

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION – DETROIT**

In re:)
) Chapter 9
CITY OF DETROIT, MICHIGAN,)
) Case No. 13-53846
 Debtor.)
)
) Hon. Steven W. Rhodes
)
_____)

**NATIONAL PUBLIC FINANCE GUARANTEE CORPORATION’S
JOINDER TO THE RESPONSE OF ASSURED GUARANTY MUNICIPAL
CORP. TO THE MOTION OF DEBTOR, PURSUANT TO SECTIONS 105,
501 AND 503 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES
2002 AND 2003(c), FOR ENTRY OF AN ORDER ESTABLISHING BAR
DATE FOR FILING PROOFS OF CLAIM AND APPROVING FORM AND
MANNER OF NOTICE THEREOF**

National Public Finance Guarantee Corporation (“National”), by and through its undersigned counsel, hereby submits this joinder (the “Joinder”) to the response (the “Response”) of Assured Guaranty Municipal Corp. (“Assured”) [Docket No. 1460] to the Motion of Debtor, Pursuant to Sections 105, 501 And 503 of the Bankruptcy Code and Bankruptcy Rules 2002 and 2003(c), for Entry of an Order (the “Proposed Bar Date Order”) Establishing Bar Date for Filing Proofs of Claim and Approving Form and Manner of Notice Thereof [Docket No. 1146] (the “Bar Date Motion”). In support of this Joinder, National respectfully submits as follows:

LA1 2874706

2623511.1

1. National is a municipal bond insurer and is a creditor and/or party in interest in this chapter 9 proceeding. In particular, National has insured several bonds issued by the City of Detroit (the “City”), including unlimited tax general obligation bonds (the “GO Bonds”), water supply system bonds, and sewage disposal system bonds. National has also insured bonds issued by, or transferred to, various discrete City or State authorities that are entities separate from the City. In aggregate, National has provided insurance for approximately \$2.4 billion of the of the City’s municipal bonds and bonds issued by City authorities.

2. If the City or any of its authorities fail to pay the holders of National-insured bonds the scheduled principal and interest payments when due, National will be required to make such payments as and to the extent required by the National policies. Therefore, National is the true economic party in interest with respect to the liabilities and obligations of the City that National has insured.

3. National hereby joins the Response filed by Assured. The Proposed Modifications¹ will provide for more efficient use of estate resources, will ensure the equitable treatment of all bondholders, including the holders of GO Bonds, and will not prejudice the City or other creditors.

¹ Capitalized terms undefined herein shall have the meanings ascribed to them in the Response.

4. As the City suggests in the Bar Date Motion, the proposed notice procedures may not result in the provision of satisfactory notice of the claims bar date to the individual holders of GO Bonds. Allowing the Paying Agents or Bond Insurers to file proofs of claims on behalf of the individual holders of GO Bonds will ameliorate the City's noticing issues and will preserve estate resources and avoid unnecessary litigation.

5. Consequently, National joins the Response and for the reasons stated therein requests that the Court grant the Proposed Modifications to the Proposed Bar Date Order.

WHEREFORE, National respectfully requests that the Court grant the relief requested in the Response and grant such other and further relief as is just and proper.

Dated: October 30, 2013

Respectfully submitted,

/s/ Eric D. Novetsky
JAFFE, RAITT, HEUER & WEISS, P.C.
Eric D. Novetsky (P71953)
Louis P. Rochkind (P24121)
2777 Franklin Road, Suite 2500
Southfield, MI 48034
Tel: (248) 351-3000
Fax: (248) 351-3082
Email: enovetsky@jaffelaw.com

and

SIDLEY AUSTIN LLP
Jeffrey E. Bjork
555 West Fifth Street, Ste. 4000
Los Angeles, CA 90013
Tel: (213) 896-6000
Fax: (213) 896-6600
Email: jbjork@sidley.com

SIDLEY AUSTIN LLP
Guy S. Neal
1501 K Street, N.W.
Washington, DC 20005
Tel: (202) 736-8000
Fax: (202) 736-8711
Email: gneal@sidley.com

Attorneys for National Public Finance Guarantee Corporation