

**COUNTRYWIDE
FUNDING PLAN
08-26-07**

AAA Repo

Finalize terms with Lehman and/or Citi on Monday 8-27
Procure \$5B

Whole loan repo

Finalize terms with Greenwich Monday 8-27
Procure \$6B
-Refinances \$3B from Parks, \$1.5B from Fidelity and \$\$1.5B from old
Greenwich repo

Park Monaco

Fill to maximum of \$10B with most illiquid, but eligible collateral
-Move \$2.5B of bank collateral to Park Monaco
Extend
-What is deadline to insert loans before extending?
-What is deadline to give notice of extension? 30 days?
-How can we realize 1-year extension if aging limit is 180 days for loans?
-What are any other adverse consequences of extending?

Bank group secured bridge facility

Consider long-term relationship ramifications
Renegotiate their current proposal
-Any new facility must be accretive to our credit ratings
-Can't run our business non-investment grade
-Their unsecured facility doesn't work with rating agencies
-Can't lien MSR's
-Okay to secure whole loan inventory @ CHL or bank
-Need reasonable haircuts
-Will pay down the unsecured line if our credit position is improved
Is \$11.4B term or revolver?

I/O sale vs. financing

Can KWB complete sale at carrying value?
How can we repo securities if he can't?
Currently have 80% haircut financing in cash flow forecast as placeholder

Resolve bank liquidity constraints

Bolster equity & liquidity for market opportunities (refi boom)
CHL to give bank \$3B cash as commercial deposit

BofA preferred convertible

Optimize equity recognition from rating agencies
Negotiate revisions with BofA via Mahoney

Funding convertibles research

Research terms with appropriate dealer group
Evaluate conversion premium/likelihood of conversion vs. equity recognition

Term debt

Link bid to concessions on other facilities
Prefer 3-year to 5-year
Issue \$1B with an option for another \$1B
Aggregate issuance will be \$2B before year end
Prudently get dealer color
Consider reverse interest from WAMCO, Buffet, etc.
CDS tightened over 100bps on Thursday

Equity

Goal is to raise up to \$1B
Evaluate Goldman proposal
Consider block trade
-Identify appropriate dealer group & get color
Research DRIP with Bear Stearns