First Quarter 2007 U.S. CDO Review: Climbing the Wall of Subprime Worry

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CONTENTS

ACTIVITY SUMMARY AND OUTLOOK

The elephant in the room might have caused heads to turn, but the distraction has —so far—proved only that, as both the number and the volume of Moody's rated U.S. collateralized debt obligation (CDO) transactions raced onward and upward to (now typical) never before seen first quarter levels. The number of rated transactions (203) was lower (by almost 6%) than the phenomenal performance of the final quarter of 2006. And, as expected, the total rated volume of approximately U.S. $113 billion for the first quarter was down approximately 7% from the rated volume for Q4 2006. But this merely modest decline in number and volume was relatively surprising given the steadily increasing worry over the 2006 vintage of subprime mortgages.[1]

This surprisingly robust performance for the quarter is most easily seen in the year-over-year comparisons. Last year's first quarter performance was extraordinary, with the number and volume of rated transactions both up more than 60% compared to the same period in 2005. However, Q1 2007 swamped the same quarter performance from last year, up over 107% by number of rated transactions, and more than 139% higher according to rated volume.[2]

Synthetically executed transactions - including structured finance resecuritizations (Resecs), corporate tranche deals (Synthetics (excluding Resecs)) and "hybrids" (Hybrid CDOs) comprised nearly 60% of the quarter's activity by number and just over 40% of the rated volume.[3] The lion's share of the quarterly volume went to cash Resecs and CLOs. See *Transaction Mix* section below for a breakdown of quarter-over-quarter results.

1 Moody's has published extensively on the 2006 vintage of subprime issuance and resecuritization. See, generally, our website (http://www.Moodys.com). More specifically, see the list of selected publications in *Figure 8* at the end of this report.

2 Due to the reclassifications of certain CDOs rated during the prior year, percentages will not precisely reconcile with the number and volume of transactions reported in last year's first quarter review entitled "First Quarter 2006 U.S. CDO Review: Fastest Start on Record."

3 We classify as "Hybrid CDO" those transactions with both funded and unfunded liabilities and having some portion of underlying assets being synthetically referenced. Hybrid CDOs are, for the most part, comprised of mezzanine structured finance resecuritizations. For a more granular segregation of our activity, see *Figures 2* and *3* below.

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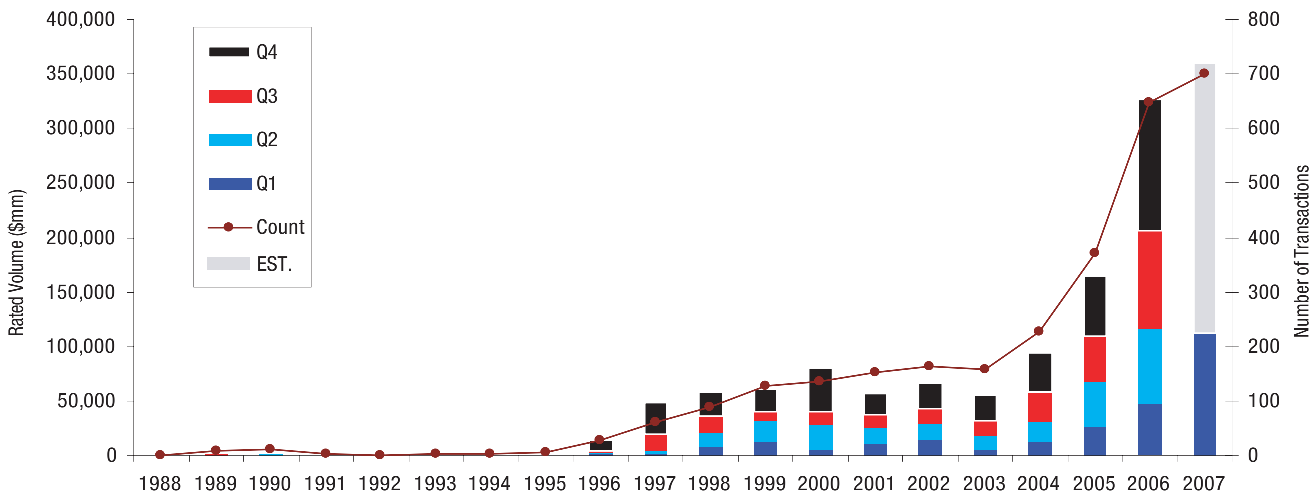
Usually at this point in the year, our activity estimates are vague, preliminary and hesitant, and in many ways this year will be no exception. However, we do believe that some of the first quarter's activity was the result of some arrangers feverishly working to clear inventory and reduce their balance sheet exposure to the subprime class of resecuritization assets. Accordingly, despite the truly extraordinary performance of the first quarter, we think the remainder of the year—and particularly the second half of the year—will probably not keep pace with prior year patterns, where the performance in the later quarters could be predicted as a multiple of the first quarter's performance. While we are cautiously expecting another record breaking year in 2007, we would not be surprised to see the overall activity redistributed somewhat, biasing towards the first half of the year. (*Figure 1*).

Figure 1

U.S. CDO Transaction Volume Growth in 2007



TRANSACTION MIX

Figures 2A and *2B* show trailing 15 months of activity during the first quarter of 2007 by number and rated volume. *Figure 2C* shows the same data but for the last four quarters in tabular form. The graphs are broken out by those types of CDOs that represent more than 5% of activity in Q1 2007. They are Synthetic CDOs, Resecs, Hybrid CDOs and CLOs. The "Other" category includes small to medium enterprise (SME) CDOs, market value (MV) CDOs and trust preferred securities (TRuPs) CDOs.

In the first quarter of 2007, most of the deals maintained their proportional relationship with the total rated deals in terms of numbers and volume with the exception of Resecuritazions (cash form) and Synthetics (non Resecs). Cash Resecs declined slightly while Synthetics (non Resecs) increased.

Structured finance resecuritizations comprised 12% and 32% of the total number and volume rated in Q1 2007, respectively, while they comprised about 17% and 36% respectively of the total number and volume rated in Q4 2006.

Synthetics (non Resecs) increased to 22% of total number deals in Q1 2007 from about 14% in Q4 2006 and 8% of total rated volume in Q1 2007 from about 4% in Q4 2006.

Figure 2A
Trailing 15 Months Deal Activity (by number)

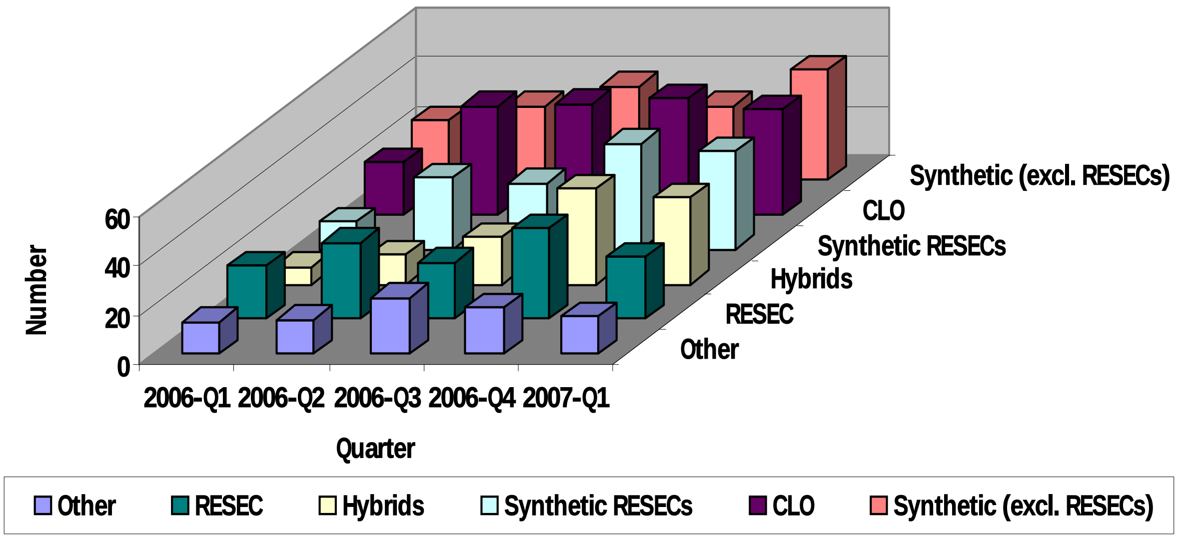


Figure 2B
Trailing 15 Months of Rated Activity (by volume)

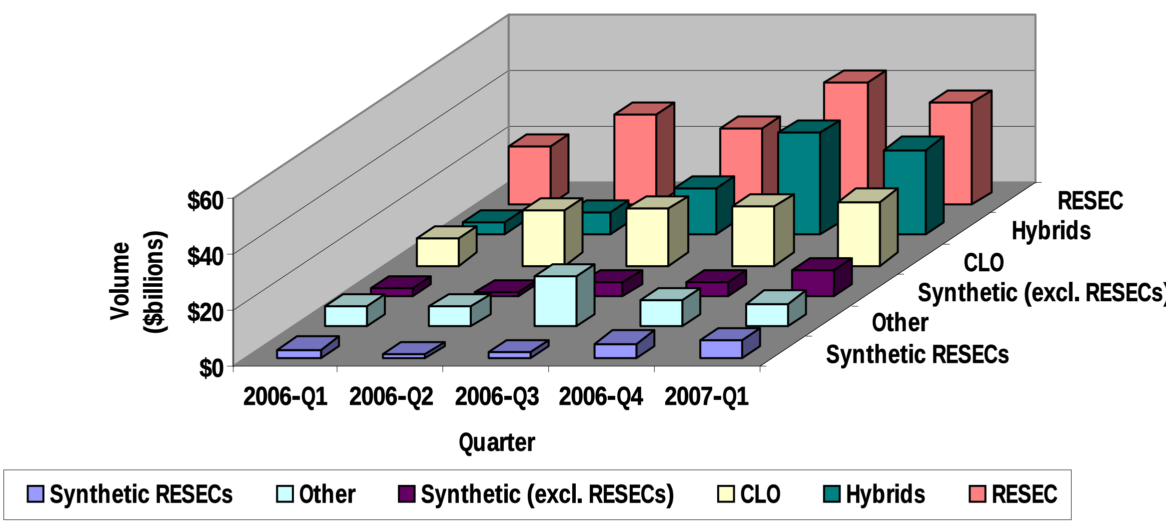


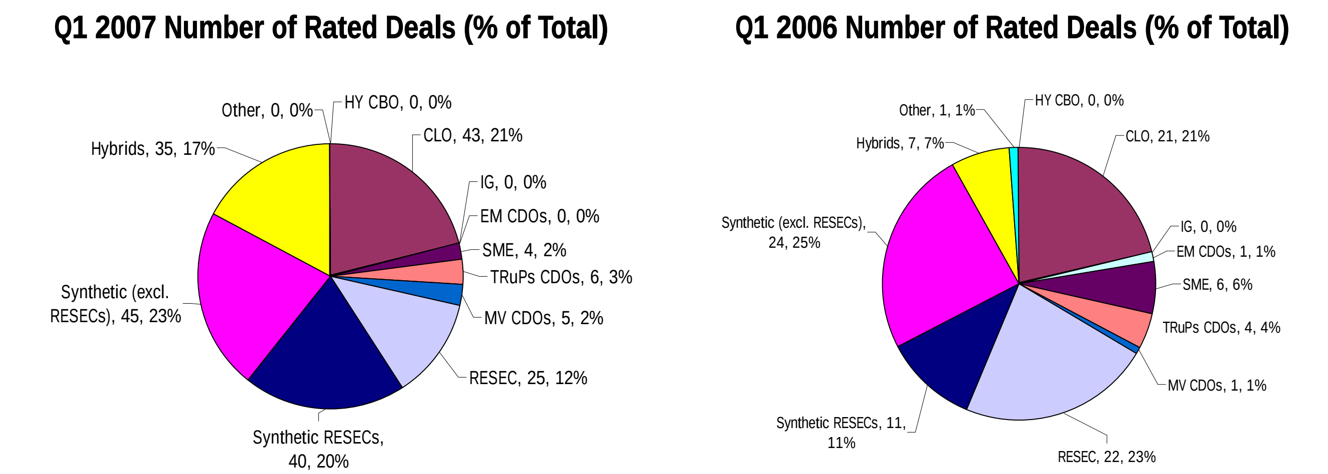
Figure 2C
Trailing activity by Number and Volume (Tabular format)

	CLO		RESEC		Synthetic RESECs		Synthetic (excl. RESEC's)		Hybrids		Other	
	% by Num	% by Vol	% by Num	% by Vol	% by Num	% by Vol	% by Num	% by Vol	% by Num	% by Vol	% by Num	% by Vol
2006-Q2	28%	28%	19%	46%	18%	2%	19%	2%	8%	11%	9%	11%
2006-Q3	26%	23%	13%	30%	15%	3%	22%	6%	11%	19%	13%	20%
2006-Q4	22%	18%	17%	36%	20%	4%	14%	4%	18%	30%	9%	8%
2007-Q1	21%	20%	12%	32%	20%	6%	22%	8%	17%	27%	7%	8%
Last Four Quarters	24%	5%	16%	22%	18%	12%	10%	4%	13%	21%	20%	36%

CDOs, Synthetic CDOs, RESECs (Structured Finance CDOs) and Hybrids

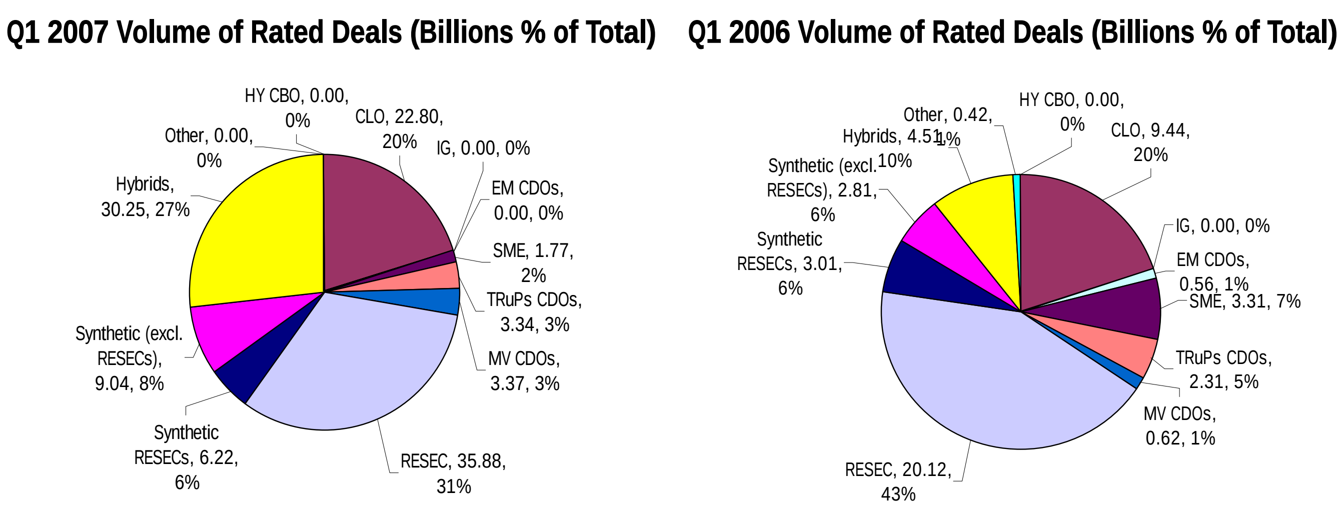
CLOs, Synthetic CDOs (both corporate and resecuritizations), non-synthetic (cash) Resecs, and Hybrid CDOs comprise approximately 93% (by number) of Q1 2007's total activity. This compares to the 87% proportion that CLOs, Synthetics, Resecs and Hybrids comprised of the Q1 2006 activity. Of the remaining 15 transactions rated in Q1 2007, TruPs CDOs led the way with six deals rated in the quarter, while five MV CDOs, and four SME CDOs completed our activity for the quarter. (See *Figures 3A* and *3B*)

Figure 3A



† Number and percentages reflect that category's actual number and proportion of total number of rated transactions in that quarter.

Figure 3B



RELATIVE ARBITRAGE OPPORTUNITIES

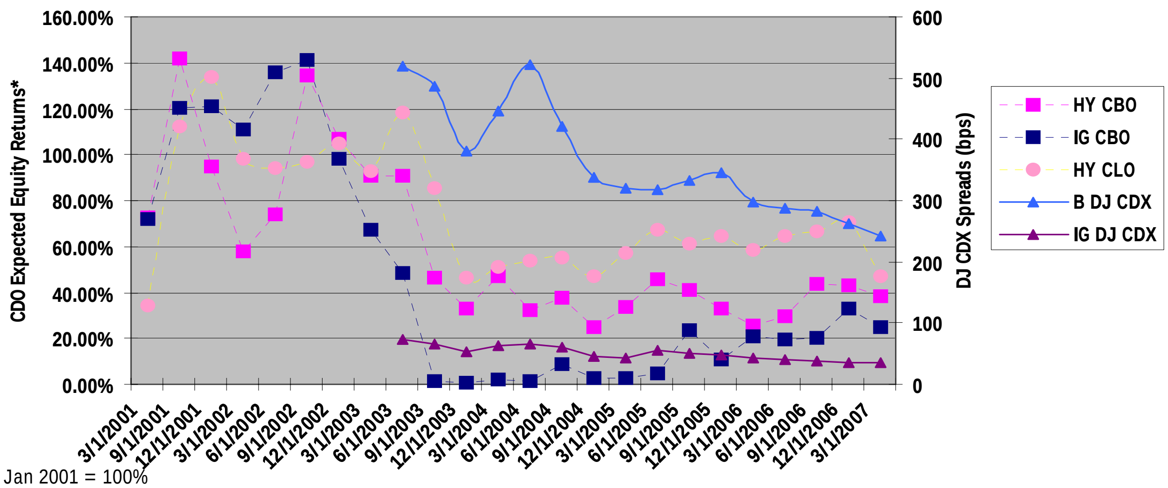
Senior liability spreads on corporate CDOs and CLOs—well insulated from the subprime-syndrome—held steady during the first quarter of 2007, even as their related asset spreads tightened somewhat in reflection of the continuing decline in default rates.[4] Structured finance resecuritizations saw extraordinary widening in spreads for mezzanine liabilities as they reached levels at quarter's end nearly double their 2006 average levels.[5]

4 The trailing U.S. 12-month corporate default rate and the trailing U.S. 12-month speculative grade default rate declined to their lowest levels since 1995.

5 See market research such as "Global ABS/CDO Weekly Market Snapshot, JP Morgan Securities Inc., April 13, 2007"

In *Figure 4A* below, we chart relative arbitrage opportunities facing three hypothetical corporate CDO structures: HY CLO, HY CBO and investment grade (IG) CBO. In comparison, we plot the performance of the DJ CDX index (single B) and the investment grade DJ CDX on the right y-axis. In *Figure 4B*, we show hypothetical asset backed CDOs (Resec and Synthetic structures) against which we've plotted relevant ABX indices.

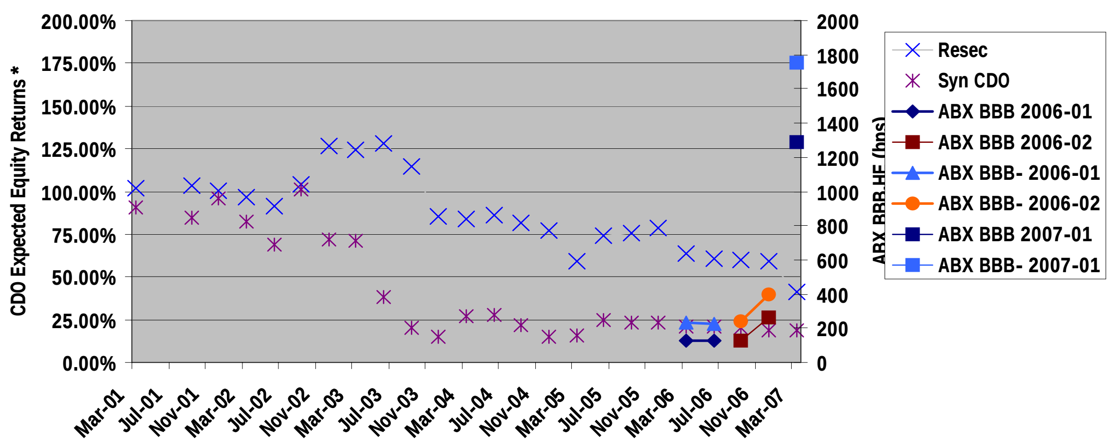
Figure 4A
Arbitrage Incentives Corporate CDOs*



* Jan 2001 = 100%

* CDO Expected Equity Returns to CDO equity holders for newly structured transactions based on binomial calculation. Assumes typical liability structures and collateral profiles for each of the CDO sectors, as well as prevailing asset/liability pricing and swap spreads. Note that these prospective returns are only measured as of closing; subsequent performance of the hypothetical transactions is not monitored.

Figure 4B
Arbitrage Incentives Resec and Synthetic CDOs*



*** Jan 2001 = 100%**

* DJX Indices Source: JPMorgan Chase

NEW DEVELOPMENTS

Throughout the first quarter, all eyes were focused on the performance of the 2006 vintage of subprime mortgages. The primary result of this vigilance (and the desire from bankers to clear their warehouses of exposure to subprime RMBS) was a significant increase in overall activity, including in mezzanine structured finance Resecs (primarily as Hybrid CDOs), CDOs of CDOs and CDOs containing large baskets of CDOs. The aversion to subprime exposure contributed to the trend in Resecs towards high grade structured finance. Additionally, this has led to a need for the structuring banks that retain super senior exposure in the capital structure to find novel ways—via additional transactions—to reduce their mark-to-market exposure from any retained super senior tranches.

But the additional (record setting) issuance would not have resulted solely from the subprime excitement. The quarter would have been busy in any event based on (1) the extraordinary number and volume of CLOs brought to market, (2) a renewed interest in CDOs of CDOs (separate and apart from a desire to redistribute subprime exposure), including in CDOs of CLOs,[6] and (3) the apparently limitless appetite for structural complexity—at least when there is a demonstrable increase in expected returns.

The appetite for complexity is not confined to synthetic structures or high grade structured finance resecuritizations. Part of the growth in CLOs during the quarter can be found in the willingness to include foreign currency exposure. In CLOs, for instance, more managers are willing to incur foreign currency risk and more managers are using complicated formulas in their parameter matrices to permit them to manage among various capital structures where the undrawn balance of a revolving tranche may be resized as a function of overcollateralization levels.

Meanwhile, activity in the new and newer products continues to grow. We assigned final ratings on two more Credit Derivative Product Companies (CDPCs) in quarter one, and issued a provisional rating on a third. In addition, we issued three new Operational Quality (OQ) ratings on hedge funds during the quarter. We also are seeing in REIT based TruPs CDOs increasing baskets for CMBS and real estate related loans, while for the bank and insurance based TruPs CDOs there has been a trend towards including baskets for SME loans.

CDO RATING ACTIONS

The first quarter of 2007 started off strong with upgraded deals outpacing downgraded deals by nearly two to one. Moody's downgraded a total of 27 non pari-passu tranches within 16 deals while upgrading 54 tranches within 31 deals. Moody's also confirmed the ratings of seven tranches within seven deals. The number of upgrades outpacing the downgrades has continuously increased for the past seven quarters, with the exception of the second quarter of 2006. This activity can generally be attributed to the amortization of deals which have passed their reinvestment periods. Out of the 31 upgraded deals, 42% were resecuritizations while 23% were CLOs. Of the 16 downgraded deals, 38% were resecuritizations while 31% were collateralized bond deals.

Moody's placed eight tranches within seven transactions on watch for possible downgrade and placed 31 tranches within 18 transactions on watch for possible upgrade. The ratio of upgrade to downgrade (watchlist only) was 2.5 to 1 in the first quarter of 2007. This strong performances can be partially attributed to the U.S. 12-month declining corporate and speculative default rates. The trailing U.S. 12-month corporate default rate declined to 0.60% while the trailing U.S. 12-month speculative grade default rate declined to 1.39%. These rates are now at their lowest levels since 1995.

6 This development appears to result in part from the surge in liquidity for all deals employing synthetic technology. The surge appears well correlated with the wider use and acceptance of standardized credit default swap documentation, particularly when referencing ABS tranches and tranches of CDOs

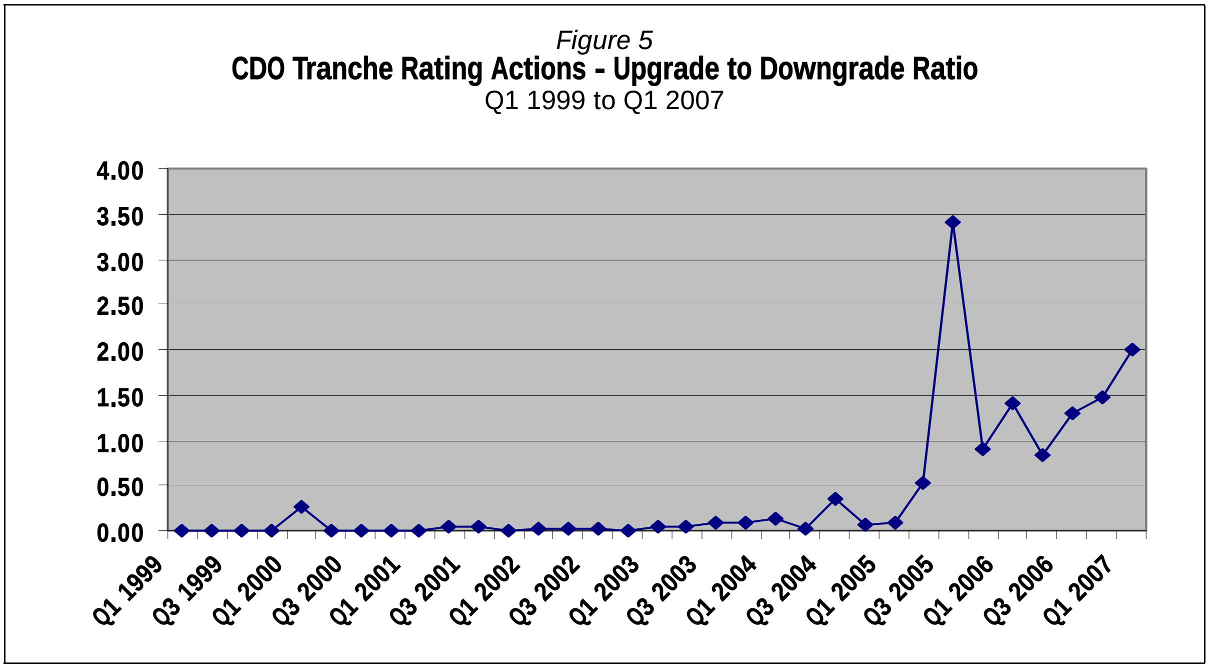


Figure 6: CDO Rating Actions During Q1 2006

Transaction	Tranche	Initial deal rating date	Previous Rating	Date of Action	New Rating	Downgrade or Upgrade
Centurion CDO II, Limited	$45.00M Class B Floating Rate Notes	2-Nov-00	**A3**	3-Jan-07	**A2**	U
Centurion CDO II, Limited	$17.50M Class C Floating Rate Notes	2-Nov-00	**Baa2**	3-Jan-07	**Baa2**	Confirm
Centurion CDO II, Limited	$15.00M Class D-1 Fixed Rate Notes	2-Nov-00	**Ba3**	3-Jan-07	**B1**	D
Centurion CDO II, Limited	$7.50M Class D-2 Floating Rate Notes	2-Nov-00	**Ba3**	3-Jan-07	**B1**	D
Crest 2001-1, Ltd.	$30.00M Class B-1 Notes	7-Mar-01	**A3**	4-Jan-07	**Aa2**	U
Crest 2001-1, Ltd.	$35.00M Class B-2 Notes	7-Mar-01	**A3**	4-Jan-07	**Aa2**	U
Crest 2001-1, Ltd.	$30.00M Class C Notes	7-Mar-01	**Ba2**	4-Jan-07	**Baa3**	U
Nicholas-Applegate CBO I Limited	$23.70M Class B-1 Floating Rate Notes	24-Aug-00	**A3**	9-Jan-07	**A3**	Confirm
Nicholas-Applegate CBO I Limited	$2.50M Class B-2 Fixed Rate Notes	24-Aug-00	**A3**	9-Jan-07	**A3**	Confirm
Nicholas-Applegate CBO I Limited	$12.83M Class C Participating Notes	24-Aug-00	**Baa3**	9-Jan-07	**Ba3**	D
Nicholas-Applegate CBO I Limited	$10.69M Class D Floating Rate Notes	24-Aug-00	**B1**	9-Jan-07	**Caa3**	D
South Coast Funding II Ltd	$32.50M Class B Floating Rate Senior Secured Notes	6-Jun-02	**Baa2**	16-Jan-07	**Ba1**	D
South Coast Funding IV Ltd.	$110.00M Class B Third Priority Senior Secured Floating Rate Notes	16-Dec-03	**Aa2**	16-Jan-07	**Aaa**	U
South Coast Funding IV Ltd.	$35.00M Preference Shares	16-Dec-03	**Ba3**	16-Jan-07	**Baa3**	U
South Coast Funding IV Ltd.	$45.00M Class C Floating Rate Notes	16-Dec-03	**Baa2**	16-Jan-07	**A2**	U
Commodore CDO I, Limited	$42.75M Class B Floating Rate Notes	26-Feb-02	**Aa2**	22-Jan-07	**Aa1**	U

Transaction	Tranche	Initial deal rating date	Previous Rating	Date of Action	New Rating	Downgrade or Upgrade
Liberty Square CDO I, Limited	$11.00M Class D-2 Floating Rate Notes	14-Mar-01	**Caa2**	22-Jan-07	**Caa2**	Confirm
Liberty Square CDO I, Limited	$7.25M Class D-1 Floating Rate Notes	14-Mar-01	**Caa2**	22-Jan-07	**Caa2**	Confirm
Liberty Square CDO II, Limited	$140.00M Class A-1 Floating Rate Notes	8-May-01	**Aaa**	22-Jan-07	**Aa1**	D
Liberty Square CDO II, Limited	$30.00M Class A-2 Floating Rate Notes	8-May-01	**Aaa**	22-Jan-07	**Aa1**	D
Liberty Square CDO II, Limited	$22.50M Class B Floating Rate Notes	8-May-01	**Aa3**	22-Jan-07	**A2**	D
Liberty Square CDO II, Limited	$25.00M Class C Floating Rate Notes	8-May-01	**Baa3**	22-Jan-07	**B1**	D
Liberty Square CDO II, Limited	$10.00M Class D Floating Rate Notes	8-May-01	**Ba3**	22-Jan-07	**Caa3**	D
Liberty Square CDO II, Limited	$30.00M Combination Securi-ties	8-May-01	**Aaa**	22-Jan-07	**Aa1**	D
Pacific Shores CDO, Ltd.	$96.00M Class B-1 Second Pri-ority Senior Secured Floating Rate Notes	27-Jun-02	**Aa1**	22-Jan-07	**Aa1**	Confirm
Pacific Shores CDO, Ltd.	$16.00M Class B-2 Second Pri-ority Senior Secured Floating Rate Notes	27-Jun-02	**Aa1**	22-Jan-07	**Aa1**	Confirm
Pacific Shores CDO, Ltd.	$21.50M Class I Preferred Stock	27-Jun-02	**Ba2**	22-Jan-07	**Baa2**	U
Pacific Shores CDO, Ltd.	$28.00M Class C Mezzanine Secured Floating Rate Notes	27-Jun-02	**Baa2**	22-Jan-07	**Baa1**	U
Pacific Shores CDO, Ltd.	$7.00M Class II Preference Shares	27-Jun-02	**Ba2**	22-Jan-07	**Baa2**	U
Credit Linked Notes Ltd. 2004-1	$15.50M 7.14% Bonds	5-Mar-04	**Ba3**	23-Jan-07	**Baa3**	U
Knight Funding Ltd.	$45.00M Class A-2 Senior Secured Floating Rate Notes	25-Jun-99	**A1**	23-Jan-07	**Aa2**	U
Knight Funding Ltd.	$10.00M Class B-2 Secured Senior Subordinated Fixed Rate Notes	25-Jun-99	**Caa2**	23-Jan-07	**B3**	U
Knight Funding Ltd.	$25.00M Class B-1 Secured Senior Subordinated Floating Rate Notes	25-Jun-99	**Caa2**	23-Jan-07	**B3**	U
Nicholas-Applegate CBO II Limited	$32.40M Class B Floating Rate Notes	26-Apr-01	**A3**	25-Jan-07	**Baa2**	D
Nicholas-Applegate CBO II Limited	$10.00M Class D Floating Rate Notes.	26-Apr-01	**B1**	25-Jan-07	**Caa2**	D
Nicholas-Applegate CBO II Limited	$13.75M Class C Floating Rate Notes	26-Apr-01	**Baa3**	25-Jan-07	**B1**	D
Stanfield CLO, Ltd.	$22.00M Class C-2 Secured Fixed Rate Notes	25-Jun-99	**A1**	25-Jan-07	**Aa3**	U
Stanfield CLO, Ltd.	$7.00M Class C-1 Secured Floating Rate Notes	25-Jun-99	**A1**	25-Jan-07	**Aa3**	U
Trainer Wortham First Republic CBO II, Limited	$295.00M Class A-1L Floating Rate Notes	28-Feb-02	**Aaa**	25-Jan-07	**Aa2**	D
Trainer Wortham First Republic CBO II, Limited	$23.00M Class A-2L Floating Rate Notes	28-Feb-02	**Baa2**	25-Jan-07	**Baa3**	D

Transaction	Tranche	Initial deal rating date	Previous Rating	Date of Action	New Rating	Downgrade or Upgrade
Trainer Wortham First Republic CBO II, Limited	$10.00M Class A-3L Floating Rate Notes.	28-Feb-02	**Caa2**	25-Jan-07	**Ca**	D
Dresdner RCM Global Investors CBO II, Ltd.	$12.00M Class A-2A Senior Secured Floating Rate Notes	30-Nov-00	**A3**	30-Jan-07	**Aa1**	U
Dresdner RCM Global Investors CBO II, Ltd.	$10.00M Class A-2B Senior Secured Fixed Rate Notes	30-Nov-00	**A3**	30-Jan-07	**Aa1**	U
UBS Issue Series 1700	$6.00M Fixed Rate Note	20-Nov-03	**Baa3**	31-Jan-07	**Baa3**	Confirm
CSAM Funding I	$22.50M Class B-1 Notes	29-Mar-01	**A3**	2-Feb-07	**A1**	U
CSAM Funding I	$40.00M Class B-2 Notes	29-Mar-01	**A3**	2-Feb-07	**A1**	U
CVC Capital Funding, LLC	$210.00M Class B-1 Notes	10-Nov-99	**A2**	2-Feb-07	**Aa3**	U
CVC Capital Funding, LLC	$90.00M Class B-2 Notes	10-Nov-99	**A2**	2-Feb-07	**Aa3**	U
Independence I CDO, Ltd.	$223.50M Class A First Priority Senior Secured Floating Rate Notes	18-Dec-00	**Aa2**	2-Feb-07	**Baa2**	D
Independence I CDO, Ltd.	$50.00M Class B Second Priority Senior Secured Floating Rate Notes	18-Dec-00	**Ba3**	2-Feb-07	**B3**	D
Landmark CDO Ltd.	$20.00M Class B Second Priority Senior Secured Floating Rate Notes	12-Jul-01	**A1**	2-Feb-07	**Aa1**	U
Landmark CDO Ltd.	$10.00M Class C-1Third Priority Senior Secured Floating Rate Notes	12-Jul-01	**Baa2**	2-Feb-07	**A2**	U
Landmark CDO Ltd.	$16.00m Class C-2 Third Priority Senior Secured Fixed Rate Notes	12-Jul-01	**Baa2**	2-Feb-07	**A2**	U
Landmark CDO Ltd.	$7.00M Class D-1 Fourth Priority Senior Secured Floating Rate Notes	12-Jul-01	**Ba2**	2-Feb-07	**Baa3**	U
Landmark CDO Ltd.	$2.00M Class D-2 Fourth Priority Senior Secured Fixed Rate Notes	12-Jul-01	**Ba2**	2-Feb-07	**Baa3**	U
Crest G-Star 2001-1, LP	$60.00M Class B-1 Second Priority Notes	6-Sep-01	**A3**	6-Feb-07	**A2**	U
Crest G-Star 2001-1, LP	$15.00M Class B-2 Second Priority Notes	6-Sep-01	**A3**	6-Feb-07	**A2**	U
Crest G-Star 2001-1, LP	$20.00M Class C Third Priority Notes	6-Sep-01	**Ba2**	6-Feb-07	**Ba1**	U
Crest G-Star 2001-1, LP	$15.00M Class D Fouth Priority Notes	6-Sep-01	**B2**	6-Feb-07	**B1**	U
Centurion Global Sovereign CBO I, Limited	$11.00M Class A-2 Fixed Rate Second Priority Senor Notes	14-Oct-99	**A2**	8-Feb-07	**Aa2**	U
Centurion Global Sovereign CBO I, Limited	$8.00M Class A-3 Fixed Rate Third Priority Senior Notes	14-Oct-99	**Baa2**	8-Feb-07	**Baa1**	U
MKP CBO II, Ltd.	$18.00M Class B Second Priority Senior Secured Floating Rate Notes	20-Dec-01	**Baa3**	8-Feb-07	**B3**	D
PPM America High Yield (Cayman Islands) CBO I	$448.80M Class A-1 Senior Secured Floating Rate Notes	2-Mar-99	**B2**	8-Feb-07	**Caa3**	D
FC CBO Limited	$591.00M Senior Secured Floating Rate Global Notes	3-Jun-97	**A3**	9-Feb-07	**A2**	U
Pacific Coast CDO Ltd.	$96.00M Class B Bonds	25-Sep-01	**Ba1**	9-Feb-07	**B3**	D

Transaction	Tranche	Initial deal rating date	Previous Rating	Date of Action	New Rating	Downgrade or Upgrade
Counts Trust, Series 2004-5	$50.00M Series 2004-5 Certificates	16-Jun-04	**Aa3**	15-Feb-07	**A2**	D
ZAIS Investment Grade Limited	$206.50M Class A-3 Floating Rate Notes	9-Sep-99	**Baa2**	13-Feb-07	**Aaa**	U
ZAIS Investment Grade Limited	$25.00M Class A-1 Floating Rate Notes	9-Sep-99	**Baa2**	13-Feb-07	**Aaa**	U
ZAIS Investment Grade Limited	$30.00M Class A-2 Fixed Rate Notes	9-Sep-99	**Baa2**	13-Feb-07	**Aaa**	U
ZAIS Investment Grade Limited	$34.00M Class B Floating Rate Notes	9-Sep-99	**Ca**	13-Feb-07	**Baa3**	U
ZAIS Investment Grade Limited	$5.00M Class C-1 Floating Rate Notes	9-Sep-99	**C**	13-Feb-07	**Caa2**	U
ZAIS Investment Grade Limited	$5.00M Class C-2 Fixed Rate Notes	9-Sep-99	**C**	13-Feb-07	**Caa2**	U
Citadel Hill 2000 Ltd.	$35.00M Class A-3L Floating Rate Notes	20-Dec-00	**Baa1**	15-Feb-07	**A1**	U
Sandstone CDO Ltd.	$41.20M Class B Second Priority Senior Secured Notes	4-Jun-04	**Aa2**	16-Feb-07	**Aa1**	U
Sandstone CDO Ltd.	$9.40M Class C Third Priority Secured Floating Rate Notes	4-Jun-04	**A2**	16-Feb-07	**A1**	U
Sandstone CDO Ltd.	$18.70M Class D Fourth Priority Secured Floating Rate Notes	4-Jun-04	**Baa2**	16-Feb-07	**Baa1**	U
Sandstone CDO Ltd.	$30.00M Composite Notes	4-Jun-04	**Aa1**	16-Feb-07	**Aa1**	Confirm
Centurion CDO I, Limited	$15.00M Class II-A Senior Secured Floating Rate Notes	4-May-00	**Baa1**	21-Feb-07	**Aa1**	U
Centurion CDO I, Limited	$22.00M Class II-B Senior Secured Fixed Rate Notes	4-May-00	**Baa1**	21-Feb-07	**Aa1**	U
Centurion CDO I, Limited	$26.00 Class IIIA Mezzanine Floating Rate Notes	4-May-00	**B3**	21-Feb-07	**Ba1**	U
Centurion CDO I, Limited	$7.00 Class IIIB Mezzanine Fixed Rate Notes	4-May-00	**B3**	21-Feb-07	**Ba1**	U
Arch One Finance Limited	$3.00M Secured Floating Rate Credit Linked Notes	26-May-05	**Baa1**	5-Mar-07	**Ba2**	D
Cashel Rock CBO, Ltd.	$20.00M Class A-3 Senior Notes	15-Nov-01	**A3**	6-Mar-07	**A2**	U
Oasis CBO, Ltd.	$86.80M Second Priority Senior Fixed Rate Notes	20-May-97	**Baa1**	6-Mar-07	**Aaa**	U
Athena CDO, Limited	$53.00M Second Priority Senior Secured Notes	16-Dec-98	**B1**	8-Mar-07	**Ba2**	U
FMA CBO Funding II, L.P.	$251.00M Class A First Priority Notes	15-Sep-99	**Aa3**	8-Mar-07	**Aaa**	U
LYNX 2002-I, Ltd.	$65.00M Class B Floating Rate Notes	8-May-02	**A3**	8-Mar-07	**Aa3**	U
LYNX 2002-I, Ltd.	$20.00M Class D Floating Rate Notes	8-May-02	**Caa3**	8-Mar-07	**Ca**	D
Longhorn CDO (Cayman) Ltd.	$13.00M Class A-2 Floating Rate Senior Secured Notes	15-Mar-00	**Aa2**	8-Mar-07	**Aaa**	U
Longhorn CDO (Cayman) Ltd.	$48.00M Class A-3 Fixed Rate Senior Secured Notes	15-Mar-00	**Aa2**	8-Mar-07	**Aaa**	U
Longhorn CDO (Cayman) Ltd.	$11.00M Class C Floating Rate Secured Notes	15-Mar-00	**Ba3**	8-Mar-07	**B3**	D

Transaction	Tranche	Initial deal rating date	Previous Rating	Date of Action	New Rating	Downgrade or Upgrade
Longhorn CDO (Cayman) Ltd.	$49.00M Class B Floating Rate Senior Secured Notes	15-Mar-00	**Baa2**	8-Mar-07	**Baa3**	D
Triton CBO III, Limited	$45.00M Class A-3 Senior Secured Floating Rate Notes	20-Apr-99	**Baa3**	8-Mar-07	**B2**	D
Saybrook Point CBO, Limited	$252.00M Class A Floating Rate Senior Notes	6-Feb-00	**Aa1**	8-Mar-07	**Aa1**	Confirm
ZAIS Investment Grade Limited II	$304.00M Class A-2 Floating Rate Notes	27-Mar-00	**A1**	8-Mar-07	**Aa2**	U
ZAIS Investment Grade Limited II	$96.00M Class A-1 Floating Rate Notes	27-Mar-00	**A1**	8-Mar-07	**Aa2**	U
ZAIS Investment Grade Limited II	$37.00M Class B-2 Fixed Rate Notes	27-Mar-00	**Caa2**	8-Mar-07	**Ba1**	U
ZAIS Investment Grade Limited II	$47.00M Class B-1 Floating Rate Notes	27-Mar-00	**Caa2**	8-Mar-07	**Ba1**	U
CapitalSource Commercial Loan Trust 2005-1	$62.50M Class B Floating Rate Deferrable Notes	14-Apr-05	**Aa2**	14-Mar-07	**Aa1**	U
CapitalSource Commercial Loan Trust 2005-1	$103.125M Class C Floating Rate Deferrable Notes	14-Apr-05	**A2**	14-Mar-07	**Aa2**	U
CapitalSource Commercial Loan Trust 2005-1	$62.50M Class D Floating Rate Deferrable Notes	14-Apr-05	**Baa2**	14-Mar-07	**A2**	U
Lakeside CDO I, Ltd.	$9.00M Class B Third Priority Senior Secured Notes	11-Dec-03	**Baa2**	14-Mar-07	**A2**	U
Crest G-Star 2001-2, Ltd.	$34.00M Class B-1 Second Priority Senior Secured Fixed Rate Notes	18-Dec-01	**A3**	16-Mar-07	**Aa3**	U
Crest G-Star 2001-2, Ltd.	$15.00M Class B-2 Second Priority Senior Secured Floating Rate Global Notes	18-Dec-01	**A3**	16-Mar-07	**Aa3**	U
Crest G-Star 2001-2, Ltd.	$21.00M Class C Third Priority Senior Fixed Rate Notes	18-Dec-01	**Ba2**	16-Mar-07	**Baa3**	U
Coast Investment Grade 2000-1, Limited	$300.00M Class A Floating Rate Senior Secured Notes	17-Oct-00	**Aa2**	20-Mar-07	**Aaa**	U
Coast Investment Grade 2000-1, Limited	$30.00M Class B-1 Floating Rate Senior Secured Notes	17-Oct-00	**Ba2**	20-Mar-07	**Baa1**	U
Coast Investment Grade 2000-1, Limited	$10.00M Class B-2 Fixed Rate Senior Secured Notes	17-Oct-00	**Ba2**	20-Mar-07	**Baa1**	U
Coast Investment Grade 2000-1, Limited	$17.50M Class C-1 Floating Rate Senior Secured Notes	17-Oct-00	**Caa3**	20-Mar-07	**B2**	U
Coast Investment Grade 2000-1, Limited	$6.50M Class C-2 Fixed Rate Senior Secured Notes	17-Oct-00	**Caa3**	20-Mar-07	**B2**	U
Porter Square CDO I, Ltd.	$24.00M Class B Senior Secured Notes	31-Jul-03	**Aa2**	20-Mar-07	**Aaa**	U
Porter Square CDO I, Ltd.	$16.00M Class C Mezzanine Secured Notes	31-Jul-03	**Baa2**	20-Mar-07	**A1**	U
Tribune Limited	$10.00M Collateral Notes	14-Jul-05	**A1**	30-Mar-07	**Baa1**	D

Figure 7: LIST OF U.S. CDOs RATED BY MOODY'S DURING Q1 2007

Closing Date	Issuer	Rated Volume ($MM)	Manager	Agent
01/09/07	Credit and Repackaged Securities, Limited 2007-11	125.00	[static pool]	Goldman Sachs & Co.
01/10/07	Babson Quantitative Mortgage CDO Ltd.	164.00	Babson Capital Management LLC	RBS Greenwich Capital
01/10/07	Bluestone Trust	100.00	Rabobank Vehicle Investment	Rabobank
01/10/07	Careel Bay CDO Limited	720.00	Allegiance Advisors, LLC	UBS Investment Bank
01/10/07	Kleros Preferred Funding V PLC	1,191.50	Strategos Capital Management LLC	WestLB
01/10/07	Sherwood III ABS CDO, Ltd.	482.00	Church Tavern Advisors, L.L.C.	UBS Investment Bank
01/10/07	Tiers Missouri 2007-1	31.00	[static pool]	Citigroup
01/10/07	Tricadia CDO 2006-7, Ltd.	502.70	Tricadia CDO Management, LLC	Banc of America Securities LLC
01/10/07	Westwood CDO I, Ltd.	429.00	Alcentra, Inc	Citigroup
01/11/07	Citation High Grade ABS CDO I, Ltd.	1,096.50	Highland Financial Holdings Group, LLC	Credit Suisse
01/11/07	Citibank Unfunded Synthetic Swap (Ref. No. CA1118042)	10.00	[static pool]	Citigroup
01/11/07	Copper River CLO Ltd.	656.40	Guggenheim Investment Management, LLC	Wachovia Securities
01/11/07	Inwood Park CDO Ltd.	1,143.75	BlackStone Debt Advisors L.P.	Lehman Brothers
01/11/07	Lexington Capital Funding III Ltd.	1,172.18	Harding Advisory LLC	Merrill Lynch
01/11/07	Tasman CDO, Ltd.	288.00	CPM Advisers Limited	UBS Investment Bank
01/12/07	ARLO VII Limited Series 2006-13 (SABS)	15.63	[static pool]	Barclays Capital
01/12/07	ARLO VII Limited Series 2006-14 (SABS)	25.00	[static pool]	Barclays Capital
01/12/07	Niagara CDO Ltd.	410.00	Watefall Asset Management, LLC	IXIS Capital Markets
01/12/07	SPF CDO I, Ltd.	630.00	SPCP Group III LLC	IXIS Capital Markets
01/16/07	Sandelman Finance 2006-2 Ltd.	694.50	Sandelman Partners, LP	Citigroup
01/18/07	Airlie CDO I, Ltd.	326.00	Airlie CDO Capital Management L.P.	Lehman Brothers
01/18/07	Attentus CDO III, Ltd.	415.00	Attentus Management Group, LLC	Merrill Lynch
01/18/07	Clear Lake CLO, Ltd.	427.00	Jefferies Capital Management, Inc.	Citigroup
01/18/07	Greywolf CLO I, Ltd.	462.00	Greywolf Capital Management LP	Goldman Sachs & Co.
01/18/07	GSC ABS Funding 2006-3g, Ltd.	1,584.00	GSCP (NJ), L.P.	Goldman Sachs & Co.
01/18/07	Series 2007-1 Segregated Portfolio of Pantera Vive CDO SPC	50.00	[static pool]	Lehman Brothers
01/18/07	Symphony Credit Opportunities Fund Ltd.	416.00	Symphony Asset Management LLC	Morgan Stanley
01/18/07	Whitehorse IV Ltd.	415.00	Whitehorse Capital Partners, L.P.	Credit Suisse
01/19/07	Ixion plc 2006-11 Series 16	15.00	[static pool]	Deutsche Bank AG London
01/19/07	Ixion plc 2006-11 Series 17	7.50	[static pool]	Deutsche Bank AG London
01/19/07	Ixion plc 2006-11 Series 18	7.50	[static pool]	Deutsche Bank AG London
01/24/07	Shasta CLO I Ltd.	448.00	Churchill Pacific Asset Management	Bear Stearns & Co. Inc.
01/25/07	Black Diamond CLO 2006-1 (Luxembourg) S.A.	936.11	Black Diamond CLO 2006-1 Adviser, L.L.C.	Bear Stearns & Co. Inc.

Closing Date	Issuer	Rated Volume ($MM)	Manager	Agent
01/25/07	Grant Grove CLO, Ltd.	277.50	Tall Tree Investment Management, LLC	Goldman Sachs & Co.
01/25/07	Highridge ABS CDO I, Ltd.	1,492.00	ZS Structured Credit Capital Management, L.P.	Merrill Lynch
01/25/07	Holiday Synthetic CLO Class A (Oddo Cash Dollar)	1.25	[static pool]	Morgan Stanley
01/25/07	Holiday Synthetic CLO Class A (Oddo Cash Plus)	5.41	[static pool]	Morgan Stanley
01/25/07	Holiday Synthetic CLO Class A (Oddo Cash Titisation)	6.76	[static pool]	Morgan Stanley
01/25/07	Holiday Synthetic CLO Class A (Oddo Cash)	40.54	[static pool]	Morgan Stanley
01/25/07	Holiday Synthetic CLO Class D (Mizuho International plc)	15.00	[static pool]	Morgan Stanley
01/25/07	Morgan Stanley ACES SPC, Series 2007-1 (Class B,C)	16.50	[static pool]	Morgan Stanley
01/25/07	MS CDS Ref # NGTYU	1,100.00	[static pool]	Morgan Stanley
01/26/07	Blackrock Senior Income Series IV	460.00	BlackRock Financial Management, Inc.	Morgan Stanley
01/27/07	Port Jackson CDO 2007-1, Ltd.	325.00	Basis Capital Securitisation Pty. Ltd.	Merrill Lynch
01/30/07	Airlie LCDO II (Pebble Creek 2007-1), Ltd.	96.00	Airlie CDO Capital Management L.P.	Lehman Brothers
01/31/07	Lightpoint Pan-European CLO 2006 p.l.c.	396.62	LightPoint Capital Management LLC	Credit Suisse
01/31/07	Taberna Europe CDO I p.l.c.	489.18	Taberna Capital Management	Merrill Lynch
02/07/07	Signum Vermilion Limited Series 2006-2	202.70	HBOS Treasury Services plc	Goldman Sachs & Co.
02/07/07	TIERS Alaska Floating Rate Credit Linked Trust, Series 2007-2	8.00	[static pool]	Citigroup
02/08/07	Hudson Mezzanine Funding 2006-2, Ltd.	391.90	[static pool]	Goldman Sachs & Co.
02/08/07	STACK 2006-2 Ltd.	866.00	TCW Asset Management Company	Morgan Stanley
02/08/07	Stanfield Daytona CLO, Ltd.	523.25	Stanfield Capital Partners LLC	Bear Stearns & Co. Inc.
02/09/07	Foraois	92.40	ACA Management, L.L.C.	Citigroup
02/09/07	Ixion plc 2007-2 Series 19	50.00	[static pool]	Deutsche Bank AG London
02/10/07	Sequoia (Reference ID J17558)	1,060.00	[static pool]	JPmorgan Chase
02/12/07	CRAFT 2007-1, Ltd.	36.00	Deutsche Bank AG, London Branch	Deutsche Bank
02/14/07	Acacia CDO 11, Ltd.	465.00	Redwood Asset Management, Inc.	Lehman Brothers
02/14/07	Fort Denison Funding, Ltd.	411.30	Basis Capital Securitisation Pty. Ltd.	Goldman Sachs & Co.
02/15/07	ABCDS 2006-1, Ltd.	385.60	AllianceBernstein L.P.	Royal Bank of Canada
02/15/07	Cookson 2007-7	10.00	[static pool]	Citigroup
02/15/07	Cookson 2007-8	20.00	[static pool]	Citigroup
02/15/07	Cookson 2007-9	21.00	[static pool]	Citigroup
02/15/07	Foothill CLO I, Ltd.	459.00	Foothill Group Inc.	Deutsche Bank
02/15/07	Libertas Preferred Funding II, Ltd.	489.50	Strategos Capital Management LLC	Bear Stearns & Co. Inc.
02/15/07	Longridge ABS CDO II, Ltd.	480.00	ZS Structured Credit Capital Management, L.P.	RBS Greenwich Capital
02/20/07	Strata 2007-1, Limited	40.00	Vanderbilt Capital Advisors	Banc of America Securities LLC

Closing Date	Issuer	Rated Volume ($MM)	Manager	Agent
02/21/07	CIFC CLO 2007-I, Ltd.	374.00	Commercial Industrial Finance Corp.	Bear Stearns & Co. Inc.
02/21/07	Magnolia Finance VI Series 2007-1	40.00	Dynamic Credit Partners LLC	Credit Suisse
02/22/07	Azalea Series 2007-1C	10.00	[static pool]	Credit Suisse
02/22/07	Draco 2007-1, Ltd.	1,950.00	Declaration Management & Research LLC	UBS Investment Bank
02/22/07	Madison Park Funding IV, Ltd.	462.25	Credit Suisse Alternative Capital, Inc.	Goldman Sachs & Co.
02/27/07	ARLO VII Limited Series 2006-15 (SABS)	30.00	[static pool]	Barclays Capital
02/27/07	Broderick CDO III ltd.	1,494.00	SCM Advisors LLC	Merrill Lynch
02/27/07	Camber 7 plc	888.50	Cambridge Place Investment management LLP (CPIM)	Goldman Sachs & Co.
02/27/07	CoLTS 2007-1 Ltd.	365.97	Structured Asset Investors, L.L.C.	Wachovia Securities
02/27/07	Kleros Real Estate CDO IV, Ltd.	988.00	Strategos Capital Management LLC	Merrill Lynch
02/27/07	Liberty Harbour II CDO Ltd.	3,343.00	250 Capital LLC	Barclays Capital
02/27/07	Morgan Stanley Managed ACES SPC Series 2007-3	55.47	AIG Global Investment Corp	Morgan Stanley
02/27/07	Westways Funding X, Ltd.	393.75	TCW Asset Management Company	Citigroup
02/28/07	BlueMountain CLO III Ltd.	415.13	BlueMountain Capital Management L.P.	Deutsche Bank
02/28/07	Class V Funding III, Ltd.	1,019.20	Credit Suisse Alternative Capital, Inc.	RBS Greenwich Capital
02/28/07	Cloverie Plc - Series 2007-2, 3, 4, 5, 6, 7, 8, 15, 16, 17, 21, 24, 28, 29	491.49	INVESCO Institutional (N.A.), Inc.	Citigroup
02/28/07	Gulf Stream-Atlantic CDO 2007-1, Ltd.	485.50	Gulf Stream Asset Management	RBS Greenwich Capital
02/28/07	Kingsland IV, Ltd.	448.90	Kingsland Capital Management, LLC	Wachovia Securities
02/28/07	TIERS Derby Synthetic CDO Floating Rate Credit Linked Trust, Series 2007-4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 17, 18	418.00	INVESCO Institutional (N.A.), Inc.	Citigroup
03/01/07	Aardvark ABS CDO 2007-1	1,489.50	HarbourView Asset Management Corporation	Mizuho Securties USA
03/01/07	Alpha Mezz CDO 2007-1, Ltd.	482.50	Countrywide Alternative Investments	Morgan Stanley
03/01/07	Norma CDO I Ltd.	1,450.00	NIR Capital Management, LLC	Merrill Lynch
03/06/07	Adams Square Funding II, Ltd.	979.20	Credit Suisse Alternative Capital, Inc.	Citigroup
03/06/07	Avenue CLO V, Ltd.	618.60	Avenue Capital Management II, LLC	Banc of America Securities LLC
03/06/07	Cent CDO 14 Limited	461.88	RiverSource Investments, LLC	Morgan Stanley
03/06/07	Octonion I CDO, Ltd.	990.25	Harding Advisory LLC	Citigroup
03/06/07	Pampelonne CDO II, Ltd.	1,985.50	Vertical Capital, LLC	Barclays Capital
03/06/07	Pampelonne II Mezz Swap A1	20.00	[static pool]	Barclays Capital
03/06/07	Pampelonne II Mezz Swap A2	20.00	[static pool]	Barclays Capital
03/06/07	Pampelonne II Mezz Swap B1	20.00	[static pool]	Barclays Capital
03/06/07	Pampelonne II Mezz Swap B2	20.00	[static pool]	Barclays Capital
03/06/07	Pampelonne II Mezz Swap C1	20.00	[static pool]	Barclays Capital

Closing Date	Issuer	Rated Volume ($MM)	Manager	Agent
03/06/07	Pampelonne II Mezz Swap C2	20.00	[static pool]	Barclays Capital
03/06/07	Pampelonne II Mezz Swap D1	20.00	[static pool]	Barclays Capital
03/06/07	Pampelonne II Mezz Swap D2	20.00	[static pool]	Barclays Capital
03/06/07	Pampelonne II Mezz Swap E1	20.00	[static pool]	Barclays Capital
03/06/07	Pampelonne II Mezz Swap E2	20.00	[static pool]	Barclays Capital
03/06/07	Pyxis ABS CDO 2007-1 Ltd.	1,453.00	Putnam Advisory Company, LLC	Lehman Brothers
03/07/07	Gemstone 7	1,042.00	HBK Investments L.P.	Deustche Bank
03/07/07	Morgan Stanley ACES SPC, Series 2007-7	20.00	[static pool]	Morgan Stanley
03/07/07	Palmer ABS CDO 2007-1, Ltd.	268.50	GSC	Citigroup Global Markets Inc.
03/07/07	TIERS Georgia Credit Linked Trust, Series 2007-21	24.00	[static pool]	Citigroup
03/07/07	TIERS Hawaii Floating Rate Credit Linked Trust, Series 2007-22	25.00	[static pool]	Citigroup
03/07/07	TIERS Vermont Floating Rate Credit Linked Trust, Series 2007-23	15.00	[static pool]	Citigroup
03/08/07	ACA ABS 2007-1, Ltd.	1,440.00	ACA Management, L.L.C.	RBS Greenwich Capital
03/08/07	Apidos CDO V	367.00	Apidos Capital Management LLC	JPmorgan Chase
03/08/07	Babson CLO Ltd. 2007-I	708.00	Babson Capital Management LLC	Citigroup
03/08/07	Exum Ridge 2007-1	267.00	[static pool]	Lehman Brothers
03/08/07	Galaxy VIII CLO, Ltd.	461.85	AIG Global Investment Corp	Morgan Stanley
03/08/07	Gallatin CLO III 2007-1 Ltd.	406.30	Bear Stearns Asset Manage-ment Inc.	Bear Stearns & Co. Inc.
03/08/07	Newbury Street CDO, Ltd.	1,990.00	Massachusetts Financial Ser-vices Company	Merrill Lynch
03/08/07	Plettenberg Bay CDO Limited	502.75	Investec Bank (UK) Ltd.	Citigroup
03/09/07	Ares IIIR/IVR CLO, Ltd.	646.80	Ares Asset Management LLC	Deutsche Bank
03/09/07	South Coast Funding IX Ltd.	520.00	TCW Asset Management Company	Merrill Lynch
03/12/07	GS CDS - GM Hourly-Rt Employee Pension Trust	100.00	Aladdin Capital Management LLC	Goldman Sachs & Co.
03/12/07	GS CDS - GM Salaried Employees Pension Trust	100.00	Aladdin Capital Management LLC	Goldman Sachs & Co.
03/12/07	Le Monde CDO I PLC	2,426.98	TCW Asset Management Company	Calyon
03/13/07	CBASS CBO XVIII ltd.	573.00	C-Bass Investment Manage-ment LLC	Credit Suisse
03/13/07	Eastland CLO, Ltd.	1,408.10	Highland Capital Manage-ment, LP	Citigroup
03/13/07	Golub Capital Partners Funding 2007-1 Ltd.	329.00	Golub Capital Incorporated	Wachovia Securities
03/14/07	Cookson SPC 2007- 10HGB	5.00	[static pool]	Citigroup
03/14/07	Gullfoss	100.00	[static pool]	Banc of America Securities LLC
03/14/07	Morgan Stanley ACES SPC, Series 2007-8	8.38	[static pool]	Morgan Stanley
03/14/07	Stone Tower CLO VI Ltd.	922.00	Stone Tower Debt Advisors LLC	Credit Suisse
03/14/07	Volans Funding 2007-1, Ltd.	1,062.00	VERO Capital Management, LLC	Calyon
03/15/07	888 Tactical Fund, Ltd.	1,019.20	Harding Advisory LLC	Citigroup
03/15/07	Ballista 2007-II Segregated Portfolio	20.00	[static pool]	Morgan Stanley

Closing Date	Issuer	Rated Volume ($MM)	Manager	Agent
03/15/07	Ballista 2007-III Segregated Portfolio	8.00	[static pool]	Morgan Stanley
03/15/07	Cherry Creek CDO II, Ltd.	482.50	Surge Capital Management, LLC	UBS Investment Bank
03/15/07	Cookson SPC 2007- 10HGA	65.00	[static pool]	Citigroup
03/15/07	Emporia Preferred Funding III, Ltd.	375.83	Emporia Capital Management, LLC	Wachovia Securities
03/15/07	Gale Force 3 CLO, Ltd.	563.00	GSO Capital Partners LP	Merrill Lynch
03/15/07	Sagittarius CDO I Ltd.	985.00	Structured Asset Investors, L.L.C.	Wachovia Securities
03/15/07	Shiprock Finance, SPC SF-1 Segregated Portfolio	2,000.00	Four Corners Capital Management	Lehman Brothers
03/15/07	Trapeza CDO XII, Ltd.	433.00	Trapeza Capital Management, LLC	JPmorgan Chase
03/16/07	Beach Street 5 Synthetic CLO	92.70	[static pool]	Citigroup Global Markets Inc.
03/16/07	Morgan Stanley Managed ACES SPC Series 2006-11	30.00	AIG Global Investment Corp	Morgan Stanley
03/16/07	Tralee CDO I Ltd.	345.80	Par- Four Investment Management, LLC	JPmorgan Chase
03/20/07	AB Synthetic CDO Series 2007-1	200.13	AllianceBernstein L.P.	Morgan Stanley
03/20/07	AB Synthetic CDO Series 2007-1 Total Return Swap	10.00	AllianceBernstein L.P.	Morgan Stanley
03/20/07	AB Synthetic CDO Series 2007-5	256.96	AllianceBernstein L.P.	Morgan Stanley
03/20/07	AB Synthetic CDO Series 2007-6	3.35	AllianceBernstein L.P.	Morgan Stanley
03/20/07	Anderson Mezzanine Funding 2007-1, Ltd.	286.56	[static pool]	Goldman Sachs & Co.
03/20/07	Credit Default Swap Reference CN100985	10.00	ACA Management, L.L.C.	Bear Stearns & Co. Inc.
03/20/07	Credit Default Swap Reference CN100988	20.00	ACA Management, L.L.C.	Bear Stearns & Co. Inc.
03/20/07	Geer Mountain Financing, Ltd.	400.00	Ore Hill Partners LLC	JPmorgan Chase
03/20/07	Hartshorne CDO I, Ltd.	966.10	ZAIS Group LLC	UBS Investment Bank
03/20/07	Millennium Park CDO I, Ltd.	1,940.00	Vanderbilt Capital Advisors	Goldman Sachs & Co.
03/20/07	OHA Park Avenue CLO I, Ltd.	517.50	Oak Hill Advisors, L.P.	Deutsche Bank
03/20/07	TABS 2007-7, Ltd.	2,225.55	Tricadia CDO Management, LLC	UBS Investment Bank
03/21/07	ColumbusNova CLO Ltd. 2007-1	462.00	ColumbusNova Credit Investments Management LLC	Morgan Stanley
03/21/07	Credit Protection Trust 259	1,000.00	[static pool]	Bear Stearns & Co. Inc.
03/21/07	Golden Knight II CLO, Ltd.	377.75	Lord, Abbett & Co. LLC	Merrill Lynch
03/21/07	GoldenTree Loan Opportunities III, Limited	675.00	GoldenTree Asset Management	JPmorgan Chase
03/21/07	LCM V CLO	552.00	Lyon Capital Management LLC	Bank of America Securities
03/21/07	TIERS Maine Floating Rate Credit Linked Trust, Series 2007-24	41.00	[static pool]	Citigroup
03/22/07	Eaton Vance CDO IX, Ltd.	467.50	Eaton Vance Management	Lehman Brothers Inc.
03/22/07	Libertas Preferred Funding III, Ltd.	1,137.00	Strategos Capital Management LLC	Morgan Stanley
03/22/07	One Wall Street CLO II Ltd.	370.00	BNY Capital Markets, LLC	Morgan Stanley
03/22/07	Pebble Creek LCDO 2007-2, Ltd.	188.50	Stone Tower Debt Advisors LLC	Lehman Brothers
03/22/07	Preferred Term Securities XXV, Ltd.	799.20	[static pool]	First Tennessee Bank, National Association, Keefe, Bruyette & Woods, Inc.

Closing Date	Issuer	Rated Volume ($MM)	Manager	Agent
03/22/07	REVE SPC Dryden XVII Notes Series 2007-1 (Series 10, 11, 13, 15, 21, 22, 23, 25), 2007-2 (Series 12, 14, 17, 24), 2007-3F1 (Series 31), 2007-3F2 (Series 32)	356.82	Prudential Investment Management, Inc.	UBS Investment Bank
03/22/07	Trimaran VII CLO Ltd.	454.00	Trimaran Advisors L.L.C.	Bear Stearns & Co. Inc.
03/23/07	Kleros Preferred Funding VI, Ltd.	2,985.00	Strategos Capital Management LLC	UBS Investment Bank
03/27/07	Euler ABS CDO I, Ltd.	652.00	Babcock & Brown Perry Pty Limited	Merrill Lynch
03/27/07	Glacier Funding CDO V, Ltd.	486.00	Terwin Money Management LLC	Merrill Lynch
03/27/07	GSC Group CDO Fund VIII, Limited	330.40	GSCP (NJ), L.P.	Citigroup
03/27/07	Sorin CDO VI Ltd.	530.20	Sorin Capital Management LLC	Bear Stearns & Co. Inc.
03/27/07	STACK 2007-2 Ltd.	576.00	TCW Asset Management Company	RBS Greenwich Capital
03/27/07	Timberwolf I, Ltd.	995.30	Greywolf Capital Management LP	Goldman Sachs & Co.
03/28/07	Calculus MABS Resecuritization Trust, Series 2007-1	12.50	[static pool]	Merrill Lynch
03/28/07	Jupiter High-Grade CDO V, Ltd.	1,490.50	Harding Advisory LLC	Credit Suisse
03/28/07	Laguna Seca Funding I, Ltd.	480.00	GSCP (NJ), L.P.	Citigroup
03/28/07	Maxim High Grade CDO II, Ltd.	1,990.50	Maxim Capital Management LLC	Merrill Lynch
03/28/07	Mountain Capital CLO VI Ltd.	369.50	Mountain Capital Advisors (an employee group within Mizuho Corporate Bank, Ltd.)	Morgan Stanley
03/28/07	Stoney Lane Funding I Ltd.	462.65	HillMark Capital Management, L.P.	JPmorgan Chase
03/28/07	Tahoma CDO II, Ltd.	485.00	Bear Stearns Asset Management Inc.	JPmorgan Chase
03/29/07	Alesco Preferred Funding XV, Ltd.	592.00	Cohen and Company	ABN Amro
03/29/07	Armitage ABS CDO, Ltd.	2,974.00	Vanderbilt Capital Advisors, LLC.	Citigroup Global Markets Inc.
03/29/07	Cairn Mezz ABS CDO III Limited	960.00	Cairn Financial Products Limited	RBS Greenwich Capital
03/29/07	Calculus MABS Resecuritization Trust, Series 2007-2	125.00	[static pool]	Merrill Lynch
03/29/07	Charles Fort CDO I, Ltd.	383.00	Luminent Mortgage Capital Inc.	RBS Greenwich Capital
03/29/07	CIFC Funding 2007-II, Ltd.	613.50	Commercial Industrial Finance Corp	JPMorgan
03/29/07	Lexington Capital Funding V Ltd.	584.73	Harding Advisory LLC	Merrill Lynch
03/29/07	Libertas Preferred Funding IV, Ltd.	481.00	Strategos Capital Management LLC	Merrill Lynch
03/29/07	Neptune CDO IV, Ltd.	962.50	Chotin Fund Management Corporation	Credit Suisse
03/29/07	PASA Funding 2007, Ltd.	3,002.40	AllianceBernstein L.P.	Banc of America Securities LLC
03/29/07	Pyxis Class 2007-14 Units	125.00	[static pool]	Merrill Lynch
03/29/07	Pyxis Class 2007-3 Units	400.00	[static pool]	Merrill Lynch
03/29/07	Pyxis Class 2007-6 Units	600.00	[static pool]	Merrill Lynch

Closing Date	Issuer	Rated Volume ($MM)	Manager	Agent
03/29/07	Regatta Funding Ltd.	495.18	Citigroup Alternative Investments LLC	Bear Stearns & Co. Inc.
03/29/07	REVE SPC TREQ Rated Equity Notes 2007-33	20.00	[static pool]	UBS Investment Bank
03/29/07	Silver Marlin CDO I Ltd.	1,248.20	Sailfish Structured Investment Management LLC	Merrill Lynch
03/29/07	Symphony CLO III, Ltd.	379.00	Symphony Asset Management LLC	Morgan Stanley
03/29/07	Taberna Preferred Funding VIII, Ltd.	610.00	Taberna Capital Management	Merrill Lynch
03/29/07	TACLs 2007-I Segregated Portfolio	100.00	[static pool]	Morgan Stanley
03/29/07	Triaxx Prime CDO 2007-1, Ltd.	1,111.20	ICP Asset Management LLC	Institutional Credit Partners LLC
03/29/07	ZAIS Investment Grade Limited IX	383.09	ZAIS Group LLC	Morgan Stanley
03/30/07	Tribune Limited Series 43	12.00	UBS Global Asset Management	Royal Bank of Canada

FIGURE 8: LIST OF RECENTLY RELEASED NOTEWORTHY U.S. SPECIAL REPORTS:

Release Date	Title	Author(s)	Subject
May 7, 2007	U.S. Jumbo Mortgage Credit Indexes: March 2007 Reporting Period Serious Delinquencies Jump Upward	McNally & Fabrikant	Performance Update; Market data
April 20, 2007	US Subprime Mortgage Market Update: April 2007	Chatterjee	Update to prior report on the performance of 2006 subprime mortgages
April 19, 2007	Subprime Residential Mortgage Securitizations: Frequently Asked Questions	Markowitz	Reference, methodology
April 10, 2007	US Home Equity Index Composite: February 2007 Reporting Period	Shih et al	Performance update on delinquencies
March 28, 2007	The Surveillance Process for Moody's-rated RMBS and ABS	Tobey & Eisbruck	Methodology
March 23, 2007	The Impact of Subprime Residential Mortgage Backed Securities on Moody's-Rated Structured Finance CDOs: A Preliminary Review	Park	Methodology, Data compilation
March 22, 2007	US Home Equity Index Composite: January 2007 Reporting Period	Shih et al	Performance update on delinquencies
March 7, 2007	Challenging Times for the US Subprime Mortgage Market	Chatterjee	Market survey, data compilation
January 23, 2007	"2006 Review and 2007 Outlook: Private-Label Jumbo RMBS Steady for Now in the Face of Broader Market Uncertainty	"Markowitz, et al	Market review and Outlook
January 22, 2007	Moody's Special Reports, "2006 Review and 2007 Outlook: Home Equity ABS; 2006 Was Tough - Will 2007 Be Even More Challenging?",	Chatterjee, et al	Market Review and Outlook
January 19, 2007	"2006 Review and 2007 Outlook: Alternative-A RMBS Still Riding the Affordability Product Wave	"Fellows, et al	Market Review and Outlook
January 18, 2007	"Early Defaults Rise in Mortgage Securitizations	"Rocco	Market survey

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