

NEWS RELEASE



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FirstCity Financial Corporation Announces Quarterly Dividend on New Preferred Stock (FCFCO)

Waco, Texas September 9, 2004 ...FirstCity Financial Corporation (NASDAQ FCFC, FCFCO) today announced that it has declared a quarterly dividend payment of \$.525 per share on its New Preferred Stock (NASDAQ FCFCO). The dividend is payable on September 30, 2004, to holders of record as of September 16, 2004.

The New Preferred Stock which matures in September 2005 has a \$21.00 per share liquidation preference and \$2.10 per share annual dividend rate.

FirstCity Financial is a diversified financial services Company with operations dedicated to portfolio asset acquisition and resolution and consumer lending with offices in the US and with affiliate organizations in France and Mexico. Its common (FCFC) and preferred (FCFCO) stocks are listed on the NASDAQ National Market System.