



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

January 29, 2007

DIVISION OF
CORPORATION FINANCE

Mr. Nicholas F. Potter
Debevoise & Plimpton, LLP
919 Third Avenue
New York, NY 10022

Re: MBIA Inc. (NY-6749)
Waiver Request of Ineligible Issuer Status under Rule 405 of the Securities Act

Dear Mr. Potter:

This is in response to your letter dated December 13, 2006, written on behalf of MBIA Inc. (Company), and constituting an application for relief from the Company being considered an "ineligible issuer" under Rule 405(1)(vi) of the Securities Act of 1933 (Securities Act). The Company requests relief from being considered an ineligible issuer under Rule 405, due to the entry on January 29, 2007, of a Commission Order (Order) pursuant to Section 8A of the Securities Act, and Section 21C of the Securities Exchange Act of 1934, naming the Company as a respondent.

Based on the facts and representations in your letter, and assuming the Company complies with the Order, the Commission, pursuant to delegated authority has determined that the Company has made a showing of good cause under Rule 405(2) and that the Company will not be considered an ineligible issuer by reason of the entry of the Order. Specifically, we determined under these facts and representations that the Company has shown that the terms of the Order were agreed to in a settlement prior to December 1, 2005. Accordingly, the relief described above from the Company being an ineligible issuer under Rule 405 of the Securities Act is hereby granted. Any different facts from those represented or non-compliance with the Order might require us to reach a different conclusion.

Sincerely,

A handwritten signature in cursive script that reads "Mary Kosterlitz".

Mary Kosterlitz
Chief, Office of Enforcement Liaison
Division of Corporation Finance

December 13, 2006

Ms. Mary Kosterlitz
Chief
Office of Enforcement Liaison
Division of Corporation Finance
U. S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

MBIA Inc. (Commission File No. 1-9583)

Dear Ms. Kosterlitz:

We are writing on behalf of MBIA Inc. (“MBIA”) to request a determination from the Securities and Exchange Commission (the “Commission”) that, under the circumstances described below, MBIA will not be considered an “ineligible issuer” within the meaning of Rule 405 under the Securities Act of 1933, as amended (the “Securities Act”). Our submission is made pursuant to subsection (2) of the definition of “ineligible issuer” contained in Rule 405.

MBIA is a regular participant in the capital markets, both as an issuer of securities and as a provider of credit support for securities issued by its clients. Under the Commission’s Securities Offering Reform regime, MBIA currently qualifies as a “well-known seasoned issuer” (also as defined in Rule 405). The inability to take advantage of the Commission’s streamlined offering procedures could very significantly disadvantage MBIA.

The sole reason that MBIA might become an “ineligible issuer” relates to the timing of formal Commission approval of an Offer of Settlement as to which an agreement in principle was reached with the Staff of the Commission (the “Staff”) on October 28, 2005. MBIA expects that the Offer of Settlement will result in an Order Instituting Cease-and-Desist Proceedings, Making Findings, and Imposing a Cease-and-Desist Order Pursuant to Section 8A of the Securities Act of 1933 and Section 21C of the Securities Exchange Act of 1934 (the “Order”) being issued by the Commission in December, 2006.

We are requesting relief from the Commission on the basis that:

(a) although MBIA expects the Order to be entered in December, 2006, MBIA agreed in principle to the entry of the Order on October 28, 2005, when it signed and submitted the Offer of Settlement; and

(b) MBIA understands that the Division of Enforcement concurs that it reached an agreement in principle with MBIA as to the entry of the Order on October 28, 2005.

This letter will set forth in more detail the statutory background for our request, a brief statement of the facts underlying MBIA's pending settlement with the Commission, and the basis for a determination by the Commission that there is good cause for MBIA not to be considered an "ineligible issuer."

Statutory Background

The definition of "ineligible issuer" contained in Rule 405 includes, among other things, any issuer that, within the three years preceding the "relevant date of determination" (which we interpret as any date of determination as to whether or not the issuer is an "ineligible issuer"), was made the subject of any judicial or administrative decree or order arising out of a governmental action that:

(A) prohibits certain conduct or activities regarding, including future violations of, the anti-fraud provisions of the federal securities laws;

(B) requires that the person cease and desist from violating the anti-fraud provisions of the federal securities laws; or

(C) determines that the person violated the anti-fraud provisions of the federal securities laws.

The definition of "ineligible issuer" further clarifies that in the case of a decree or order agreed to in a settlement between an issuer and the Commission, only those decrees or settlements agreed to on or after December 1, 2005 would give rise to an issuer being considered an "ineligible issuer." See also Release Nos. 33-8591 and 34-52056, the adopting release for the final Securities Offering Reform rules, at fn. 23, providing that "ineligibility of an issuer based on a settlement will be prospective only and thus arise only for settlements entered into after the effective date of the new rules" (i.e., December 1, 2005).

Finally, subsection (2) of the definition of "ineligible issuer" provides that "an issuer shall not be an ineligible issuer if the Commission determines, upon a showing of good cause, that it is not necessary under the circumstances that the issuer be considered an ineligible issuer."

MBIA Facts

MBIA is currently the subject of an investigation by the Commission and certain other regulatory authorities regarding, *inter alia*, agreements entered into in 1998 by its subsidiary MBIA Insurance Corporation with AXA Re Finance S.A. (AXA Re), Muenchener Rueckversicherungs-Gesellschaft (Munich Re) and Converium Re (previously known as Zurich Reinsurance North America). MBIA reached an agreement in principle with the Staff of the Commission on October 28, 2005, and understands that the Offer of Settlement (slightly revised to reflect minor changes requested by the Staff in December, 2005) is currently under consideration by the full Commission.

The signed October 28, 2005 Offer of Settlement was the result of extensive discussions and negotiations between the Staff and MBIA conducted over the course of several months. Though the Commission did not formally complete its consideration of the terms of the proposed settlement before December 1, 2005, MBIA has no reason to believe that the substantive terms of the Order will materially differ from those agreed in principle and reflected in the October 28 Offer of Settlement.

As provided in the Offer of Settlement, MBIA expects that the Order, when formally issued, will prohibit MBIA from committing or causing any future violations of Section 17(a) of the Securities Act and Sections 10(b), 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act and Rules 10b-5, 12b-20, 13a-1, 13a-11, 13a-13, and 13b2-1 thereunder. Absent the relief sought in this letter, the Order would thus cause MBIA to be an "ineligible issuer" because the Order would be of the nature described in clauses (A) and (B) of subsection (1)(vi) of the definition of "ineligible issuer."

Request for Relief

We respectfully request that the Commission exercise the authority afforded it in subsection (2) of the definition of "ineligible issuer" under the Securities Act to determine that MBIA shall not be an "ineligible issuer" once it becomes subject to the Order.

As noted above, the basis for MBIA's request is that MBIA agreed in principle to the entry of the Order on October 28, 2005, when it signed and submitted the Offer of Settlement. In addition, MBIA understands that the Division of Enforcement concurs that it reached an agreement in principle with MBIA as to the entry of the Order on October 28, 2005.

We appreciate your consideration of this request for relief. We understand that any affirmative determination on the part of the Commission would be without prejudice to any other action by the Commission in any other proceeding or matter with respect to MBIA or any other person.

Ms. Mary Kosterlitz

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December 13, 2006

Please refer any questions or comments to the undersigned at 212-909-6459.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Nicholas F. Potter". The signature is written in a cursive style with a large, stylized initial "N".

Nicholas F. Potter

Cc: Ram D. Wertheim, Esq.

MBIA Inc.

Gerald Russello, Esq.

United States Securities and Exchange Commission (New York branch)