MOODY'S
INVESTORS SERVICE

Rating Action: **Moody's Downgrades $33.4 billion of 2006 Subprime First-Lien RMBS and Affirms $280 billion Aaa's and Aa's**

Global Credit Research - 11 Oct 2007

New York, October 11, 2007 -- Moody's Investors Service today announced that it has downgraded $33.4 billion of securities issued in 2006 backed by subprime first lien mortgages, representing 7.8% of the original dollar volume of such securities rated by Moody's. Of the $33.4 billion downgraded securities, $3.8 billion remain on review for further downgrade. Moody's also affirmed the ratings on $258.6 billion of Aaa-rated securities and $21.3 billion of Aa-rated securities, representing 74.7% and 52.0% of the original dollar volume of such securities rated in 2006, respectively. In addition, another $23.8 billion of first-lien RMBS were placed on review for downgrade, representing 5.6% of the dollar volume of subprime first-lien securities rated in 2006, including 48 Aaa-rated and 529 Aa-rated securities.

The Aaa- and Aa-rated securities that have been placed on review for possible downgrade are generally not expected to move by more than three notches. The most heavily impacted securities were originally rated Ba, Baa, or A. Rating migrations have been much more severe for the more deeply subordinated tranches of 2006 subprime deals.

Today's rating actions incorporate Moody's long-range views regarding the performance of the deals in question. As a result, Moody's expects less future rating volatility for 2006 first-lien RMBS as long as home price depreciation remains less than 10% from peak to trough and the current economic environment remains stable.

The analysis driving today's rating actions takes into account several key factors. First, Moody's assumes that the severity of loss associated with loans that are now seriously delinquent will be 40%-50% on average. Second, based on its recent survey of subprime loan servicers, Moody's analysis assumes that significant loan modifications that might mitigate future losses are not likely to occur in the near term.

Moody's analysis of the 2006 vintage also relies upon updates to its analytical model due to continued declining home prices, the tight lending environment, and aggressive loan underwriting standards. Finally, today's rating actions also reflect the steady deterioration in the performance of loans originated during 2006, and significant differences in loan performance by originator.

Moody's has implemented numerous enhancements to its ratings criteria aimed at bringing greater transparency and stability to the securitization process for subprime mortgage-backed securities. Changes include third-party oversight of the accuracy of loan information, availability of loan-level performance information for all transaction participants, and stronger and more uniform issuer representations and warranties to investors regarding loan information.

Moody's invites interested parties to participate in a teleconference on Friday, 12 October 2007 at 10:00 EST / 15:00 BST (local London time) to discuss these actions. The call will be hosted by Nicolas Weill, Group Managing Director - Chief Credit Officer for Structured Finance; and Yuri Yoshizawa, Group Managing Director for US Derivatives.

To attend the event, participants must register at www.moodys.com/subprimeevents.

For details on the conference call, as well as Moody's published research on the subprime market, go to www.moodys.com/subprime. Please contact Moody's Client Service Desk at +1.212.553.1658 with any other questions.

A press release detailing the specific securities whose ratings were affected is being released and will be available on moodys.com. In addition, the complete list of actions is available on moodys.com in PDF and Excel format at the following:

PDF:

http://www.moodys.com/cust/getdocumentByNotesDocId.asp?criteria=PBS_SF111531

Excel Data:

http://www.moodys.com/cust/getdocumentByNotesDocId.asp?criteria=PBS_SF111532

New York
Nicolas S. Weill
Managing Director - Chief Credit Officer
Structured Finance Group
Moody's Investors Service
JOURNALISTS: 212-553-0376
SUBSCRIBERS: 212-553-1653

New York
Amelia (Amy) Tobey
Vice President - Senior Analyst
Structured Finance Group
Moody's Investors Service
JOURNALISTS: 212-553-0376
SUBSCRIBERS: 212-553-1653

MOODY'S
INVESTORS SERVICE