

Robosigners and Other Servicing Failures: Protecting the Rights of RMBS Investors

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Amherst[®] Securities Group LP

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Largest Servicers Also Own A Large Share Of Second Liens

Q2 2010 FR Y-9C REPORT

Originator	1-4 Family Servicing		Non-Agency MBS Securities	1st Liens	Closed-End 2nd Liens	Residential Revolving Lines of Credit	Share of Total Revolving	Total Revolving and 2nd Liens	Tangible Common Equity Capital
	Q2 10	Q2 Share							
Bank of America	\$ 2,135.30	20.1%	\$ 43.65	\$284.28	\$ 25.91	\$ 116.90	17.7%	\$ 142.81	\$ 120.41
Wells Fargo	\$ 1,811.97	17.0%	\$ 16.47	\$246.86	\$ 18.34	\$ 105.53	16.0%	\$ 123.87	\$ 75.66
JP Morgan Chase	\$ 1,353.60	12.7%	\$ 15.24	\$147.85	\$ 11.31	\$ 100.72	15.3%	\$ 112.03	\$ 110.75
Citigroup	\$ 677.81	6.4%	\$ 28.87	\$123.36	\$ 24.20	\$ 30.82	4.7%	\$ 55.01	\$ 121.08
Total Top 4	\$ 5,978.68	56.2%	\$ 104.22	\$802.34	\$ 79.76	\$ 353.97	53.7%	\$ 433.72	\$ 427.89
Total	\$10,640.00					\$ 659.60		\$ 1,012.60	

Notes:

Individual bank data from Q2 2010 FRB Data

Total 1-4 Family Servicing from Inside Mortgage Finance

Total Residential Revolving Lines of Credit Refers To Revolving Lines of Credit held at FDIC Insured Institutions.

It is not the total universe.

Total Revolving Second and Second Liens Total and by Investor is from Fed Flow of Funds Data (Z1)

Total Revolving and 2nd Liens By

All Commercial Banks	\$	751.20
Credit Unions	\$	92.00
Savings Institutions	\$	78.40
Finance Companies	\$	63.40
ABS Issuers	\$	27.60
TOTAL	\$	1,012.60

Source: Inside Mortgage Finance, Federal Reserve, FDIC, Amherst Securities



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Prevalence of Second Liens By Vintage Year

	Vintage								Average
	2000	2001	2002	2003	2004	2005	2006	2007	
Single Lien	21.9%	29.3%	30.3%	28.7%	28.2%	29.9%	35.8%	42.2%	33.1%
Second Lien Paid Off	0.4%	0.3%	0.3%	0.9%	1.3%	1.8%	1.8%	2.3%	1.6%
Simultaneous Second Lien	0.5%	0.7%	0.5%	1.1%	5.1%	11.2%	16.7%	15.4%	12.4%
Single Lien with Subsequent Higher Lien	7.6%	15.5%	25.2%	30.3%	27.0%	22.3%	12.9%	11.7%	18.2%
Simultaneous Second Lien with Subsequent Higher Lien	0.2%	0.6%	0.6%	3.0%	6.5%	7.2%	5.6%	5.6%	5.9%
Single Lien & Subsequent Lien Data Missing	65.9%	51.7%	42.3%	33.5%	26.7%	20.3%	18.3%	16.9%	21.6%
Simultaneous Second Lien & Subsequent Lien Data Missing	3.5%	1.9%	0.9%	2.5%	5.2%	7.2%	8.8%	5.8%	7.2%
Grand Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Missing Data
Distributed
Proportionally

	Vintage								Average
	2000	2001	2002	2003	2004	2005	2006	2007	
Single Lien	71.8%	63.2%	53.3%	44.9%	41.5%	41.2%	49.2%	54.6%	46.5%
Second Lien Paid Off	1.3%	0.6%	0.5%	1.4%	2.0%	2.5%	2.4%	3.0%	2.3%
Simultaneous Second Lien	1.5%	1.5%	0.8%	1.8%	7.5%	15.4%	22.9%	20.0%	17.4%
Single Lien with Subsequent Higher Lien	24.8%	33.3%	44.4%	47.3%	39.6%	30.8%	17.8%	15.2%	25.5%
Simultaneous Second with Subsequent Higher Lien	0.8%	1.3%	1.0%	4.6%	9.5%	10.0%	7.7%	7.3%	8.3%
Grand Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Total Simultaneous Seconds	2.2%	2.9%	1.9%	6.4%	17.0%	25.4%	30.6%	27.3%	25.7%
Total Second Liens	27.0%	36.2%	46.2%	53.7%	56.6%	56.2%	48.4%	42.4%	51.2%
% Simultaneous Seconds / Total Second Liens	8.3%	7.9%	4.0%	11.9%	30.0%	45.2%	63.3%	64.2%	50.2%

Source: CoreLogic, Amherst Securities

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Performance of First Liens by Lien Status: 2006 Vintage by Product Type

Prime

	Always Performing	RePerforming	NonPerforming	Grand Total
Single Lien	85.4%	4.0%	10.5%	100.0%
Second Lien Paid Off	85.5%	4.1%	10.4%	100.0%
Simultaneous Second Lien	79.5%	5.7%	14.8%	100.0%
Single Lien with Subsequent Higher Lien	76.6%	5.2%	18.2%	100.0%
Simultaneous Second Lien with Subsequent Higher Lien	76.8%	5.8%	17.4%	100.0%
Single Lien & Subsequent Lien Data Missing	80.4%	3.8%	15.8%	100.0%
Simultaneous Second Lien & Subsequent Lien Data Missing	73.0%	4.9%	22.1%	100.0%
Average	80.4%	4.7%	14.9%	100.0%

Subprime

	Always Performing	RePerforming	NonPerforming	Grand Total
Single Lien	26.7%	25.1%	48.1%	100.0%
Second Lien Paid Off	25.9%	25.1%	49.0%	100.0%
Simultaneous Second Lien	20.5%	21.5%	57.9%	100.0%
Single Lien with Subsequent Higher Lien	24.8%	22.7%	52.5%	100.0%
Simultaneous Second Lien with Subsequent Higher Lien	24.5%	22.2%	53.3%	100.0%
Single Lien & Subsequent Lien Data Missing	22.0%	23.0%	55.0%	100.0%
Simultaneous Second Lien & Subsequent Lien Data Missing	15.4%	18.8%	65.8%	100.0%
Average	23.8%	23.4%	52.8%	100.0%

Alt A

	Always Performing	RePerforming	NonPerforming	Grand Total
Single Lien	63.9%	9.9%	26.2%	100.0%
Second Lien Paid Off	60.3%	11.9%	27.7%	100.0%
Simultaneous Second Lien	44.6%	13.0%	42.4%	100.0%
Single Lien with Subsequent Higher Lien	55.8%	10.0%	34.2%	100.0%
Simultaneous Second Lien with Subsequent Higher Lien	48.6%	11.3%	40.1%	100.0%
Single Lien & Subsequent Lien Data Missing	56.6%	9.3%	34.1%	100.0%
Simultaneous Second Lien & Subsequent Lien Data Missing	35.7%	12.9%	51.5%	100.0%
Average	53.4%	10.9%	35.7%	100.0%

Option ARM

	Always Performing	RePerforming	NonPerforming	Grand Total
Single Lien	50.6%	10.9%	38.5%	100.0%
Second Lien Paid Off	49.1%	12.2%	38.7%	100.0%
Simultaneous Second Lien	33.1%	12.7%	54.2%	100.0%
Single Lien with Subsequent Higher Lien	41.4%	10.6%	48.0%	100.0%
Simultaneous Second Lien with Subsequent Higher Lien	35.2%	11.7%	53.0%	100.0%
Single Lien & Subsequent Lien Data Missing	35.9%	8.5%	55.6%	100.0%
Simultaneous Second Lien & Subsequent Lien Data Missing	23.0%	10.9%	66.2%	100.0%
Average	40.7%	10.9%	48.4%	100.0%

Source: CoreLogic, Amherst Securities as of Sep 2010

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Performance of First Vs. Second Liens

Bank Portfolio	Delinquent Status		Average	Total Outstanding	
	30-89 Days	90+ Days	FICO	(\$ In Billion)	
1st Lien	2.8%	9.8%	n/a	\$	1,874.3
2nd Lien	1.2%	1.7%	n/a	\$	654.5

Securitizations

(All Securities)	Delinquent Status		Average	Total Outstanding	
	30-89 Days	90+ Days	FICO	(\$ In Billion)	
1st Lien	7.4%	29.0%	692	\$	1,389.5
2nd Lien	9.5%	16.0%	687	\$	25.5

Securitizations

(FICO > 720)	Delinquent Status		Average	Total Outstanding	
	30-89 Days	90+ Days	FICO	(\$ In Billion)	
1st Lien	3.5%	16.0%	759	\$	518.7
2nd Lien	5.0%	9.0%	753	\$	7.0

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Quantifying The Putback Issue – PLS First Liens

(2005 – 2007 Vintages)

Product	Perf Category	Original Bal (\$ M)	Current Bal (\$ M)	% Default (Current)	Severity (Current)	Realized Default (\$ M)	Realized Loss (\$ M)	Total Default (\$ M)	Total Loss (\$ M)	% Attempted Put Back*	% Success*	% Expected Put Back*	Loss Put Back (\$ M)
Prime	PaidOff	206,478				15,139	6,287	15,139	6,287	60%	25%	15%	943
	NPL	37,472	36,939	88%	50%			32,506	16,253	60%	25%	15%	2,438
	RPL	12,798	12,603	29%	45%			3,655	1,645	40%	25%	10%	164
	APL	243,088	229,173	16%	44%			36,668	16,134	40%	25%	10%	1,613
Alt A	PaidOff	406,702				102,222	54,051	102,222	54,051	60%	25%	15%	8,108
	NPL	135,061	133,917	92%	64%			123,203	78,850	60%	25%	15%	11,828
	RPL	48,379	47,914	48%	55%			22,999	12,649	40%	25%	10%	1,265
	APL	270,936	258,890	31%	53%			80,256	42,536	40%	25%	10%	4,254
Option ARM	PaidOff	233,875				62,635	35,011	62,635	35,011	60%	25%	15%	5,252
	NPL	93,085	99,821	94%	65%			93,832	60,991	60%	25%	15%	9,149
	RPL	23,700	25,096	61%	58%			15,308	8,879	40%	25%	10%	888
	APL	89,055	92,755	50%	57%			46,378	26,435	40%	25%	10%	2,644
Subprime	PaidOff	709,781				210,068	127,898	210,068	127,898	60%	25%	15%	19,185
	NPL	204,946	204,567	94%	72%			192,293	138,451	60%	25%	15%	20,768
	RPL	103,450	103,340	74%	64%			76,471	48,942	40%	25%	10%	4,894
	APL	110,836	105,616	58%	64%			61,257	39,205	40%	25%	10%	3,920
Total		2,929,643	1,350,630			390,064	223,247	1,174,889	714,215				97,311

* - Expressed as a percentage of Total Loss

Legend:

PLS = Private Label Securitized

APL = Always Performing Loan

RPL = Re-Performing Loan

NPL = Non-Performing Loan

% Expected Put Back = % Attempted Put Back x % Success

% Success will be determined by:

1. Investors being aligned in order to acquire a critical mass of voting rights;
2. AND the deal-specific PSA, MLPA, and other sales and assignment documentation

Source: CoreLogic, Amherst Securities as of Sep 2010

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Even Obvious Rep & Warrant Violations Are Not Enforced

Number of Payments To The Trust		Latest Status	Loan Count	%Loan Count	Balance	%Balance	Loss	%Loss
No Payment	Cured/Prepaid	20	0%	\$4,906,250	0%			
	Outstanding	1410	3%	\$519,076,151	5%			
	RePurchase	15606	37%	\$3,816,603,496	36%			
	Liquidated	24949	59%	\$6,279,027,959	59%	\$3,512,369,485	56%	
	Subtotal	41985	100%	\$10,619,613,856	100%			
1 Payment	Cured/Prepaid	263	1%	\$54,672,794	0%			
	Outstanding	1856	4%	\$665,126,540	5%			
	RePurchase	16650	33%	\$3,931,639,833	32%			
	Liquidated	31516	63%	\$7,817,285,205	63%	\$4,367,314,518	56%	
	Subtotal	50285	100%	\$12,468,724,372	100%			
2 Payments	Cured/Prepaid	774	1%	\$178,225,996	1%			
	Outstanding	2301	4%	\$791,353,897	6%			
	RePurchase	16526	30%	\$3,902,163,112	28%			
	Liquidated	36183	65%	\$8,977,262,540	65%	\$5,023,733,563	56%	
	Subtotal	55784	100%	\$13,849,005,544	100%			
3 Payments	Cured/Prepaid	1383	2%	\$333,776,301	2%			
	Outstanding	2868	5%	\$1,019,156,499	7%			
	RePurchase	15966	27%	\$3,704,767,344	25%			
	Liquidated	39070	66%	\$9,724,271,164	66%	\$5,458,675,522	56%	
	Subtotal	59287	100%	\$14,781,971,307	100%			
4 Payments	Cured/Prepaid	2019	3%	\$476,164,321	3%			
	Outstanding	3079	5%	\$1,049,937,057	7%			
	RePurchase	15628	25%	\$3,564,933,870	23%			
	Liquidated	41881	67%	\$10,405,985,945	67%	\$5,863,868,076	56%	
	Subtotal	62607	100%	\$15,497,021,193	100%			
5 Payments	Cured/Prepaid	2510	4%	\$578,634,562	4%			
	Outstanding	3671	6%	\$1,240,066,795	8%			
	RePurchase	15114	23%	\$3,401,905,374	21%			
	Liquidated	43944	67%	\$10,968,217,947	68%	\$6,214,177,156	57%	
	Subtotal	65239	100%	\$16,188,824,679	100%			
6 Payments	Cured/Prepaid	2933	4%	\$669,726,248	4%			
	Outstanding	4174	6%	\$1,356,533,300	8%			
	RePurchase	14632	22%	\$3,275,020,974	20%			
	Liquidated	45275	68%	\$11,276,553,903	68%	\$6,451,713,310	57%	
	Subtotal	67014	100%	\$16,577,834,425	100%			
Grand Total		402201	100%	\$99,982,995,376	100%	\$36,948,133,048	56%	

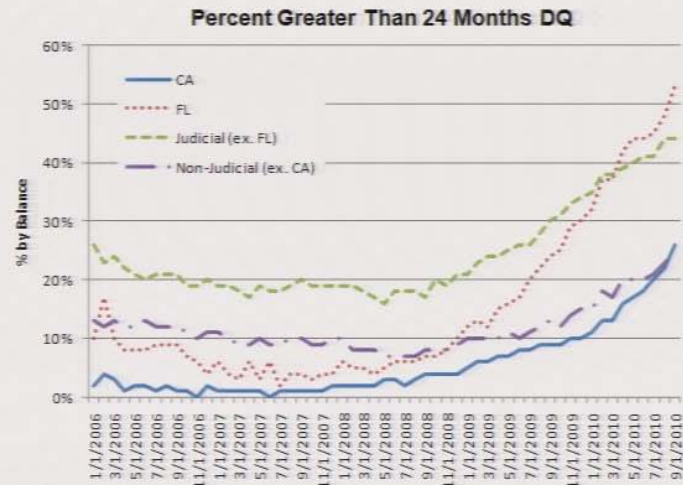
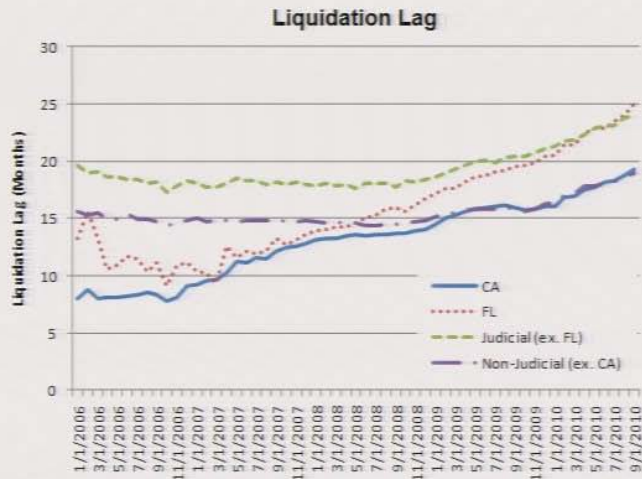
Source: CoreLogic, Amherst Securities as of Sep 2010

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Liquidation Pipeline Over Time



Source: CoreLogic, Amherst Securities

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Subprime Liquidation Lags by Select Servicers

Subprime – All States



Subprime – Judicial States



Subprime – Non-Judicial States



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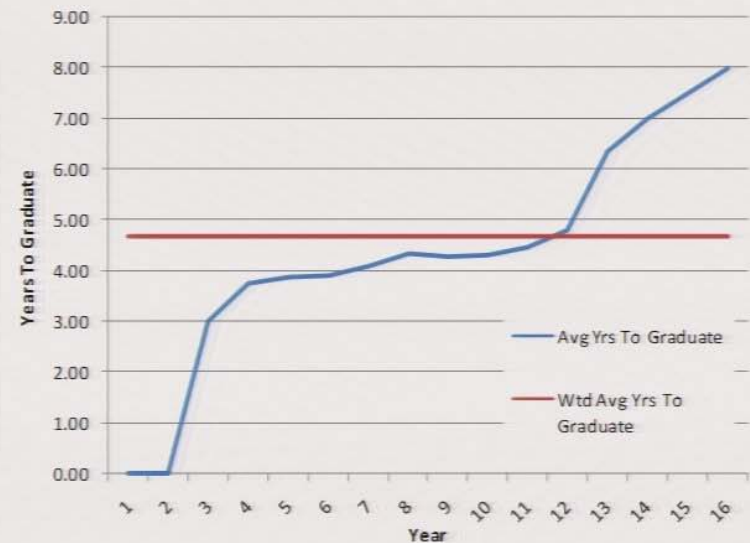
Source: CoreLogic, Amherst Securities



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Survival Analysis Example: A College Graduation Timeline

Year	Class Number								Total Graduates in Year	Wtd Average Years To Graduation	
	12 Person Class			24 Person Class			36 Person Class				
	1	2	3	4	5	6	7	8	9		
1	0									0	0.00
2	0	0								0	0.00
3	2	0	0							2	3.00
4	6	2	0	0						8	3.75
5	1	6	2	0	0					9	3.89
6	1	1	6	4	0	0				12	3.92
7	1	1	1	12	4	0	0			19	4.11
8	1	1	1	2	12	4	0	0		21	4.33
9		1	1	2	2	12	6	0	0	24	4.29
10			1	2	2	2	18	6	0	31	4.32
11				2	2	2	3	18	6	33	4.45
12					2	2	3	3	18	28	4.62
13						2	3	3	3	11	6.36
14							3	3	3	9	7.00
15								3	3	6	7.50
16									3	3	8.00



Source: Amherst Securities



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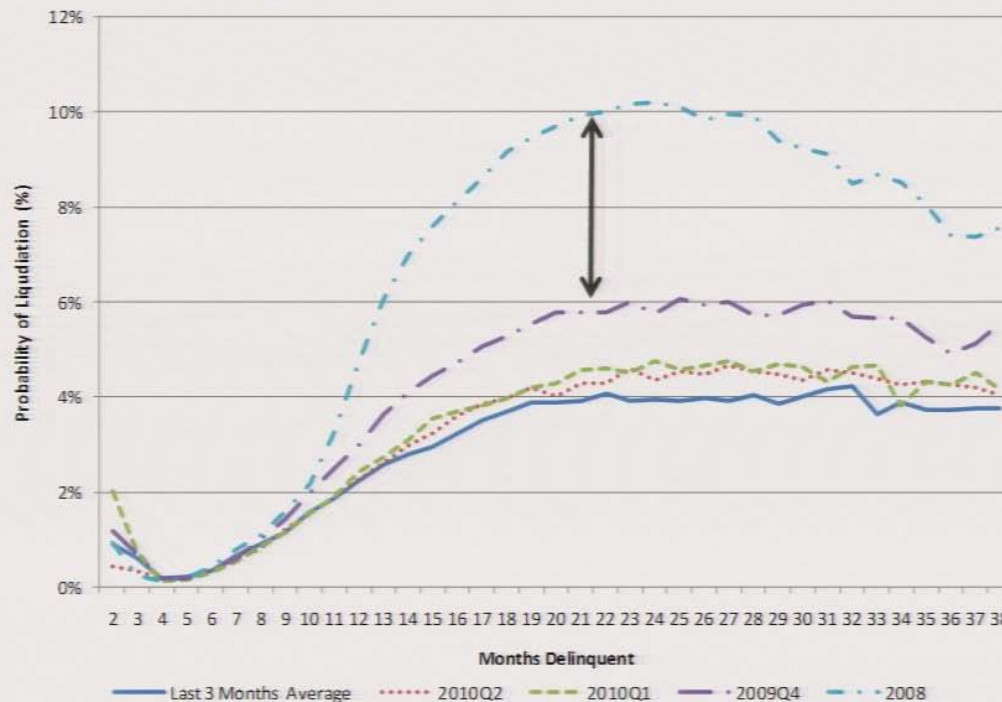
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Monthly Liquidations

Liquidations increase as the length of delinquency increases

- Recently observed hazard curves are much lower than historical curves
 - Various programs have slowed the liquidation paces by near 50%
 - In time cumulative liquidation probabilities are still near 100%

Liquidation Probability for Delinquent Loans



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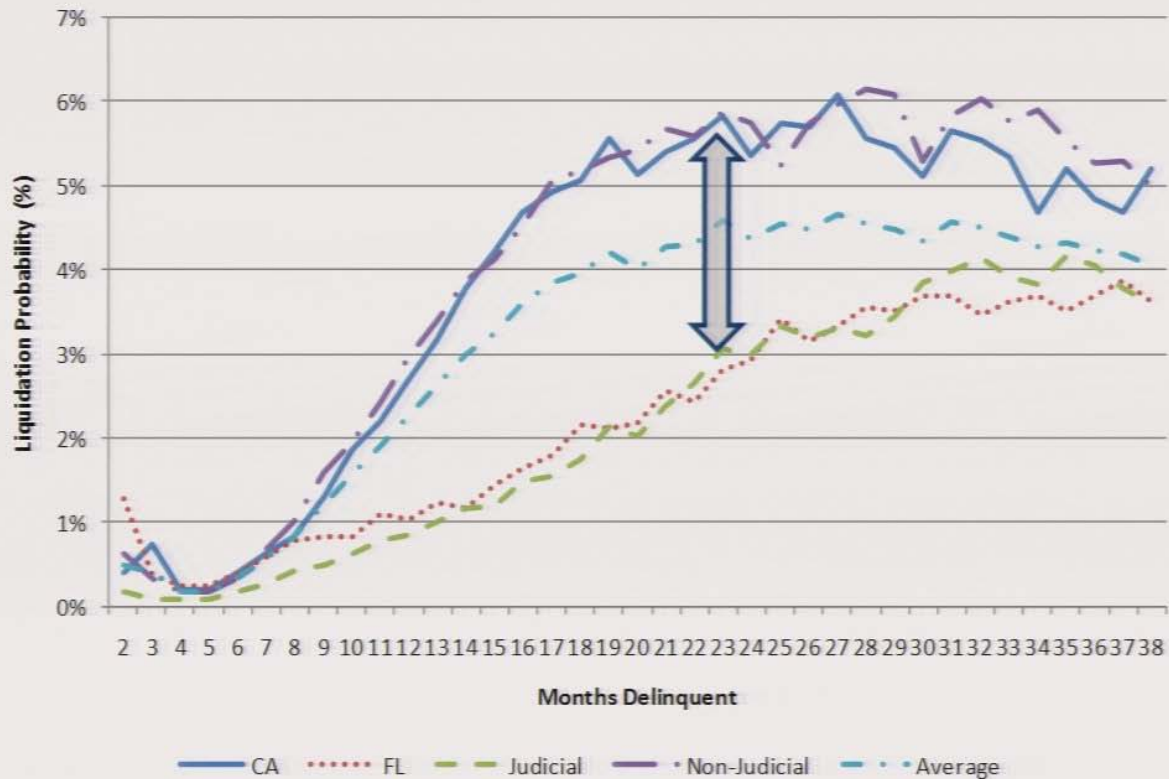


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Monthly Liquidations

Legal Differences in the Handling of Foreclosures Creates Significant Differences in the Pace of Liquidations

Liquidation Probability for Delinquent Loans for Last 3 Months



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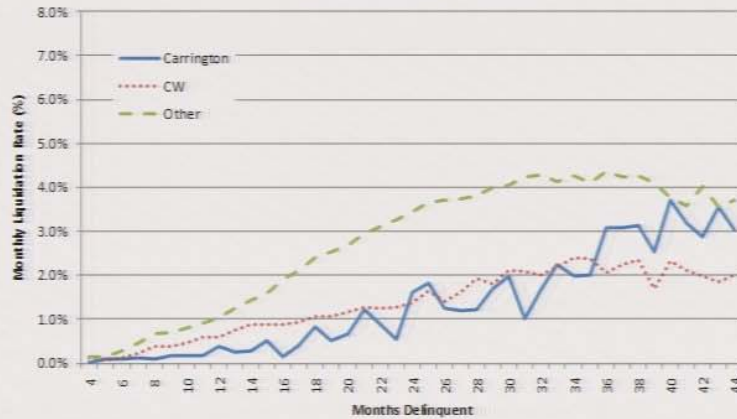
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Monthly Liquidations

Judicial States



Non-Judicial States



Source: CoreLogic, Amherst Securities

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