

Via Facsimile and U.S. Mail  
Mail Stop 6010

February 24, 2009

Mr. C. Edward Chaplin  
Chief Financial Officer  
MBIA Inc.  
113 King Street  
Armonk, New York 10504

**Re: MBIA Inc.  
Form 10-K for Fiscal Year Ended December 31, 2007  
Forms 10-Q for the Quarters Ended March 31, 2008, June 30, 2008 and  
September 30, 2008  
File No. 1-9583**

Dear Mr. Chaplin:

We have reviewed your February 13, 2008 response to our January 15, 2009 letter and have the following additional comments. In our comments, we ask you to provide us with information to better understand your disclosure. Where a comment requests you to revise disclosure, the information you provide should show us what the revised disclosure will look like and identify the annual or quarterly filing, as applicable, in which you intend to first include it. If you do not believe that revised disclosure is necessary, explain the reason in your response. After reviewing the information provided, we may raise additional comments and/or request that you amend your filing.

**Form 10-Q for the quarter ended September 30, 2008**

Note 6 – Fair Value of Financial Instruments  
Derivatives – Insurance, page 17

1. We note management's assertion in your response to prior comment 2 that ceding commissions are not material on purchased protection accounted for as a derivative. Should the ceding commissions become material and you believe that they should be excluded from your CDS fair value computation; we suggest that you pre-clear your accounting treatment with the staff.
2. We acknowledge your response to prior comment 3. Please disclose the illiquidity premium used to determine fair value at each reporting period and

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disclose reasons for changes in the assumed illiquidity premium at each reporting date.

3. In order to help us understand the disclosure you propose in response to prior comment 6, please tell us and consider the need for revised disclosure concerning the following:
  - a. The certain portions of the derivative liability your disclosure refers to;
  - b. What the non-MBIA credit adjusted value represents; and
  - c. The reason that this change is a change in estimate versus a correction of an error as your ability to pay these losses over time had been known to you at the time the CDS transaction was entered into.

\* \* \* \*

Please respond to these comments within 10 business days or tell us when you will provide us with a response. Please provide us any requested information. Detailed cover letters greatly facilitate our review. Please file the letter on EDGAR under the form type label CORRESP.

You may contact Gus Rodriguez, Accounting Branch Chief, at (202) 551-3752, or Joel Parker, Accounting Branch Chief, at (202) 551-3651 if you have questions regarding these comments. In this regard, do not hesitate to contact me, at (202) 551-3679.

Sincerely,

Jim B. Rosenberg  
Senior Assistant Chief  
Accountant