803 + 5898)(Line 58 above)	XXX	XXX	0	0	0

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