Exhibit 13

FWP 1 d648637_fwp.htm BEAR STEARNS ASSET BACKED SECURITIES I LLC

FREE WRITING PROSPECTUS

The issuing entity has filed a registration statement (including a prospectus) with the SEC for the offering to which this free writing prospectus relates. Before you invest, you are encouraged to read the base prospectus in that registration statement and other documents the issuing entity has filed with the SEC for more complete information about the issuing entity and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the issuing entity, any underwriter or any dealer participating in the offering will arrange to send you the base prospectus if you request it by calling toll-free 1-866-803-9204. Alternatively, please click here http://www.bearstearns.com/prospectus/bsabs or visit the website www.bearstearns.com/prospectus/bsabs for a copy of the base prospectus applicable to this offering.

This free writing prospectus is not required to contain all information that is required to be included in the base prospectus.

The information in this free writing prospectus is preliminary and is subject to completion or change.

The information in this free writing prospectus, if conveyed prior to the time of your commitment to purchase, supersedes information contained in any prior similar free writing prospectus relating to these securities.

This free writing prospectus is not an offer to sell or a solicitation of an offer to buy these securities in any state where such offer, solicitation or sale is not permitted.

The securities referred to in this free writing prospectus are being offered when, as and if issued. Our obligation to sell securities to you is conditioned on the securities having the characteristics described in this free writing prospectus. If that condition is not satisfied, we will notify you, and neither the issuing entity nor any underwriter will have any obligation to you to deliver all or any portion of the securities which you have committed to purchase, and there will be no liability between us as a consequence of the non-delivery.

$939,024,000
(Approximate)

Bear Stearns Asset Backed Securities I Trust 2007-HE3
Issuing Entity

Asset-Backed Certificates, Series 2007-HE3

EMC Mortgage Corporation
Sponsor and Master Servicer

Bear Stearns Asset Backed Securities I LLC
Depositor

The issuing entity is offering the following classes of certificates pursuant to this free writing prospectus and the base prospectus:

Class	Original Certificate Principal Balance(4)	Pass-Through Rate	Class	Original Certificate Principal Balance(4)	Pass-Through Rate
Class I-A-1	$ 241,985,000	(1)(2)	Class M-3	$ 17,362,000	(1)(2)(3)
Class I-A-2	$ 127,784,000	(1)(2)(3)	Class M-4	$ 19,842,000	(1)(2)(3)
Class I-A-3	$ 63,933,000	(1)(2)(3)	Class M-5	$ 17,857,000	(1)(2)(3)
Class I-A-4	$ 62,144,000	(1)(2)(3)	Class M-6	$ 11,409,000	(1)(2)(3)
Class II-A	$ 143,734,000	(1)(2)(3)	Class M-7	$ 13,889,000	(1)(2)(3)
Class III-A	$ 94,576,000	(1)(2)(3)	Class M-8	$ 10,417,000	(1)(2)(3)
Class M-1	$ 53,078,000	(1)(2)(3)	Class M-9	$ 12,897,000	(1)(2)(3)
Class M-2	$ 48,117,000	(1)(2)(3)			

(1) The pass-through rates on these classes of certificates are adjustable rates as described under “Summary—Description of the Certificates—Pass-Through Rates” in this free writing prospectus.
(2) Subject to a cap as described in this free writing prospectus.
(3) Subject to a step-up if the optional termination right is not exercised.
(4) Approximate. The initial certificate principal balance of each class is subject to a variance of plus or minus 10%.

The certificates represent interests in a pool of fixed and adjustable rate, conventional, closed-end sub-prime mortgage loans that are secured by first and second liens on one- to four-family residential properties.

Credit enhancement will be provided by:

- excess spread;
- overcollateralization;
- cross-collateralization;

- the interest rate swap agreement; and
- subordination of the Class M-1, Class M-2, Class M-3, Class M-4, Class M-5, Class M-6, Class M-7, Class M-8 and Class M-9 Certificates.

The interest rate swap agreement will be between the supplemental interest trust trustee and Wachovia Bank, National Association for the benefit of the certificateholders.

The Attorney General of the State of New York has not passed on or endorsed the merits of this offering. Any representation to the contrary is unlawful.

Bear, Stearns & Co. Inc., as the underwriter, will offer the certificates listed above at varying prices to be determined at the time of sale.

The underwriter will deliver to purchasers of the offered certificates in book-entry form only through the facilities of The Depository Trust Company, Clearstream and Euroclear, in each case, on or about March 30, 2007.

Bear, Stearns & Co. Inc.

The date of this free writing prospectus is March 8, 2007
For use with the base prospectus dated October 18, 2006

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FREE WRITING PROSPECTUS

PROSPECTUS

Important Notice About Information Presented In This Free Writing Prospectus And The Base Prospectus

We describe the certificates in two separate documents that provide varying levels of detail: (a) the base prospectus, which provides general information, some of which may not apply to your certificates and (b) this free writing prospectus, which describes the specific terms of your certificates. The description of your certificates in this free writing prospectus is intended to enhance the related description in the base prospectus and you are encouraged to rely on the information in this free writing prospectus as providing additional detail not available in the base prospectus.

Annex I and Schedule A are incorporated into and are a part of this free writing prospectus as if fully set forth in this free writing prospectus

Cross-references are included in this free writing prospectus and the base prospectus to captions in these materials where you can find further discussions about related topics. The table of contents on page 2 above provides the pages on which these captions are located.

You can find a listing of the pages where certain capitalized and other terms used in this free writing prospectus and the base prospectus are defined under the captions "Glossary" and "Index of Defined Terms" in this free writing prospectus or under the caption "Glossary of Terms" in the base prospectus.

SUMMARY

- This summary highlights selected information from this document but does not contain all of the information that you need to consider when making your investment decision. To understand all of the terms of an offering of the certificates, you are encouraged to read this entire document and the base prospectus carefully.

- Certain statements contained in or incorporated by reference in this free writing prospectus and the base prospectus consist of forward-looking statements relating to future economic performance or projections and other financial items. These statements can be identified by the use of forward-looking words such as "may," "will," "should," "expects," "believes," "anticipates," "estimates," or other comparable words. Forward-looking statements are subject to a variety of risks and uncertainties that could cause actual results to differ from the projected results. Those risks and uncertainties include, among others, general economic and business conditions, regulatory initiatives and compliance with governmental regulations, customer preferences and various other matters, many of which are beyond our control. Because we cannot predict the future, what actually happens may be very different from what is contained in our forward-looking statements.

The Certificates

Asset-Backed Certificates, Series 2007-HE3, represent beneficial ownership interests in an issuing entity that consists primarily of a pool of fixed and adjustable rate, conventional, closed-end sub-prime mortgage loans that are secured by first and second liens on one- to four-family residential properties and certain other assets described in this free writing prospectus.

Originators

The principal originators of the mortgage loans are: Performance Credit Corporation with respect to approximately 40.74%, 57.74% and 65.90% of the mortgage loans in loan group I, loan group II and loan group III, respectively, and with respect to approximately 47.37% of the mortgage loans in the aggregate; and Fieldstone Mortgage Company with respect to approximately 27.14%, 9.95% and 5.01% of the mortgage loans in loan group I, loan group II and loan group III, respectively, and with respect to approximately 20.93% of the mortgage loans in the aggregate. The remainder of the mortgage loans were originated by various originators, none of which have originated more than 10% of the mortgage loans in the aggregate.

Depositor

Bear Stearns Asset Backed Securities I LLC, a Delaware limited liability company and a limited purpose finance subsidiary of The Bear Stearns Companies Inc. and an affiliate of Bear, Stearns & Co. Inc.

Sponsor and Mortgage Loan Sellers

EMC Mortgage Corporation, in its capacity as a mortgage loan seller, a Delaware corporation and an affiliate of the depositor and the underwriter, which will sell a portion of the mortgage loans to the depositor. The remainder of the mortgage loans will be sold directly to the depositor by Master Funding LLC, a special purpose entity that was established by EMC Mortgage Corporation, which, in turn, acquired those mortgage loans from EMC Mortgage Corporation.

Master Servicer

EMC Mortgage Corporation.

Trustee

LaSalle Bank National Association, a national banking association.

Issuing Entity

Bear Stearns Asset Backed Securities I Trust 2007-HE3, a New York common law trust.

Pooling and Servicing Agreement

The pooling and servicing agreement among EMC as seller, the master servicer, the depositor and the trustee, under which the issuing entity will be formed and will issue the certificates.

Cut-off Date

March 1, 2007.

Closing Date

On or about March 30, 2007.

The Mortgage Loans

The aggregate principal balance of the mortgage loans as of the cut-off date is approximately $992,102,895. The mortgage loans are fixed and adjustable rate, conventional, closed-end sub-prime mortgage loans that are secured by first and second liens on one- to four-family residential properties. We will divide the mortgage loans into three separate groups, loan group I, loan group II and loan group III. We refer to each group of mortgage loans as a loan group. The mortgage loans that we have allocated to loan group I are comprised of mortgage loans that may or may not conform to Freddie Mac and Fannie Mae loan limits and the mortgage loans that we have allocated to loan group II and loan group III are comprised of mortgage loans that conform to Freddie Mac and Fannie Mae loan limits.

The characteristics of the mortgage loans as described in this free writing prospectus and in Schedule A may differ from the final pool as of the closing date due, among other things, to the possibility that certain mortgage loans may become delinquent or default or may be removed or substituted and that similar or different mortgage loans may be added to the pool prior to the closing date.

All percentages, amounts and time periods with respect to the characteristics of the mortgage loans shown in this free writing prospectus and in schedule A to this free writing prospectus are subject to a variance of plus or minus 10%.

The adjustable rate mortgage loans will adjust based on Six-Month LIBOR or One-Year Treasury. The interest rates borne by those adjustable rate mortgage loans that adjust based on Six-Month LIBOR have an initial fixed-rate period of six months, two, three or five years. The interest rate borne by those adjustable rate mortgage loans that adjust based on One-Year Treasury have an initial fixed-rate period of five years.

The interest rate borne by the adjustable rate mortgage loans will be adjusted in each case to equal the related index plus a fixed percentage set forth in or computed in accordance with the related note subject to rounding and to certain other limitations, including an initial cap, a subsequent periodic cap on each adjustment date and a maximum lifetime mortgage rate, all as more fully described under *"The Mortgage Pool"* in this free writing prospectus. As to each mortgage loan, the master servicer will be responsible for calculating and implementing interest rate adjustments.

Approximately 25.46%, 12.73% and 13.58% of the mortgage loans in loan group I, loan group II and loan group III, respectively, and approximately 21.44% of the mortgage loans in the aggregate, will receive interest only for the initial period set forth in the related mortgage note, ranging from five to ten years.

Total Pool

The following table summarizes the approximate characteristics of all of the mortgage loans in the issuing entity as of the cut-off date:

Number of mortgage loans	4,529
Percentage of mortgage loans with 100% loan-to-value (using original loan-to-value ratio for first lien loans and combined original loan-to-value ratio for second lien loans).	11.47%
Aggregate principal balance	$992,102,895
Average principal balance	$219,056
Range of principal balances	$9,994 to $1,500,000
Range of mortgage rates	5.300% to 14.490%
Weighted average mortgage rate	8.283%
Weighted average original loan-to-value ratio (using original loan-to-value ratio for first lien loans and combined original loan-to-value ratio for second lien loans)	83.11%
Weighted average combined original loan-to-value ratio (using combined original loan-to-value ratio for first and second lien loans)	86.33%
Weighted average stated remaining term to maturity	352 months
Range of stated remaining terms to maturity	119 months to 359 months
Type of mortgaged properties	
Single-family dwellings	73.62%
2-4 family dwellings	7.50%
Planned unit developments	14.32%
Condominiums	4.55%
Owner-occupied	94.55%
State concentrations (greater than 5%)	
California	35.44%
Florida	9.25%

Illinois	6.83%
First lien	95.77%
Second lien	4.23%
Balloon Loans	39.89%
Fixed Rate Loans	29.48%
Adjustable Rate Loans	70.52%
Weighted Average Gross Margin (per annum)*	5.816%
Weighted Average Cap at First Interest Adjustment Date (per annum)*	2.307%
Weighted Average Periodic Cap (per annum)*	1.133%
Weighted Average Maximum Lifetime Mortgage Rate (per annum)*	14.048%
Weighted Average Months to First Interest Adjustment Date*	26 months

*Adjustable Rate Loans only

Loan Group I

The following table summarizes the approximate characteristics of all of the mortgage loans in loan group I as of the cut-off date:

Number of mortgage loans	2,843
Percentage of mortgage loans with 100% loan-to-value (using original loan-to-value ratio for first lien loans and combined original loan-to-value ratio for second lien loans).	14.14%
Aggregate principal balance	$670,062,057
Average principal balance	$235,688
Range of principal balances	$9,994 to $1,500,000
Range of mortgage rates	5.300% to 14.490%
Weighted average mortgage rate	8.202%
Weighted average original loan-to-value ratio (using original loan-to-value ratio for first lien loans and combined original loan-to-value ratio for second lien loans)	83.89%
Weighted average combined original loan-to-value ratio (using combined original loan-to-value ratio for first and second lien loans)	87.99%
Weighted average stated remaining term to maturity	350 months
Range of stated remaining terms to maturity	170 months to 359 months
Type of mortgaged properties	
Single-family dwellings	72.43%
2-4 family dwellings	7.55%
Planned unit developments	15.44%
Condominiums	4.56%
Owner-occupied	94.95%
State concentrations (greater than 5%)	
California	41.92%
Florida	7.50%
Illinois	6.23%
First lien	95.28%
Second lien	4.72%
Balloon Loans	38.82%
Fixed Rate Loans	31.82%
Adjustable Rate Loans	68.18%
Weighted Average Gross Margin (per annum)*	5.854%
Weighted Average Cap at First Interest Adjustment Date (per annum)*	2.348%
Weighted Average Periodic Cap (per annum)*	1.149%
Weighted Average Maximum Lifetime Mortgage Rate (per annum)*	14.009%
Weighted Average Months to First Interest Adjustment Date*	26 months

*Adjustable Rate Loans only

Loan Group II

The following table summarizes the approximate characteristics of all of the mortgage loans in loan group II as of the cut-off date:

Number of mortgage loans	1,077
Percentage of mortgage loans with 100% loan-to-value (using original loan-to-value ratio for first lien loans and combined original loan-to-value ratio for second lien loans).	9.81%
Aggregate principal balance	$194,235,728
Average principal balance	$180,349
Range of principal balances	$25,000 to $630,000
Range of mortgage rates	5.500% to 12.950%
Weighted average mortgage rate	8.516%
Weighted average original loan-to-value ratio (using original loan-to-value ratio for first lien loans and combined original loan-to-value ratio for second lien loans)	82.66%
Weighted average combined original loan-to-value ratio (using combined original loan-to-value ratio for first and second lien loans)	84.82%
Weighted average stated remaining term to maturity	353 months
Range of stated remaining terms to maturity	119 months to 359 months

Type of mortgaged properties	
Single-family dwellings	74.22%
2-4 family dwellings	8.38%
Planned unit developments	12.11%
Condominiums	5.28%
Owner-occupied	93.38%
State concentrations (greater than 5%)	
California	20.90%
Illinois	7.22%
Florida	13.76%
Maryland	7.46%
Arizona	5.37%
New York	5.34%
First lien	94.65%
Second lien	5.35%
Balloon Loans	40.31%
Fixed Rate Loans	29.17%
Adjustable Rate Loans	70.83%
Weighted Average Gross Margin (per annum)*	5.758%
Weighted Average Cap at First Interest Adjustment Date (per annum)*	2.263%
Weighted Average Periodic Cap (per annum)*	1.110%
Weighted Average Maximum Lifetime Mortgage Rate (per annum)*	14.198%
Weighted Average Months to First Interest Adjustment Date*	25 months

*Adjustable Rate Loans only

Loan Group III

The following table summarizes the approximate characteristics of all of the mortgage loans in loan group III as of the cut-off date:

Number of mortgage loans	609
Percentage of mortgage loans with 100% loan-to-value (using original loan-to-value ratio for first lien loans and combined original loan-to-value ratio for second lien loans).	0.00%
Aggregate principal balance	$127,805,110
Average principal balance	$209,861
Range of principal balances	$28,903 to $510,000
Range of mortgage rates	5.750% to 11.890%
Weighted average mortgage rate	8.354%
Weighted average original loan-to-value ratio (using original loan-to-value ratio for first lien loans and combined original loan-to-value ratio for second lien loans)	79.71%
Weighted average combined original loan-to-value ratio (using combined original loan-to-value ratio for first and second lien loans)	79.94%
Weighted average stated remaining term to maturity	358 months
Range of stated remaining terms to maturity	178 months to 359 months
Type of mortgaged properties	
Single-family dwellings	78.92%
2-4 family dwellings	5.89%
Planned unit developments	11.79%
Condominiums	3.41%
Owner-occupied	94.25%
State concentrations (greater than 5%)	
California	23.57%
Florida	11.55%
Illinois	9.33%
Arizona	5.87%
First lien	100.00%
Second lien	0.00%
Balloon Loans	44.85%
Fixed Rate Loans	17.70%
Adjustable Rate Loans	82.30%
Weighted Average Gross Margin (per annum)*	5.725%
Weighted Average Cap at First Interest Adjustment Date (per annum)*	2.189%
Weighted Average Periodic Cap (per annum)*	1.098%
Weighted Average Maximum Lifetime Mortgage Rate (per annum)*	14.019%
Weighted Average Months to First Interest Adjustment Date*	25 months

*Adjustable Rate Loans only

Removal and Substitution of a Mortgage Loan

The trustee will acknowledge the sale, transfer and assignment to it by the depositor of the mortgage loans, and receipt of, subject to further review by the custodian, the mortgage loan files and the exceptions to the mortgage loan files. If the trustee receives written notice that any mortgage loan is defective on its face or if a representation or warranty with respect to any mortgage loan is breached, the trustee, or the custodian on its behalf, will promptly notify the sponsor of such defect or breach. If the sponsor cannot or does not cure such defect or breach within 90 days from the date of notice and, in each case such defect materially and adversely affects the interests of the certificateholders in the mortgage loan, the sponsor will, in accordance with the terms of the pooling and servicing agreement, provide the trustee with a substitute mortgage loan (if within two years of the closing date) or repurchase the mortgage loan within 90 days of the date of notice; provided that, if such defect would cause the mortgage loan to be other than a "qualified mortgage" as defined in Section 860G(a)(3) of the Internal Revenue Code, any such cure, repurchase or substitution must occur within 90 days from the date such breach was discovered.

Description of the Certificates

General

The issuing entity will issue the senior certificates in three certificate groups. The Class I-A-1, Class I-A-2, Class I-A-3 and Class I-A-4 Certificates will represent interests principally in loan group I, and we sometimes refer to these certificates in this free writing prospectus collectively as the Class I-A Certificates. The Class II-A Certificates will represent interests principally in loan group II. The Class III-A Certificates will represent interests principally in loan group III. We sometimes refer to the Class I-A, Class II-A and Class III-A Certificates in this free writing prospectus collectively as the Class A Certificates or the senior certificates. The Class M-1, Class M-2, Class M-3, Class M-4, Class M-5, Class M-6, Class M-7, Class M-8 and Class M-9 Certificates will each represent subordinated interests in the mortgage loans, and we sometimes refer to these certificates in this free writing prospectus collectively as the Class M Certificates or the subordinated certificates. We sometimes refer to the Class A Certificates and Class M Certificates in this free writing prospectus collectively as the offered certificates.

The issuing entity will also issue the Class R-1, Class R-2, Class R-3 and Class RX Certificates (also referred to in this free writing prospectus collectively as the Class R Certificates or the residual certificates), which represent the residual interests in the related real estate mortgage investment conduits established by the issuing entity, and the Class P Certificates and the Class CE Certificates, all of which we are not offering by this free writing prospectus. We sometimes refer to the Class A, Class M, Class R, Class P and Class CE Certificates collectively in this free writing prospectus as the certificates.

The last scheduled distribution date for the offered certificates (other than the Class I-A-1, Class I-A-2 and Class I-A-3 Certificates) is the distribution date in March 2037. The last scheduled distribution date for the Class I-A-1, Class I-A-2 and Class I-A-3 Certificates is the distribution date in August 2029, August 2034 and January 2037, respectively.

Record Date

For each class of offered certificates, the business day preceding the applicable distribution date so long as such class of certificates are in book-entry form; and otherwise, the record date will be the last business day of the month immediately preceding the applicable distribution date.

Denominations

For each class of offered certificates, $100,000 and multiples of $1.00 in excess thereof, except that one certificate of each class may be issued in the remainder of the class.

Registration of Offered Certificates

The issuing entity will issue the offered certificates initially in book-entry form. Persons acquiring interests in the offered certificates may elect to hold their beneficial interests through The Depository Trust Company, in the United States, or Clearstream Luxembourg or Euroclear, in Europe.

We refer you to "*Description of the Certificates — Book-Entry Registration*" and "*Annex I—Global Clearance, Settlement and Tax Documentation Procedures*" in this free writing prospectus.

Pass-Through Rates

The pass-through rate for each class of offered certificates may change from distribution date to distribution date. The pass-through rate will therefore be adjusted on a monthly basis. Investors will be notified of a pass-through rate adjustment through the monthly distribution reports as described under "*Reports to Certificateholders*" in this free writing prospectus. On any distribution date, the pass-through rate per annum for each such class will be based on One-Month LIBOR and, on or prior to the first possible optional termination date, a specified margin as follows:

- Class I-A-1 Certificates: ____% per annum.
- Class I-A-2 Certificates: ____% per annum.
- Class I-A-3 Certificates: ____% per annum.
- Class I-A-4 Certificates: ____% per annum.
- Class II-A Certificates: ____% per annum.
- Class III-A Certificates: ____% per annum.
- Class M-1 Certificates: ____% per annum.
- Class M-2 Certificates: ____% per annum.
- Class M-3 Certificates: ____% per annum.

- Class M-4 Certificates: ____% per annum.
- Class M-5 Certificates: ____% per annum.
- Class M-6 Certificates: ____% per annum.
- Class M-7 Certificates: ____% per annum.
- Class M-8 Certificates: ____% per annum.
- Class M-9 Certificates: ____% per annum.

One-Month LIBOR for the first accrual period and for all subsequent accrual periods will be determined as described under *"Description of the Certificates — Calculation of One-Month LIBOR"* in this free writing prospectus.

On any distribution date, the pass-through rate for the offered certificates will be subject to an interest rate cap which we describe below.

After the first possible optional termination date, we will increase the margin applicable to the pass-through rate for the Class I-A-2 Certificates as described above, to ____% per annum, the margin applicable to the pass-through rate for the Class I-A-3 Certificates as described above, to ____% per annum, the margin applicable to the pass-through rate for the Class I-A-4 Certificates as described above, to ____% per annum, the margin applicable to the pass-through rate for the Class II-A Certificates as described above, to ____% per annum, the margin applicable to the pass-through rate for the Class III-A Certificates as described above, to ____% per annum, and the margin applicable to the pass-through rate for the Class M-1, Class M-2, Class M-3, Class M-4, Class M-5, Class M-6, Class M-7, Class M-8 and Class M-9 Certificates, as described above, to ____%, ____%, ____%, ____%, ____%, ____%, ____%, ____% and ____% per annum, respectively. Each such increased rate will remain subject to the related interest rate cap.

The interest rate cap for the Class I-A-1, Class I-A-2, Class I-A-3 and Class I-A-4 Certificates is equal to the weighted average of the net mortgage rates of all of the group I mortgage loans, adjusted for any net swap payments and certain swap termination payments payable to the swap provider as described in this free writing prospectus.

The interest rate cap for the Class II-A Certificates is equal to the weighted average of the net mortgage rates of all of the group II mortgage loans, adjusted for any net swap payments and certain swap termination payments payable to the swap provider as described in this free writing prospectus.

The interest rate cap for the Class III-A Certificates is equal to the weighted average of the net mortgage rates of all of the group III mortgage loans, adjusted for any net swap payments and certain swap termination payments payable to the swap provider as described in this free writing prospectus.

The interest rate cap for the Class M Certificates is equal to the weighted average of the weighted average of the net mortgage rates of all of the mortgage loans in each loan group, weighted in proportion to the results of subtracting from the aggregate stated principal balance of each loan group, the certificate principal balance of the related senior certificates, adjusted for any net swap payments and certain swap termination payments payable to the swap provider as described in this free writing prospectus.

If on any distribution date, the pass-through rates for the offered certificates are limited to the related interest rate cap, the resulting interest shortfalls may be recovered by the holders of the offered certificates on the same distribution date or future distribution dates on a subordinated basis to the extent that on such distribution date there are available funds remaining after certain other distributions on the offered certificates and the payment of certain fees and expenses of the issuing entity, and to the extent there are amounts available under the interest rate swap agreement to pay amounts as described in this free writing prospectus.

We refer you to "*Description of the Certificates—Distributions on the Certificates*" and "*—Excess Spread and Overcollateralization Provisions*" in this free writing prospectus.

Distribution Dates

The trustee will make distributions on the certificates on the 25th day of each calendar month beginning in April 2007 to the appropriate holders of record. If the 25th day of the month is not a business day, then the trustee will make distributions on the following business day.

Interest Payments

On each distribution date, holders of the offered certificates will be entitled to receive:

- the interest that has accrued on the certificate principal balance of such certificates at the related pass-through rate during the related accrual period, and
- any interest due on any prior distribution date that was not paid, less
- interest shortfalls allocated to such certificates.

Any interest due on a prior distribution date that was not paid on a prior distribution date will be payable from interest funds and excess cashflow in the case of the Class A Certificates and from excess cashflow in the case of the Class M Certificates, in each case as and to the extent described in this free writing prospectus.

The offered certificates may receive additional interest distributions from payments under the interest rate swap agreement as described below under "*The Interest Rate Swap Agreement*".

The accrual period for the offered certificates will be the period from and including the preceding distribution date (or from the closing date, in the case of the first distribution date) to and including the day prior to the current distribution date. Calculations of interest on the offered certificates will be based on a 360-day year and the actual number of days elapsed during the related accrual period. Investors will be notified of a pass-through rate adjustment through the monthly distribution reports.

Principal Payments

On each distribution date, holders of the offered certificates will receive a distribution of principal on their certificates if there is cash available on that date for the payment of principal. Monthly principal distributions will generally include:

- principal payments on the mortgage loans, and

- until a specified overcollateralization level has been reached, interest payments on the mortgage loans not needed to pay interest on the certificates and monthly fees and expenses.

You are encouraged to review the priority of payments described under *"Description of the Certificates — Distributions on the Certificates"* in this free writing prospectus.

Credit Enhancement

Credit enhancement provides limited protection to holders of specified certificates against shortfalls in payments received on the mortgage loans. This transaction employs the following forms of credit enhancement.

Subordination. By issuing senior certificates and subordinated certificates, the issuing entity has increased the likelihood that senior certificateholders will receive regular payments of interest and principal.

The certificates designated as senior certificates will have a payment priority over the certificates designated as subordinated certificates. Among the classes of subordinated certificates:

- the Class M-1 Certificates will have payment priority over the Class M-2, Class M-3, Class M-4, Class M-5, Class M-6, Class M-7, Class M-8 and Class M-9 Certificates,

- the Class M-2 Certificates will have payment priority over the Class M-3, Class M-4, Class M-5, Class M-6, Class M-7, Class M-8 and Class M-9 Certificates,

- the Class M-3 Certificates will have payment priority over the Class M-4, Class M-5, Class M-6, Class M-7, Class M-8 and Class M-9 Certificates,

- the Class M-4 Certificates will have payment priority over the Class M-5, Class M-6, Class M-7, Class M-8 and Class M-9 Certificates,

- the Class M-5 Certificates will have payment priority over the Class M-6, Class M-7, Class M-8 and Class M-9 Certificates,

- the Class M-6 Certificates will have payment priority over the Class M-7, Class M-8 and Class M-9 Certificates,

- the Class M-7 Certificates will have payment priority over the Class M-8 Certificates and Class M-9 Certificates, and

- the Class M-8 Certificates will have payment priority over the Class M-9 Certificates.

Subordination provides the holders of certificates having a higher payment priority with protection against losses realized when the remaining unpaid principal balance on a mortgage loan exceeds the amount of proceeds recovered upon the liquidation of that mortgage loan. In general, we accomplish this loss protection by allocating any realized losses, first to reduce the amount of excess spread, second to reduce the overcollateralization amount, and third among the certificates, beginning with the class of subordinated certificates with the lowest payment priority, until the certificate principal balance of that subordinated class has been reduced to zero. We then allocate realized losses to the next most junior class of subordinated certificates, until the certificate principal balance of each class of subordinated certificates is reduced to zero. If none of the Class M Certificates are outstanding, all such losses will be allocated to the Class A Certificates as described in this free writing prospectus.

We refer you to "*Description of the Certificates—Distributions on the Certificates*" in this free writing prospectus.

Excess Spread and Overcollateralization. We expect the mortgage loans to generate more interest than is needed to pay interest on the offered certificates and certain issuing entity expenses because we expect the weighted average net interest rate of the mortgage loans, adjusted for net swap payments and swap termination payments payable to the swap provider, to be higher than the weighted average pass-through rate on the offered certificates and, as overcollateralization increases, such higher interest rate is paid on a principal balance of mortgage loans that is larger than the aggregate certificate principal balance of the offered certificates. Interest payments received in respect of the mortgage loans in excess of the amount that is needed to pay interest on the offered certificates and issuing entity expenses will be used to reduce the total principal balance of such certificates until a required level of overcollateralization has been achieved. As of the closing date, it is expected that the required level of overcollateralization will be met.

We refer you to "*Description of the Certificates — Excess Spread and Overcollateralization Provisions*" in this free writing prospectus.

Cross-Collateralization. The payment rules require that after the senior certificates relating to a loan group receive certain payments on each distribution date, available funds from that loan group otherwise allocable to such senior certificates will be allocated to the senior certificates relating to the other loan group or loan groups as described in this free writing prospectus. This feature is called "cross-collateralization."

Interest Rate Swap Agreement. LaSalle Bank National Association, in its capacity as supplemental interest trust trustee, will enter into an interest rate swap agreement with Wachovia Bank, National Association, in such capacity, the swap provider. The supplemental interest trust trustee will appoint LaSalle Bank National Association as swap administrator pursuant to the swap administration agreement to receive and distribute funds with regard to the interest rate swap agreement on behalf of the supplemental interest trust, whether payable by or to the swap provider pursuant to the interest rate swap agreement. On or before each distribution date commencing with the distribution date in April 2007 and ending with the distribution date in March 2012, the swap administrator will be obligated to make a fixed payment to the swap provider, and the swap provider will be obligated to make a floating payment to the swap administrator, on behalf of the supplemental interest trust, in each case as set forth in the interest rate swap agreement and as described in this free writing prospectus. To the extent that the fixed payment under the interest rate swap agreement exceeds the floating payment in respect of any distribution date, amounts otherwise available to the certificateholders will be applied to make a net payment to the swap administrator for payment to the swap provider. To the extent that the floating payment under the interest rate swap agreement exceeds the fixed payment in respect of any distribution date, the swap provider will make a net swap payment to the swap administrator, and the swap administrator, pursuant to the swap administration agreement, will remit to holders of the offered certificates an amount necessary for certain distributions as described in this free writing prospectus.

Upon early termination of the interest rate swap agreement, the swap administrator or the swap provider may be liable to make a swap termination payment to the other party, regardless of which party has caused the termination. The swap termination payment will be computed in accordance with the procedures set forth in the interest rate swap agreement. In the event that the swap administrator is required to make a swap termination payment to the swap provider, the issuing entity will be required to make a payment to the swap administrator in the same amount (other than to the extent already paid by the swap administrator from any upfront payment received pursuant to any replacement interest rate swap agreement that may be entered into by the supplemental interest trust trustee), which amount will be paid by the issuing entity on the related distribution date and on any subsequent distribution dates until paid in full, prior to any distribution to offered certificateholders, except in the case of certain swap termination payments resulting from an event of default or certain termination events with respect to the swap provider as described in this free writing prospectus, in which event payment of such amount by the issuing entity to the swap administrator will be subordinated to all distributions to the offered certificateholders. The obligations of the swap administrator to make a swap termination payment to the swap provider will be limited to the extent of funds received from the issuing entity for such purpose.

Except as described in the second preceding sentence, amounts payable by the issuing entity to the swap administrator for payment to the swap provider will be deducted from available funds before distributions to certificateholders.

We refer you to *"The Interest Rate Swap Agreement"* in this free writing prospectus.

Advances

The master servicer will make cash advances with respect to delinquent payments of scheduled interest and principal on the mortgage loans (other than any balloon payments) in general to the extent that the master servicer reasonably believes that such cash advances can be repaid from future payments on the mortgage loans. These cash advances are only intended to maintain a regular flow of scheduled interest and principal payments on the certificates and are not intended to guarantee or insure against losses.

Servicing Fee

The master servicer will be entitled to receive a fee as compensation for its activities under the pooling and servicing agreement equal to the servicing fee rate multiplied by the stated principal balance of each mortgage loan serviced by it as of the due date in the month preceding the month in which such distribution date occurs. The servicing fee rate will be 0.500% per annum. Any interest shortfalls on the mortgage loans resulting from prepayments made during the related prepayment period that are being distributed to the certificateholders on that distribution date will be offset by the master servicer on the distribution date in the following calendar month to the extent of compensating interest payments as described in this free writing prospectus.

Trustee Fee

The trustee will be entitled to any amounts earned on funds in the distribution account.

Optional Termination

At its option, the majority holder of the Class CE Certificates may purchase all of the remaining assets in the issuing entity when the principal balance of the mortgage loans and any foreclosed real estate owned by the issuing entity has declined to or below 10% of the principal balance of the mortgage loans as of the cut-off date. If the majority holder of the Class CE Certificates does not exercise such right, then the master servicer may purchase all of the remaining assets in the issuing entity when the principal balance of the mortgage loans and any foreclosed real estate owned by the issuing entity has declined to or below 5% of the principal balance of the mortgage loans as of the cut-off date. Such a purchase, in either case, will result in the early retirement of all the certificates.

Federal Income Tax Consequences

For federal income tax purposes, the issuing entity (other than the reserve fund and, for the avoidance of doubt, the supplemental interest trust, the swap administration agreement, the swap account and the interest rate swap agreement) will comprise multiple real estate mortgage investment conduits, organized in a tiered REMIC structure. The offered certificates (in each case exclusive of any right to receive amounts in respect of basis risk shortfall carry forward amounts as described in this free writing prospectus, and the right to receive, or the obligation to make, payments under the related notional principal contract component as described in this free writing prospectus) will represent beneficial ownership of "regular interests" in the related REMIC identified in the pooling and servicing agreement.

Each of the Class R Certificates will represent the beneficial ownership of the sole class of "residual interests" in the related REMIC. The offered certificates may be issued with original issue discount for federal income tax purposes.

We refer you to *"Federal Income Tax Consequences"* in this free writing prospectus and *"Material Federal Income Tax Considerations"* in the base prospectus for additional information concerning the application of federal income tax laws.

Legal Investment

The offered certificates will *not* be "mortgage related securities" for purposes of the Secondary Mortgage Market Enhancement Act of 1984, as amended.

We refer you to "*Legal Investment"* in this free writing prospectus and *"Legal Investment Considerations*" in the base prospectus.

ERISA Considerations

It is expected that the offered certificates may be purchased by a pension or other employee benefit plan subject to the Employee Retirement Income Security Act of 1974, as amended or Section 4975 of the Internal Revenue Code of 1986, so long as a number of conditions are met. Prior to the termination of the supplemental interest trust, persons investing assets of employee benefit plans or individual retirement accounts may purchase the offered certificates if the purchase and holding meets the requirements of an investor-based class exemption issued by the U.S. Department of Labor. A fiduciary of an employee benefit plan must determine that the purchase of a certificate is consistent with its fiduciary duties under applicable law and does not result in a nonexempt prohibited transaction under applicable law.

We refer you to *"ERISA Considerations"* in this free writing prospectus and in the base prospectus.

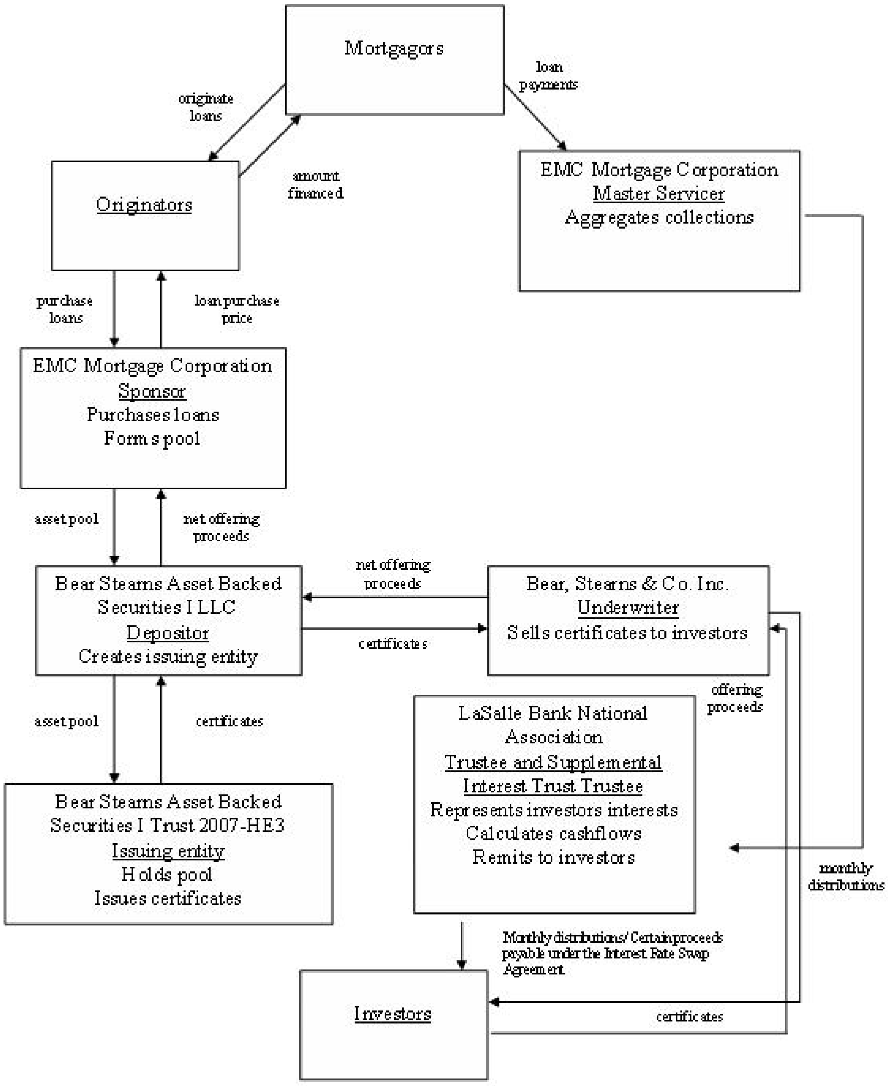
Ratings

The classes of offered certificates listed below will not be offered unless they receive at least the respective ratings set forth below from Standard & Poor's, a division of The McGraw-Hill Companies, Inc., which we refer to as "Standard & Poor's" and Moody's Investors Service, Inc., which we refer to as "Moody's".

Class	Standard & Poor's Rating	Moody's Rating
I-A-1	AAA	Aaa
I-A-2	AAA	Aaa
I-A-3	AAA	Aaa
I-A-4	AAA	Aaa
II-A	AAA	Aaa
III-A	AAA	Aaa
M-1	AA+	Aa1
M-2	AA	Aa2
M-3	AA-	Aa3
M-4	A+	A1
M-5	A	A2
M-6	A-	A3
M-7	BBB+	Baa1
M-8	BBB	Baa2
M-9	BBB-	Baa3

A rating is not a recommendation to buy, sell or hold securities and either rating agency can revise or withdraw such ratings at any time. In general, ratings address credit risk and do not address the likelihood of prepayments.

TRANSACTION STRUCTURE



RISK FACTORS

In addition to the matters described elsewhere in this free writing prospectus and the base prospectus, you are encouraged to carefully consider the following risk factors before deciding to purchase a certificate.

The subordinated certificates have a greater risk of loss than the senior certificates

When certain classes of certificates provide credit enhancement for other classes of certificates it is sometimes referred to as "subordination". For purposes of this free writing prospectus, "subordinated classes" means:

- with respect to the senior certificates: the Class M-1, Class M-2, Class M-3, Class M-4, Class M-5, Class M-6, Class M-7, Class M-8 and Class M-9 Certificates;
- with respect to the Class M-1 Certificates: the Class M-2, Class M-3, Class M-4, Class M-5, Class M-6, Class M-7, Class M-8 and Class M-9 Certificates;
- with respect to the Class M-2 Certificates: the Class M-3, Class M-4, Class M-5, Class M-6, Class M-7, Class M-8 and Class M-9 Certificates;
- with respect to the Class M-3 Certificates: the Class M-4, Class M-5, Class M-6, Class M-7, Class M-8 and Class M-9 Certificates;
- with respect to the Class M-4 Certificates: the Class M-5, Class M-6, Class M-7, Class M-8 and Class M-9 Certificates;
- with respect to the Class M-5 Certificates: the Class M-6, Class M-7, Class M-8 and Class M-9 Certificates;
- with respect to the Class M-6 Certificates: the Class M-7, Class M-8 and Class M-9 Certificates;
- with respect to the Class M-7 Certificates: the Class M-8 and Class M-9 Certificates; and
- with respect to the Class M-8 Certificates: the Class M-9 Certificates.

We will provide credit enhancement for the certificates, first, by the right of the holders of the certificates to receive certain payments of interest and principal prior to the subordinated classes and, second, by the allocation of realized losses on the mortgage loans to the subordinated classes. This form of credit enhancement uses collections on the mortgage loans otherwise payable to the holders of the subordinated classes to pay amounts due on the more senior classes. Such collections are the sole source of funds from which such credit enhancement is provided. Realized losses will be allocated, first, to reduce the amount of excess spread, second, to reduce the overcollateralization amount, third, to each class of subordinated certificates, beginning with the class of subordinated certificates with the lowest payment priority, in each case until the certificate principal balance of that class has been reduced to zero, and fourth, to the Class A Certificates as described below. This means that with respect to the offered certificates, realized losses would first be allocated to the Class M-9 Certificates, and then to the other classes of Class M Certificates in reverse order of numerical designation until the certificate principal balance of each such class of Class M Certificates is reduced to zero, then to the related classes of Class A Certificates on a pro rata basis, based on the certificate principal balance of each such class, and then to the non-related classes of Class A Certificates as described in this free writing prospectus.

Accordingly, if the certificate principal balance of a subordinated class were to be reduced to zero, delinquencies and defaults on the mortgage loans would reduce the amount of funds available for distributions to holders of the remaining subordinated class or classes and, if the aggregate certificate principal balance of all the subordinated classes were to be reduced to zero, delinquencies and defaults on the mortgage loans would reduce the amount of funds available for monthly distributions to holders of the senior certificates.

You are encouraged to fully consider the risks of investing in a subordinated certificate, including the risk that you may not fully recover your initial investment as a result of realized losses on the mortgage loans.

See *"Description of the Certificates"* in this free writing prospectus.

Additional risks associated with the subordinated certificates

The weighted average lives of, and the yields to maturity on, the Class M-1, Class M-2, Class M-3, Class M-4, Class M-5, Class M-6, Class M-7, Class M-8 and Class M-9 Certificates will be progressively more sensitive, in that order, to the rate and timing of mortgagor defaults and the severity of ensuing losses on the mortgage loans. If the actual rate and severity of losses on the mortgage loans are higher than those assumed by an investor in such certificates, the actual yield to maturity of such certificates may be lower than the yield anticipated by such holder based on such assumption. The timing of losses on the mortgage loans will also affect an investor's actual yield to maturity on the subordinated certificates, even if the rate of defaults and severity of losses over the life of the mortgage loans are consistent with an investor's expectations. In general, the earlier a loss occurs, the greater the effect on an investor's yield to maturity. Realized losses on the mortgage loans, to the extent they exceed the amount of excess spread for the related distribution date and the overcollateralization following distributions of principal on the related distribution date, will reduce the certificate principal balance of each of the subordinated certificates, in reverse order of their numerical designation. As a result of such reductions, less interest will accrue on such class of subordinated certificates than would otherwise be the case. Once a realized loss is allocated to a subordinated certificate, no interest will be distributable with respect to such written down amount.

It is not expected that the subordinated certificates will be entitled to any principal distributions until at least April 2010 or during any period in which delinquencies or losses on the mortgage loans exceed certain levels. As a result, the weighted average lives of the subordinated certificates will be longer than would otherwise be the case if distributions of principal were allocated among all of the certificates at the same time. As a result of the longer weighted average lives of the subordinated certificates, the holders of such certificates have a greater risk of suffering a loss on their investments. Further, because such certificates might not receive any principal if certain delinquency or loss levels occur, it is possible for such certificates to receive no principal distributions even if no losses have occurred on the mortgage pool.

In addition, the multiple class structure of the subordinated certificates causes the yield of such classes to be particularly sensitive to changes in the rates of prepayment of the mortgage loans. Because distributions of principal will be made to the holders of such certificates according to the priorities described in this free writing prospectus, the yield to maturity on such classes of certificates will be sensitive to the rates of prepayment on the mortgage loans experienced both before and after the commencement of principal distributions on such classes. The yield to maturity on such classes of certificates will also be extremely sensitive to losses due to defaults on the mortgage loans and the timing thereof, to the extent such losses are not covered by excess spread, overcollateralization, or a class of subordinated certificates with a lower payment priority. Furthermore, the timing of receipt of principal and interest by the subordinated certificates may be adversely affected by losses even if such classes of certificates do not ultimately bear such loss.

Also, investors in the subordinate certificates should be aware that in cases where principal distributions are made sequentially to the subordinate certificates on or after the stepdown date, the most subordinate class of subordinate certificates then outstanding may receive more than such class's pro rata share of principal for that distribution date. As a result, the certificate principal balance of the most subordinate class or classes of subordinate certificates may be reduced to zero prior to the more senior class or classes of subordinate certificates.

Credit enhancement may be inadequate to cover losses and/or to build overcollateralization

The mortgage loans are expected to generate more interest than is needed to pay interest on the offered certificates and certain trust fund expenses because we expect the weighted average interest rate on the mortgage loans, adjusted for any net swap payments and swap termination payments, to be higher than the weighted average pass-through rate on the offered certificates. If the mortgage loans generate more interest than is needed to pay interest on the offered certificates and trust fund expenses, adjusted for any net swap payments and swap termination payments, we will use such "excess spread" to make additional principal payments on those offered certificates, which will reduce the total certificate principal balance of those offered certificates below the aggregate principal balance of the mortgage loans, until the required level of overcollateralization has been met. In addition, amounts payable to the trust under the interest rate swap agreement may be used to restore and maintain the required level of overcollateralization. Overcollateralization is intended to provide limited protection to certificateholders by absorbing the certificate's share of losses from liquidated mortgage loans. However, we cannot assure you that enough excess spread will be generated on the mortgage loans or that amounts payable under the interest rate swap agreement will be sufficient to maintain the required level of overcollateralization. As of the closing date it is expected that the required level of overcollateralization will be met.

The excess spread available on any distribution date will be affected by the actual amount of interest received, advanced or recovered in respect of the mortgage loans during the preceding month. Such amount may be influenced by changes in the weighted average of the mortgage rates resulting from prepayments, defaults and liquidations of the mortgage loans.

If the protection afforded by overcollateralization is insufficient, then you could experience a loss on your investment.

The related interest rate cap may reduce the yields on the offered certificates

The pass-through rates on the offered certificates are each subject to an interest rate cap as described in this free writing prospectus. If on any distribution date the pass-through rate for a class of offered certificates is limited to the related interest rate cap, the holders of the applicable certificates will receive a smaller amount of interest than they would have received on that distribution date had the pass-through rate for that class not been calculated based on the related interest rate cap. If the pass-through rates on the offered certificates are limited for any distribution date, the resulting interest shortfalls may be recovered by the holders of these certificates on the same distribution date or on future distribution dates on a subordinated basis to the extent that on such distribution date or future distribution dates there are available funds remaining after certain other distributions on the offered certificates and the payment of certain fees and expenses of the issuing entity and to the extent there are amounts available under the interest rate swap agreement to pay such amounts as described in this free writing prospectus.

See *"Description of the Certificates—Excess Spread and Overcollateralization Provisions"* in this free writing prospectus.

The offered certificates may not always receive interest based on One- Month LIBOR plus the related margin

The offered certificates may not always receive interest at a rate equal to One-Month LIBOR plus the related margin. If the related interest rate cap is less than One-Month LIBOR plus the related margin, the interest rate on the offered certificates will be reduced to such interest rate cap. Thus, the yield to investors in such class will be sensitive both to fluctuations in the level of One-Month LIBOR and to the adverse effects of the application of the related interest rate cap. The prepayment or default of mortgage loans with relatively higher net mortgage rates, particularly during a period of increased One-Month LIBOR rates, may result in the related interest rate cap being lower than otherwise would be the case. If on any distribution date the application of the related interest rate cap results in an interest payment lower than One-Month LIBOR plus the related margin on the offered certificates during the related interest accrual period, the value of such class of certificates may be temporarily or permanently reduced.

To the extent interest on the offered certificates is limited to the related interest rate cap, the difference between such interest rate cap and One-Month LIBOR plus the related margin will create a shortfall. Some or all of this shortfall in respect of the offered certificates will be funded to the extent of payments, if any, received from the swap provider under the interest rate swap agreement. However, if payments under the interest rate swap agreement do not provide sufficient funds to cover such shortfalls, such shortfalls may remain unpaid on the final distribution date, including the optional termination date.

In addition, although the offered certificates are entitled to payments under the interest rate swap agreement during periods of increased One-Month LIBOR rates, the swap provider will only be obligated to make such payments under certain circumstances.

We refer you to *"The Interest Rate Swap Agreement"* in this free writing prospectus for a discussion of the swap provider's obligations to make payments under the interest rate swap agreement.

Certain mortgage loans were underwritten to nonconforming underwriting standards, which may result in losses or shortfalls to be incurred on the offered certificates

Certain mortgage loans were underwritten generally in accordance with underwriting standards which are primarily intended to provide for single family "non-conforming" mortgage loans. A "non-conforming" mortgage loan means a mortgage loan which is ineligible for purchase by Fannie Mae or Freddie Mac due to either credit characteristics of the related mortgagor, i.e. borrowers on the mortgage loans may have an impaired or unsubstantiated credit history, or documentation standards in connection with the underwriting of the related mortgage loan that do not meet the Fannie Mae or Freddie Mac underwriting guidelines. These documentation standards may include mortgagors who provide limited or no documentation in connection with the underwriting of the related mortgage loan. Accordingly, mortgage loans underwritten under such non-conforming credit underwriting standards are likely to experience rates of delinquency, foreclosure and loss that are higher, and may be substantially higher, than mortgage loans originated in accordance with the Fannie Mae or Freddie Mac underwriting guidelines. Any resulting losses, to the extent not covered by credit enhancement, may affect the yield to maturity of the offered certificates.

Defaults could cause payment delays and losses

There could be substantial delays in the liquidation of defaulted mortgage loans and corresponding delays in receiving your portion of the proceeds of liquidation. These delays could last up to several years. Furthermore, an action to obtain a deficiency judgment is regulated by statutes and rules, and the amount of a deficiency judgment may be limited by law. In the event of a default by a borrower, these restrictions may impede the ability of the master servicer to foreclose on or to sell the mortgaged property or to obtain a deficiency judgment. In addition, liquidation expenses such as legal and appraisal fees, real estate taxes and maintenance and preservation expenses, will reduce the amount of security for the mortgage loans and, in turn, reduce the proceeds payable to certificateholders.

In the event that:

- the mortgaged properties fail to provide adequate security for the related mortgage loans, and
- the protection provided by the subordination of certain classes and the availability of overcollateralization are insufficient to cover any shortfall,

you could lose all or a portion of the money you paid for your certificates.

Your yield could be adversely affected by the unpredictability of prepayments

No one can accurately predict the level of prepayments that the issuing entity will experience. The issuing entity's prepayment experience may be affected by many factors, including:

- general economic conditions,
- the level of prevailing interest rates,
- the availability of alternative financing, and
- homeowner mobility.

Certain of the mortgage loans contain due-on-sale provisions, and the master servicer intends to enforce those provisions unless doing so is not permitted by applicable law or the master servicer, in a manner consistent with reasonable commercial practice, permits the purchaser of the mortgaged property in question to assume the related mortgage loan. In addition, approximately 74.17% of the mortgage loans in loan group I, by aggregate principal balance as of the cut-off date, imposed a prepayment charge in connection with voluntary prepayments made within up to five years after origination, which prepayment charges may discourage prepayments during the applicable period. Approximately 64.95% of the mortgage loans in loan group II, by aggregate principal balance as of the cut-off date, imposed a prepayment charge in connection with voluntary prepayments made within up to three years after origination, which prepayment charges may discourage prepayments during the applicable period. Approximately 60.84% of the mortgage loans in loan group III, by aggregate principal balance as of the cut-off date, imposed a prepayment charge in connection with voluntary prepayments made within up to three years after origination, which prepayment charges may discourage prepayments during the applicable period. Approximately 70.65% of the mortgage loans in the aggregate, by aggregate principal balance as of the cut-off date, imposed a prepayment charge in connection with voluntary prepayments made within up to five years after origination, which prepayment charges may discourage prepayments during the applicable period. For a detailed description of the characteristics of the prepayment charges on the mortgage loans, and the standards under which the prepayment charges may be waived by the master servicer, please see "*The Mortgage Pool — Prepayment Charges on the Mortgage Loans*" in this free writing prospectus. There can be no assurance that the prepayment charges will have any effect on the prepayment performance of the mortgage loans.

The weighted average lives of the certificates will be sensitive to the rate and timing of principal payments, including prepayments, on the mortgage loans, which may fluctuate significantly from time to time.

You are encouraged to note that:

- if you purchase your certificates at a discount and principal is repaid on the mortgage loans slower than you anticipate, then your yield may be lower than you anticipate;
- if you purchase your certificates at a premium and principal is repaid on the mortgage loans faster than you anticipate, then your yield may be lower than you anticipate;
- if you purchase a certificate bearing interest at an adjustable rate, your yield will also be sensitive both to the level of One-Month LIBOR and the related interest rate cap;
- since repurchases of mortgage loans as a result of breaches of representations and warranties and liquidations of mortgage loans following default have the same effect as prepayments, your yield may be lower than you expect if the rate of such repurchases and liquidations is higher than you expect;
- the overcollateralization provisions, whenever overcollateralization is at a level below the required level, are intended to result in an accelerated rate of principal distributions to holders of the related classes of certificates then entitled to distributions of principal. An earlier return of principal to the holders of the offered certificates as a result of the overcollateralization provisions will influence the yield on the offered certificates in a manner similar to the manner in which principal prepayments on the mortgage loans will influence the yield on the related offered certificates; and
- you bear the reinvestment risks resulting from a faster or slower rate of principal payments than you expected.

The sponsor may from time to time implement programs designed to encourage refinancing. These programs may include, without limitation, modifications of existing loans, general or targeted solicitations, the offering of pre-approved applications, reduced origination fees or closing costs, or other financial incentives. Targeted solicitations may be based on a variety of factors, including the credit of the borrower or the location of the mortgaged property. In addition, The sponsor may encourage assumptions of mortgage loans, including defaulted mortgage loans, under which creditworthy borrowers assume the outstanding indebtedness of the mortgage loans which may be removed from the mortgage pool. As a result of these programs, with respect to the mortgage pool underlying any issuing entity, the rate of principal prepayments of the mortgage loans in the mortgage pool may be higher than would otherwise be the case, and in some cases, the average credit or collateral quality of the mortgage loans remaining in the mortgage pool may decline.

We refer you to *"The Mortgage Pool"* and *"Yield, Prepayment and Maturity Considerations"* in this free writing prospectus and *"Material Legal Aspects of the Loans—Due-on-Sale Clauses in Mortgage Loans"* in the base prospectus for a description of certain provisions of the mortgage loans that may affect the prepayment experience on the mortgage loans.

Mortgage loan modifications may affect the interest rate caps

Modifications of mortgage loans agreed to by the master servicer in order to maximize ultimate proceeds of such mortgage loans may extend the period over which principal is received on the related certificates or, if such modifications downwardly adjust interest rates, may lower the related interest rate cap or caps.

A reduction in certificate rating could have an adverse effect on the value of your certificates

The ratings of each class of offered certificates will depend primarily on an assessment by the rating agencies of the mortgage loans, the amount of overcollateralization and the subordination afforded by certain classes of certificates. The ratings by each of the rating agencies of the offered certificates are not recommendations to purchase, hold or sell the offered certificates because such ratings do not address the market prices of the certificates or suitability for a particular investor.

The rating agencies may suspend, reduce or withdraw the ratings on the offered certificates at any time. Any reduction in, or suspension or withdrawal of, the rating assigned to a class of offered certificates would probably reduce the market value of such class of offered certificates and may affect your ability to sell them.

Your distributions could be adversely affected by the bankruptcy or insolvency of certain parties

The sponsor and Master Funding LLC will each treat the transfer of its respective mortgage loans to the depositor as a sale of the mortgage loans. However, if the sponsor or Master Funding LLC, as applicable, becomes bankrupt, the trustee in bankruptcy may argue that the mortgage loans were not sold but were only pledged to secure a loan to such entity. If that argument is made, you could experience delays or reductions in payments on the certificates. If that argument is successful, the bankruptcy trustee could elect to sell the mortgage loans and pay down the certificates early. Thus, you could lose the right to future payments of interest, and might suffer reinvestment loss in a lower interest rate environment.

In addition, if the master servicer becomes bankrupt, a bankruptcy trustee or receiver may have the power to prevent the appointment of a successor master servicer. Any related delays in servicing could result in increased delinquencies or losses on the mortgage loans.

Developments in specified regions could have a disproportionate effect on the mortgage loans due to geographic concentration of mortgaged properties

Approximately 41.92%, 20.90% and 23.57% of the mortgage loans in loan group I, loan group II and loan group III, respectively, and approximately 35.44% of the mortgage loans in the aggregate by aggregate principal balance as of the cut-off date are secured by mortgaged properties that are located in the state of California. Property in those states or in any other region having a significant concentration of properties underlying the mortgage loans, may be more susceptible than homes located in other parts of the country to certain types of uninsurable hazards, such as earthquakes, floods, mudslides and other natural disasters. In addition,

- economic conditions in the specified regions, which may or may not affect real property values, may affect the ability of borrowers to repay their loans on time;
- declines in the residential real estate market in the specified regions may reduce the values of properties located in those regions, which would result in an increase in the loan-to-value ratios; and
- any increase in the market value of properties located in the specified regions would reduce the loan-to-value ratios and could, therefore, make alternative sources of financing available to the borrowers at lower interest rates, which could result in an increased rate of prepayment of the mortgage loans.

Violation of consumer protection laws may result in losses on the mortgage loans and the offered certificates

Applicable state laws generally regulate interest rates and other charges, require certain disclosure, and require licensing of the originators. In addition, other state laws, public policy and general principles of equity relating to the protection of consumers, unfair and deceptive practices and debt collection practices may apply to the origination, servicing and collection of the mortgage loans.

The mortgage loans are also subject to federal laws, including:

- the Federal Truth-in-Lending Act and Regulation Z promulgated thereunder, which require certain disclosures to the mortgagors regarding the terms of the mortgage loans;
- the Equal Credit Opportunity Act and Regulation B promulgated thereunder, which prohibit discrimination on the basis of age, race, color, sex, religion, marital status, national origin, receipt of public assistance or the exercise of any right under the Consumer Credit Protection Act, in the extension of credit; and
- the Depository Institutions Deregulation and Monetary Control Act of 1980, which preempts certain state usury laws.

Violations of certain provisions of these federal and state laws may limit the ability of the master servicer to collect all or part of the principal of or interest on the mortgage loans and in addition could subject the issuing entity to damages and administrative enforcement. In particular, the failure of the originators to comply with certain requirements of the Federal Truth-in-Lending Act, as implemented by Regulation Z, could subject the issuing entity to monetary penalties, and result in the mortgagors' rescinding the mortgage loans against the issuing entity. In addition to federal law, some states have enacted, or may enact, laws or regulations that prohibit inclusion of some provisions in mortgage loans that have interest rates or origination costs in excess of prescribed levels, that require mortgagors be given certain disclosures prior to the consummation of the mortgage loans and that restrict the ability of the master servicer to foreclose in response to the mortgagor's default. The failure of the originators to comply with these laws could subject the issuing entity to significant monetary penalties, could result in the mortgagors rescinding the mortgage loans against the issuing entity and/or limit the master servicer's ability to foreclose upon the related mortgaged property in the event of a mortgagor's default.

Under the anti-predatory lending laws of some states, the borrower is required to meet a net tangible benefits test in connection with the origination of the related mortgage loan. This test may be highly subjective and open to interpretation. As a result, a court may determine that a mortgage loan does not meet the test even if the originators reasonably believed that the test was satisfied. Any determination by a court that a mortgage loan does not meet the test will result in a violation of the state anti-predatory lending law, in which case the sponsor will be required to purchase that mortgage loan from the issuing entity.

The sponsor will represent that, as of the closing date, each mortgage loan is in compliance with applicable federal and state laws and regulations. In the event of a breach of such representation, the sponsor will be obligated to cure such breach or repurchase or replace the affected mortgage loan in the manner described in this free writing prospectus. If the sponsor is unable or otherwise fails to satisfy such obligations, the yield on the offered certificates may be materially and adversely affected.

Some of the mortgage loans provide for balloon payments at maturity

Approximately 38.82%, 40.31% and 44.85% of the mortgage loans in loan group I, loan group II and loan group III, respectively, and approximately 39.89% of the mortgage loans in the aggregate by aggregate principal balance as of the cut-off date, are balloon loans. These mortgage loans will require a substantial payment of principal, or a balloon payment, at their stated maturity in addition to their scheduled monthly payment. Mortgage loans with balloon payments involve a greater degree of risk because the ability of a mortgagor to make a balloon payment typically will depend upon the mortgagor's ability either to fully refinance the loan or to sell the related mortgaged property at a price sufficient to permit the mortgagor to make the balloon payment. The ability of a mortgagor to accomplish either of these goals will be affected by a number of factors, including the value of the related mortgaged property, the level of available mortgage rates at the time of sale or refinancing, the mortgagor's equity in the related mortgaged property, the financial condition of the mortgagor, tax laws and prevailing general economic conditions.

You may have difficulty selling your certificates

The underwriter intends to make a secondary market in the offered certificates, but the underwriter has no obligation to do so. We cannot assure you that a secondary market will develop or, if it develops, that it will continue. Consequently, you may not be able to sell your certificates readily or at prices that will enable you to realize your desired yield. The market values of the certificates are likely to fluctuate, and such fluctuations may be significant and could result in significant losses to you.

The secondary markets for asset backed securities have experienced periods of illiquidity and can be expected to do so in the future. Illiquidity can have a severely adverse effect on the prices of certificates that are especially sensitive to prepayment, credit or interest rate risk, or that have been structured to meet the investment requirements of limited categories of investors.

The return on your certificates could be reduced by shortfalls due to the application of the Servicemembers Civil Relief Act and similar state or local laws

The Servicemembers Civil Relief Act, or the Relief Act, and similar state or local laws provide relief to mortgagors who enter active military service and to mortgagors in reserve status who are called to active military service after the origination of their mortgage loans. Current or future military operations of the United States may increase the number of citizens in active military duty, including those citizens previously in reserve status. Under the Relief Act the interest rate applicable to a mortgage loan for which the related mortgagor is called to active military service will be reduced from the percentage stated in the related mortgage note to 6.00%. This interest rate reduction and any reduction provided under similar state or local laws will result in an interest shortfall because the master servicer will not be able to collect the amount of interest which otherwise would be payable with respect to such mortgage loan if the Relief Act or similar state or local law was not applicable thereto. This shortfall will not be paid by the mortgagor on future due dates or advanced by the master servicer and, therefore, will reduce the amount available to pay interest to the certificateholders on subsequent distribution dates. Shortfalls resulting from the application of the Relief Act or similar state or local laws may be paid out of excess cashflow. See *"Description of the Certificates—Excess Spread and Overcollateralization Provisions"* in this free writing prospectus. We do not know how many mortgage loans in the mortgage pool have been or may be affected by the application of the Relief Act or similar state or local laws.

The interest rate swap agreement and the swap provider

Net swap payments payable to the swap administrator by the swap provider under the interest rate swap agreement and the swap administration agreement will be available as described in this free writing prospectus to pay any necessary interest carry forward amounts to the extent due to the interest portion of realized losses, to reimburse for certain interest shortfalls previously allocated to such certificates and any basis risk shortfalls, and, to the extent not covered by excess spread, amounts necessary to restore and maintain the required level of overcollateralization, each as described in this free writing prospectus. However, no net amounts will be payable by the swap provider unless the floating amount owed by the swap provider on a distribution date exceeds the fixed amount owed to the swap provider on such distribution date. This will not occur with respect to the interest rate swap agreement except in periods when One-Month LIBOR (as determined pursuant to the interest rate swap agreement) generally exceeds 4.924% per annum (subject to a variance of plus or minus 1.00%). No assurance can be made that any amounts will be received under the interest rate swap agreement, or that any amounts that are received will be sufficient to maintain required overcollateralization or to cover certain interest shortfalls or basis risk shortfalls. Any net swap payment payable to the swap provider under the terms of the interest rate swap agreement will reduce amounts available for distribution to certificateholders, and may reduce the pass-through rates of the certificates. If the rate of prepayments on the mortgage loans is substantially faster than anticipated, the schedule on which payments due under the interest rate swap agreement are calculated may exceed the total principal balance of such mortgage loans, thereby increasing the relative proportion of interest collections on those mortgage loans that must be applied to make net swap payments to the swap provider. The combination of a rapid rate of prepayment and low prevailing interest rates could adversely affect the yields on the offered certificates. In addition, any swap termination payment payable to the swap provider in the event of early termination of the interest rate swap agreement (other than certain swap termination payments resulting from an event of default or certain termination events with respect to the swap provider, as described in this free writing prospectus, and other than to the extent already paid by the swap administrator from any upfront payment received pursuant to any replacement interest rate swap agreement that may be entered into by the supplemental interest trust trustee) will reduce amounts available for distribution to the offered certificateholders.

Upon early termination of the interest rate swap agreement, the swap administrator or the swap provider may be liable to make a swap termination payment to the other party (regardless of which party caused the termination). The swap termination payment will be computed in accordance with the procedures set forth in the interest rate swap agreement. In the event that the swap administrator is required under the swap administration agreement to make a swap termination payment to the swap provider, the issuing entity will be required to make a payment to the swap administrator in the same amount (other than to the extent already paid by the swap administrator from any upfront payment received pursuant to any replacement interest rate swap agreement that may be entered into by the supplemental interest trust trustee), which payment will be paid on the related distribution date, and on any subsequent distribution dates until paid in full, prior to distributions to the offered certificateholders (other than certain swap termination payments resulting from an event of default or certain termination events with respect to the swap provider as described in this free writing prospectus, which swap termination payments will be subordinated to distributions to the offered certificateholders). This feature may result in losses on the certificates. Due to the priority of the applications of the available funds, the subordinated certificates will bear the effects of any shortfalls resulting from a net swap payment or swap termination payment by the issuing entity before such effects are borne by the senior certificates, and one or more classes of subordinated certificates may suffer a loss as a result of such payment.

Net swap payments payable to the swap administrator by the swap provider under the interest rate swap agreement will be used to pay any necessary interest carry forward amounts to the extent due to the interest portion of realized losses, to reimburse for certain interest shortfalls previously allocated to such certificates and any basis risk shortfalls and, to the extent not covered by the excess spread, to restore and maintain the required level of overcollateralization as described in this free writing prospectus. However, if the swap provider defaults on its obligations under the interest rate swap agreement, then there may be insufficient funds to cover such amounts, and the amount of excess spread may be reduced. To the extent that distributions on the certificates depend in part on payments to be received by the swap administrator, on behalf of the supplemental interest trust trustee, under the interest rate swap agreement, the ability of the trustee to make such distributions on such certificates will be subject to the credit risk of the swap provider.

Some of the mortgage loans are secured by second liens, which may result in increased losses with respect to these mortgage loans

Approximately 4.72% and 5.35% of the mortgage loans in loan group I and loan group II, respectively, and approximately 4.23% of the mortgage loans in the aggregate, by aggregate principal balance as of the cut-off date, are secured by second liens, rather than first liens. The weighted average combined loan-to-value ratio at origination of such mortgage loans is approximately 99.57% and 99.82% with respect to such mortgage loans in loan group I and loan group II, respectively, and approximately 99.63% with respect to such mortgage loans in the aggregate. The related first lien may or may not be included in this mortgage pool. In the case of second liens, there is a possibility that adequate funds will not be received in connection with a foreclosure of the related senior liens to satisfy fully both the senior liens and the mortgage loan secured by a junior lien. In that case, the issuing entity, as holder of the junior mortgage, could incur a loss.

Some of the mortgage loans were originated simultaneously with second liens

With respect to approximately 23.02%, 12.14% and 2.60% of the mortgage loans in loan group I, loan group II and loan group III, respectively, and approximately 18.26% of the mortgage loans in the aggregate, by aggregate principal balance as of the cut-off date, at the time of origination of the first lien mortgage loan, the related originator also originated a second lien mortgage loan which may or may not be included in the issuing entity. The weighted average loan-to-value ratio at origination of the first lien on such mortgage loans is approximately 81.22%, 80.90% and 75.59% with respect to such mortgage loans in loan group I, loan group II and loan group III, respectively, and approximately 81.07% with respect to such mortgage loans in the aggregate, and the weighted average combined loan-to-value ratio at origination of such mortgage loans (including the second lien) is approximately 99.04%, 98.70% and 84.34% with respect to such mortgage loans in loan group I, loan group II and loan group III, respectively, and approximately 98.72% with respect to such mortgage loans in the aggregate. With respect to these mortgage loans, the rate of delinquencies may be increased relative to mortgage loans that were originated without a simultaneous second lien because the mortgagors on such mortgage loans have less equity in the mortgaged property. Investors are encouraged to also note that any mortgagor may obtain secondary financing at any time subsequent to the date of origination of their mortgage loan from the originators or from any other lender. In addition, a title insurance policy may not have been obtained with respect to some of these simultaneous second lien mortgage loans (although a title search will have been done with respect to the related first lien mortgage loan), which may increase the risk that adequate funds will not be received in connection with a foreclosure of such mortgage loan.

Credit scores are not an indicator of future performance of borrowers

Investors are encouraged to be aware that credit scores are based on past payment history of the borrower. Investors are encouraged not to rely on credit scores as an indicator of future borrower performance. See "*The Mortgage Pool"* in this free writing prospectus.

Recent developments in the residential mortgage market may adversely affect the market value of your securities

Recently, the residential mortgage market in the United States has experienced a variety of difficulties and changed economic conditions that may adversely affect the performance and market value of your securities. Delinquencies and losses with respect to residential mortgage loans generally have increased in recent months, and may continue to increase, particularly in the subprime sector. In addition, in recent months housing prices and appraisal values in many states have declined or stopped appreciating, after extended periods of significant appreciation. A continued decline or an extended flattening of those values may result in additional increases in delinquencies and losses on residential mortgage loans generally, particularly with respect to second homes and investor properties and with respect to any residential mortgage loans whose aggregate loan amounts (including any subordinate liens) are close to or greater than the related property values.

Another factor that may in the future contribute to higher delinquency rates is the potential increase in monthly payments on adjustable rate mortgage loans. Borrowers with adjustable payment mortgage loans may be exposed to increased monthly payments if the related mortgage interest rate adjusts upward from the initial fixed rate or a low introductory rate, as applicable, in effect during the initial period of the mortgage loan to the rate computed in accordance with the applicable index and margin. This increase in borrowers' monthly payments, together with any increase in prevailing market interest rates, after the initial fixed rate period, may result in significantly increased monthly payments for borrowers with adjustable rate mortgage loans.

You should consider that the general market conditions discussed above may adversely affect the performance and market value of your securities.

THE MORTGAGE POOL

General

We have provided below and in Schedule A to this free writing prospectus information with respect to the conventional mortgage loans that we expect to include in the pool of mortgage loans in the issuing entity. Prior to the closing date of March 30, 2007, we may remove mortgage loans from the mortgage pool and we may substitute other mortgage loans for the mortgage loans we remove. The depositor believes that the information set forth in this free writing prospectus with respect to the mortgage pool as presently constituted is representative of the characteristics of the mortgage pool as it will be constituted at the closing date, although the range of mortgage rates and maturities and other characteristics of the mortgage loans may vary. The characteristics of the mortgage loans as described in this free writing prospectus and in Schedule A may differ from the final pool as of the closing date due, among other things, to the possibility that certain mortgage loans may become delinquent or default or may be removed or substituted and that similar or different mortgage loans may be added to the pool prior to the closing date. The actual mortgage loans included in the issuing entity as of the closing date may vary from the mortgage loans as described in this free writing prospectus by up to plus or minus 10% as to any of the material characteristics described in this free writing prospectus. If, as of the closing date, any material pool characteristic differs by 5% or more from the description in this free writing prospectus, revised disclosure will be provided either in a supplement to this free writing prospectus, the prospectus supplement, or any supplement thereto, or in a current report on Form 8-K. Unless we have otherwise indicated, the information we present below and in Schedule A is expressed as of the cut-off date, which is March 1, 2007. All percentages of the mortgage loans are approximate percentages by principal balance as of the cut-off date, unless otherwise indicated. Unless otherwise specified, all principal balances of the mortgage loans are as of the cut-off date and are rounded to the nearest dollar.

The mortgage loans will be selected for inclusion in the mortgage pool based on rating agency criteria, compliance with representations and warranties, and conformity to criteria relating to the characterization of securities for tax, ERISA, SMMEA, Form S-3 eligibility and other legal purposes.

Each mortgage loan in the issuing entity will bear interest at a fixed rate or adjustable rate, is a conventional, closed-end sub-prime mortgage loan and will be secured by a first and/or second lien on the related mortgaged property and will be assigned to one of the three loan groups, each of which constitutes a separate sub-trust and is referred respectively to as Loan Group I, Loan Group II and Loan Group III in this free writing prospectus. The mortgage loans in Loan Group I are comprised of mortgage loans that may or may not conform to Freddie Mac and Fannie Mae loan limits and the mortgage loans in Loan Group II and Loan Group III are comprised of mortgage loans that conform to Freddie Mac and Fannie Mae loan limits. All of the mortgage loans we will include in the issuing entity will be fully amortizing or have a balloon payment.

The mortgage loans have original terms to maturity of not greater than 30 years, except with respect to approximately 1.10%, 2.14% and 0.73% of the mortgage loans in Loan Group I, Loan Group II and Loan Group III, respectively, and approximately 1.26% of the mortgage loans in the aggregate, that amortize based on a 40-year scheduled maturity for the first ten years, and thereafter require reamortized mortgage payments which are scheduled to be paid over the remaining 20 years as described in the related mortgage note.

Approximately 68.18%, 70.83% and 82.30% of the mortgage loans in Loan Group I, Loan Group II and Loan Group III, respectively, and approximately 70.52% of the mortgage loans in the aggregate, are adjustable rate mortgage loans. The interest rate borne by these adjustable rate mortgage loans that adjust based on Six-Month LIBOR have an initial fixed-rate period of six months, two, three or five years. The interest rate borne by those adjustable rate mortgage loans that adjust based on One-Year Treasury have an initial fixed-rate period of five years. The interest rate borne by these adjustable rate mortgage loans, in each case, will be adjusted in accordance with the related note, plus (or minus) the related gross margin, generally subject to rounding and to certain other limitations, including generally a maximum lifetime mortgage rate and in certain cases a minimum lifetime mortgage rate and in certain cases a maximum upward or downward adjustment on each interest adjustment date. The master servicer will be responsible for calculating and implementing interest rate adjustments with respect to the mortgage loans.

Approximately 25.46%, 12.73% and 13.58% of the mortgage loans in Loan Group I, Loan Group II and Loan Group III, respectively, and approximately 21.44% of the mortgage loans in the aggregate will receive interest only for the initial period set forth in the related mortgage note, ranging from five to ten years.

Approximately 22.35%, 18.18% and 20.30% of the mortgage loans in Loan Group I, Loan Group II and Loan Group III, respectively, and approximately 21.27% of the mortgage loans in the aggregate are assumable in accordance with the terms of the related mortgage note. The remainder of the mortgage loans contain due-on-sale clauses. We refer you to *"Servicing of the Mortgage Loans—Collection and other Servicing Procedures"*.

Six-Month LIBOR. Approximately 63.99%, 69.36% and 81.19% of the mortgage loans in Loan Group I, Loan Group II and Loan Group III, respectively, and approximately 67.26% of the mortgage loans in the aggregate will adjust semi-annually based on Six-Month LIBOR. Six-Month LIBOR will be a per annum rate equal to the average of interbank offered rates for six-month U.S. dollar-denominated deposits in the London market based on quotations of major banks as published in *The Wall Street Journal* and are most recently available as of the time specified in the related mortgage note.

	Six-Month LIBOR					
Adjustment Date	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
January 1	2.03%	1.38%	1.22%	2.79%	4.71%	5.37%
February 1	2.08	1.35	1.21	2.97	4.82	5.40
March 1	2.04	1.34	1.17	3.19	4.98	
April 1	2.36	1.23	1.16	3.39	5.14	
May 1	2.12	1.29	1.38	3.41	5.22	
June 1	2.08	1.21	1.60	3.54	5.39	
July 1	1.95	1.12	1.89	3.73	5.59	
August 1	1.87	1.21	1.93	3.95	5.51	
September 1	1.80	1.20	1.98	4.00	5.42	
October 1	1.71	1.14	2.20	4.27	5.38	
November 1	1.60	1.23	2.32	4.47	5.37	
December 1	1.47	1.27	2.63	4.63	5.33	

One-Year U.S. Treasury. Approximately 4.19%, 1.46% and 1.11% of the mortgage loans in Loan Group I, Loan Group II and Loan Group III, respectively, and approximately 3.26% of the mortgage loans in the aggregate will adjust annually based on the weekly average yield on U.S. Treasury securities adjusted to a constant maturity of one year as reported by the Federal Reserve Board in statistical Release No. H.15(519), referred to herein as the Release, as most recently available as of the date forty-five days, thirty-five days or thirty days prior to the adjustment date or on the adjustment date, which index is referred to herein as One-Year U.S. Treasury, as published in the place specified in the related mortgage note and as made available as of the date specified in the related mortgage note.

EMC Mortgage Corporation, referred to in this free writing prospectus as EMC or the sponsor, in its capacity as seller, purchased the mortgage loans directly in privately negotiated transactions. Subsequently, these mortgage loans were transferred to EMC. We refer you to *"The Mortgage Pool—General Underwriting Guidelines", "The Mortgage Pool—PCC Underwriting Guidelines", "The Mortgage Pool—FMC Underwriting Guidelines"* and *"Servicing of the Mortgage Loans"* for further information regarding the mortgage loans.

Scheduled monthly payments made by the mortgagors on the mortgage loans either earlier or later than the scheduled due dates thereof will not affect the amortization schedule or the relative application of such payments to principal and interest. The mortgage notes generally provide for a grace period for monthly payments.

The cut-off date pool principal balance is approximately $992,102,895, which is equal to the aggregate Stated Principal Balance of the mortgage loans as of the cut-off date. The mortgage loans to be transferred by the depositor to the issuing entity on the closing date will consist of 4,529 mortgage loans, of which 2,843 of the mortgage loans are in Loan Group I with an aggregate principal balance of approximately $670,062,057, 1,077 of the mortgage loans are in Loan Group II with an aggregate principal balance of approximately $194,235,728 and 609 of the mortgage loans are in Loan Group III with an aggregate principal balance of approximately $127,805,110.

A mortgage loan is "delinquent" if any payment due on that mortgage loan is not made pursuant to the terms of such mortgage loan by the close of business of the day such payment is scheduled to be due. A mortgage loan is "30 days delinquent" if such payment has not been received by the close of business on the corresponding day of the month immediately succeeding the month in which such payment was due, or, if there is no such corresponding day (e.g., as when a 30-day month follows a 31-day month in which a payment was due on the 31st day of such month), then on the last day of such immediately succeeding month. Similarly for "60 days delinquent," "90 days delinquent" and so on. The determination as to whether a mortgage loan falls into the related delinquent category (including for the purpose of disclosing in this free writing prospectus the percentage of delinquent mortgage loans, if any, and for determining whether a trigger event is in effect on a related distribution date) is made as of the close of business on the last business day of each month. For example, a mortgage loan with a payment due on July 1 that remained unpaid as of the close of business on August 31 would then be described as 30 to 59 days delinquent in the description of the mortgage loans contained in this free writing prospectus for September. This is referred to as the OTS methodology.

Loan-to-Value Ratio or Combined Loan-to-Value Ratio. With respect to any mortgage loan secured by a first lien, the loan-to-value ratio of a mortgage loan is equal to the principal balance of such mortgage loan at the date of origination, divided by the collateral value of the related mortgaged property. With respect to any mortgage loan secured by a second lien, the combined loan-to-value ratio is equal to the principal balance of the mortgage loan plus the principal balance of any related senior mortgage loan at the date of origination, divided by the collateral value of the related mortgaged property.

The "collateral value" of a mortgaged property is the lesser of

- the appraised value based on an appraisal made by an independent fee appraiser at the time of the origination of the related mortgage loan, and
- the sales price of that mortgaged property at the time of origination.

With respect to a mortgage loan the proceeds of which were used to refinance an existing mortgage loan, the collateral value is the appraised value of the mortgaged property based upon the appraisal obtained at the time of refinancing. No assurance can be given that the values of the mortgaged properties have remained or will remain at their levels as of the dates of origination of the mortgage loans.

Credit scores. Many lenders obtain credit scores in connection with mortgage loan applications to help them assess a borrower's creditworthiness. They obtain credit scores from credit reports provided by various credit reporting organizations, each of which may employ differing computer models and methodologies. The credit score is designed to assess a borrower's credit history at a single point, using objective information currently on file for the borrower at a particular credit reporting organization. Information utilized to create a credit score may include, among other things, payment history, delinquencies on accounts, level of outstanding indebtedness, length of credit history, types of credit, and bankruptcy experience. Credit scores range from approximately 350 to approximately 840, with higher scores indicating an individual with a more favorable credit history compared to an individual with a lower score. However, a credit score purports only to be a measurement of the relative degree of risk a borrower represents to a lender, that is, a borrower with a higher score is statistically expected to be less likely to default in payment than a borrower with a lower score. In addition, it should be noted that credit scores were developed to indicate a level of default probability over a two-year period, which does not correspond to the life of a mortgage loan. Furthermore, credit scores were not developed specifically for use in connection with mortgage loans, but for consumer loans in general, and assess only the borrower's past credit history. Therefore, a credit score does not take into consideration the differences between mortgage loans and consumer loans generally or the specific characteristics of the related mortgage loan including, for example, the loan-to-value ratio, the collateral for the mortgage loan, or the debt-to-income ratio. We cannot assure you that the credit scores of the mortgagors will be an accurate predictor of the likelihood of repayment of the mortgage loans.

Prepayment Charges on the Mortgage Loans

Any mortgage loan may be prepaid in full or in part at any time. In addition, approximately 74.17% of the mortgage loans in Loan Group I, by aggregate principal balance as of the cut-off date imposed a prepayment charge in connection with voluntary prepayments made within up to five years after origination, which prepayment charges may discourage prepayments during the applicable period. Approximately 64.95% of the mortgage loans in Loan Group II imposed a prepayment charge in connection with voluntary prepayments made within up to three years after origination, which prepayment charges may discourage prepayments during the applicable period. Approximately 60.84% of the mortgage loans in Loan Group III imposed a prepayment charge in connection with voluntary prepayments made within up to three years after origination, which prepayment charges may discourage prepayments during the applicable period. Approximately 70.65% of the mortgage loans in the aggregate, by aggregate principal balance as of the cut-off date, imposed a prepayment charge in connection with voluntary prepayments made within up to five years after origination, which prepayment charges may discourage prepayments during the applicable period. The amount of the prepayment charge is as provided in the related mortgage note. A prepayment charge may not apply with respect to a sale of the related mortgaged property, and in some circumstances, such as illegality, may be unenforceable.

The holders of the Class P Certificates will be entitled to all prepayment charges received on the mortgage loans, and these amounts will not be available for distribution on the other classes of certificates. There can be no assurance that the prepayment charges will have any effect on the prepayment performance of the mortgage loans. As of July 1, 2003, the Alternative Mortgage Parity Act of 1982 (the "Parity Act"), which regulates the ability of the originators to impose prepayment charges, was amended, and as a result, the originators will be required to comply with state and local laws in originating mortgage loans with prepayment charge provisions with respect to loans originated on or after July 1, 2003. The depositor makes no representations as to the effect that the prepayment charges and the recent amendment of the Parity Act may have on the prepayment performance of the mortgage loans. The recent amendment of the Parity Act does not retroactively affect loans originated before July 1, 2003. See "*Material Legal Aspects of the Loans—Enforceability of Prepayment and Late Payment Fees*" in the base prospectus.

In addition, the master servicer may waive the collection of any otherwise applicable prepayment charge or reduce the amount thereof actually collected, but only if: (i) the enforceability thereof will have been limited by bankruptcy, insolvency, moratorium, receivership and other similar laws relating to creditors' rights generally, (ii) the enforcement thereof is illegal, or any local, state or federal agency has threatened legal action if the prepayment charge is enforced, (iii) the mortgage debt has been accelerated in connection with a foreclosure or other involuntary payment or (iv) such waiver is standard and customary in servicing similar mortgage loans and relates to a default or a reasonably foreseeable default and would, in the reasonable judgment of the master servicer, maximize recovery of total proceeds taking into account the value of such prepayment charge and the related mortgage loan. In any event, no waiver of a prepayment premium, late payment charge or other charge in connection with any mortgage loan will effect the potential cash flow to the offered certificates from the pool assets.

Certain prepayment charges are classified as "hard" prepayment charges, meaning that the borrower has to cover the prepayment charge regardless of the reason for prepayment, while others are classified as "soft," meaning that the borrower has to cover the prepayment charge unless the borrower has conveyed the related mortgaged property to a third party. The sponsor does not have information with respect to the percentage of each type of prepayment charge included in the pool of mortgage loans.

Mortgage Loan Statistical Data

Schedule A to this free writing prospectus sets forth in tabular format certain information, as of the cut-off date, about the mortgage loans in the aggregate and about the mortgage loans in each loan group. Other than with respect to rates of interest, percentages are approximate and are stated by cut-off date principal balance of all of the mortgage loans, or of the mortgage loans in the related loan group, as applicable. The sum of the respective columns may not equal the total indicated due to rounding.

Assignment of the Mortgage Loans; Repurchase

At the time of issuance of the certificates, the depositor will cause the mortgage loans, together with all principal and interest due with respect to such mortgage loans after the cut-off date to be sold to the issuing entity. The mortgage loans in each loan group will be identified in a schedule appearing as an exhibit to the pooling and servicing agreement (referred to in this free writing prospectus as the Pooling and Servicing Agreement) with each loan group separately identified. Such schedule will include information as to the principal balance of each mortgage loan as of the cut-off date, as well as information including, among other things, the mortgage rate, the borrower's monthly payment and the maturity date of each mortgage note.

In addition, the depositor will deposit with LaSalle Bank National Association, for the benefit of the certificateholders, the following documents with respect to each mortgage loan:

(a) the original mortgage note, endorsed in blank, or without recourse in the following form: "Pay to the order of LaSalle Bank National Association, as trustee for certificateholders of Bear Stearns Asset Backed Securities I LLC, Asset-Backed Certificates, Series 2007-HE3" with all intervening endorsements that show a complete chain of endorsement from the originators to the related seller or, if the original mortgage note is unavailable to the depositor, a photocopy thereof, if available, together with a lost note affidavit;

(b) the original recorded mortgage or a photocopy thereof to the extent provided in the Pooling and Servicing Agreement;

(c) a duly executed assignment of the mortgage in blank, or to "LaSalle Bank National Association, as trustee for certificateholders of Bear Stearns Asset Backed Securities I LLC, Asset-Backed Certificates, Series 2007-HE3"; in recordable form or, for each mortgage loan subject to the Mortgage Electronic Registration Systems, Inc. (the "MERS® System"), evidence that the mortgage is held for the trustee as described in the Pooling and Servicing Agreement;

(d) all interim recorded assignments of such mortgage, if any and if available to the depositor; and

(e) with respect to any first or second lien mortgage loan (other than any Piggyback Loan), the original policy of title insurance or mortgagee's certificate of title insurance or commitment or binder for title insurance or, in the event such original title policy has not been received from the title insurer, such original policy will be delivered within one year of the closing date or, in the event such original title policy is unavailable, a photocopy of such title policy or, in lieu thereof, a current lien search on the related property; and with respect to any Piggyback Loan, the original policy of title insurance or mortgagee's certificate of title insurance or commitment or binder for title insurance issued as to the related first lien mortgage loan or, in lieu thereof, a lien search on the related property that was conducted in connection with the related first lien mortgage loan.

With respect to each mortgage loan subject to the MERS® System, in accordance with the rules of membership of Merscorp, Inc. and/or Mortgage Electronic Registration Systems, Inc. ("MERS"), the assignment of the mortgage related to each such mortgage loan will be registered electronically through the MERS® System and MERS will serve as mortgagee of record solely as nominee in an administrative capacity on behalf of the trustee and will not have any interest in such mortgage loans.

Assignments of the mortgage loans provided to the custodian on behalf of the trustee will be recorded in the appropriate public office for real property records, except (i) in states for which an opinion of counsel is delivered to the trustee, to the effect that such recording is not required to protect the trustee's interests in the mortgage loan against the claim of any subsequent transferee or any successor to or creditor of the depositor or the related seller, or (ii) with respect to any mortgage loan electronically registered through the MERS® System, the sponsor will be responsible for the recordation of such assignments and the costs incurred in connection therewith.

The custodian on behalf of the trustee will perform a limited review of the mortgage loan documents on or prior to the closing date or in the case of any document permitted to be delivered after the closing date, promptly after the custodian's receipt of such documents and will hold such documents in trust for the benefit of the holders of the certificates.

In addition, the sponsor will make representations and warranties in the mortgage loan purchase agreement with respect to itself and to Master Funding LLC, as of the cut-off date in respect of the mortgage loans. The depositor will file the mortgage loan purchase agreement as an exhibit to the Pooling and Servicing Agreement containing such representations and warranties with the Securities and Exchange Commission in a report on Form 8-K.

The representations and warranties of the sponsor with respect to the mortgage loans include the following, among others:

1. the information set forth in the mortgage loan schedule attached to the mortgage loan purchase agreement is, true and correct in all material respects;

2. immediately prior to the conveyance of the mortgage loans by the related seller to the depositor pursuant to the mortgage loan purchase agreement, the related seller was the sole owner of beneficial title and holder of each mortgage and mortgage note relating to the mortgage loans and is conveying the same free and clear of any and all liens, claims, encumbrances, participation interests, equities, pledges, charges or security interests of any nature and has full right and authority to sell or assign the same pursuant to the mortgage loan purchase agreement;

3. the physical property subject to any mortgage is free of material damage and is in good repair and there is no proceeding pending or threatened for the total or partial condemnation of any mortgaged property;

4. the mortgaged property and all improvements thereon comply with all requirements of any applicable zoning and subdivision laws and ordinances;

5. with respect to any first lien mortgage loan, a lender's title insurance policy (on an ALTA or CLTA form) or binder, or other assurance of title customary in the relevant jurisdiction therefore in a form acceptable to Fannie Mae or Freddie Mac, was issued on the date that each mortgage loan was created by a title insurance company which, to the best of the related originator's knowledge, was qualified to do business in the jurisdiction where the related mortgaged property is located, insuring the related originator and its successors and assigns that the mortgage is a first priority lien on the related mortgaged property in the original principal amount of the mortgage loan; and the originator is the sole insured under such lender's title insurance policy, and such policy, binder or assurance is valid and remains in full force and effect, and each such policy, binder or assurance shall contain all applicable endorsements including a negative amortization endorsement, if applicable. With respect to any second lien mortgage loan, other than any Piggyback Loan that has an initial principal amount less than or equal to $200,000, (a) a lender's title insurance policy or binder, or other assurance of title customary in the relevant jurisdiction therefore in a form acceptable to Fannie Mae or Freddie Mac, was issued on the date that each mortgage loan was created by a title insurance company which, to the best of the related originator's knowledge, was qualified to do business in the jurisdiction where the related mortgaged property is located, insuring the related originator and its successors and assigns; and the related originator is the sole insured under such lender's title insurance policy, and such policy, binder or assurance is valid and remains in full force and effect, and each such policy, binder or assurance shall contain all applicable endorsements including a negative amortization endorsement, if applicable, or (b) a lien search was conducted at the time of origination with respect to the related property;

6. the terms of the mortgage note and the mortgage have not been impaired, waived, altered or modified in any respect, except by written instruments, (i) if required by law in the jurisdiction where the mortgaged property is located, or (ii) to protect the interests of the trustee, on behalf of the certificateholders; and

7. at the time of origination, each mortgaged property was the subject of an appraisal which conformed to the underwriting requirements of the originator of the mortgage loan and, the appraisal is in a form acceptable to Fannie Mae or Freddie Mac.

After the closing date, if any document is found to be missing or defective in any material respect, or if a representation or warranty with respect to any mortgage loan is breached and such breach materially and adversely affects the interests of the holders of the certificates in such mortgage loan, the trustee or the custodian, as agent for the trustee, is required to notify the sponsor in writing. If the sponsor cannot or does not cure such omission or defect with respect to a missing or defective document, or if the sponsor does not cure such breach with respect to a breach of a representation or warranty, in each case within 90 days of its receipt of notice, the sponsor is required to repurchase the related mortgage loan from the issuing entity within 90 days from the date of notice at a price equal to 100% of the Stated Principal Balance thereof as of the date of repurchase plus accrued and unpaid interest thereon at the mortgage rate to the first day of the month following the month of repurchase, plus any costs and damages incurred by the issuing entity in connection with any violation of such mortgage loan of any anti-predatory lending laws, and reduced by any portion of the servicing fee or advances payable to the purchaser of the mortgage loan. Rather than repurchase the mortgage loan as provided above, the sponsor may remove such mortgage loan from the issuing entity and substitute in its place another mortgage loan of like characteristics. However, such substitution is only permitted within two years after the closing date. Notwithstanding anything to the contrary, if any such defect or breach would cause the mortgage loan to be other than a "qualified mortgage" as defined in Section 860G(a)(3) of the Internal Revenue Code, any such cure, repurchase or substitution must occur within 90 days from the date such breach or defect was discovered.

With respect to any repurchase or substitution of a mortgage loan that is not in default or as to which a default is not imminent, the trustee must have received a satisfactory opinion of counsel that such repurchase or substitution will not cause the issuing entity to lose the status of its REMIC elections or otherwise subject the issuing entity to a prohibited transaction tax. The obligation to cure, repurchase or substitute as described above constitutes the sole remedy available to the certificateholders, the trustee or the depositor for omission of, or a material defect in, a mortgage loan document or for a breach of representation or warranty by the sponsor with respect to a mortgage loan.

Originators

The principal originators of the mortgage loans are: Performance Credit Corporation with respect to approximately 40.74%, 57.74% and 65.90% of the mortgage loans in Loan Group I, Loan Group II and Loan Group III, respectively, and with respect to approximately 47.37% of the mortgage loans in the aggregate; and Fieldstone Mortgage Company with respect to approximately 27.14%, 9.95% and 5.01% of the mortgage loans in Loan Group I, Loan Group II and Loan Group III, respectively, and with respect to approximately 20.93% of the mortgage loans in the aggregate. The remainder of the mortgage loans were originated by various originators, none of which have originated more than 10% of the mortgage loans in the aggregate.

General Underwriting Guidelines

The following discussion provides a general description of the underwriting guidelines applicable to all of the mortgage loans, other than the mortgage loans originated by Performance Credit Corporation and Fieldstone Mortgage Company.

The underwriting guidelines are primarily intended to assess the borrower's ability to repay the mortgage loan, to assess the value of the mortgaged property and to evaluate the adequacy of the mortgaged property as collateral for the related mortgage loan. While the originator's primary consideration in underwriting a mortgage loan is the value of the mortgaged property, the originator also considers, among other things, a mortgagor's credit history, repayment ability and debt service to income ratio as well as the type and use of the mortgaged property. Some of the mortgage loans bear higher rates of interest than mortgages loans that are originated in accordance with Fannie Mae and Freddie Mac standards, which is likely to result in rates of delinquencies and foreclosures that are higher, and that may be substantially higher, than those experienced by portfolios of mortgage loans underwritten in a more traditional manner. On a case-by-case basis, exceptions to the underwriting guidelines are made where compensating factors exist. It is expected that a substantial portion of the mortgage loans in the mortgage pool that were originated by the originators will represent these exceptions.

Each applicant completes an application that includes information with respect to the applicant's liabilities, income, credit history, employment history and personal information. The underwriting guidelines require a credit report on each applicant from a credit reporting company. The report typically contains information relating to matters such as credit history with local and national merchants and lenders, installment debt payments and any record of defaults, bankruptcies, repossessions or judgments. Mortgaged properties that are to secure mortgage loans generally are appraised by qualified independent appraisers. These appraisers inspect and appraise the subject property and verify that the property is in acceptable condition. Following each appraisal, the appraiser prepares a report that includes a market value analysis based on recent sales of comparable homes in the area and, when deemed appropriate, market rent analysis based on the rental of comparable homes in the area. All appraisals are required to conform to the Uniform Standard of Professional Appraisal Practice adopted by the Appraisal Standards Board of the Appraisal Foundation and are generally on forms acceptable to Fannie Mae and Freddie Mac.

The mortgage loans were originated consistent with and generally conform to the underwriting guidelines' full/alternative documentation, stated income documentation and limited documentation residential loan programs. Under each of the programs, the originator reviews the applicant's source of income, calculates the amount of income from sources indicated on the loan application or similar documentation, reviews the credit history of the applicant, calculates the debt service to income ratio, if required, to determine the applicant's ability to repay the loan, and reviews the appraisal. In determining the ability of the applicant to repay the loan a qualifying rate has been created under the underwriting guidelines that generally is equal to the interest rate on that loan. The underwriting guidelines require that mortgage loans be underwritten in a standardized procedure that complies with applicable federal, state and local laws and regulations. The maximum amount loaned to a borrower and the maximum loan to value ratio allowed for that loan depends on, among other things, the purpose of the mortgage loan, a borrower's credit history, homeownership history, mortgage payment history or rental payment history, repayment ability and debt service to income ratio, as well as the type and use of the property. With respect to purchase money, rate/term and cash out refinance loans secured by single family primary residences the following loan to value ratios and original principal balances are allowed: loan-to-value ratios at origination of up to 100% for A+ credit grade mortgage loans with original principal balances of up to $750,000, up to 100% for A credit grade mortgage loans secured by single family, primary residences with original principal balances of up to $500,000, up to 95% for A- and B credit grade mortgage loans secured by single family, primary residences with original principal balances of up to $500,000, up to 80% for C credit grade mortgage loans secured by single family, primary residences with original principal balances of up to $450,000 and up to 70% for C- credit grade mortgage loans secured by single family, primary residences with original principal balances up to $400,000. The maximum "cash out" amount permitted is based in part on the original amount of the related mortgage loan.

With respect to mortgage loans secured by investment properties, owner occupied loan-to-value ratios are reduced 10% for one-to-two family residences and by 15% for three-to-four family residences. Mortgage loans secured by investment properties may have higher original principal balances if they have lower loan-to-value ratios at origination. For cash out refinance loans, the maximum "cash out" amount permitted is based in part on the original amount of the related mortgage loan.

In evaluating the credit quality of the borrowers, the originator utilizes credit bureau risk scores. Generally, each credit report provides a credit score for the borrower. Credit scores generally range from 350 to 840 and are available from three major credit bureaus: Experian (formerly TRW Information Systems and Services), Equifax and Trans Union. If three credit scores are obtained, the originator applies the middle score of the primary wage earner if the LTV is less than or equal to 95%. If the LTV is greater than 95%, the lower of both of the borrower's credit scores will be used. Credit scores are empirically derived from historical credit bureau data and represent a numerical weighing of a borrower's credit characteristics over a two-year period. A credit score is generated through the statistical analysis of a number of credit-related characteristics or variables. Common characteristics include number of credit lines (trade lines), payment history, past delinquencies, severity of delinquencies, current levels of indebtedness, types of credit and length of credit history. Attributes are the specific values of each characteristic. A scorecard (the model) is created with weights or points assigned to each attribute. An individual loan applicant's credit score is derived by summing together the attribute weights for that applicant.

The underwriting guidelines require that the income of each applicant for a mortgage loan under the full/alternative documentation program be verified. The specific income documentation required for the originator's various programs is as follows: under the full/alternative documentation program, applicants are required to submit one written form of verification from the employer of stable income for at least 12 months. The documentation may take the form of a Verification of Employment form provided by the employer, the most recent pay stub with year-to-date earnings and the most recent W-2 or a copy of the borrower's federal tax returns. Under the limited documentation program the borrower may choose to submit 12 consecutive months of personal checking account bank statements. Under the stated income documentation program, an applicant may be qualified based upon monthly income as stated on the mortgage loan application if the applicant meets certain criteria. Income stated on the application is not verified under the stated income documentation program. All of the foregoing programs require that, with respect to salaried employees, there be a telephone verification of the applicant's employment. Verification of the source of funds to close the loan, if any, deposited by the applicant into escrow in the case of a purchase money loan is required.

Performance Credit Corporation

The following discussion provides a general description of the underwriting guidelines applicable to the mortgage loans originated by Performance Credit Corporation.

Performance Credit Corporation (formerly known as Encore Credit Corp.) ("PCC"), a California corporation, is a mortgage finance company that, until February 9, 2007, originated and purchased one-to-four-family residential mortgage loans offered to borrowers with a particular emphasis on "nonconforming" borrowers who generally do not satisfy the credit, collateral, documentation or other standards required by conventional mortgage lenders and loan buyers. PCC is owned directly by ECC Capital Corporation, a Maryland corporation, which is a real estate investment trust that invests in residential mortgage loans financed by the issuance of non-recourse debt. ECC Capital Corporation ("ECC Capital") is a public company, the common stock of which currently trades on the New York Stock Exchange under the ticker symbol "ECR".

PCC was incorporated in October 2001 under the name "Encore Credit Corp." and commenced wholesale lending operations in March 2002. PCC began originating retail mortgage loans during the third quarter of 2004. During the first quarter of 2005, the retail operation was transitioned from PCC to Bravo Credit Corporation, a wholly owned subsidiary of PCC. From the second quarter of 2006 until February 9, 2007, all of PCC's retail operations were conducted by PCC solely out of its Irvine location. As of December 31, 2006, PCC operated its mortgage lending business through a network of approved mortgage lenders and brokers located in 48 states and the District of Columbia where PCC is licensed, exempt or authorized to engage in its mortgage lending business. On February 9, 2007, PCC sold certain assets used in its subprime wholesale mortgage banking division to Bear Stearns Residential Mortgage Corporation, a wholly owned subsidiary of The Bear Stearns Companies Inc., whereupon PCC effectively exited the wholesale mortgage business.

PCC outsourced the servicing of all the loans it originated to third party servicers or sub-servicers. PCC currently utilizes EMC Mortgage Corporation and Option One Mortgage Corporation as its sub-servicers for loans held in its portfolio pending sale or transfer to a securitization. Loans included in the securitizations completed in 2005 and 2006 are also being sub-serviced by EMC Mortgage Corporation and Option One Mortgage Corporation, and Countrywide Home Loan Servicing LP and CitiMortgage, Inc. act as the master servicers. PCC's principal executive offices are located presently at 1733 Alton Parkway, Irvine, California 92606, and its main telephone number is (949) 856-8300.

As of the dates set forth below, PCC's total portfolio of nonconforming mortgage loans was as follows:

	31-Dec-03		31-Dec-04		31-Dec-05	
Loan Type	**Total Portfolio of Loans**	**Number**	**Total Portfolio of Loans**	**Number**	**Total Portfolio of Loans**	**Number**
Nonconforming	$4,584,619,982	24,823	$9,114,332,309	45,948	$14,040,631,625	65,863

PCC Underwriting Guidelines

Prior to its cessation of originations on February 9, 2007, PCC underwrote each mortgage loan that it originated in accordance with its internal underwriting guidelines. PCC developed internal underwriting processes and criteria that it believes generated quality loans and gave it the ability to approve and fund loans quickly. PCC's internal underwriting guidelines were designed to help it evaluate a borrower's credit history, capacity, willingness and ability to repay the loan, and the value and adequacy of the collateral. PCC reviewed the borrower's credit history from Experian Information Solutions, Inc., Trans Union Corp. and Equifax, Inc. In addition, PCC reviewed credit scores derived from the borrower's credit history by one or more nationally recognized credit scoring models.

Underwriting Personnel. All of PCC's loans were underwritten by its on-site underwriting personnel. PCC did not delegate underwriting authority to any broker or third party. PCC adhered to strict internal standards with respect to who has the authority to approve a loan. In the event that an underwriting exception was required for approval, only specifically designated personnel, dictated by the exception needed, are authorized to make such exceptions. PCC regularly trained its operation managers, who supervised their underwriters, on emerging trends in production. PCC believes that these managers and underwriters were highly qualified and experienced and were familiar with PCC's underwriting guidelines. PCC believes that its regionalized underwriting process provides it with the ability to fund loans faster than many of its competitors, and that the experience of its operations managers, its information systems and its rigorous quality control process ensured the continued quality of its loans.

Underwriting Guidelines. PCC's internal underwriting guidelines were established by its credit committee. PCC's credit committee met regularly with its production and operations managers to review proposed changes to the underwriting guidelines. If an individual loan application did not meet PCC's formal written underwriting guidelines, but the underwriter was confident both that the borrower had the ability and willingness to pay and that the property provided adequate collateral for the borrower's obligations, PCC's underwriters could make underwriting exceptions up to certain limits within their formal exception policies and approval authorities. All of PCC's loan programs had tiered exception levels whereby approval of certain exceptions, such as LTV ratio exceptions, loan amount exceptions, and debt-to-income exceptions, are escalated to higher loan approval authority levels.

PCC's guidelines were primarily intended to (1) determine that the borrower has the ability to repay the mortgage loan in accordance with its terms and (2) determine that the related mortgaged property will provide sufficient value to recover the investment if the borrower defaults. The underwriting of a mortgage loan to be originated or purchased by PCC generally included a review of the completed loan package, which included the loan application, a current appraisal, a preliminary title report and a credit report. All loan applications and all closed loans offered to PCC for purchase had to be approved by PCC in accordance with its underwriting criteria. PCC regularly reviewed its underwriting guidelines and made changes when appropriate to respond to market conditions, the performance of loans representing a particular loan product and changes in laws or regulations.

PCC required satisfactory title insurance coverage on all residential properties securing mortgage loans it originated or purchased. The loan originator and its assignees were generally named as the insured. Title insurance policies indicated the lien position of the mortgage loan and protected PCC against loss if the title or lien position was not as indicated. The applicant was also required to maintain hazard and, in certain instances, flood insurance in an amount that complies with applicable laws and was sufficient to cover the new loan and any senior mortgage, subject to the maximum amount available under the National Flood Insurance Program.

Credit Scores. Credit scores were obtained by PCC in connection with mortgage loan applications to help assess a borrower's creditworthiness. Credit scores were obtained from credit reports provided by Experian Information Solutions, Inc., Trans Union Corp. and Equifax, Inc., which may employ differing computer models and methodologies from one another. The credit score is designed to assess a borrower's credit history at a fixed point in time, using objective information currently on file for the borrower at a particular credit reporting organization. Information utilized to create a credit score may include, among other things, payment history, delinquencies on accounts, level of outstanding indebtedness, length of credit history, types of credit, and bankruptcy experience. Credit scores range from approximately 400 to 850, with higher scores generally indicating an individual with a more favorable credit history compared to an individual with a lower score. However, a credit score purports only to be a measurement of the relative degree of risk a borrower represents to a lender; that is, a borrower with a higher score is statistically expected to be less likely to default in payment than a borrower with a lower score. Moreover, credit scores were developed to indicate a level of default probability over the period of the next two years, which does not correspond to the life of a mortgage loan. Furthermore, credit scores were not developed specifically for use in connection with mortgage loans, but for consumer loans in general. Therefore, a credit score does not take into consideration the differences between mortgage loans and consumer loans generally or the specific characteristics of the related mortgage loan including, for example, the LTV, the collateral for the mortgage loan, or the debt-to-income ratio. PCC's core underwriting guidelines at the time the loans in the pool described in this free writing prospectus were originated required a minimum credit score of 500, although a higher credit score was often required to qualify for the maximum LTV under each program. There can be no assurance that the credit scores of the mortgagors will be accurate predictors of the likelihood of repayment of the related mortgage loans.

Verification of Borrower's Income. PCC's mortgage programs included several levels of documentation used to verify the borrower's income.

- Full income documentation*.* PCC's highest level of income documentation generally required a stable, two-year history of income. A wage-earner could document income by any of the following: a verification of employment or a current pay stub reflecting year to date income and the borrower's most recent Wage and Tax Statement, or W-2; the borrower's two most recent IRS Form 1040s; or for higher credit score borrowers, the borrower's personal bank statements for the previous one or two years showing average monthly deposits sufficient to support the qualifying income. A self-employed borrower could document income with either the two most recent federal tax returns or bank statements for the previous one or two years depending on the borrower's credit score.

- Limited income documentation*.* This documentation level generally required a twelve-month history of stable income, together with personal bank statements for the previous twelve months to support the borrower's qualifying income.

- Stated income documentation*.* The borrower's income used to qualify for the loan was taken from the borrower's signed application and compared to the borrower's line of work or profession for reasonableness. Self-employed borrowers typically had to provide satisfactory evidence of existence of the business and demonstrate a two-year history of employment in the same profession. A verification of employment and position was done for each stated income loan.

Appraisal Review. An assessment of the adequacy of the real property as collateral for the loan was made, primarily based upon an appraisal of the property and a calculation of the LTV ratio of the loan applied for and the combined LTV to the appraised value of the property at the time of origination. Appraisers determined a property's value by reference to the sales prices of comparable properties recently sold, adjusted to reflect the condition of the property as determined through inspection. As lenders that generally specialize in loans made to credit impaired borrowers, PCC implemented an appraisal review process to support the value used to determine the LTV ratio. PCC used a variety of steps in its appraisal review process in order to attempt to ensure the accuracy of the value provided by the initial appraiser. This includes obtaining an independent automated property review on a majority of the loans that it originates. PCC's review process required a written review on every appraisal report either by a qualified independent underwriter or by a staff appraiser. PCC employed several methods to determine which appraisals are higher risk and attempted to direct those reviews to one of its staff appraisers. The criteria for identifying higher risk appraisal reports included those properties receiving lower scores from the automated property review, properties with larger loan amounts and those units and properties that fail a scoring template used by the internal underwriting staff. PCC also employed an appraisal review staff consisting mostly of staff appraisers. As part of their review process, the review department where available, verified the subject property's sales history, those of comparable properties as well as reviews additional comparable data. In some cases the value of the property used to determine the LTV ratio was reduced where it was determined by PCC's staff appraisers that the original appraised value cannot be supported.

Quality Control. PCC's quality control program was intended to monitor loan production with the overall goal of improving the quality of loan production generated by its retail loan operation and independent mortgage broker channel. Through systematically monitoring loan production, the quality control department could identify and communicate to management existing or potential underwriting and loan packaging problems or other areas of concern. The quality control file review ensured compliance with PCC's underwriting guidelines and federal and state regulations. This was accomplished by focusing on:

- the accuracy of all credit and legal information;

- a collateral analysis, which may include a desk or field re-appraisal of the property and review of the original appraisal;

- employment and/or income verification; and

- legal document review to ensure that the necessary documents are in place.

Loan Programs and Risk Categories. PCC established loan programs and risk categories, which identified the types of loans that they originated. A majority of PCC's loan originations were underwritten using the "Credit Score Advantage" program. This program made loans available to a broad group of borrowers who fit a more traditional non-conforming profile. However, there were borrowers who requested LTV ratios higher than those stated for this program, larger loan amounts or more unusual financing options. Rather than attempt to incorporate all of these specialized requests into one loan program, PCC established separate loan programs to accommodate borrowers who would otherwise require individual exceptions to a single, broader loan program. PCC established these programs to allow its underwriting personnel to process loan applications from borrowers who fit a particular program's criteria quickly and efficiently. The criteria for each of these programs were guidelines only. All of PCC's loan programs had tiered exception levels whereby approval of an exception was escalated to a higher loan approval authority. Although PCC generally did not make adjustments to the credit category of any applicant, PCC could determine on a case-by-case basis that an applicant warranted a LTV ratio exception, a loan amount exception, a debt-to-income exception or another exception. PCC could allow such an exception if the application reflected certain compensating factors, such as a lower than the maximum LTV ratio for the specific loan program, a maximum of one 30-day late payment on all mortgage loans during the last 12 months, job and income stability or a meaningful amount of liquid assets. PCC could also grant an exception if the applicant provided a down payment of at least 20% of the purchase price of the underlying property or if the new mortgage loan significantly reduced the applicant's aggregate monthly debt service payments. PCC expects that a substantial number of the mortgage loans they originated represented such underwriting exceptions.

Determining a Borrower's Credit Categories

Under its internal underwriting guidelines, PCC established several different credit categories within each loan program, and PCC assigned a credit category to each applicant based on the applicant's credit history. These credit categories established the maximum permitted LTV ratio, the maximum loan amount and the allowed use of loan proceeds given the applicant's mortgage payment history, consumer credit history, liens/charge-offs/bankruptcy history, debt-to-income ratio, use of proceeds, documentation type and other factors.

Because the industry does not use standard credit categories, the definitions and credit categories of the loans PCC originated may differ from those used by its competitors. As a result, the credit categories and other data with respect to its loan production that PCC provides in this Prospectus may not be comparable to similar data of its competitors. Also, PCC may have changed its credit category system from year-to-year, based on its on-going evaluation of historical performance and market demand. Thus, data with respect to specific credit categories within its loan production may not be comparable on a historical basis.

In general, higher risk mortgage applications are graded in categories that permit more (or more recent) major derogatory credit items, such as outstanding judgments or prior bankruptcies. PCC's underwriting guidelines for first mortgages contain categories and criteria for grading that evaluate the likelihood that an applicant will satisfy the repayment obligations of a mortgage loan; higher grades being more likely and lower grades being less likely.

Credit Score Programs

This program offered loan to individuals with a wide range of credit backgrounds and offered PCC's widest range of underwriting criteria. The Credit Score Advantage Program had five credit categories: AA, A+, B, C and C-. Borrowers with a higher credit category typically qualified for higher allowable LTV and higher amounts relative to other borrowers within this program. However, since credit scores within each credit category could range from 500 to 850, loans with different characteristics were available to borrowers within a particular credit category based on a borrower's credit score. Within a particular credit category, the borrower's credit score is used to determine the applicable interest rate, maximum allowable LTV and maximum available loan amount. Generally, a borrower with a higher credit score could obtain a loan with a lower rate, higher allowable LTV and higher loan amount than a borrower within the same credit category but with a lower credit score.

"AA" Risk Category: In order to qualify under the AA risk category the applicant generally had to have no mortgage or rental late payments within the past 12 months. No mortgage foreclosure or notice of default filings could have occurred during the preceding 24 months. No bankruptcy filing could have occurred during the past 24 months if the borrowers credit score is less that 550. If the borrower had made a Chapter 13 bankruptcy filing the borrower must have paid in accordance with the bankruptcy plan and the bankruptcy must have been discharged at or prior to funding of the loan. The maximum loan amount under this risk grade was $1,500,000 in California and $1,200,000 elsewhere for loans with full, limited or stated income documentation. Permissible LTV varied depending upon, among other matters, the loan amount, the documentation type, the occupancy, the property type and the borrower's credit score. The maximum LTV under this program is 100% for first mortgages and 100% for second mortgages. The allowable debt to income ratio was 50% for LTV over 80% and 55% for an LTV of 80% or less.

"A+" Risk Category: In order to qualify under the A+ risk category the applicant must generally had no more than 12 times 30 day late mortgage or rental payments within the past 12 months for LTV up to 90% and no more than one 30 day mortgage or rental late within the past 12 months for LTV up to 95%. No mortgage foreclosure or notice of default filings may have occurred during the preceding 18 months. No bankruptcy filing may have occurred during the past 18 months if the borrower's credit score is less than 550. If the borrower had made a Chapter 13 bankruptcy filing the borrower must have paid in accordance with the bankruptcy plan and the bankruptcy must be discharged at or prior to funding of the loan. The maximum loan amount under this risk grade was $1,000,000 for loans with full, limited or stated income documentation. Permissible Loan-to-Value Ratios varied depending upon, among other matters, the loan amount, the documentation type, the occupancy, the property type and the borrower's credit score. The maximum LTV under this program was 95% for first mortgages. The allowable debt to income ratio was 50% for LTV over 80% and 55% for an LTV of 80% or less.

"B" Risk Category: In order to qualify under the B risk category the applicant must generally have had no more than one 60 day mortgage or rental late payment within the past 12 months. 30 day mortgage or rental late payments are acceptable. No mortgage foreclosure or notice of default filings may have occurred during the preceding 18 months. No bankruptcy filing may have occurred during the past 12 months if the borrower's credit score is less than 550. If the borrower had made a Chapter 13 bankruptcy the borrower's bankruptcy could be paid off with the proceeds of this loan. The maximum loan amount under this risk grade was $750,000 for loans with full or limited income documentation and $600,000 for loans with stated income documentation. Permissible LTV varied depending upon, among other matters the loan amount; the documentation type, the occupancy, the property type and the borrowers credit score. The maximum LTV under this program was 85% for first mortgages. The allowable debt to income ratio was 55% for LTV's less than or equal to 80% and 50% for LTV's greater than 80%.

"C" Risk Category: In order to qualify under the C risk category the applicant must generally have had no more than one 90 day late mortgage or rental payment within the past 12 months. 30 and 60-day late payments are acceptable. No mortgage foreclosure or notice of default filings may have occurred during the preceding 12 months. No bankruptcy filing may have occurred during the past 6 months if the borrower's credit score is less than 550. If the borrower had made a Chapter 13 bankruptcy the borrower's bankruptcy could be paid off with the proceeds of this loan. The maximum loan amount under this risk grade was $650,000 for loans with full or limited income documentation and $600,000 for loans with stated income documentation. Permissible LTV varied depending upon, among other matters, the loan amount, the documentation type, the occupancy, the property type and the borrower's credit score. The maximum LTV under this program was 80% for first mortgages. The allowable debt to income ratio was 55%.

"C-" Risk Category: In order to qualify under the C- risk category the applicant must generally have had no more than one 120 day late mortgage or rental payment late within the past 12 months. 30, 60 and 90-day late payments were acceptable. Bankruptcy filing may have occurred during the past 12 months. If the borrower had made a Chapter 13 bankruptcy the borrower could pay off the bankruptcy through the loan. The maximum loan amount under this risk grade is $400,000 for loans with full, limited or stated income documentation. Permissible LTV varied depending upon, among other matters, the loan amount, the documentation type, the occupancy, the property type and the borrower's credit score. The maximum LTV under this program was 70% for first mortgages. The maximum allowable debt to income ratio was 55%.

Specialty Advantage Program

For those borrowers seeking PCC's highest allowable LTVs, PCC offered a specialty program that offers loans with a maximum LTV ratio of up to 100% based on either full, limited or stated income documentation. This program offer loans to borrowers in PCC's highest credit category, AA. Because of the additional risk associated with loans with LTV ratios at the high end of what PCC offered, there were additional limitations that were not placed on similar grades in other programs. These additional restrictions reduced the risk associated with originating loans to borrowers with these higher LTV ratios.

Interest-Only Option

This option offers borrowers the opportunity to obtain a loan that allows them to make monthly payments of interest only for the first two, three or five years of the loan. At the end of the interest-only term, the borrower's loan balance is fully amortized for the remaining term of the loan. The initial interest-only period provides borrowers with lower payments for a period of time allowing them to use a greater portion of their cash flow to pay off other debt, to qualify for larger loan amounts or for other uses. Because there is a slightly higher risk associated with the absence of principal reduction for the initial interest-only period, the minimum credit score required for this option was higher, as was the interest rate the borrower is charged. This option was available to borrowers in PCC's two highest credit categories, AA and A+.

Fieldstone Mortgage Company

Fieldstone Mortgage Company ("FMC") is a nationwide mortgage banking company and wholly-owned subsidiary of Fieldstone Investment Corporation ("FIC") that originates, finances, sells and interim services both conforming loans and non-conforming loans secured by single-family, two- to four-family, condominium units, units of planned unit developments, townhomes and modular homes. FMC focuses on providing the best loan available for a given borrower's needs and credit history. FMC's conforming loans are loans that meet the underwriting criteria required for a mortgage loan to be saleable to a federally owned or sponsored mortgage agency, such as Ginnie Mae, Fannie Mae or Freddie Mac, the borrowers of which generally have strong credit payment histories and relatively low levels of consumer debt, or are eligible for government guaranteed mortgages. A non-conforming loan generally does not meet the eligibility requirements of Ginnie Mae, Fannie Mae or Freddie Mac because the borrower's cash flow, credit history and/or collateral value do not meet the specific standards of the conforming loan market. FMC's non-conforming borrowers generally have good credit backgrounds, but tend to have higher loan-to-value (LTV) ratios, less income documentation, and/or higher debt ratios than conforming borrowers.

FMC's principal executive offices are located at 11000 Broken Land Parkway, Suite 600, Columbia, Maryland 21044 and its main telephone number is 410-772-7200. FIC, FMC's parent company, has elected to be taxed as a real estate investment trust.

On February 16, 2007, FIC announced that it had entered into a definitive merger agreement with Credit-Based Asset Servicing and Securitization LLC ("C-BASS") under which C-BASS will acquire all of the outstanding common stock of FIC. The completion of the transaction is expected to occur in the second quarter of 2007, and is contingent upon various closing conditions, including regulatory approvals, certain consents of third parties and the approval of holders of a majority of FIC's outstanding common stock.

FMC originates loans primarily in the wholesale market, through mortgage brokers. FMC also originates loans directly with customers through its retail branch network.

As of the dates set forth below, FMC's total fundings of nonconforming mortgage loans was as follows:

($ in 000s)

	31-Dec-04	31-Dec-05	30-Sep-06
Loan Type	**Fieldstone Mortgage Company**	**Fieldstone Mortgage Company**	**Fieldstone Mortgage Company**
	Loan Originations	**Loan Originations**	**Loan Originations**
Non-Conforming	2,072,855	2,599,493	1,664,141

FMC Underwriting Guidelines

FMC's Loan Products

FMC originates both conforming and non-conforming loans. Conforming loans meet the underwriting criteria required for a mortgage loan to be saleable to a federally owned or sponsored mortgage agency, such as Ginnie Mae, Fannie Mae or Freddie Mac, or the criteria of institutional investors. Conforming loan borrowers generally have good credit payment histories and relatively low levels of consumer debt, or are eligible for government guaranteed mortgages. Non-conforming loans generally do not meet the eligibility requirements of Ginnie Mae, Fannie Mae or Freddie Mac because of the borrowers' cash flows, credit history, the collateral values or income documentation. Non-conforming borrowers typically have good credit backgrounds, but tend to have higher LTV ratios, higher debt ratios than conforming borrowers or less income documentation.

FMC's parent, FIC employs a process in selecting certain mortgage loans originated by FMC for inclusion in FIC's securitizations. Such mortgage loans may have loan characteristics that are different from the loan characteristics of other mortgage loans originated by FMC.

Non-Conforming Loan Products

FMC offers a variety of fixed-rate mortgage loans and ARMs to non-conforming borrowers. FMC considers a combination of factors in deciding whether to approve these loans, including the borrower's income documentation, the loan-to-value, or LTV, the borrower's mortgage and consumer credit payment history, the property type and the credit score necessary to qualify under a particular program. Nevertheless, each program relies upon the analysis of each borrower's ability to repay the loan according to its terms, the risk that the borrower will not repay, the fees and rates FMC charges, the value of the collateral, the benefit FMC believes it is providing to the borrower and the loan amounts relative to the risk FMC believes it is taking.

FMC underwrites non-conforming loans to meet the specific guidelines of its first-lien loan programs and, if applicable, second-lien loan programs. In practice, FMC closes virtually all second liens in conjunction with a first lien as a simultaneous closing. Each of the first-lien and second-lien programs, described briefly below, has unique loan features. However, FMC applies its general underwriting procedures and standards and its compliance guidelines consistently across all programs:

Wall Street: The Wall Street program has both FICO only and FICO + mortgage history features and offers loans for borrowers with Alt-A credit. This program offers both first and second liens.

High Street: The High Street program has both FICO only FICO + mortgage history features and offers loans for borrowers with Alt-A and subprime credit. This program offers both first and second liens.

Main Street: The Main Street program offers lower LTV loans for borrowers with subprime credit. This program offers first liens only.

Allowable LTVs and combined first and second LTVs, or CLTVs, for each program are identified within the individual program guidelines.

Underwriting

FMC underwrites each non-conforming loan in accordance with its underwriting guidelines. FMC's underwriting guidelines are established by its credit committee, which is composed of its President, Executive Vice President—Secondary Marketing, Chief Financial Officer, Chief Credit Officer, Senior Vice President - West Division Operations, Executive Vice President - Production and Executive Vice President—Portfolio Management. The credit committee meets regularly with its production and operations managers to review proposed changes to underwriting guidelines. Their underwriting guidelines are designed to help them evaluate a borrower's credit history, capacity, willingness and ability to repay the loan and the value and adequacy of the collateral. For non-conforming loans FMC reviews the borrower's credit history from all three nationally recognized credit bureaus.

If an individual loan application does not meet the formal written underwriting guidelines, but the underwriter is confident both that the borrower has the ability and willingness to pay and that the property provides adequate collateral for the borrower's obligations, FMC's loan origination teams and underwriters can make underwriting exceptions with a manager's written approval. These exceptions must be within FMC's formal exception policies and approval authorities. FMC may, from time to time, apply underwriting criteria that are either more stringent or more flexible depending upon the economic conditions of a particular geographic market. However, for lower LTV loans or for borrowers with lower debt ratios, FMC's underwriting policy is to analyze the overall situation of the borrower and to take into account compensating factors that may be used to offset areas of weakness. These compensating factors include credit scores, proposed reductions in the borrower's debt service expense, employment stability, number of years in residence and net disposable income. A primary function of the underwriting process is to identify the level of credit risk associated with each applicant for a mortgage loan. FMC assigns credit grades by analyzing mortgage payment history, consumer credit history, credit score, bankruptcy history and debt-to-income ratio.

All of FMC's non-conforming loans are underwritten by its on-staff underwriting personnel. FMC does not delegate underwriting authority to any broker or third party. The underwriters review each non-conforming loan in one of FMC's regional funding centers. FMC believes that this regionalized underwriting process provides them with the ability to fund loans faster than many of its competitors, and the experience of their loan originators and branch managers, information systems and rigorous quality control process ensure the continued high quality of their loans.

Guidelines—First Priority Lien Programs

The following tables set forth FMV's LTV and debt service-to-income ratio maximums for its core non-conforming loan programs based upon documentation type, property type and credit (see "Underwriting—Employment, Income and Asset Verification and Source of Funds"):

Wall Street—Single Family, PUD, Condo and 2-4 Units
(FICO-Driven Program)

					LTV (in %)				(in %)
	FICO Score	Mortgage History	Consumer Credit	Time Elapsed Since BK / FC	Full Doc Owner Occupied	Stated Owner Occupied	Full Doc Non-Owner Occupied	Stated Non-Owner Occupied	Maximum Debt Ratio*
A	660+				100	100	90**	80	
	600				100	90	85	70**	
	540	0x30	Not considered	24 mo BK/36 mo FC	85	70	60	60	50
	660+				100	95	80	N/A	
	640				100	90	80	N/A	
	620	1x30	Not considered	24 mo BK/36 mo FC	100	90	80	N/A	50
	620	2X30	Not considered	24 mo BK/36 mo FC	85	N/A	80	N/A	50

* Debt Ratio Exceptions to 55% are allowed under the following circumstances:

- Owner Occupied, Full Documentation and Bank Statement only;
- Minimum credit score of 640 for Primary Wage Earner;
- Bankruptcies or foreclosures must have occurred a minimum of 36 months prior to loan closing; and
- Disposable income must meet the following limits: Gross disposable income of $3000 OR net disposable income of f$600 for first family member and $250 for each member thereafter.

** Limited to SFD, PUD and Condos only

BK=Bankruptcy; FC=Foreclosure; SFD=Single Family Dwelling; PUD=Planned Urban Development;
LTV=Loan to Value; FICO=Fair Isaac & Company; Mortgage History=# of 30-day delinquencies in last 12 months

High Street—Single Family, PUD, Condo and 2-4 Units**

(FICO-Driven Program)

					LTV (in %)				(in %)
	FICO Score	Mortgage History	Consumer Credit	Time Elapsed Since BK / FC	Full Doc Owner Occupied	Stated Owner Occupied	Full Doc Non-Owner Occupied	Stated Non-Owner Occupied	Maximum Debt Ratio*
A	660+				100	100	90	90	
	600				100	N/A	N/A	N/A	
	520	0x30	Not considered	24 mo BK/36 mo FC	85	N/A	N/A	N/A	55
	660+				100	100	90	90	
	600				100	N/A	N/A	N/A	
	520	1x30	Not considered	24 mo BK/36 mo FC	85	N/A	N/A	N/A	55
	620				90	85	N/A	N/A	
	580				90	N/A	N/A	N/A	
	520	2X30	Not considered	24 mo BK/36 mo FC	85	N/A	N/A	N/A	55
	600				90	N/A	N/A	N/A	
	540	3X30	Not considered	24 mo BK/36 mo FC	85	N/A	N/A	N/A	55

** 3-4 Units max LTV/CLTV is limited to 90% for both purchase and refinance

* Debt Ratio > 50% require $3000 Gross disposable income.

BK=Bankruptcy; FC=Foreclosure; SFD=Single Family Dwelling; PUD=Planned Urban Development;
LTV=Loan to Value; FICO=Fair Isaac & Company; Mortgage History=# of 30-day delinquencies in last 12 months

Main Street—Single Family, PUD, Condo and 2 Units

3-4 units require a 5% LTV reduction

			LTV (in %)				(in %)
Mortgage History	Consumer Credit	# Months Elapsed Since BK/FC	Full Doc Owner Occupied	Stated Owner Occupied	Full Doc Non-Owner Occupied	Stated Non-Owner Occupied	Maximum Debt Ratio*

A	1x30	30's, No 60's	24 mo	90	80	85	**	50
A-	3X30	30's, Isolated 60's	24 mo	90	80	80	**	50
B	1x60	60's, Isolated 90's	18 mo	85	75	75	**	50
C	1x90	90's, Isolated 120's	12 mo	80	70	70	**	50
D	No NOD	500 score	Less than 12 mo	70	**	**	**	50

* Main Street allows for 55% Debt Ratio for Full Documentation loans with CLTV's less than or equal to 85%. Main Street also allows for up to a 55% Maximum Debt Ratio for Full Documentation loans with CLTV's greater than 85% but less than or equal to 90% under the following circumstances:

- Owner Occupied, Full Documentation and Bank Statement only;
- Minimum 640 score for Primary Wage Earner;
- No 3-4 unit purchases;
- Bankruptcies or foreclosures must have occurred a minimum of 36 months prior to loan closing; and
- Disposable income must meet the following limits: Gross disposable income of $3000 or net disposable income of $600 for first family member and $250 for each member thereafter.

** No programs were available.

BK=Bankruptcy; FC=Foreclosure; SFD=Single Family Dwelling; PUD=Planned Urban Development; LTV=Loan to Value; FICO=Fair Isaac & Company; NOD=Notice of Default; Mortgage History=# of 30-, 60- or 90-day delinquencies in last 12 months

Guidelines—Second Priority Liens

The following table sets forth FMC's combined loan-to-value and debt service-to-income ratio maximums for its core second lien non-conforming loan program based upon documentation type, property type, and credit:

Wall Street—Single Family, PUD, Condo and 2-4 Units

(FICO-Driven Program)

						CLTV (in %)				(in %)
	FICO Score	**Mortgage History**	**Consumer Credit**	**# Months Elapsed Since BK/FC**	**Property Type**	**Full Doc Owner Occupied**	**Stated Owner Occupied**	**Full Doc Non-Owner Occupied**	**Stated Non-Owner Occupied**	**Maximum Debt Ratio***
A	660	0x30	Not Considered	BK-24/FC-36	All	100	100***	95**	90	50
	640	0x30	Not Considered	BK-24/FC-36	All	100***	100****	90	90**	50
	620	0x30	Not Considered	BK-24/FC-36	All	100***	N/A	90	N/A	50
A	620	1x30	Not Considered	BK-24/FC-36	All	100*****	N/A	85**	N/A	50
A	620	2x30	Not Considered	BK-24/FC-36	All	90*****	N/A	85**	N/A	50

* Wall Street also allows for up to a 55% Maximum Debt Ratio, under the following circumstances:

- Owner Occupied, Full Documentation and Bank Statement only;
- Minimum credit score of 640 for Primary Wage Earner;
- Bankruptcies or foreclosures must have occurred a minimum of 36 months prior to loan closing; and
- Disposable income must meet the following limits: $600 for the first family member and $250 for each member thereafter.

** SFD and PUDs only

*** 3-4 Units limited to a 95% CLTV

**** 3-4 Units is limited to a 90% CLTV

***** SFD, PUDs, Condo and 2 Units only

BK=Bankruptcy; FC=Foreclosure; SFD=Single Family Dwelling; PUD=Planned Urban Development; CLTV=Combined Loan to Value; FICO=Fair Isaac & Company; Mortgage History=# of 30-day delinquencies in last 12 months

High Street—Single Family, PUD, Condo and 2-4 Units

(FICO-Driven Program)

						CLTV (in %)				(in %)
	FICO Score	**Mortgage History**	**Consumer Credit**	**# Months Elapsed Since BK/FC**	**Property Type**	**Full Doc Owner Occupied**	**Stated Owner Occupied**	**Full Doc Non-Owner Occupied**	**Stated Non-Owner Occupied**	**Maximum Debt Ratio***
A	660	0x30	Not Considered	BK-24/FC-36	All	100	100	N/A	N/a	55
	640	0x30	Not Considered	BK-24/FC-36	All	100	N/A	N/A	N/A	55
	580	0x30	Not Considered	BK-24/FC-36	All	N/A	N/A	N/A	N/A	55
A	660	1x30	Not Considered	BK-24/FC-36	All	100	100	N/A	N/A	55
	640	1x30	Not Considered	BK-24/FC-36	All	100	N/A	N/A	N/A	55
	580	1x30	Not Considered	BK-24/FC-36	All	N/A	N/A	N/A	N/A	55
A	620	2x30	Not Considered	BK-24/FC-24	All	90	N/A	N/A	N/A	55

* Max CLTV for 3-4 Units is 90%

** Debt Ratio > 50% require $3000 Gross disposable income of $3000 OR net disposable income of $600 for first family member and $250 for each member thereafter.

BK=Bankruptcy; FC=Foreclosure; SFD=Single Family Dwelling; PUD=Planned Urban Development; CLTV=Combined Loan to Value; FICO=Fair Isaac & Company; Mortgage History=# of 30-day delinquencies in last 12 months

STATIC POOL INFORMATION

The depositor will provide static pool information, material to this offering, with respect to the experience of the sponsor in securitizing asset pools of the same type at http://www.bearstearns.com/transactions/bsabs_i/bsabs2007-HE2 (although the reference to such static pool information references "bsabs 2007-HE2", it is the appropriate static pool information for this transaction.). Investors should note that all of the securitizations listed under the Encore heading in the attached link as well as the Bear Stearns Asset Backed Securities I Trust 2006-EC1 and Bear Stearns Asset Backed Securities I Trust 2006-EC2 securitizations contained a 100% concentration of mortgage loans originated by Encore.

Information provided through the internet address above will not be deemed to be a part of this free writing prospectus, the prospectus supplement, the base prospectus or the registration statement for the securities offered hereby if it relates to any prior securities pool or vintage formed before January 1, 2006, or with respect to the mortgage pool (if applicable) any period before January 1, 2006.

THE ISSUING ENTITY

Bear Stearns Asset Backed Securities I Trust 2007-HE3 is a common law trust formed under the laws of the State of New York pursuant to the Pooling and Servicing Agreement. The Pooling and Servicing Agreement constitutes the "governing instrument" under the laws of the State of New York. After its formation, Bear Stearns Asset Backed Securities I Trust 2007-HE3 will not engage in any activity other than (i) acquiring and holding the mortgage loans and the other assets of the issuing entity and proceeds therefrom, (ii) issuing the certificates, (iii) making payments on the certificates and (iv) engaging in other activities that are necessary, suitable or convenient to accomplish the foregoing or are incidental thereto or connected therewith. The foregoing restrictions are contained in the Pooling and Servicing Agreement. For a description of other provisions relating to amending the Pooling and Servicing Agreement, please see "*The Agreements — Amendment of Agreement*" in the base prospectus.

The assets of Bear Stearns Asset Backed Securities I Trust 2007-HE3 will consist of the mortgage loans and certain related assets.

Bear Stearns Asset Backed Securities I Trust 2007-HE3's fiscal year end is December 31.

THE DEPOSITOR

The depositor, Bear Stearns Asset Backed Securities I LLC, was formed in the state of Delaware in January 2004, and is a wholly-owned subsidiary of The Bear Stearns Companies Inc. The depositor was organized for the sole purpose of serving as a private secondary mortgage market conduit. The depositor does not have, nor is it expected in the future to have, any significant assets.

The depositor has been serving as a private secondary mortgage market conduit for residential mortgage loans since 2004. As of September 30, 2006, the depositor has been involved in the issuance of securities backed by residential mortgage loans in excess of $65,247,999,772. In conjunction with the sponsor's acquisition of mortgage loans, the depositor will execute a mortgage loan purchase agreement through which the loans will be transferred to itself. These loans are subsequently deposited in a common law or statutory trust, described in this free writing prospectus, which will then issue the certificates.

After issuance and registration of the securities contemplated in this free writing prospectus and any supplement hereto, the depositor will have no duties or responsibilities with respect to the pool assets or the securities other than any obligations with respect to the filing of any reports under the Exchange Act as set forth in the Pooling and Servicing Agreement.

The depositor's principal executive offices are located at 383 Madison Avenue, New York, New York 10179. Its telephone number is (212) 272-2000.

THE SPONSOR

The sponsor, EMC Mortgage Corporation, was incorporated in the State of Delaware on September 26, 1990, as a wholly owned subsidiary corporation of The Bear Stearns Companies Inc., and is an affiliate of the depositor and the underwriter. The sponsor was established as a mortgage banking company to facilitate the purchase and servicing of whole loan portfolios containing various levels of quality from "investment quality" to varying degrees of "non-investment quality" up to and including real estate owned assets ("REO"). The sponsor commenced operation in Texas on October 9, 1990.

The sponsor maintains its principal office at 2780 Lake Vista Drive, Lewisville, Texas 75067. Its telephone number is (214) 626-3800.

Since its inception in 1990, the sponsor has purchased over $100 billion in residential whole loans and servicing rights, which include the purchase of newly originated alternative A, jumbo (prime) and sub-prime loans. Loans are purchased on a bulk and flow basis. The sponsor is one of the United States' largest purchasers of scratch and dent, sub-performing and non-performing residential mortgages and REO from various institutions, including banks, mortgage companies, thrifts and the U.S. government. Loans are generally purchased with the ultimate strategy of securitization into an array of Bear Stearns' securitizations based upon product type and credit parameters, including those where the loan has become re-performing or cash-flowing.

Performing loans include first lien fixed rate and ARMs, as well as closed end fixed rate second liens and lines of credit ("HELOCs"). Performing loans acquired by the sponsor are subject to varying levels of due diligence prior to purchase. Portfolios may be reviewed for credit, data integrity, appraisal valuation, documentation, as well as compliance with certain laws. Performing loans purchased will have been originated pursuant to the sponsor's underwriting guidelines or the originator's underwriting guidelines that are acceptable to the sponsor.

Subsequent to purchase by the sponsor, performing loans are pooled together by product type and credit parameters and structured into RMBS, with the assistance of Bear Stearns' Financial Analytics and Structured Transactions group, for distribution into the primary market.

The sponsor has been securitizing residential mortgage loans since 1999. The following table describes size, composition and growth of the sponsor's total portfolio of assets it has securitized as of the dates indicated.

	December 31, 2003		December 31, 2004		December 31, 2005		September 30, 2006	
Loan Type	**Number**	**Total Portfolio of Loans**	**Number**	**Total Portfolio of Loans**	**Number**	**Total Portfolio of Loans**	**Number**	**Total Portfolio of Loans**
Alt-A ARM	12,268	$ 3,779,319,393.84	44,821	$ 11,002,497,283.49	73,638	$ 19,087,119,981.75	54,448	$ 16,005,022,680.66
Alt-A Fixed	15,907	$ 3,638,653,583.24	15,344	$ 4,005,790,504.28	17,294	$ 3,781,150,218.13	10,480	$ 2,487,265,691.18
HELOC	-	$ -	-	$ -	9,309	$ 509,391,438.93	9,642	$ 671,297,933.89
Neg-Am ARM							36,469	$ 13,375,355,933.41
Prime ARM	16,279	$ 7,179,048,567.39	30,311	$ 11,852,710,960.78	27,384	$ 13,280,407,388.92	7,050	$ 3,481,137,519.89
Prime Fixed	2,388	$ 1,087,197,396.83	1,035	$ 509,991,605.86	3,526	$ 1,307,685,538.44	1,803	$ 484,927,212.35
Prime Short Duration ARM	7,089	$ 2,054,140,083.91	23,326	$ 7,033,626,375.35	38,819	$ 14,096,175,420.37	12,256	$ 5,085,828,335.31
Reperforming	2,800	$ 247,101,330.36	2,802	$ 311,862,677.46	2,877	$ 271,051,465.95	1,084	$ 115,127,847.83
Seconds	-	$ -	14,842	$ 659,832,093.32	114,899	$ 5,609,656,263.12	96,106	$ 5,363,659,738.17
SubPrime	29,303	$ 2,898,565,285.44	98,426	$ 13,051,338,552.19	101,156	$ 16,546,152,274.44	43,470	$ 7,619,506,951.48
Totals	86,034	$ 20,884,025,641.01	230,907	$ 48,427,650,052.73	388,902	$ 74,488,789,990.05	272,808	$ 54,689,129,844.17

With respect to some of the securitizations organized by the sponsor, a "step-down" trigger has occurred with respect to the loss and delinquency experience of the mortgage loans included in those securitizations, resulting in a sequential payment of principal to the related certificates, from the certificate with the highest credit rating to the one with the lowest rating. In addition, with respect to one securitization organized by the sponsor, a servicing trigger required by the related financial guaranty insurer has occurred; however, the insurer has granted extensions enabling the normal servicing activities to continue.

The sponsor has received a civil investigative demand (CID), from the Federal Trade Commission (FTC), seeking documents and data relating to the sponsor's business and servicing practices. The CID was issued pursuant to a December 8, 2005 resolution of the FTC authorizing non-public investigations of various unnamed subprime lenders, loan servicers and loan brokers to determine whether there have been violations of certain consumer protections laws. The sponsor is cooperating with the FTC's inquiry.

SERVICING OF THE MORTGAGE LOANS

General

EMC will act as the master servicer of the mortgage loans pursuant to the Pooling and Servicing Agreement, dated as of March 1, 2007, among the depositor, EMC, in its capacity as master servicer and seller, and the trustee.

In the event of a default by EMC under the Pooling and Servicing Agreement, the trustee, subject to the provisions of the Pooling and Servicing Agreement, will be required to enforce any remedies against the master servicer and will either find a successor master servicer or will assume the master servicing obligations itself.

The Master Servicer

EMC Mortgage Corporation ("EMC") will act as master servicer under the Pooling and Servicing Agreement. See "*The Sponsor*" in this free writing prospectus.

The principal business of EMC since inception has been specializing in the acquisition, securitization, servicing and disposition of mortgage loans. EMC's portfolio consists primarily of two categories: (1) "performing loans," or performing investment-quality loans serviced for the sponsor's own account or the account of Fannie Mae, Freddie Mac, private mortgage conduits and various institutional investors; and (2) "non-performing loans," or non-investment quality, sub-performing loans, non-performing loans and REO properties serviced for EMC's own account and for the account of investors in securitized performing and non-performing collateral transactions.

EMC will service the mortgage loans in accordance with the description of the applicable servicing procedures contained in this section in the free writing prospectus.

EMC has been servicing residential mortgage loans since 1990. From year end 2004 to September 30, 2006 the loan count of EMC's servicing portfolio grew by approximately 91.4% and the unpaid principal balance of EMC's servicing portfolio grew by approximately 140%.

As of September 30, 2006, EMC was acting as servicer for approximately 259 series of residential mortgage-backed securities and other mortgage loans with an outstanding principal balance of approximately $66.8 billion.

The following table describes size, composition and growth of EMC's total residential mortgage loan servicing portfolio as of the dates indicated.

	As of December 31, 2003				As of December 31, 2004			
Loan Type	No. of Loans	Dollar Amount	Percent by No. of Loans	Percent by Dollar Amount	No. of Loans	Dollar Amount	Percent by No. of Loans	Percent by Dollar Amount
Alt-A Arm	2,439	$ 653,967,868.93	1.40%	4.75%	19,498	$ 4,427,820,707.76	7.96%	15.94%
Alt-A Fixed	19,396	3,651,416,056.79	11.14	26.51	25,539	4,578,725,473.28	10.43	16.48
PrimeArm	7,978	868,798,347.46	4.58	6.31	8,311	1,045,610,015.30	3.39	3.76
PrimeFixed	16,377	1,601,411,491.35	9.40	11.63	14,560	1,573,271,574.42	5.95	5.66
Seconds	25,290	690,059,168.80	14.52	5.01	39,486	1,381,961,155.08	16.13	4.98
Subprime	76,166	5,058,932,125.93	43.73	36.73	114,436	13,706,363,249.78	46.74	49.34
Other	26,523	1,249,014,372.71	15.23	9.07	23,010	1,063,682,459.11	9.40	3.83
Total	174,169	$ 13,773,599,431.97	100.00%	100.00%	244,840	$ 27,777,434,634.73	100.00%	100.00%

	As of December 31, 2005				As of September 30, 2006			
Loan Type	No. of Loans	Dollar Amount	Percent by No. of Loans	Percent by Dollar Amount	No. of Loans	Dollar Amount	Percent by No. of Loans	Percent by Dollar Amount
Alta-A Arm	57,510	$ 13,625,934,321.62	12.69%	23.00%	49,349	$ 12,808,629,725.93	10.53%	19.18%
Alt-A Fixed	17,680	3,569,563,859.33	3.90	6.03	29,790	5,963,962,331.86	6.36	8.93
Prime Arm	7,428	1,010,068,678.92	1.64	1.71	6,580	892,567,395.07	1.40	1.34
Prime Fixed	15,975	2,140,487,565.90	3.52	3.61	15,228	2,175,294,849.14	3.25	3.26
Seconds	155,510	7,164,515,426.20	34.31	12.10	163,821	7,935,367,229.73	34.96	11.88
Subprime	142,890	20,373,550,690.52	31.53	34.40	130,821	18,898,856,704.61	27.91	28.30
Other	56,216	11,347,144,055.57	12.40	19.16	73,059	18,107,974,659.14	15.59	27.11
Total	453,209	$ 59,231,264,598.06	100.00%	100.00%	468,648	$ 66,782,652,895.48	100.00%	100.00%

There have been no appreciable changes to EMC's servicing procedures outside of the normal changes warranted by regulatory and product type changes in the portfolio.

Collection and Other Servicing Procedures

The master servicer will use reasonable efforts to ensure that all payments required under the terms and provisions of the mortgage loans are collected, and will follow collection procedures comparable to the collection procedures of prudent mortgage lenders servicing mortgage loans for their own account, to the extent such procedures will be consistent with the Pooling and Servicing Agreement.

In instances in which a loan is in default, or if default is reasonably foreseeable, and if determined by the master servicer to be in the best interests of the certificateholders, the master servicer may engage, either directly or through subservicers, in a wide variety of loss mitigation practices including waivers, modifications, payment forbearances, partial forgiveness, entering into repayment schedule arrangements, and capitalization of arrearages rather than proceeding with foreclosure or repossession, if applicable. In making that determination, the estimated realized loss that might result if the loan were liquidated would be taken into account. Modifications may have the effect of, among other things, reducing the loan rate, forgiving payments of principal, interest or other amounts owed under the mortgage loan or contract, such as taxes or insurance premiums, extending the final maturity date of the loan, capitalizing delinquent interest and other amounts owed under the mortgage loan or contract, or any combination of these or other modifications. In addition, if the loan is not in default or if default is not reasonably foreseeable, the master servicer may modify the loan only to the extent set forth in the Pooling and Servicing Agreement; provided that, such modification will not result in the imposition of taxes on any REMIC or otherwise adversely affect the REMIC status of the issuing entity. Any modified loan may remain in the related issuing entity, and the reduction in collections resulting from a modification may result in reduced distributions of interest or principal on, or may extend the final maturity of, one or more classes of the related securities.

Certain mortgage loans contain due-on-sale clauses. If a mortgaged property has been or is about to be conveyed by the mortgagor and the master servicer has knowledge thereof, the master servicer will accelerate the maturity of the mortgage loan, to the extent permitted by the terms of the related mortgage note and applicable law. If it reasonably believes that the due-on-sale clause cannot be enforced under applicable law, or would otherwise potentially impair any recovery under a primary mortgage insurance policy, if applicable, the master servicer in some cases with the prior consent of the trustee (not to be unreasonably withheld) may enter into an assumption agreement with the person to whom such property has been or is about to be conveyed, pursuant to which such person becomes liable under the mortgage note and the mortgagor, to the extent permitted by applicable law, remains liable thereon. The master servicer will retain any fee collected for entering into assumption agreements as additional servicing compensation. In regard to circumstances in which the master servicer may be unable to enforce due-on-sale clauses, we refer you to "*Material Legal Aspects of the Loans — Due-on-Sale Clauses in Mortgage Loans*" in the base prospectus. In connection with any such assumption, the interest rate borne by the related mortgage note may not be changed. Certain other mortgage loans are assumable under some circumstances if, in the sole judgment of the master servicer, the prospective purchaser of a mortgaged property is creditworthy and the security for the mortgage loan is not impaired by the assumption.

The master servicer will establish and maintain, in addition to the protected account described below under "—*Protected Account*," one or more servicing accounts in a depository institution the deposits of which are insured by the FDIC to the maximum extent permitted by law. The master servicer will deposit and retain therein all collections from the mortgagors for the payment of taxes, assessments, insurance premiums, or comparable items as agent of the mortgagors as provided in the Pooling and Servicing Agreement. Each servicing account and the investment of deposits therein will comply with the requirements of the Pooling and Servicing Agreement and will meet the requirements of the rating agencies. Withdrawals of amounts from the servicing accounts may be made only to effect timely payment of taxes, assessments, insurance premiums, or comparable items, to reimburse the master servicer for any advances made with respect to such items, to refund to any mortgagors any sums as may be determined to be overages, to pay interest, if required, to mortgagors on balances in the servicing accounts, to pay earnings not required to be paid to mortgagors to the master servicer, or to clear and terminate the servicing accounts at or at any time after the termination of the Pooling and Servicing Agreement.

The master servicer will maintain errors and omissions insurance and fidelity bonds in certain specified amounts to the extent required under the Pooling and Servicing Agreement.

Hazard Insurance

The master servicer will maintain and keep, or cause to be maintained and kept, with respect to each mortgage loan, in full force and effect for each mortgaged property a hazard insurance policy with extended coverage customary in the area where the mortgaged property is located in an amount equal to the amounts required in the Pooling and Servicing Agreement or in general equal to at least the lesser of the outstanding principal balance of the mortgage loan or the maximum insurable value of the improvements securing such mortgage loan and containing a standard mortgagee clause; but no less than the amount necessary to prevent loss due to the application of any co-insurance provision of the related policy. Any amounts collected by the master servicer under any such hazard insurance policy, other than amounts to be applied to the restoration or repair of the mortgaged property or amounts released to the mortgagor in accordance with normal servicing procedures, will be deposited in the protected account. Any cost incurred in maintaining any such hazard insurance policy will not be added to the amount owing under the mortgage loan for the purpose of calculating monthly distributions to certificateholders, notwithstanding that the terms of the mortgage loan so permit. Such costs will be recoverable by the master servicer out of related late payments by the mortgagor or out of Insurance Proceeds or Liquidation Proceeds or any other amounts in the protected account. The right of the master servicer to reimbursement for such costs incurred will be prior to the right of the trustee to receive any related Insurance Proceeds or Liquidation Proceeds or any other amounts in the protected account.

In general, the standard form of fire and extended coverage policy covers physical damage to or destruction of the improvements on the property by fire, lightning, explosion, smoke, windstorm and hail, riot, strike and civil commotion, subject to the conditions and exclusions particularized in each policy. Although the policies relating to the mortgage loans will be underwritten by different hazard insurers and therefore will not contain identical terms and conditions, the basic terms thereof are dictated by state law. Such policies typically do not cover any physical damage resulting from the following: war, revolution, governmental actions, floods and other water-related causes, earth movement (including earthquakes, landslides and mud flows), nuclear reactions, wet or dry rot, vermin, rodents, insects or domestic animals, theft and, in certain cases, vandalism and malicious mischief. The foregoing list is merely indicative of certain kinds of uninsured risks and is not intended to be all-inclusive.

Hazard insurance policies covering properties similar to the mortgaged properties typically contain a clause which in effect requires the insured at all times to carry insurance of a specified percentage generally at least 80% of the full replacement value of the improvements on the property in order to recover the full amount of any partial loss. If the insured's coverage falls below this specified percentage, such clause provides that the hazard insurer's liability in the event of partial loss does not exceed the greater of (i) the replacement cost of the improvements less physical depreciation, or (ii) such proportion of the loss as the amount of insurance carried bears to the specified percentage of the full replacement cost of such improvements.

Since the amount of hazard insurance to be maintained on the improvements securing the mortgage loans may decline as the principal balances owing thereon decrease, and since residential properties have historically appreciated in value over time, in the event of partial loss, hazard insurance proceeds may be insufficient to restore fully the damaged property.

Where the property securing a mortgage loan is located at the time of origination in a federally designated flood area, the master servicer will cause with respect to such mortgage loan flood insurance to the extent available and in accordance with industry practices to be maintained. Such flood insurance will generally be in an amount equal to the lesser of (i) the outstanding principal balance of the related mortgage loan, (ii) either (a) the minimum amount required under the terms of coverage to compensate for any damage or loss on a replacement cost basis, or (b) the maximum insurable value of the improvements securing such mortgage loan, and (iii) the maximum amount of such insurance available for the related mortgaged property under either the regular or emergency programs of the National Flood Insurance Program, assuming that the area in which such mortgaged property is located is participating in such program.

The master servicer, on behalf of the trustee and certificateholders, will present claims to the hazard insurer under any applicable hazard insurance policy. As set forth above, all collections under such policies that are not applied to the restoration or repair of the related mortgaged property or released to the mortgagor in accordance with normal servicing procedures are to be deposited in the protected account. The master servicer is required to deposit in the protected account the amount of any deductible under a blanket hazard insurance policy, if applicable.

Realization Upon Defaulted Mortgage Loans

The master servicer will take such action either as such deems to be in the best interest of the issuing entity, or as is consistent with accepted servicing practices or in accordance with established practices for other mortgage loans serviced by the master servicer with respect to defaulted mortgage loans and foreclose upon or otherwise comparably convert the ownership of properties securing defaulted mortgage loans as to which no satisfactory collection arrangements can be made. To the extent set forth in the Pooling and Servicing Agreement, the master servicer will service the property acquired by the issuing entity through foreclosure or deed-in-lieu of foreclosure in accordance with procedures that the master servicer employs and exercises in servicing and administering mortgage loans for its own account and which are in accordance with accepted mortgage servicing practices of prudent lending institutions and Fannie Mae guidelines. The master servicer will not be required to expend its own moneys with respect to the restoration or to make servicing advances with respect to such mortgaged properties unless such entity has determined that (i) such amounts would be recovered, and (ii) it believes such restoration will increase proceeds to the issuing entity following the mortgaged property's eventual liquidation.

Since Insurance Proceeds received in connection with a mortgage loan cannot exceed deficiency claims and certain expenses incurred by the master servicer, no insurance payments will result in a recovery to certificateholders which exceeds the principal balance of the defaulted mortgage loan together with accrued interest thereon at its applicable net mortgage rate.

Servicing Compensation and Payment of Expenses

EMC will not receive a fee in its capacity as master servicer but will receive a servicing fee for the mortgage loans it will service as described below. EMC will be entitled to receive a fee as compensation for its activities under the Pooling and Servicing Agreement equal to the servicing fee rate multiplied by the Stated Principal Balance of each mortgage loan serviced by it as of the due date in the month preceding the month in which such distribution date occurs. The servicing fee rate will be 0.500% per annum. Any interest shortfalls on the mortgage loans resulting from prepayments made during the related prepayment period that are being distributed to the certificateholders on that distribution date will be offset by the master servicer on the distribution date in the following calendar month to the extent of compensating interest payments as described in this free writing prospectus.

The master servicer will also be entitled to any amounts earned on funds in the protected account.

In addition to the primary compensation described above, the master servicer will retain all assumption fees, tax service fees, fees for statements of account payoff and late payment charges, all to the extent collected from mortgagors. The master servicer will not be entitled to retain any prepayment charges or penalties; prepayment charges and penalties will be distributed to the holders of the Class P Certificates.

The master servicer will pay all related expenses incurred in connection with its servicing responsibilities, subject to limited reimbursement as described in this free writing prospectus.

Protected Account

The master servicer will establish and maintain a custodial account, an account referred to in this free writing prospectus as the protected account into which it will deposit daily or at such other time specified in the Pooling and Servicing Agreement all collections of principal and interest on any mortgage loans, including principal prepayments, Insurance Proceeds, Liquidation Proceeds, Subsequent Recoveries and the repurchase price for any mortgage loans repurchased, and advances made from the master servicer's own funds, less the applicable servicing fee. The protected account and amounts at any time credited thereto will comply with the requirements of the Pooling and Servicing Agreement and will meet the requirements of the rating agencies.

The master servicer will retain in the protected account for distribution directly to the trustee the daily collections of interest and principal, Insurance Proceeds, Liquidation Proceeds, Subsequent Recoveries and the repurchase price with respect to any repurchased mortgage loans.

On the second business day prior to each distribution date, the master servicer will withdraw from the protected account amounts on deposit therein as described above and will remit them to the trustee for deposit in the Distribution Account.

Distribution Account

The trustee will establish and maintain in the name of the trustee, for the benefit of the certificateholders, an account, referred to in this free writing prospectus as the Distribution Account, into which on the second business day prior to each distribution date it will deposit all amounts transferred to it by the master servicer from the protected account and all proceeds of any mortgage loans and REO properties transferred in connection with the optional termination of the issuing entity. All amounts deposited to the Distribution Account will be held in the name of the trustee in trust for the benefit of the certificateholders in accordance with the terms and provisions of the Pooling and Servicing Agreement. The amount at any time credited to the Distribution Account may be invested in the name of the trustee, in permitted investments. The trustee will have sole discretion to determine the particular investments made so long as it complies with the investment terms under the Pooling and Servicing Agreement.

Any one or more of the following obligations or securities held in the name of the trustee for the benefit of the certificateholders will be considered a permitted investment:

(i) obligations of the United States or any agency thereof, provided such obligations are backed by the full faith and credit of the United States;

(ii) general obligations of or obligations guaranteed by any state of the United States or the District of Columbia receiving the highest long-term debt rating of each rating agency, or such lower rating as will not result in the downgrading or withdrawal of the ratings then assigned to the certificates by each rating agency, as evidenced in writing;

(iii) commercial or finance company paper which is then receiving the highest commercial or finance company paper rating of each rating agency, or such lower rating as will not result in the downgrading or withdrawal of the ratings then assigned to the certificates by each rating agency, as evidenced in writing;

(iv) certificates of deposit, demand or time deposits, or bankers' acceptances issued by any depository institution or trust company incorporated under the laws of the United States or of any state thereof and subject to supervision and examination by federal and/or state banking authorities (including the trustee in its commercial banking capacity), provided that the commercial paper and/or long term unsecured debt obligations of such depository institution or trust company are then rated one of the two highest long-term and the highest short-term ratings of each such rating agency for such securities, or such lower ratings as will not result in the downgrading or withdrawal of the rating then assigned to the certificates by any rating agency, as evidenced in writing;

(v) guaranteed reinvestment agreements issued by any bank, insurance company or other corporation containing, at the time of the issuance of such agreements, such terms and conditions as will not result in the downgrading or withdrawal of the rating then assigned to the certificates by each rating agency, as evidenced in writing;

(vi) repurchase obligations with respect to any security described in clauses (i) and (ii) above, in either case entered into with a depository institution or trust company (acting as principal) described in clause (v) above;

(vii) securities (other than stripped bonds, stripped coupons or instruments sold at a purchase price in excess of 115% of the face amount thereof) bearing interest or sold at a discount issued by any corporation incorporated under the laws of the United States or any state thereof which, at the time of such investment, have one of the two highest short term ratings of each rating agency (except if the rating agency is Moody's, such rating will be the highest commercial paper rating of Moody's for any such securities), or such lower rating as will not result in the downgrading or withdrawal of the rating then assigned to the certificates by each rating agency, as evidenced by a signed writing delivered by each rating agency;

(viii) interests in any money market fund (including any such fund managed or advised by the trustee or any affiliate thereof) which at the date of acquisition of the interests in such fund and throughout the time such interests are held in such fund has the highest applicable short term rating by each rating agency or such lower rating as will not result in the downgrading or withdrawal of the ratings then assigned to the certificates by each rating agency, as evidenced in writing;

(ix) short term investment funds sponsored by any trust company or banking association incorporated under the laws of the United States or any state thereof (including any such fund managed or advised by the trustee or the master servicer or any affiliate thereof) which on the date of acquisition has been rated by each rating agency in their respective highest applicable rating category or such lower rating as will not result in the downgrading or withdrawal of the ratings then assigned to the certificates by each rating agency, as evidenced in writing; and

(x) such other investments having a specified stated maturity and bearing interest or sold at a discount acceptable to each rating agency and as will not result in the downgrading or withdrawal of the rating then assigned to the certificates by any rating agency, as evidenced by a signed writing delivered by each rating agency;

On each distribution date, the trustee will withdraw available funds from the Distribution Account and make payments to the certificateholders in accordance with the provisions set forth under "*Description of the Certificates— Distributions on the Certificates*" in this free writing prospectus. The trustee will be entitled to any amounts earned on funds in the Distribution Account. The trustee will also be entitled to be reimbursed for its expenses, costs and liabilities incurred by or reimbursable to it pursuant to the Pooling and Servicing Agreement prior to the distribution of the available funds.

Prepayment Interest Shortfalls and Compensating Interest

When a borrower prepays all of a mortgage loan between due dates, the borrower pays interest on the amount prepaid only to the date of prepayment. When a borrower prepays a portion of a mortgage loan between due dates, the borrower does not pay interest on the amount prepaid. Accordingly, an interest shortfall will result equal to the difference between the amount of interest collected and the amount of interest that would have been due absent such prepayment. We refer to this interest shortfall as a "Prepayment Interest Shortfall." In order to mitigate the effect of any such shortfall in interest distributions to holders of the offered certificates on any distribution date, generally, the amount of the servicing fee otherwise payable to the master servicer for such month will, to the extent of such shortfall, be deposited by the master servicer in the protected account for distribution to the trustee for deposit in the Distribution Account. We refer to such deposited amounts as "Compensating Interest." Any such deposit or remittance by the master servicer will be reflected in the distributions to holders of the offered certificates entitled thereto made on the distribution date on which the principal prepayment received would be distributed.

Advances

If the scheduled payment on a mortgage loan (other than any balloon payments) which was due on a related due date is delinquent other than as a result of application of the Relief Act, the master servicer will remit to the trustee within the number of days prior to the related distribution date set forth in the Pooling and Servicing Agreement an amount equal to such delinquency, net of the servicing fee rate except to the extent the master servicer determines any such advance to be nonrecoverable from Liquidation Proceeds, Insurance Proceeds or from future payments on the mortgage loan for which such advance was made. Subject to the foregoing, such advances will be made by the master servicer until the liquidation of the related mortgaged property. Failure by the master servicer to remit any required advance, which failure goes unremedied for the number of days specified in the Pooling and Servicing Agreement would constitute an event of default under the Pooling and Servicing Agreement. See "*Description of the Certificates—Events of Default*" in this free writing prospectus.

The master servicer will discontinue making advances with respect to any second lien mortgage loan that becomes 60 days delinquent. If the master servicer determines that a net recovery is possible through foreclosure proceedings or other disposition of the related second lien mortgage loan that becomes 60 days delinquent, the master servicer may continue making advances on such second lien mortgage loan.

Evidence as to Compliance

The Pooling and Servicing Agreement will provide that on or before March 15 of each year, beginning with the first year after the year in which the cut-off date occurs, each party responsible for the servicing function will provide to the depositor and the trustee a report on an assessment of compliance with the minimum servicing criteria established in Item 1122(d) of Regulation AB (the "AB Servicing Criteria"). The AB Servicing Criteria include specific criteria relating to the following areas: general servicing considerations, cash collection and administration, investor remittances and reporting, and pool asset administration. Such report will indicate that the AB Servicing Criteria were used to test compliance on a platform level basis and will set out any material instances of noncompliance.

The Pooling and Servicing Agreement will also provide that each party responsible for the servicing function will deliver along with its report on assessment of compliance, an attestation report from a firm of independent public accountants on the assessment of compliance with the AB Servicing Criteria.

The Pooling and Servicing Agreement will also provide for delivery to the trustee on or before March 15 of each year a separate annual statement of compliance from each servicer to the effect that, to the best knowledge of the signing officer, the servicer has fulfilled in all material respects its obligations under the Pooling and Servicing Agreement throughout the preceding year or, if there has been a material failure in the fulfillment of any obligation, the statement will specify such failure and the nature and status thereof. The same statement may be provided as the required statement for each relevant pooling and servicing agreement or servicing agreement.

Copies of the annual reports of assessment of compliance, attestation reports, and statements of compliance may be obtained by certificateholders without charge upon written request to the master servicer at the address of the master servicer set forth above under "*The Master Servicer*". These items will be filed with the issuing entity's annual report on Form 10-K, to the extent required under Regulation AB.

Certain Matters Regarding the Master Servicer and the Depositor

The Pooling and Servicing Agreement will provide that the master servicer may not resign from its obligations and duties under the Pooling and Servicing Agreement except (a) upon a determination that its duties thereunder are no longer permissible under applicable law or (b) upon compliance with the following requirements:

- the master servicer has proposed a successor master servicer to the trustee and the trustee has consented thereto, such consents not to be withheld unreasonably;
- the proposed successor is qualified to service mortgage loans on behalf of Fannie Mae or Freddie Mac; and
- the trustee has received written confirmation from each rating agency that the appointment of such successor will not cause that rating agency to reduce, qualify or withdraw its then-current ratings assigned to any class of offered certificates.

In addition, the master servicer may be removed from its obligations and duties as set forth in the Pooling and Servicing Agreement. No such resignation or removal will become effective until the trustee or a successor master servicer has assumed the master servicer's obligations and duties under the Pooling and Servicing Agreement.

The Pooling and Servicing Agreement will further provide that neither the master servicer, nor the depositor nor any director, officer, employee, or agent of the master servicer or the depositor will be under any liability to issuing entity or certificateholders for any action taken or for refraining from the taking of any action in good faith pursuant to the Pooling and Servicing Agreement, or for errors in judgment; provided, however, that neither the master servicer, nor the depositor nor any such person will be protected against any breach of its representations and warranties in the Pooling and Servicing Agreement or any liability which would otherwise be imposed by reason of willful misfeasance, bad faith or gross negligence in the performance of duties thereunder or by reason of reckless disregard of obligations and duties thereunder. The Pooling and Servicing Agreement will further provide that the master servicer, the depositor and any director, officer, employee or agent of the master servicer or the depositor will be entitled to indemnification by the issuing entity and will be held harmless against any loss, liability or expense incurred in connection with any legal action relating to the Pooling and Servicing Agreement or the certificates, other than any loss, liability or expense related to any specific mortgage loan or mortgage loans and any loss, liability or expense incurred by reason of willful misfeasance, bad faith or gross negligence in the performance of its respective duties thereunder or by reason of reckless disregard of its respective obligations and duties thereunder.

In addition, the Pooling and Servicing Agreement will provide that neither the master servicer nor the depositor will be under any obligation to appear in, prosecute or defend any legal action which is not incidental to its respective responsibilities under the Pooling and Servicing Agreement and which in its opinion may involve it in any expense or liability. Either the master servicer or the depositor may, however, in its discretion undertake any such action which it may deem necessary or desirable with respect to the Pooling and Servicing Agreement and the rights and duties of the parties thereto and the interests of the certificateholders thereunder. In such event, the legal expenses and costs of such action and any liability resulting therefrom will be expenses, costs and liabilities of the issuing entity, and the master servicer or the depositor, as the case may be, will be entitled to be reimbursed therefor out of funds otherwise distributable to certificateholders.

Any person into which either the master servicer may be merged or consolidated, or any person resulting from any merger or consolidation to which the master servicer is a party, or any person succeeding to the business of the master servicer, will be the successor of the master servicer under the Pooling and Servicing Agreement, provided that such person is qualified to service mortgage loans on behalf of Fannie Mae or Freddie Mac and further provided that such merger, consolidation or succession does not adversely affect the then-current ratings of any class of offered certificates.

DESCRIPTION OF THE CERTIFICATES

General

The issuing entity will issue the certificates pursuant to the Pooling and Servicing Agreement, which will be filed with the Commission in a current report on Form 8-K following the issuance of the certificates. We refer to the Class I-A-1, Class I-A-2, Class I-A-3 and Class I-A-4 Certificates collectively in this free writing prospectus as the Class I-A Certificates. We refer to the Class I-A, Class II-A and Class III-A Certificates collectively in this free writing prospectus as the Class A Certificates or the senior certificates. We refer to the Class M-1, Class M-2, Class M-3, Class M-4, Class M-5, Class M-6, Class M-7, Class M-8 and Class M-9 Certificates collectively in this free writing prospectus as the Class M Certificates or the subordinated certificates. We refer to the Class A Certificates and Class M Certificates collectively in this free writing prospectus as the offered certificates. We refer to the Class R-1, Class R-2, Class R-3 and Class RX Certificates collectively in this free writing prospectus as the Class R Certificates or the residual certificates.

The initial owner of the Class R Certificates is expected to be Bear, Stearns & Co. Inc.

The issuing entity will issue the offered certificates in book-entry form as described below, in minimum dollar denominations of $100,000 and integral multiples of $1.00 in excess thereof, except that one certificate of each class may be issued in the remainder of the class.

The aggregate principal balance of the mortgage loans reflected in this free writing prospectus is greater than the sum of the aggregate certificate principal balance of offered certificates and the overcollateralization amount because the certificate principal balance of the offered certificates are based on an expected aggregate stated principal balance of the mortgage loans as of the cut-off date. However, the final certificate principal balances of the offered certificates will be based on the final aggregate principal balance of the mortgage loans as of the cut-off date after taking into account, among other things, unscheduled principal payments and the composition of the final mortgage pool, such that the aggregate principal balance of the mortgage loans will be equal to the sum of the aggregate certificate principal balance of the offered certificates and the overcollateralization amount.

Book-Entry Registration

The offered certificates will be issued in book-entry form. Persons acquiring beneficial ownership interests in the book-entry securities will hold their securities through The Depository Trust Company in the United States and through Clearstream, Luxembourg or the Euroclear System in Europe, if they are participants of any of such systems, or indirectly through organizations which are participants. The Depository Trust Company is referred to as "DTC". Clearstream, Luxembourg is referred to as "Clearstream". The Euroclear System is referred to as "Euroclear". The book-entry securities will be issued in one or more certificates that equal the aggregate principal balance of the applicable class or classes of securities and will initially be registered in the name of Cede & Co., the nominee of DTC. Clearstream and Euroclear will hold omnibus positions on behalf of their participants through customers' securities accounts in Clearstream's and Euroclear's names on the books of their respective depositaries that in turn will hold such positions in customers' securities accounts in the depositaries' names on the books of DTC. Citibank N.A. will act as the relevant depository for Clearstream and JPMorgan Chase Bank, N.A. will act as the relevant depository for Euroclear. Except as described below, no person acquiring a book-entry security will be entitled to receive a physical certificate representing such security. Unless and until physical securities are issued, it is anticipated that the only "securityholder" with respect to a book-entry security will be Cede & Co., as nominee of DTC. Beneficial owners are only permitted to exercise their rights indirectly through participants and DTC.

An Owner's ownership of a book-entry security will be recorded on the records of the brokerage firm, bank, thrift institution or other financial intermediary (each, a "Financial Intermediary") that maintains the beneficial owner's account for such purpose. In turn, the Financial Intermediary's ownership of such book-entry security will be recorded on the records of DTC (or of a DTC participant that acts as agent for the Financial Intermediary, whose interest will in turn be recorded on the records of DTC, if the beneficial owner's Financial Intermediary is not a DTC participant and on the records of Clearstream or Euroclear, as appropriate).

Beneficial owners will receive all distributions allocable to principal and interest with respect to the book-entry securities from the trustee through DTC and DTC participants. While the book-entry securities are outstanding (except under the circumstances described below), under the rules, regulations and procedures creating, governing and affecting DTC and its operations (the "Rules"), DTC is required to make book-entry transfers among participants on whose behalf it acts with respect to the securities. DTC is required to receive and transmit distributions allocable to principal and interest with respect to the securities. Participants and Financial Intermediaries with whom beneficial owners have accounts with respect to securities are similarly required to make book-entry transfers and receive and transmit such distributions on behalf of their respective beneficial owners. Accordingly, although beneficial owners will not possess physical certificates, the Rules provide a mechanism by which beneficial owners will receive distributions and will be able to transfer their beneficial ownership interests in the securities.

Beneficial owners will not receive or be entitled to receive definitive securities, except under the limited circumstances described below. Unless and until definitive securities are issued, beneficial owners who are not participants may transfer ownership of securities only through participants and Financial Intermediaries by instructing such participants and Financial Intermediaries to transfer beneficial ownership interests in the securities by book-entry transfer through DTC for the account of the purchasers of such securities, which account is maintained with their respective participants or Financial Intermediaries. Under the Rules and in accordance with DTC's normal procedures, transfers of ownership of securities will be executed through DTC and the accounts of the respective participants at DTC will be debited and credited. Similarly, the participants and Financial Intermediaries will make debits or credits, as the case may be, on their records on behalf of the selling and purchasing beneficial owners.

Because of time zone differences, credits of securities received in Clearstream or Euroclear as a result of a transaction with a participant will be made during subsequent securities settlement processing and dated the business day following the DTC settlement date. Such credits or any transactions in such securities settled during such processing will be reported to the relevant Euroclear or Clearstream participants on such business day. Cash received in Clearstream or Euroclear as a result of sales of securities by or through a Clearstream participant or Euroclear participant to a DTC participant will be received with value on the DTC settlement date but will be available in the relevant Clearstream or Euroclear cash account only as of the business day following settlement in DTC.

Transfers between DTC participants will occur in accordance with DTC rules. Transfers between Clearstream participants and Euroclear participants will occur in accordance with their respective rules and operating procedures.

Cross-market transfers between persons holding directly or indirectly through DTC, on the one hand, and directly or indirectly through Clearstream participants or Euroclear participants, on the other, will be effected in DTC in accordance with DTC rules on behalf of the relevant European international clearing system by the relevant depository; however, such cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to the relevant depository to take action to effect final settlement on its behalf by delivering or receiving securities in DTC, and making or receiving payment in accordance with normal procedures for same day funds settlement applicable to DTC. Clearstream participants and Euroclear participants may not deliver instructions directly to the relevant depositaries.

DTC is a New York-chartered limited purpose trust company that performs services for its participants, some of which (and/or their representatives) own DTC. In accordance with its normal procedures, DTC is expected to record the positions held by each DTC participant in the book-entry securities, whether held for its own account or as a nominee for another person. In general, beneficial ownership of book-entry securities will be subject to the Rules as in effect from time to time.

Clearstream has advised that it is incorporated under the laws of the Grand Duchy of Luxembourg as a professional depository. Clearstream holds securities for its participating organizations or participants. Clearstream facilitates the clearance and settlement of securities transactions between Clearstream participants through electronic book-entry changes in account of Clearstream participants, eliminating the need for physical movement of securities.

Clearstream provides to Clearstream participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream interfaces with domestic markets in several countries. As a professional depository, Clearstream is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Sector (the "CSSF"). Clearstream participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Indirect access to Clearstream is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream participant, either directly or indirectly.

Distributions, to the extent received by the relevant depository for Clearstream, with respect to the securities held beneficially through Clearstream will be credited to cash accounts of Clearstream participants in accordance with its rules and procedures.

Euroclear was created in 1968 to hold securities for its participants and to clear and settle transactions between Euroclear participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for movement of physical securities and any risk from lack of simultaneous transfers of securities and cash. Transactions may be settled in any of 32 currencies, including United States dollars. Euroclear provides various other services, including securities lending and borrowing and interfaces with domestic markets in several countries generally similar to the arrangements for cross-market transfers with DTC described above. Euroclear is operated by Euroclear Bank S.A./NV under contract with Euroclear Clearance Systems S.C., a Belgian cooperative corporation. Euroclear Bank S.A./NV conducts all operations. All Euroclear securities clearance accounts and Euroclear cash accounts are accounts with Euroclear Bank S.A./NV, not Euroclear Clearance Systems S.C. Euroclear Clearance Systems S.C. establishes policy for Euroclear on behalf of Euroclear participants. Euroclear participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear participant, either directly or indirectly.

Euroclear Bank S.A./NV has advised us that it is licensed by the Belgian Banking and Finance Commission to carry out banking activities on a global basis. As a Belgian bank, it is regulated and examined by the Belgian Banking Commission.

Securities clearance accounts and cash accounts with Euroclear Bank S.A./NV are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System and applicable Belgian law. These terms and conditions, operating procedures and laws govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. Euroclear Bank S.A./NV acts under the Terms and Conditions only on behalf of Euroclear participants, and has no record of or relationship with persons holding through Euroclear participants.

The trustee will make distributions on the book-entry securities on each distribution date to DTC. DTC will be responsible for crediting the amount of such payments to the accounts of the applicable DTC participants in accordance with DTC's normal procedures. Each DTC participant will be responsible for disbursing such payments to the beneficial owners that it represents and to each Financial Intermediary for which it acts as agent. Each such Financial Intermediary will be responsible for disbursing funds to the beneficial owners that it represents.

Under a book-entry format, beneficial owners may experience some delay in their receipt of payments, since the trustee will forward such payments to Cede & Co. Distributions with respect to securities held through Clearstream or Euroclear will be credited to the cash accounts of Clearstream participants or Euroclear participants in accordance with the relevant system's rules and procedures, to the extent received by the relevant depository. Such distributions will be subject to tax reporting in accordance with relevant United States tax laws and regulations. Because DTC can only act on behalf of DTC participants that in turn can only act on behalf of Financial Intermediaries, the ability of a beneficial owner to pledge book-entry securities to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of such book-entry securities, may be limited due to the lack of physical certificates for such book-entry securities. In addition, issuance of the book-entry securities in book-entry form may reduce the liquidity of such securities in the secondary market since certain potential investors may be unwilling to purchase securities for which they cannot obtain physical certificates.

Monthly and annual reports of the issuing entity will be provided to Cede & Co., as nominee of DTC, and Cede & Co. may make such reports available to beneficial owners upon request, in accordance with the Rules, and to the DTC participants to whose DTC accounts the book-entry securities of such beneficial owners are credited directly or are credited indirectly through Financial Intermediaries.

DTC has advised the trustee that, unless and until definitive securities are issued, DTC will take any action permitted to be taken by the holders of the book-entry securities under the Pooling and Servicing Agreement only at the direction of one or more DTC participants to whose DTC accounts the book-entry securities are credited, to the extent that such actions are taken on behalf of such participants whose holdings include such book-entry securities. Clearstream or Euroclear Bank S.A./NV, as the case may be, will take any other action permitted to be taken by a holder under the Pooling and Servicing Agreement on behalf of a Clearstream participant or Euroclear participant only in accordance with its relevant rules and procedures and subject to the ability of the relevant depository to effect such actions on its behalf through DTC. DTC may take actions, at the direction of the related participants, with respect to some securities which conflict with actions taken with respect to other securities.

Except with respect to the residual certificates, physical certificates representing a security will be issued to beneficial owners only upon the events specified in the Pooling and Servicing Agreement. Such events may include the following:

- we advise the trustee in writing that DTC is no longer willing or able to properly discharge its responsibilities as depository with respect to the securities, and that we or the trustee is unable to locate a qualified successor, or

- we elect to terminate the book-entry system through DTC with the consent of DTC participants.

Additionally, after the occurrence of an event of default under the Pooling and Servicing Agreement, any certificate owner materially and adversely affected thereby may, at its option, request and, subject to the procedures set forth in the Pooling and Servicing Agreement, receive a definitive certificate evidencing such certificate owner's percentage interest in the related class of certificates. Upon the occurrence of any of the events specified in the Pooling and Servicing Agreement, DTC will be required to notify all participants of the availability through DTC of physical certificates. Upon surrender by DTC of the certificates representing the book-entry securities and instruction for re-registration, the trustee will issue the securities in the form of physical certificates, and thereafter the trustee will recognize the holders of such physical certificates as securityholders. Thereafter, payments of principal of and interest on the securities will be made by the trustee directly to securityholders in accordance with the procedures listed in this free writing prospectus and in the Pooling and Servicing Agreement. The final distribution of any security (whether physical certificates or securities registered in the name of Cede & Co.), however, will be made only upon presentation and surrender of such securities on the final distribution date at such office or agency as is specified in the notice of final payment to securityholders.

Although DTC, Clearstream and Euroclear have agreed to the foregoing procedures to facilitate transfers of securities among participants of DTC, Clearstream and Euroclear, they are under no obligation to perform or continue to perform such procedures and such procedures may be discontinued at any time.

Neither the issuing entity nor the trustee will have any responsibility for any aspect of the records relating to or payments made on account of beneficial ownership interests of the book-entry securities held by Cede & Co., as nominee for DTC, or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Glossary

"Applied Realized Loss Amount" with respect to any class of offered certificates and as to any distribution date means the sum of the Realized Losses with respect to the mortgage loans, which have been applied in reduction of the Certificate Principal Balance of such class, minus any Subsequent Recoveries applied to such Applied Realized Loss Amount.

"Basis Risk Shortfall Carry Forward Amount" as of any distribution date for the offered certificates is the sum of:

- if on such distribution date the Pass-Through Rate for such class is based upon the related Net Rate Cap, the excess, if any, of:

1. The amount of Current Interest that such class would have been entitled to receive on such distribution date had the applicable Pass-Though Rate been calculated at a per annum rate equal to One-Month LIBOR plus the applicable Margin, over

2. The amount of Current Interest that such class received on such distribution date at the related Net Rate Cap for such distribution date (such excess being the "Basis Risk Shortfall" for such distribution date); and

- the Basis Risk Shortfall Carry Forward Amount for the previous distribution date not previously paid, together with interest thereon at a rate equal to the applicable Pass-Through Rate for the current distribution date.

"Certificate Principal Balance" with respect to any class of offered certificates and any distribution date is the original certificate principal balance of such class as set forth on the cover page of this free writing prospectus, less the sum of (i) all amounts in respect of principal distributed to such class on previous distribution dates and (ii) any Applied Realized Loss Amounts allocated to such class on previous distribution dates; provided that, the Certificate Principal Balance of any class of offered certificates with the highest payment priority to which Realized Losses have been allocated will be increased by the amount of any Subsequent Recoveries on the mortgage loans not previously allocated, but not by more than the amount of Realized Losses previously allocated to reduce the Certificate Principal Balance of that certificate. See *"— Allocation of Losses"* in this free writing prospectus.

"Class I-A Certificates" means any of the Class I-A-1, Class I-A-2, Class I-A-3 and Class I-A-4 Certificates.

"Class A Principal Distribution Amount" with respect to the Class A Certificates and any applicable distribution date is an amount equal to the lesser of (x) the Principal Distribution Amount for that distribution date and (y) the excess, if any, of:

- the aggregate Certificate Principal Balance of the Class A Certificates immediately prior to such distribution date, over

- the lesser of:

  (a) the product of (i) approximately 48.00% (subject to a variance of plus or minus 1.00%) and (ii) the aggregate Stated Principal Balance of the mortgage loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period, and after reduction for Realized Losses incurred during the prior calendar month), and

  (b) the aggregate Stated Principal Balance of the mortgage loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period, and after reduction for Realized Losses incurred during the prior calendar month) minus approximately $4,960,514 (subject to a variance of plus or minus 10%).

"Class I-A Principal Distribution Amount" with respect to the Class I-A Certificates and any distribution date is the product of the Class A Principal Distribution Amount and a fraction, the numerator of which is the Principal Funds for Loan Group I for such distribution date and the denominator of which is the Principal Funds for all loan groups for such distribution date.

"Class II-A Principal Distribution Amount" with respect to the Class II-A Certificates and any distribution date is the product of the Class A Principal Distribution Amount and a fraction, the numerator of which is the Principal Funds for Loan Group II for such distribution date and the denominator of which is the Principal Funds for all loan groups for such distribution date.

"Class III-A Principal Distribution Amount" with respect to the Class III-A Certificates and any distribution date is the product of the Class A Principal Distribution Amount and a fraction, the numerator of which is the Principal Funds for Loan Group III for such distribution date and the denominator of which is the Principal Funds for all loan groups for such distribution date.

"Class M Certificates" means any of the Class M-1, Class M-2, Class M-3, Class M-4, Class M-5, Class M-6, Class M-7, Class M-8 and Class M-9 Certificates.

"Class M-1 Principal Distribution Amount" with respect to any applicable distribution date is an amount equal to the lesser of (x) the remaining Principal Distribution Amount for that distribution date after distribution of the Class A Principal Distribution Amount and (y) the excess, if any, of:

- the sum of (1) the aggregate Certificate Principal Balance of the Class A Certificates (after taking into account the payment of the Class A Principal Distribution Amount on such distribution date) and (2) the Certificate Principal Balance of the Class M-1 Certificates immediately prior to such distribution date, over

- the lesser of:

  (a) the product of (i) approximately 58.70% (subject to a variance of plus or minus 1.00%) and (ii) the aggregate Stated Principal Balance of the mortgage loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period, and after reduction for Realized Losses incurred during the prior calendar month), and

  (b) the aggregate Stated Principal Balance of the mortgage loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period, and after reduction for Realized Losses incurred during the prior calendar month) minus approximately $4,960,514 (subject to a variance of plus or minus 10%).

"Class M-2 Principal Distribution Amount" with respect to any applicable distribution date is an amount equal to the lesser of (x) the remaining Principal Distribution Amount for that distribution date after distribution of the Class A Principal Distribution Amount and the Class M-1 Principal Distribution Amount and (y) the excess, if any, of:

- the sum of (1) the aggregate Certificate Principal Balance of the Class A Certificates (after taking into account the payment of the Class A Principal Distribution Amount on such distribution date), (2) the Certificate Principal Balance of the Class M-1 Certificates (after taking into account the payment of the Class M-1 Principal Distribution Amount on such distribution date) and (3) the Certificate Principal Balance of the Class M-2 Certificates immediately prior to such distribution date, over

- the lesser of:

  (a) the product of (i) approximately 68.40% (subject to a variance of plus or minus 1.00%) and (ii) the aggregate Stated Principal Balance of the mortgage loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period, and after reduction for Realized Losses incurred during the prior calendar month), and

  (b) the aggregate Stated Principal Balance of the mortgage loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period, and after reduction for Realized Losses incurred during the prior calendar month) minus approximately $4,960,514 (subject to a variance of plus or minus 10%).

"Class M-3 Principal Distribution Amount" with respect to any applicable distribution date is an amount equal to the lesser of (x) the remaining Principal Distribution Amount for that distribution date after distribution of the Class A Principal Distribution Amount, the Class M-1 Principal Distribution Amount and the Class M-2 Principal Distribution Amount and (y) the excess, if any, of:

- the sum of (1) the aggregate Certificate Principal Balance of the Class A Certificates (after taking into account the payment of the Class A Principal Distribution Amount on such distribution date), (2) the Certificate Principal Balance of the Class M-1 Certificates (after taking into account the payment of the Class M-1 Principal Distribution Amount on such distribution date), (3) the Certificate Principal Balance of the Class M-2 Certificates (after taking into account the payment of the Class M-2 Principal Distribution Amount on such distribution date) and (4) the Certificate Principal Balance of the Class M-3 Certificates immediately prior to such distribution date, over

- the lesser of:

  (a) the product of (i) approximately 71.90% (subject to a variance of plus or minus 1.00%) and (ii) the aggregate Stated Principal Balance of the mortgage loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period, and after reduction for Realized Losses incurred during the prior calendar month), and

  (b) the aggregate Stated Principal Balance of the mortgage loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period, and after reduction for Realized Losses incurred during the prior calendar month) minus approximately $4,960,514 (subject to a variance of plus or minus 10%).

"Class M-4 Principal Distribution Amount" with respect to any applicable distribution date is an amount equal to the lesser of (x) the remaining Principal Distribution Amount for that distribution date after distribution of the Class A Principal Distribution Amount, the Class M-1 Principal Distribution Amount, the Class M-2 Principal Distribution Amount and the Class M-3 Principal Distribution Amount and (y) the excess, if any, of:

- the sum of (1) the aggregate Certificate Principal Balance of the Class A Certificates (after taking into account the payment of the Class A Principal Distribution Amount on such distribution date), (2) the Certificate Principal Balance of the Class M-1 Certificates (after taking into account the payment of the Class M-1 Principal Distribution Amount on such distribution date), (3) the Certificate Principal Balance of the Class M-2 Certificates (after taking into account the payment of the Class M-2 Principal Distribution Amount on such distribution date), (4) the Certificate Principal Balance of the Class M-3 Certificates (after taking into account the payment of the Class M-3 Principal Distribution Amount on such distribution date) and (5) the Certificate Principal Balance of the Class M-4 Certificates immediately prior to such distribution date, over

- the lesser of:

  (a) the product of (i) approximately 75.90% (subject to a variance of plus or minus 1.00%) and (ii) the aggregate Stated Principal Balance of the mortgage loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period, and after reduction for Realized Losses incurred during the prior calendar month), and

  (b) the aggregate Stated Principal Balance of the mortgage loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period, and after reduction for Realized Losses incurred during the prior calendar month) minus approximately $4,960,514 (subject to a variance of plus or minus 10%).

"Class M-5 Principal Distribution Amount" with respect to any applicable distribution date is an amount equal to the lesser of (x) the remaining Principal Distribution Amount for that distribution date after distribution of the Class A Principal Distribution Amount, the Class M-1 Principal Distribution Amount, the Class M-2 Principal Distribution Amount, the Class M-3 Principal Distribution Amount and the Class M-4 Principal Distribution Amount and (y) the excess, if any, of:

- the sum of (1) the aggregate Certificate Principal Balance of the Class A Certificates (after taking into account the payment of the Class A Principal Distribution Amount on such distribution date), (2) the Certificate Principal Balance of the Class M-1 Certificates (after taking into account the payment of the Class M-1 Principal Distribution Amount on such distribution date), (3) the Certificate Principal Balance of the Class M-2 Certificates (after taking into account the payment of the Class M-2 Principal Distribution Amount on such distribution date), (4) the Certificate Principal Balance of the Class M-3 Certificates (after taking into account the payment of the Class M-3 Principal Distribution Amount on such distribution date), (5) the Certificate Principal Balance of the Class M-4 Certificates (after taking into account the payment of the Class M-4 Principal Distribution Amount on such distribution date) and (6) the Certificate Principal Balance of the Class M-5 Certificates immediately prior to such distribution date, over

- the lesser of:

  (a) the product of (i) approximately 79.50% (subject to a variance of plus or minus 1.00%) and (ii) the aggregate Stated Principal Balance of the mortgage loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period, and after reduction for Realized Losses incurred during the prior calendar month), and

  (b) the aggregate Stated Principal Balance of the mortgage loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period, and after reduction for Realized Losses incurred during the prior calendar month) minus approximately $4,960,514 (subject to a variance of plus or minus 10%).

"Class M-6 Principal Distribution Amount" with respect to any applicable distribution date is an amount equal to the lesser of (x) the remaining Principal Distribution Amount for that distribution date after distribution of the Class A Principal Distribution Amount, the Class M-1 Principal Distribution Amount, the Class M-2 Principal Distribution Amount, the Class M-3 Principal Distribution Amount, the Class M-4 Principal Distribution Amount and the Class M-5 Principal Distribution Amount and (y) the excess, if any, of:

- the sum of (1) the aggregate Certificate Principal Balance of the Class A Certificates (after taking into account the payment of the Class A Principal Distribution Amount on such distribution date), (2) the Certificate Principal Balance of the Class M-1 Certificates (after taking into account the payment of the Class M-1 Principal Distribution Amount on such distribution date), (3) the Certificate Principal Balance of the Class M-2 Certificates (after taking into account the payment of the Class M-2 Principal Distribution Amount on such distribution date), (4) the Certificate Principal Balance of the Class M-3 Certificates (after taking into account the payment of the Class M-3 Principal Distribution Amount on such distribution date), (5) the Certificate Principal Balance of the Class M-4 Certificates (after taking into account the payment of the Class M-4 Principal Distribution Amount on such distribution date), (6) the Certificate Principal Balance of the Class M-5 Certificates (after taking into account the payment of the Class M-5 Principal Distribution Amount on such distribution date) and (7) the Certificate Principal Balance of the Class M-6 Certificates immediately prior to such distribution date, over

- the lesser of:

  (a) the product of (i) approximately 81.80% (subject to a variance of plus or minus 1.00%) and (ii) the aggregate Stated Principal Balance of the mortgage loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period, and after reduction for Realized Losses incurred during the prior calendar month), and

  (b) the aggregate Stated Principal Balance of the mortgage loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period, and after reduction for Realized Losses incurred during the prior calendar month) minus approximately $4,960,514 (subject to a variance of plus or minus 10%).

"Class M-7 Principal Distribution Amount" with respect to any applicable distribution date is an amount equal to the lesser of (x) the remaining Principal Distribution Amount for that distribution date after distribution of the Class A Principal Distribution Amount, the Class M-1 Principal Distribution Amount, the Class M-2 Principal Distribution Amount, the Class M-3 Principal Distribution Amount, the Class M-4 Principal Distribution Amount, the Class M-5 Principal Distribution Amount and the Class M-6 Principal Distribution Amount and (y) the excess, if any, of:

- the sum of (1) the aggregate Certificate Principal Balance of the Class A Certificates (after taking into account the payment of the Class A Principal Distribution Amount on such distribution date), (2) the Certificate Principal Balance of the Class M-1 Certificates (after taking into account the payment of the Class M-1 Principal Distribution Amount on such distribution date), (3) the Certificate Principal Balance of the Class M-2 Certificates (after taking into account the payment of the Class M-2 Principal Distribution Amount on such distribution date), (4) the Certificate Principal Balance of the Class M-3 Certificates (after taking into account the payment of the Class M-3 Principal Distribution Amount on such distribution date), (5) the Certificate Principal Balance of the Class M-4 Certificates (after taking into account the payment of the Class M-4 Principal Distribution Amount on such distribution date), (6) the Certificate Principal Balance of the Class M-5 Certificates (after taking into account the payment of the Class M-5 Principal Distribution Amount on such distribution date), (7) the Certificate Principal Balance of the Class M-6 Certificates (after taking into account the payment of the Class M-6 Principal Distribution Amount on such distribution date) and (8) the Certificate Principal Balance of the Class M-7 Certificates immediately prior to such distribution date, over

- the lesser of:

  (a) the product of (i) approximately 84.60% (subject to a variance of plus or minus 1.00%) and (ii) the aggregate Stated Principal Balance of the mortgage loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period, and after reduction for Realized Losses incurred during the prior calendar month), and

  (b) the aggregate Stated Principal Balance of the mortgage loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period, and after reduction for Realized Losses incurred during the prior calendar month) minus approximately $4,960,514 (subject to a variance of plus or minus 10%).

"Class M-8 Principal Distribution Amount" with respect to any applicable distribution date is an amount equal to the lesser of (x) the remaining Principal Distribution Amount for that distribution date after distribution of the Class A Principal Distribution Amount, the Class M-1 Principal Distribution Amount, the Class M-2 Principal Distribution Amount, the Class M-3 Principal Distribution Amount, the Class M-4 Principal Distribution Amount, the Class M-5 Principal Distribution Amount, the Class M-6 Principal Distribution Amount and the Class M-7 Principal Distribution Amount and (y) the excess, if any, of:

- the sum of (1) the aggregate Certificate Principal Balance of the Class A Certificates (after taking into account the payment of the Class A Principal Distribution Amount on such distribution date), (2) the Certificate Principal Balance of the Class M-1 Certificates (after taking into account the payment of the Class M-1 Principal Distribution Amount on such distribution date), (3) the Certificate Principal Balance of the Class M-2 Certificates (after taking into account the payment of the Class M-2 Principal Distribution Amount on such distribution date), (4) the Certificate Principal Balance of the Class M-3 Certificates (after taking into account the payment of the Class M-3 Principal Distribution Amount on such distribution date), (5) the Certificate Principal Balance of the Class M-4 Certificates (after taking into account the payment of the Class M-4 Principal Distribution Amount on such distribution date), (6) the Certificate Principal Balance of the Class M-5 Certificates (after taking into account the payment of the Class M-5 Principal Distribution Amount on such distribution date), (7) the Certificate Principal Balance of the Class M-6 Certificates (after taking into account the payment of the Class M-6 Principal Distribution Amount on such distribution date), (8) the Certificate Principal Balance of the Class M-7 Certificates (after taking into account the payment of the Class M-7 Principal Distribution Amount on such distribution date) and (9) the Certificate Principal Balance of the Class M-8 Certificates immediately prior to such distribution date, over

- the lesser of:

  (a) the product of (i) approximately 86.70% (subject to a variance of plus or minus 1.00%) and (ii) the aggregate Stated Principal Balance of the mortgage loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period, and after reduction for Realized Losses incurred during the prior calendar month), and

  (b) the aggregate Stated Principal Balance of the mortgage loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period, and after reduction for Realized Losses incurred during the prior calendar month) minus approximately $4,960,514 (subject to a variance of plus or minus 10%).

"Class M-9 Principal Distribution Amount" with respect to any applicable distribution date is an amount equal to the lesser of (x) the remaining Principal Distribution Amount for that distribution date after distribution of the Class A Principal Distribution Amount, the Class M-1 Principal Distribution Amount, the Class M-2 Principal Distribution Amount, the Class M-3 Principal Distribution Amount, the Class M-4 Principal Distribution Amount, the Class M-5 Principal Distribution Amount, the Class M-6 Principal Distribution Amount, the Class M-7 Principal Distribution Amount and the Class M-8 Principal Distribution Amount and (y) the excess, if any, of:

- the sum of (1) the aggregate Certificate Principal Balance of the Class A Certificates (after taking into account the payment of the Class A Principal Distribution Amount on such distribution date), (2) the Certificate Principal Balance of the Class M-1 Certificates (after taking into account the payment of the Class M-1 Principal Distribution Amount on such distribution date), (3) the Certificate Principal Balance of the Class M-2 Certificates (after taking into account the payment of the Class M-2 Principal Distribution Amount on such distribution date), (4) the Certificate Principal Balance of the Class M-3 Certificates (after taking into account the payment of the Class M-3 Principal Distribution Amount on such distribution date), (5) the Certificate Principal Balance of the Class M-4 Certificates (after taking into account the payment of the Class M-4 Principal Distribution Amount on such distribution date), (6) the Certificate Principal Balance of the Class M-5 Certificates (after taking into account the payment of the Class M-5 Principal Distribution Amount on such distribution date), (7) the Certificate Principal Balance of the Class M-6 Certificates (after taking into account the payment of the Class M-6 Principal Distribution Amount on such distribution date), (8) the Certificate Principal Balance of the Class M-7 Certificates (after taking into account the payment of the Class M-7 Principal Distribution Amount on such distribution date), (9) the Certificate Principal Balance of the Class M-8 Certificates (after taking into account the payment of the Class M-8 Principal Distribution Amount on such distribution date)and (10) the Certificate Principal Balance of the Class M-9 Certificates immediately prior to such distribution date, over

- the lesser of:

  (a) the product of (i) approximately 89.30% (subject to a variance of plus or minus 1.00%) and (ii) the aggregate Stated Principal Balance of the mortgage loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period, and after reduction for Realized Losses incurred during the prior calendar month), and

  (b) the aggregate Stated Principal Balance of the mortgage loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period, and after reduction for Realized Losses incurred during the prior calendar month) minus approximately $4,960,514 (subject to a variance of plus or minus 10%).

"Current Interest" with respect to each class of offered certificates and each distribution date is the interest accrued at the applicable Pass-Through Rate for the applicable accrual period on the Certificate Principal Balance of such class plus any amount previously distributed with respect to interest for such class that is recovered as a voidable preference by a trustee in bankruptcy reduced by any Prepayment Interest Shortfall to the extent not covered by Compensating Interest and any shortfalls resulting from the application of the Relief Act, in each case to the extent allocated to such class of offered certificates described under *"Distributions on the Certificates — Interest Distributions"* in this free writing prospectus.

"Current Specified Enhancement Percentage" with respect to any distribution date, the percentage obtained by dividing (x) the sum of (i) the aggregate Certificate Principal Balance of the Class M Certificates and (ii) the Overcollateralization Amount, in each case prior to the distribution of the Principal Distribution Amount on such distribution date, by (y) the aggregate Stated Principal Balance of the mortgage loans as of the end of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period, and after reduction for Realized Losses incurred during the prior calendar month).

"Due Period" with respect to any distribution date is the period commencing on the second day of the month preceding the calendar month in which such distribution date occurs and ending at the close of business on the first day of the month in which such distribution date occurs.

"Excess Cashflow" with respect to any distribution date is the sum of (i) the Remaining Excess Spread for such distribution date and (ii) the Overcollateralization Release Amount for such distribution date.

"Excess Spread" with respect to any distribution date is the excess, if any, of the Interest Funds for such distribution date, over the Current Interest on the offered certificates and Interest Carry Forward Amounts on the Class A Certificates (other than any such Interest Carry Forward Amounts paid pursuant to clause 1. under *"Description of the Certificates—Excess Spread and Overcollateralization Provisions"*) on such distribution date.

"Extra Principal Distribution Amount" with respect to any distribution date is the lesser of (a) the excess, if any, of the Overcollateralization Target Amount for such distribution date, over the Overcollateralization Amount for such distribution date (after giving effect to distributions of principal on the certificates other than any Extra Principal Distribution Amount) and (b) the Excess Spread for such distribution date.

"Fiscal Quarter" with respect to any quarter is December 1 to February 29 (or the last day in such month), March 1 to May 31, June 1 to August 31, or September 1 to November 30, as applicable.

"Group I Principal Distribution Amount" with respect to any distribution date, is the product of the Principal Distribution Amount and a fraction, the numerator of which is the Principal Funds for Loan Group I for such distribution date and the denominator of which is the Principal Funds for all loan groups for such distribution date.

"Group I Swap Notional Allocation Percentage" with respect to any distribution date, is the percentage equivalent of a fraction, the numerator of which is (x) the aggregate Stated Principal Balance of the mortgage loans in Loan Group I as of the cut-off date, and the denominator of which is (y) the aggregate Stated Principal Balance of the mortgage loans in the mortgage pool as of the cut-off date.

"Group II Principal Distribution Amount" with respect to any distribution date, is the product of the Principal Distribution Amount and a fraction, the numerator of which is the Principal Funds for Loan Group II for such distribution date and the denominator of which is the Principal Funds for all loan groups for such distribution date.

"Group II Swap Notional Allocation Percentage" with respect to any distribution date, is the percentage equivalent of a fraction, the numerator of which is (x) the aggregate Stated Principal Balance of the mortgage loans in Loan Group II as of the cut-off date, and the denominator of which is (y) the aggregate Stated Principal Balance of the mortgage loans in the mortgage pool as of the cut-off date.

"Group III Principal Distribution Amount" with respect to any distribution date, is the product of the Principal Distribution Amount and a fraction, the numerator of which is the Principal Funds for Loan Group III for such distribution date and the denominator of which is the Principal Funds for all loan groups for such distribution date.

"Group III Swap Notional Allocation Percentage" with respect to any distribution date, is the percentage equivalent of a fraction, the numerator of which is (x) the aggregate Stated Principal Balance of the mortgage loans in Loan Group III as of the cut-off date, and the denominator of which is (y) the aggregate Stated Principal Balance of the mortgage loans in the mortgage pool as of the cut-off date.

"Insurance Proceeds" are all proceeds of any insurance policies, to the extent such proceeds are not applied to the restoration of the property or released to the mortgagor in accordance with the master servicer's normal servicing procedures, other than proceeds that represent reimbursement of the master servicer's costs and expenses incurred in connection with presenting claims under the related insurance policies.

"Interest Carry Forward Amount" with respect to each class of offered certificates and any distribution date, is the sum of:

- the excess of:

  (a) Current Interest for such class with respect to such distribution date and any prior distribution dates over

  (b) the amount actually distributed to such class with respect to interest on such distribution dates, and

- interest on such excess (to the extent permitted by applicable law) at the applicable Pass- Through Rate for the related accrual period including the accrual period relating to the current distribution date.

"Interest Funds" with respect to each loan group and any distribution date are equal to the sum for such distribution date, without duplication, of:

- all scheduled interest collected in respect of the related mortgage loans, less the servicing fee, the lender paid mortgage insurance fee, if any, and any amounts required to be reimbursed to the sponsor, the master servicer, the trustee, the Supplemental Interest Trust Trustee and the Swap Administrator as provided in the Pooling and Servicing Agreement,

- all advances relating to interest on the related mortgage loans,

- all Compensating Interest,

- Liquidation Proceeds and Subsequent Recoveries, to the extent such Liquidation Proceeds and Subsequent Recoveries relate to interest, less all non-recoverable advances relating to interest and certain expenses reimbursed during the prior calendar month, in each case with respect to the mortgage loans in the related loan group,

- the interest portion of proceeds of the repurchase of any mortgage loans in the related loan group, and
- the interest portion of the purchase price of the assets of the issuing entity upon exercise by the majority holder of the Class CE Certificates or the master servicer, as applicable, of the optional termination right, *minus*
- any Net Swap Payments or Swap Termination Payments not due to a Swap Provider Trigger Event owed to the Swap Administrator for payment to the Swap Provider for such distribution date (other than to the extent already paid by the Swap Administrator from any upfront payment received pursuant to any replacement interest rate swap agreement that may be entered into by the Supplemental Interest Trust Trustee) and any such payments remaining unpaid for prior distribution dates.

"Liquidation Proceeds" are all net proceeds, other than Insurance Proceeds and Subsequent Recoveries, received in connection with the partial or complete liquidation of mortgage loans, whether through trustee's sale, foreclosure sale or otherwise, or in connection with any condemnation or partial release of a mortgaged property, together with the net proceeds received with respect to any mortgaged properties and any other proceeds received with respect to an REO Property, less the sum of related unreimbursed advances, servicing fees and servicing advances and all expenses of liquidation, including property protection expenses and foreclosure and sale costs, including court and reasonable attorneys fees.

"Margin" with respect to any distribution date on or prior to the first possible optional termination date and (i) with respect to the Class I-A-1 Certificates, ___% per annum, (ii) with respect to the Class I-A-2 Certificates, ___% per annum, (iii) with respect to the Class I-A-3 Certificates, ___% per annum, (iv) with respect to the Class I-A-4 Certificates, ___% per annum, (v) with respect to the Class II-A Certificates, ___% per annum, (vi) with respect to the Class III-A Certificates, ___% per annum, (vii) with respect to the Class M-1 Certificates, ___% per annum, (viii) with respect to the Class M-2 Certificates, ___% per annum, (ix) with respect to the Class M-3 Certificates, ___% per annum, (x) with respect to the Class M-4 Certificates, ___% per annum, (xi) with respect to the Class M-5 Certificates, ___% per annum, (xii) with respect to the Class M-6 Certificates, ___% per annum, (xiii) with respect to the Class M-7 Certificates, ___% per annum, (xiv) with respect to the Class M-8 Certificates, ___% per annum and (xv) with respect to the Class M-9 Certificates, ___% per annum; and with respect to any distribution date after the first possible optional termination date, the Margin will increase to (i) with respect to the Class I-A-2 Certificates, ___% per annum, (ii) with respect to the Class I-A-3 Certificates, ___% per annum, (iii) with respect to the Class I-A-4 Certificates, ___% per annum, (iv) with respect to the Class II-A Certificates, ___% per annum, (v) with respect to the Class III-A Certificates, ___% per annum, (vi) with respect to the Class M-1 Certificates, ___% per annum, (vii) with respect to the Class M-2 Certificates, ___% per annum, (viii) with respect to the Class M-3 Certificates, ___% per annum, (ix) with respect to the Class M-4 Certificates, ___% per annum, (x) with respect to the Class M-5 Certificates, ___% per annum, (xi) with respect to the Class M-6 Certificates, ___% per annum, (xii) with respect to the Class M-7 Certificates, ___% per annum, (xiii) with respect to the Class M-8 Certificates ____% per annum and (xiv) with respect to the Class M-9 Certificates ____% per annum.

"Net Rate Cap" with respect to any distribution date, a per annum rate equal to the excess, if any, of (A)(1) with respect to the Class I-A Certificates, the weighted average of the net mortgage rates of the mortgage loans in Loan Group I as of the related due date prior to giving effect to any reduction in the Stated Principal Balances of such mortgage loans on such due date; (2) with respect to the Class II-A Certificates, the weighted average of the net mortgage rates of the mortgage loans in Loan Group II as of the related due date prior to giving effect to any reduction in the Stated Principal Balances of such mortgage loans on such due date; (3) with respect to the Class III-A Certificates, the weighted average of the net mortgage rates of the mortgage loans in Loan Group III as of the related due date prior to giving effect to any reduction in the Stated Principal Balances of such mortgage loans on such due date; and (4) with respect to the Class M Certificates, the weighted average of the weighted average of the net mortgage rates of the mortgage loans in each loan group as of the related due date prior to giving effect to any reduction in the Stated Principal Balances of such mortgage loans on such due date, weighted in proportion to the results of subtracting from the aggregate Stated Principal Balance of the mortgage loans of each loan group the aggregate Certificate Principal Balance of the related senior certificates, in each case over (B) a per annum rate equal to the sum of (1) the Net Swap Payment payable to the Swap Provider and (2) any Swap Termination Payment not due to a Swap Provider Trigger Event payable to the Swap Provider on such distribution date (other than to the extent not already paid by the Swap Administrator from any upfront payment received pursuant to any replacement interest rate swap agreement that may be entered into by the Supplemental Interest Trust Trustee), divided by the outstanding Stated Principal Balance of the mortgage loans as of the related due date prior to giving effect to any reduction in the Stated Principal Balances of such mortgage loans on such due date, multiplied by 12.

The Net Rate Caps will be adjusted to an effective rate reflecting the accrual of interest on an actual/360 basis. For purposes of calculating the various Net Rate Caps, the "net mortgage rate" of a mortgage loan is equal to the related interest rate borne by the mortgage loan less the sum of the respective rates used to calculate the servicing fee and the lender paid mortgage insurance fee, if any.

"Overcollateralization Amount" with respect to any distribution date is the excess, if any, of (a) the aggregate Stated Principal Balance of the mortgage loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period, and after reduction for Realized Losses incurred during the prior calendar month), over (b) the aggregate Certificate Principal Balance of the offered certificates on such distribution date (after taking into account the payment of principal other than any Extra Principal Distribution Amount on such certificates).

"Overcollateralization Release Amount" with respect to any distribution date is the lesser of (x) the Principal Funds for such distribution date and (y) the excess, if any, of (i) the Overcollateralization Amount for such distribution date (assuming that 100% of such Principal Funds is applied as a principal payment on such distribution date) over (ii) the Overcollateralization Target Amount for such distribution date (with the amount pursuant to clause (y) deemed to be $0 if the Overcollateralization Amount is less than or equal to the Overcollateralization Target Amount on that distribution date).

"Overcollateralization Target Amount" with respect to any distribution date (a) prior to the Stepdown Date, approximately 5.35% (subject to a variance of plus or minus 1.00%) of the aggregate Stated Principal Balance of the mortgage loans as of the cut-off date, (b) on or after the Stepdown Date and if a Trigger Event is not in effect, the greater of (i) the lesser of (1) approximately 5.35% (subject to a variance of plus or minus 1.00%) of the aggregate Stated Principal Balance of the mortgage loans as of the cut-off date and (2) approximately 10.70% (subject to a variance of plus or minus 2.00%) of the aggregate Stated Principal Balance of the mortgage loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period, and after reduction for Realized Losses incurred during the prior calendar month) and (ii) approximately $4,960,514 (subject to a variance of plus or minus 10%) or (c) on or after the Stepdown Date and if a Trigger Event is in effect, the Overcollateralization Target Amount for the immediately preceding distribution date.

"Pass-Through Rate" with respect to each class of offered certificates will be the lesser of (x) the London interbank offered rate for one month United States dollar deposits, which we refer to as One-Month LIBOR, calculated as described under *" — Calculation of One-Month LIBOR"* plus the related Margin, and (y) the related Net

Rate Cap.

"Piggyback Loan" is a second lien mortgage loan originated by the same originator to the same borrower at the same time as the first lien mortgage loan, each secured by the same mortgaged property.

"Prepayment Period" with respect to a distribution date and each principal prepayment in full, is the period commencing on the 16th day of the month prior to the month in which the related distribution date occurs (or with respect to the first distribution date, the period commencing on the cut-off date) and ending on the 15th day of the month in which such distribution date occurs. With respect to a distribution date and each partial principal prepayment, the calendar month prior to the month in which such distribution date occurs.

"Principal Distribution Amount" with respect to each distribution date is equal to:

- the Principal Funds for all loan groups for such distribution date, plus
- any Extra Principal Distribution Amount for such distribution date, less
- any Overcollateralization Release Amount for such distribution date.

"Principal Funds" with respect to each loan group and any distribution date are equal to the sum, without duplication, of:

- the scheduled principal collected on the mortgage loans in the related loan group during the related Due Period or advanced on or before the related servicer advance date,
- prepayments in respect of the mortgage loans in the related loan group, exclusive of any prepayment charges, collected in the related Prepayment Period,
- the Stated Principal Balance of each mortgage loan in the related loan group that was repurchased by the sponsor or the master servicer,
- the amount, if any, by which the aggregate unpaid principal balance of any replacement mortgage loans is less than the aggregate unpaid principal balance of any deleted mortgage loans delivered by the sponsor in connection with a substitution of a mortgage loan,
- all Liquidation Proceeds and Subsequent Recoveries collected during the prior calendar month on the mortgage loans in the related loan group, to the extent such Liquidation Proceeds and Subsequent Recoveries relate to principal, less all non-recoverable advances relating to principal reimbursed during the related Due Period,
- the principal portion of the purchase price of the assets of the issuing entity upon the exercise by the majority holder of the Class CE Certificates or the master servicer, as applicable, of the optional termination right; *minus*
- any amounts required to be reimbursed to the sponsor, the master servicer, the trustee, the Supplemental Interest Trust Trustee or the Swap Administrator as provided in the Pooling and Servicing Agreement, and
- any Net Swap Payments or Swap Termination Payments not due to a Swap Provider Trigger Event owed to the Swap Administrator for payment to the Swap Provider for such distribution date (other than to the extent already paid by the Swap Administrator from any upfront payment received pursuant to any replacement interest rate swap agreement that may be entered into by the Supplemental Interest Trust Trustee) and any such payments remaining unpaid for prior distribution dates, in each case to the extent not covered by Interest Funds.

"Realized Loss" is the excess of the unpaid Stated Principal Balance of a defaulted mortgage loan plus accrued and unpaid interest thereon at the mortgage rate to the extent not advanced by the master servicer through the last day of the month of liquidation over the net Liquidation Proceeds with respect thereto. With respect to any mortgage loan that has been modified upon a default or a reasonably foreseeable default, (a)(1) the amount by which the monthly payment of such mortgage loan has been reduced, (2) the sum of any other amounts owing under the mortgage loan that were forgiven and (3) servicing advances that are forgiven and are reimbursable to the master servicer, and (b) any such amount with respect to a monthly payment that was or would have been due in the month immediately following the month in which a principal prepayment or the purchase price of such mortgage loan is received or is deemed to have been received and not paid due to such modification. To the extent that the master servicer receives Subsequent Recoveries with respect to any mortgage loan, the amount of the Realized Loss with respect to that mortgage loan will be reduced to the extent that such recoveries are applied to reduce the Certificate Principal Balance of any class of certificates on any distribution date.

"Relief Act" means the Servicemembers Civil Relief Act, as amended, or any similar state or local law.

"Remaining Excess Spread" with respect to any distribution date is the Excess Spread less any Extra Principal Distribution Amount, in each case for such distribution date.

"Stated Principal Balance" of any mortgage loan means with respect to any distribution date the cut-off date principal balance thereof minus the sum of:

(i) the principal portion of the scheduled monthly payments due from mortgagors with respect to such mortgage loan during the related Due Period (and irrespective of any delinquency in their payment);

(ii) all prepayments of principal with respect to such mortgage loan received prior to or during the related Prepayment Period;

(iii) all Liquidation Proceeds to the extent applied by the master servicer as recoveries of principal in accordance with the Pooling and Servicing Agreement that were received by the master servicer as of the close of business on the last day of the calendar month immediately preceding such distribution date, and

(iv) any Realized Loss thereon incurred during the prior calendar month.

The Stated Principal Balance of any liquidated mortgage loan is zero.

"Stepdown Date" means the later to occur of:

(a) the distribution date occurring in April 2010 and

(b) the first distribution date for which the Current Specified Enhancement Percentage is greater than or equal to approximately 52.00% (subject to a variance of plus or minus 1.00%).

"Subsequent Recoveries" means subsequent recoveries, net of reimbursable expenses, with respect to mortgage loans that have been previously liquidated and that resulted in a Realized Loss.

A "Trigger Event" with respect to any distribution date exists if (i) the percentage obtained by dividing (x) the aggregate Stated Principal Balance of mortgage loans that are 60 or more days delinquent (including for this purpose any such mortgage loans in bankruptcy or foreclosure and mortgage loans with respect to which the related mortgaged property has been acquired by the issuing entity) by (y) the aggregate Stated Principal Balance of the mortgage loans in the mortgage pool, in each case, as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related due period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period, and after reduction for Realized Losses incurred during the prior calendar month), exceeds 30.00% (subject to a variance of plus or minus 1.00%) of the Current Specified Enhancement Percentage or (ii) the aggregate amount of Realized Losses since the cut-off date as a percentage of the aggregate Stated Principal Balance of the mortgage loans as of the cut-off date exceeds the applicable percentage set forth below:

April 2010 through March 2011	3.60% (subject to a variance of plus or minus 1.00%) with respect to April 2010, plus an additional 1/12th of the difference between 5.70% (subject to a variance of plus or minus 1.00%) and 3.60% (subject to a variance of plus or minus 1.00%) for each month thereafter
April 2011 through March 2012	5.70% (subject to a variance of plus or minus 1.00%) with respect to April 2011, plus an additional 1/12th of the difference between 7.35% (subject to a variance of plus or minus 1.00%) and 5.70% (subject to a variance of plus or minus 1.00%) for each month thereafter
April 2012 through March 2013	7.35% (subject to a variance of plus or minus 1.00%) with respect to April 2012, plus an additional 1/12th of the difference between 8.30% (subject to a variance of plus or minus 1.00%) and 7.35% (subject to a variance of plus or minus 1.00%) for each month thereafter
April 2013 and thereafter	8.30% (subject to a variance of plus or minus 1.00%)

"Unpaid Realized Loss Amount" with respect to the Class A Certificates and as to any distribution date is the excess of:

- Applied Realized Loss Amounts with respect to such class over
- the sum of all distributions in reduction of the Applied Realized Loss Amounts of such class on all previous distribution dates.

Any amounts distributed to the Class A Certificates in respect of any Unpaid Realized Loss Amount will not be applied to reduce the Certificate Principal Balance of such class.

Calculation of One-Month LIBOR

On the second LIBOR business day preceding the commencement of each accrual period, for the offered certificates bearing interest at an adjustable rate, which date we refer to as an interest determination date, the trustee will determine One-Month LIBOR for such accrual period on the basis of such rate as it appears on Reuters Screen LIBOR01 Page, which is the display page currently so designated on the Reuters Monitor Money Rates Service (or such other page as may replace that page on that service for the purpose of displaying comparable rates or prices), as of 11:00 a.m. London time on such interest determination date. If such rate does not appear on such page, or such other page as may replace that page on that service, or if such service is no longer offered, such other service for displaying LIBOR or comparable rates as may be reasonably selected by the trustee, One-Month LIBOR for the applicable accrual period will be the Reference Bank Rate. If no such quotations can be obtained and no Reference Bank Rate is available, One-Month LIBOR will be the One-Month LIBOR applicable to the preceding accrual period.

The Reference Bank Rate with respect to any accrual period, means the arithmetic mean, rounded upwards, if necessary, to the nearest whole multiple of 0.03125%, of the offered rates for United States dollar deposits for one month that are quoted by the Reference Banks, as described below, as of 11:00 a.m., New York City time, on the related interest determination date to prime banks in the London interbank market for a period of one month in amounts approximately equal to the aggregate Certificate Principal Balance of all classes of offered certificates bearing interest at an adjustable rate for such accrual period, provided that at least two such Reference Banks provide such rate. If fewer than two offered rates appear, the Reference Bank Rate will be the arithmetic mean, rounded upwards, if necessary, to the nearest whole multiple of 0.03125%, of the rates quoted by one or more major banks in New York City, selected by the trustee, as of 11:00 a.m., New York City time, on such date for loans in U.S. dollars to leading European banks for a period of one month in amounts approximately equal to the aggregate Certificate Principal Balance of all classes of offered certificates bearing interest at an adjustable rate for such accrual period. As used in this section, "LIBOR Business Day" means a day on which banks are open for dealing in foreign currency and exchange in London and New York City; and "Reference Banks" means leading banks selected by the trustee and engaged in transactions in Eurodollar deposits in the international Eurocurrency market:

- with an established place of business in London,
- which have been designated as such by the trustee and
- which are not controlling, controlled by, or under common control with, the depositor, the sponsor or the master servicer.

The establishment of One-Month LIBOR on each interest determination date by the trustee and the trustee's calculation of the rate of interest applicable to the classes of offered certificates bearing interest at an adjustable rate for the related accrual period will, in the absence of manifest error, be final and binding.

Distributions on the Certificates

General. On each distribution date, the trustee will make distributions on the certificates to the persons in whose names such certificates are registered at the related record date.

The trustee will make distributions on each distribution date by wire transfer in immediately available funds to the account of a certificateholder at a bank or other depository institution having appropriate wire transfer facilities as instructed by a certificateholder in writing in accordance with the Pooling and Servicing Agreement. If no such instructions are given to the trustee, then the trustee will make such distributions by check mailed to the address of the person entitled thereto as it appears on the certificate register; provided, however, that the final distribution in retirement of the certificates will be made only upon presentation and surrender of such certificates at the offices of the trustee designated for such purposes. As of the closing date, the trustee designates its offices located at 135 South LaSalle Street, Suite 1511, Chicago, Illinois 60603 for purposes of surrender, transfer and exchange. On each distribution date, a holder of a certificate will receive such holder's percentage interest of the amounts required to be distributed with respect to the applicable class of certificates. The percentage interest evidenced by a certificate will equal the percentage derived by dividing the denomination of such certificate by the aggregate denominations of all certificates of the applicable class.

Interest Distributions. On each distribution date, the trustee will withdraw the available funds from the Distribution Account for such distribution date and apply Interest Funds in the following manner and order of priority:

1. From Interest Funds in respect of:

(a) Loan Group I, to the Class I-A-1, Class I-A-2, Class I-A-3 and Class I-A-4 Certificates, the Current Interest and then any Interest Carry Forward Amount for such classes, pro rata in accordance with the amount of accrued interest due thereon;

(b) Loan Group II, to the Class II-A Certificates, the Current Interest and then any Interest Carry Forward Amount for such class, in accordance with the amount of accrued interest due thereon; and

(c) Loan Group III, to the Class III-A Certificates, the Current Interest and then any Interest Carry Forward Amount for such class, in accordance with the amount of accrued interest due thereon;

2. From Interest Funds related to:

(a) Loan Group I, to the Class II-A Certificates and Class III-A Certificates, the remaining Current Interest, if any, and the remaining Interest Carry Forward Amount, if any, for such classes, pro rata in accordance with the amount of accrued interest due thereon;

(b) Loan Group II, to the Class I-A Certificates and Class III-A Certificates, the remaining Current Interest, if any, and the remaining Interest Carry Forward Amount, if any, for such classes, pro rata in accordance with the amount of accrued interest due thereon; and

(c) Loan Group III, to the Class I-A Certificates and Class II-A Certificates, the remaining Current Interest, if any, and the remaining Interest Carry Forward Amount, if any, for such classes, pro rata in accordance with the amount of accrued interest due thereon; and

3. From remaining Interest Funds in respect of all loan groups, sequentially, to the Class M-1, Class M-2, Class M-3, Class M-4, Class M-5, Class M-6, Class M-7, Class M-8 and Class M-9 Certificates, in that order, the Current Interest for each such class.

On any distribution date, any shortfalls resulting from the application of the Relief Act and any Prepayment Interest Shortfalls to the extent not covered by Compensating Interest will be allocated, *first*, in reduction of amounts otherwise distributable to the Class CE Certificates, *and thereafter*, to the accrued interest payable to the offered certificates on such distribution date, on a pro rata basis, based on the respective amounts of accrued interest due on such certificates for such distribution date. The holders of the offered certificates will be entitled to reimbursement for any such interest shortfalls with interest thereon solely from the Excess Spread to the extent of funds available as described under *"—Excess Spread and Overcollateralization Provisions"*. The holders of the offered certificates will not otherwise be entitled to reimbursement for any such interest shortfalls.

Any Excess Spread to the extent necessary to meet a level of overcollateralization equal to the Overcollateralization Target Amount will be the Extra Principal Distribution Amount and will be included as part of the Principal Distribution Amount and distributed as described below under "—*Principal Distributions*". Any Excess Spread remaining after the distribution of the Extra Principal Distribution amount will be the Remaining Excess Spread and, together with any Overcollateralization Release Amount, will be applied as Excess Cashflow as described under *"—Excess Spread and Overcollateralization Provisions"*.

Principal Distributions.

On each distribution date, the trustee will apply the Principal Distribution Amount for such distribution date in the following manner and order of priority:

(A)For each distribution date (i) prior to the Stepdown Date or (ii) on which a Trigger Event is in effect:

1. To the Class A Certificates, the Principal Distribution Amount for such distribution date to be distributed as follows:

(a) from the Group I Principal Distribution Amount for such distribution date, sequentially to the Class I-A-1, Class I-A-2, Class I-A-3 and Class I-A-4 Certificates, in that order, in each case until the Certificate Principal Balance thereof is reduced to zero;

(b) from the Group II Principal Distribution Amount for such distribution date, to the Class II-A Certificates, until the Certificate Principal Balance thereof is reduced to zero; and

(c) from the Group III Principal Distribution Amount for such distribution date, to the Class III-A Certificates, until the Certificate Principal Balance thereof is reduced to zero;

2. To the Class M-1 Certificates, from any remaining Principal Distribution Amount in respect of all loan groups for such distribution date, until the Certificate Principal Balance thereof is reduced to zero;

3. To the Class M-2 Certificates, from any remaining Principal Distribution Amount in respect of all loan groups for such distribution date, until the Certificate Principal Balance thereof is reduced to zero;

4. To the Class M-3 Certificates, from any remaining Principal Distribution Amount in respect of all loan groups for such distribution date, until the Certificate Principal Balance thereof is reduced to zero;

5. To the Class M-4 Certificates, from any remaining Principal Distribution Amount in respect of all loan groups for such distribution date, until the Certificate Principal Balance thereof is reduced to zero;

6. To the Class M-5 Certificates, from any remaining Principal Distribution Amount in respect of all loan groups for such distribution date, until the Certificate Principal Balance thereof is reduced to zero;

7. To the Class M-6 Certificates, from any remaining Principal Distribution Amount in respect of all loan groups for such distribution date, until the Certificate Principal Balance thereof is reduced to zero;

8. To the Class M-7 Certificates, from any remaining Principal Distribution Amount in respect of all loan groups for such distribution date, until the Certificate Principal Balance thereof is reduced to zero;

9. To the Class M-8 Certificates, from any remaining Principal Distribution Amount in respect of all loan groups for such distribution date, until the Certificate Principal Balance thereof is reduced to zero; and

10. To the Class M-9 Certificates, from any remaining Principal Distribution Amount in respect of all loan groups for such distribution date, until the Certificate Principal Balance thereof is reduced to zero.

(B) For each distribution date on or after the Stepdown Date, so long as a Trigger Event is not in effect:

1. To the Class A Certificates, the Principal Distribution Amount for such distribution date to be distributed as follows:

(a) from the Group I Principal Distribution Amount for such distribution date, sequentially to the Class I-A-1, Class I-A-2, Class I-A-3 and Class I-A-4 Certificates, in that order, the Class I-A Principal Distribution Amount for such distribution date, in each case until the Certificate Principal Balance thereof is reduced to zero;

(b) from the Group II Principal Distribution Amount for such distribution date, to the Class II-A Certificates, the Class II-A Principal Distribution Amount for such distribution date, until the Certificate Principal Balance thereof is reduced to zero; and

(c) from the Group III Principal Distribution Amount for such distribution date, to the Class III-A Certificates, the Class III-A Principal Distribution Amount for such distribution date, until the Certificate Principal Balance thereof is reduced to zero;

2. To the Class M-1 Certificates, from any remaining Principal Distribution Amount in respect of all loan groups for such distribution date, the Class M-1 Principal Distribution Amount for such distribution date, until the Certificate Principal Balance thereof is reduced to zero;

3. To the Class M-2 Certificates, from any remaining Principal Distribution Amount in respect of all loan groups for such distribution date, the Class M-2 Principal Distribution Amount for such distribution date, until the Certificate Principal Balance thereof is reduced to zero;

4. To the Class M-3 Certificates, from any remaining Principal Distribution Amount in respect of all loan groups for such distribution date, the Class M-3 Principal Distribution Amount for such distribution date, until the Certificate Principal Balance thereof is reduced to zero;

5. To the Class M-4 Certificates, from any remaining Principal Distribution Amount in respect of all loan groups for such distribution date, the Class M-4 Principal Distribution Amount for such distribution date, until the Certificate Principal Balance thereof is reduced to zero;

6. To the Class M-5 Certificates, from any remaining Principal Distribution Amount in respect of all loan groups for such distribution date, the Class M-5 Principal Distribution Amount for such distribution date, until the Certificate Principal Balance thereof is reduced to zero;

7. To the Class M-6 Certificates, from any remaining Principal Distribution Amount in respect of all loan groups for such distribution date, the Class M-6 Principal Distribution Amount for such distribution date, until the Certificate Principal Balance thereof is reduced to zero;

8. To the Class M-7 Certificates, from any remaining Principal Distribution Amount in respect of all loan groups for such distribution date, the Class M-7 Principal Distribution Amount for such distribution date, until the Certificate Principal Balance thereof is reduced to zero;

9. To the Class M-8 Certificates, from any remaining Principal Distribution Amount in respect of all loan groups for such distribution date, the Class M-8 Principal Distribution Amount for such distribution date, until the Certificate Principal Balance thereof is reduced to zero; and

10. To the Class M-9 Certificates, from any remaining Principal Distribution Amount in respect of all loan groups for such distribution date, the Class M-9 Principal Distribution Amount for such distribution date, until the Certificate Principal Balance thereof is reduced to zero.

(C) Notwithstanding the provisions of clauses (A) and (B) above, if on any distribution date the Class A Certificates related to a loan group are no longer outstanding, the portion of the applicable Principal Distribution Amount or the applicable Class A Principal Distribution Amount, as applicable, otherwise allocable to such Class A Certificates will be allocated to the remaining groups of Class A Certificates in the same manner and order of priority described above.

Notwithstanding the foregoing clauses (A) and (B), to the extent a Net Swap Payment or Swap Termination Payment is payable from principal collections, Principal Distribution Amounts will be deemed paid to the most subordinate class of certificates (other than the Class R Certificates and Class P Certificates), until the Certificate Principal Balance thereof has been reduced to zero.

Excess Spread and Overcollateralization Provisions

Excess Spread will be required to be applied as Extra Principal Distribution Amount and distributed as part of the Principal Distribution Amount as described above under *"—Distributions on the Certificates—Principal Distributions"* with respect to the offered certificates whenever the Overcollateralization Amount is less than the Overcollateralization Target Amount. Any Remaining Excess Spread, together with any Overcollateralization Release Amount, will be distributed in the following manner and order of priority:

1. To the Class A Certificates, (a) *first*, any remaining Interest Carry Forward Amount for such classes, pro rata in accordance with the Interest Carry Forward Amount due with respect to each such class, to the extent not fully paid as described under "—*Interest Distributions*" above and to the extent not covered by amounts paid to the issuing entity pursuant to the Interest Rate Swap Agreement and the Swap Administration Agreement as described in this free writing prospectus, and (b) *second*, any Unpaid Realized Loss Amount for such classes for such distribution date, pro rata, in accordance with the Applied Realized Loss Amount allocated to each such class;

2. From any remaining Excess Cashflow, sequentially to the Class M-1, Class M-2, Class M-3, Class M-4, Class M-5, Class M-6, Class M-7, Class M-8 and Class M-9 Certificates, in that order, an amount equal to any Interest Carry Forward Amount to the extent not covered by amounts paid to the issuing entity pursuant to the Interest Rate Swap Agreement and the Swap Administration Agreement as described in this free writing prospectus;

3. From any remaining Excess Cashflow, to the Class A Certificates, any Basis Risk Shortfall Carry Forward Amount for such classes for such distribution date, pro rata based on the amount of such Basis Risk Shortfall Carry Forward Amount payable to each such class, if any, to the extent not covered by amounts paid to the issuing entity pursuant to the Interest Rate Swap Agreement and the Swap Administration Agreement as described in this free writing prospectus;

4. From any remaining Excess Cashflow, sequentially to the Class M-1, Class M-2, Class M-3, Class M-4, Class M-5, Class M-6, Class M-7, Class M-8 and Class M-9 Certificates, in that order, any Basis Risk Shortfall Carry Forward Amount for such classes for such distribution date to the extent not covered by amounts paid to the issuing entity pursuant to the Interest Rate Swap Agreement and the Swap Administration Agreement as described in this free writing prospectus;

5. From any remaining Excess Cashflow, to the Class A Certificates, on a pro rata basis, based on the entitlement of each such class, and then sequentially to the Class M-1, Class M-2, Class M-3, Class M-4, Class M-5, Class M-6, Class M-7, Class M-8 and Class M-9 Certificates, in that order, the amount of shortfalls resulting from the application of the Relief Act and any Prepayment Interest Shortfalls allocated to such classes of certificates, to the extent not previously reimbursed;

6. From any remaining Excess Cashflow, to the Swap Administrator for payment to the Swap Provider, the amount of any Swap Termination Payment resulting from a Swap Provider Trigger Event not previously paid (other than to the extent already paid by the Swap Administrator from any upfront payment received pursuant to any replacement interest rate swap agreement that may be entered into by the Supplemental Interest Trust Trustee);

7. From any remaining Excess Cashflow, to the Class CE Certificates an amount specified in the Pooling and Servicing Agreement; and

8. From any remaining Excess Cashflow, to the Class R Certificates as described in the Pooling and Servicing Agreement.

In addition, notwithstanding the foregoing, on any distribution date after the distribution date on which the Certificate Principal Balance of a class of offered certificates has been reduced to zero, that class of certificates will be retired and will no longer be entitled to distributions, including distributions in respect of Prepayment Interest Shortfalls or Basis Risk Shortfalls.

Table of Fees and Expenses

The following table indicates the fees and expenses to be paid from the cash flows from the mortgage loans and other assets of the issuing entity, while the offered certificates are outstanding.

All fees are expressed in percentages, at an annualized rate, applied to the outstanding aggregate principal balance of the mortgage loans.

Item	Fee	Paid From
Servicing Fee[(1)]	0.500% per annum	mortgage loan interest collections

(1) The servicing fee are paid on a first priority basis from collections allocable to interest on the mortgage loans, prior to distributions to certificateholders.

Allocation of Losses

Any Realized Losses on the mortgage loans will be applied on any distribution date as follows: first, to Excess Spread through an increased distribution of the Extra Principal Distribution Amount, second, in reduction of any Overcollateralization Amount, third, to the Class M-9 Certificates, in reduction of the Certificate Principal Balance thereof, until reduced to zero, fourth, to the Class M-8 Certificates, in reduction of the Certificate Principal Balance thereof, until reduced to zero, fifth, to the Class M-7 Certificates, in reduction of the Certificate Principal Balance thereof, until reduced to zero, sixth, to the Class M-6 Certificates, in reduction of the Certificate Principal Balance thereof, until reduced to zero, seventh, to the Class M-5 Certificates, in reduction of the Certificate Principal Balance thereof, until reduced to zero, eighth, to the Class M-4 Certificates, in reduction of the Certificate Principal Balance thereof, until reduced to zero, ninth, to the Class M-3 Certificates, in reduction of the Certificate Principal Balance thereof, until reduced to zero, tenth, to the Class M-2 Certificates, in reduction of the Certificate Principal Balance thereof, until reduced to zero, eleventh, to the Class M-1 Certificates, in reduction of the Certificate Principal Balance thereof, until reduced to zero, twelfth, to the related class or classes of Class A Certificates, on a pro rata basis, in reduction of the Certificate Principal Balances thereof, until reduced to zero, and thirteenth, to the unrelated class or classes of Class A Certificates, on a pro rata basis, in reduction of the Certificate Principal Balances thereof, until reduced to zero. Any reduction to the Certificate Principal Balance of a certificate is an Applied Realized Loss Amount.

Once Realized Losses have been allocated to a class of certificates, such amounts with respect to such certificates will no longer accrue interest nor will such amounts in respect of interest be reinstated thereafter. However, Applied Realized Loss Amounts may be repaid to the holders of the Class A Certificates from Remaining Excess Spread, according to the priorities set forth under "*—Excess Spread and Overcollateralization Provisions*" above.

No reduction of the Certificate Principal Balance of any class of offered certificates will be made on any distribution date on account of Realized Losses to the extent that such reduction would have the effect of reducing the aggregate Certificate Principal Balance of all of the classes of offered certificates as of such distribution date to an amount less than the Stated Principal Balances of the mortgage loans as of the related due date.

Any allocation of a Realized Loss to a certificate will be made by reducing the Certificate Principal Balance thereof by the amount so allocated as of the distribution date in the month following the calendar month in which such Realized Loss was incurred. Notwithstanding anything to the contrary described in this free writing prospectus, in no event will the Certificate Principal Balance of any Class A Certificate be reduced more than once in respect of any particular amount both (i) allocable to such certificate in respect of Realized Losses and (ii) payable as principal to the holder of such certificate from remaining Excess Cashflow.

In the event that the master servicer receives any Subsequent Recoveries, such Subsequent Recoveries will be distributed in accordance with the priorities described under *"Description of the Certificates — Distributions on the Certificates"* in this free writing prospectus, and the Certificate Principal Balance of each class of offered certificates that has been reduced by the allocation of a Realized Loss to such class will be increased, in order of seniority, by the amount of such Subsequent Recoveries. Holders of such classes of certificates will not be entitled to any payment in respect of Current Interest on the amount of such increases for any accrual period preceding the distribution date on which such increase occurs. Any Subsequent Recoveries that are received during a Prepayment Period will be included as a part of the Interest Funds or Principal Funds, as the case may be, for the related distribution date.

Reports to Certificateholders

On each distribution date, the trustee will make available to each certificateholder, the master servicer and the depositor a statement generally setting forth, among other information:

1. the applicable record dates, accrual periods, determination dates for calculating distributions and general distribution dates;

2. the total cash flows received and the general sources thereof;

3. the amount, if any, of fees or expenses accrued and paid, with an identification of the payee and the general purpose of such fees;

4. the amount of the related distribution to holders of the offered certificates (by class) allocable to principal, separately identifying (A) the aggregate amount of any principal prepayments included therein, (B) the aggregate of all scheduled payments of principal included therein and (C) any Extra Principal Distribution Amount included therein;

5. the amount of such distribution to holders of the offered certificates (by class) allocable to interest and the portion thereof, if any, provided by the Interest Rate Swap Agreement and the amount of coverage remaining;

6. the Interest Carry Forward Amounts and any Basis Risk Shortfall Carry Forward Amounts for the offered certificates (if any);

7. the Certificate Principal Balance of the offered certificates before and after giving effect to the distribution of principal and allocation of Applied Realized Loss Amounts on such distribution date;

8. the number and Stated Principal Balance of all the mortgage loans for the following distribution date, together with updated pool composition information;

9. the Pass-Through Rate for each class of offered certificates for such distribution date and whether such rate was based on an interest rate cap;

10. the aggregate amount of advances included in the distributions on the distribution date (including the general purpose of such advances), the aggregate amount of unreimbursed advances as of the end of the Due Period and the general source of funds for reimbursements;

11. the number and aggregate Stated Principal Balance of the mortgage loans (A) delinquent, exclusive of mortgage loans in foreclosure, (1) 30 days delinquent, (2) 60 days delinquent and (3) 90 days or more delinquent, and (B) in foreclosure and delinquent (1) 30 days delinquent, (2) 60 days delinquent and (3) 90 days or more delinquent, in each case as of the close of business on the last day of the calendar month preceding such distribution date;

12. the amount of, if any, of excess cashflow or excess spread and the application of such excess cashflow;

13. with respect to any mortgage loan that was liquidated during the prior calendar month, the aggregate Stated Principal Balance of, and Realized Loss on such mortgage loans as of the prior calendar month;

14. information on loss, delinquency or other tests used for determining early amortization, liquidation, stepdowns or other performance triggers as more completely described in the free writing prospectus and whether the trigger was met;

15. the total number and principal balance of any real estate owned, or REO, properties as of the end of the prior calendar month;

16. the cumulative Realized Losses through the end of the preceding month;

17. the three-month rolling average of the percent equivalent of a fraction, the numerator of which is the aggregate Stated Principal Balance of the mortgage loans that are 60 days or more delinquent or are in bankruptcy or foreclosure or are REO properties, and the denominator of which is the Stated Principal Balances of all of the mortgage loans,

18. material modifications, extensions or waivers to pool asset terms, fees, penalties or payments during the distribution period or that have become material over time;

19. material breaches of pool asset representation or warranties or transaction covenants;

20. the amount of the prepayment charges remitted by the master servicer and the amount on deposit in the related reserve fund;

21. the amount of any Net Swap Payment payable to the issuing entity, any Net Swap Payment payable to the Swap Provider, any Swap Termination Payment payable to the issuing entity and any Swap Termination Payment payable to the Swap Provider;

22. information regarding any new issuance of securities backed by the same asset pool, any pool asset changes, such as additions or removals, if applicable; and

23. any material changes in the solicitation, credit-granting, underwriting, origination, acquisition or pool selection criteria or procedures, as applicable, used to originate, acquire or select new pool assets.

The trustee will make the monthly statement and, at its option, any additional files containing the same information in an alternative format, available each month to certificateholders via the trustee's internet website at www.etrustee.net. Assistance in using the website service can be obtained by calling the trustee's customer service desk at (312) 904-4373. Parties that are unable to use the above distribution options are entitled to have a paper copy mailed to them via first class mail by calling the customer service desk and indicating such. The trustee may change the way monthly statements are distributed in order to make such distributions more convenient or more accessible to the above parties.

So long as the issuing entity is required to file reports under the Exchange Act, these monthly statements will be made available as described below under *"Available Information"* in this free writing prospectus.

If the issuing entity is no longer required to file reports under the Exchange Act, periodic distribution reports will be posted on the trustee's website referenced below under "*Available Information*". Annual reports of assessment of compliance with the AB Servicing Criteria, attestation reports, and statements of compliance will be provided to registered holders of the related certificates upon request free of charge. See "*Servicing of the Mortgage Loans — Evidence as to Compliance*" in this free writing prospectus.

The annual reports on Form 10-K, the distribution reports on Form 10-D, the current reports on Form 8-K and amendments to those reports filed or furnished with respect to the issuing entity pursuant to section 13(a) or 15(d) of the Exchange Act will be made available on the website of the trustee promptly after such material is electronically filed with, or furnished to, the SEC.

In addition, within a reasonable period of time after the end of each calendar year, the trustee will prepare and make available to each certificateholder of record during the previous calendar year a statement containing information necessary to enable certificateholders to prepare their tax returns. Such statements will not have been examined and reported upon by an independent public accountant.

Amendment

The Pooling and Servicing Agreement may be amended by the depositor, the master servicer, the sponsor and the trustee, without the consent of certificateholders,

- to cure any ambiguity,
- to correct or supplement any provision therein, or
- to make any other revisions with respect to matters or questions arising under the Pooling and Servicing Agreement which are not inconsistent with the provisions thereof,

provided that such action will not adversely affect in any material respect the interests of any certificateholder. An amendment will be deemed not to adversely affect in any material respect the interests of the certificateholders if the person requesting such amendment obtains a letter from each rating agency stating that such amendment will not result in the downgrading or withdrawal of the respective ratings then assigned to any class of certificates.

In addition, the Pooling and Servicing Agreement may be amended without the consent of certificateholders to modify, eliminate or add to any of its provisions to such extent as may be necessary to maintain the qualification of the trust fund's REMIC elections, provided that the trustee has received an opinion of counsel to the effect that such action is necessary or helpful to maintain such qualification. In addition, the Pooling and Servicing Agreement may be amended by the depositor, the master servicer, the seller and the trustee with the consent of the holders of the certificates evidencing over 50% of the voting rights of the certificates or, if applicable, holders of each class of certificates affected thereby evidencing over 50% of the voting rights of such class or classes, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Pooling and Servicing Agreement or of modifying in any manner the rights of the certificateholders; provided, however, that no such amendment may:

(a) reduce in any manner the amount of, or delay the timing of, payments required to be distributed on any certificate without the consent of the holder of such certificate;

(b) cause any REMIC to fail to qualify as a REMIC for federal tax purposes; or

(c) reduce the aforesaid percentage of aggregate outstanding principal amounts of certificates of each class, the holders of which are required to consent to any such amendment, without the consent of the holders of all certificates of such class.

The trustee will not be entitled to consent to any amendment to the Pooling and Servicing Agreement without having first received an opinion of counsel to the effect that such amendment is permitted under the terms of the Pooling and Servicing Agreement and will not cause the issuing entity's REMIC elections to fail to qualify for REMIC status for federal tax purposes.

Notwithstanding any of the other provisions of this section, none of the depositor, the master servicer or the trustee shall enter into any amendment that that could reasonably be expected to have a material adverse effect on the interests of the Swap Provider (excluding, for the avoidance of doubt, any amendment to the Pooling and Servicing Agreement that is entered into solely for the purpose of appointing a successor servicer, master servicer, trustee or other service provider) without the prior written consent of the Swap Provider, which consent shall not be unreasonably withheld, conditioned or delayed.

Voting Rights

As of any date of determination,

- holders of the offered certificates will be allocated 92% of all voting rights, allocated among such offered certificates in proportion to their respective outstanding Certificate Principal Balances,
- holders of the Class CE Certificates will be allocated 3% of all voting rights, and
- holders of each class of Class R Certificates and Class P Certificates will be allocated 1% of all voting rights.

Voting rights will be allocated among the certificates of each such class in accordance with their respective percentage interests.

Optional Termination

The majority holder of the Class CE Certificates will have the right to purchase all remaining mortgage loans and REO properties and thereby effect early retirement of all the certificates, subject to the aggregate Stated Principal Balance of the mortgage loans and REO properties at the time of repurchase being less than or equal to 10% of the aggregate Stated Principal Balance of the mortgage loans as of the cut-off date. If the majority holder of the Class CE Certificates does not exercise such right, the master servicer will have the right to purchase all remaining mortgage loans and REO properties and thereby effect early retirement of all the certificates, subject to the aggregate Stated Principal Balance of the mortgage loans and REO properties at the time of repurchase being less than or equal to 5% of the aggregate Stated Principal Balance of the mortgage loans as of the cut-off date. We refer to such date as the optional termination date. In the event that the majority holder of the Class CE Certificates or the master servicer, as applicable, exercises such option, it will effect such repurchase at a price equal to the sum of:

- 100% of the aggregate Stated Principal Balance of each mortgage loan, other than in respect of REO property, plus accrued interest thereon at the applicable mortgage rate,
- the appraised value of any REO property, up to the aggregate Stated Principal Balance of the related mortgage loan,
- any unreimbursed out-of-pocket costs and expenses of the trustee or the master servicer and the principal portion of any unreimbursed advances previously incurred by the master servicer in the performance of its servicing obligations, and
- any Swap Termination Payment payable to the Swap Provider which remains unpaid or which is due as a result of the exercise of such option.

Proceeds from such purchase will be distributed to the certificateholders in the priority described above in *"Description of the Certificates — Distributions on the Certificates."* In the event that the purchase price to be paid by the majority holder of the Class CE Certificates or the master servicer, as applicable, is based in part on the appraised value of any REO property and such appraised value is less than the aggregate Stated Principal Balance of the related mortgage loan, the proceeds may not be sufficient to distribute the full amount to which each class of certificates is entitled. In such event, the amount of the difference between the appraised value of such REO property and the aggregate Stated Principal Balance of the related mortgage loan will constitute a Realized Loss which will be allocated to the offered certificates as described under *"Description of the Certificates — Allocation of Losses"*. Any purchase of the mortgage loans and REO properties will result in an early retirement of the certificates.

Transfer of Master Servicing

The master servicer may sell and assign its rights and delegate its duties and obligations in its entirety as master servicer under the Pooling and Servicing Agreement; provided, however, that: (i) the purchaser or transferee accepting such assignment and delegation (a) will be a person which will be qualified to service mortgage loans for Fannie Mae or Freddie Mac; (b) will have a net worth of not less than $15,000,000 (unless otherwise approved by each rating agency pursuant to clause (ii) below); (c) will be reasonably satisfactory to the trustee (as evidenced in a writing signed by the trustee); and (d) will execute and deliver to the trustee an agreement, in form and substance reasonably satisfactory to the trustee, which contains an assumption by such person of the due and punctual performance and observance of each covenant and condition to be performed or observed by it as master servicer under the Pooling and Servicing Agreement, any custodial agreement from and after the effective date of such agreement; (ii) each rating agency will be given prior written notice of the identity of the proposed successor to the master servicer and each rating agency's rating of the certificates in effect immediately prior to such assignment, sale and delegation will not be downgraded, qualified or withdrawn as a result of such assignment, sale and delegation, as evidenced by a letter to such effect delivered to the master servicer and the trustee (at the expense of the master servicer); and (iii) the master servicer assigning and selling the master servicing will deliver to the trustee an officer's certificate and an opinion of counsel addressed to the trustee, each stating that all conditions precedent to such action under the Pooling and Servicing Agreement have been completed and such action is permitted by and complies with the terms of the Pooling and Servicing Agreement. No such assignment or delegation will affect any liability of the master servicer arising prior to the effective date thereof.

Optional Purchase of Certain Loans

As to any mortgage loan which as of the first day of a Fiscal Quarter is delinquent in payment by 90 days or more, EMC may, at its option, purchase such mortgage loan at a price equal to 100% of the Stated Principal Balance thereof plus accrued interest thereon at the applicable mortgage rate, from the date through which interest was last paid by the related mortgagor or advanced to the first day of the month in which such amount is to be distributed; provided that such mortgage loan is still delinquent in payment by 90 days or more as of the date of such purchase and provided further, that this limited purchase option, if not theretofore exercised, will terminate on the date prior to the last day of such Fiscal Quarter. Such option, if not exercised, will not thereafter be reinstated as to any such mortgage loan unless the delinquency is cured and the mortgage loan thereafter again becomes delinquent in payment 90 days or more. In that event, the option will again become exercisable on the first date of the subsequent Fiscal Quarter. This right may be assigned by EMC to a third party, including a holder of a class of certificates. Investors should note that the removal of any such mortgage loan from the issuing entity may affect the loss and delinquency tests which determine the level of the overcollateralization target amount, which may adversely affect the market value of the certificates.

Events of Default

Events of default under the Pooling and Servicing Agreement include:

- any failure by the master servicer to remit to the trustee any amount received or collected by it with respect to the mortgage loans, or any advance required to be made by the master servicer under the terms of the Pooling and Servicing Agreement, which continues unremedied for one business day after written notice of such failure will have been given to the master servicer by the trustee or the depositor, or to the master servicer and the trustee by the holders of certificates evidencing not less than 25% of the voting rights evidenced by the certificates;

- any failure by the master servicer to observe or perform in any material respect any other of its covenants or agreements, or any breach of a representation or warranty made by the master servicer in the Pooling and Servicing Agreement, which continues unremedied for 60 days after the giving of written notice of such failure to the master servicer by the trustee or the depositor, or to the master servicer and the trustee by the holders of certificates evidencing not less than 25% of the voting rights evidenced by the certificates; or

- insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings, and certain actions by or on behalf of the master servicer indicating its insolvency or inability to pay its obligations.

Rights Upon Event of Default

So long as an event of default under the Pooling and Servicing Agreement remains unremedied, the trustee will, but only upon the receipt of written instructions from the holders of certificates having not less than 25% of the voting rights evidenced by the certificates in the case of any event of default described in the first three bullet points above, terminate all of the rights and obligations of the master servicer under the Pooling and Servicing Agreement and in and to the mortgage loans, whereupon the trustee will, except as described below, automatically succeed, after a transition period not exceeding 90 days, to all of the responsibilities and duties of the master servicer under the Pooling and Servicing Agreement; *provided, however*, that the trustee in its capacity of successor master servicer will be responsible for making any advances required to be made by the master servicer immediately upon termination of the predecessor master servicer, and any such advance will be made on the distribution date on which such advance was required to be made by the predecessor master servicer; *provided further,* that the trustee will have no obligation whatsoever with respect to any liability incurred by the master servicer at or prior to the time of receipt by the master servicer of such notice of termination. As compensation therefor, the trustee will be entitled to all compensation which the master servicer would have been entitled to retain if the master servicer had continued to act as such, except for those amounts due the master servicer as reimbursement for advances previously made or expenses previously incurred. Notwithstanding the above, the trustee may, if it will be unwilling so to act, or will, if it is legally unable so to act, appoint, or petition a court of competent jurisdiction to appoint, any established housing and home finance institution which is a Fannie Mae or Freddie Mac approved servicer as the successor to the master servicer under the Pooling and Servicing Agreement in the assumption of all or any part of the responsibilities, duties or liabilities of the master servicer under the Pooling and Servicing Agreement. Pending appointment of a successor to the master servicer under the Pooling and Servicing Agreement, the trustee will act in such capacity as provided under the Pooling and Servicing Agreement. In connection with such appointment and assumption, the trustee may make such arrangements for the compensation of such successor out of payments on mortgage loans as it and such successor will agree; *provided, however*, that no such compensation will be in excess of that permitted the master servicer as provided above. No assurance can be given that termination of the rights and obligations of the master servicer under the Pooling and Servicing Agreement would not adversely affect the servicing of the mortgage loans, including the delinquency experience of the mortgage loans. The costs and expenses of the trustee in connection with the termination of the master servicer, appointment of a successor master servicer and the transfer of servicing, if applicable, to the extent not paid by the terminated master servicer, will be paid by the issuing entity.

No certificateholder, solely by virtue of such holder's status as a certificateholder, will have any right under the Pooling and Servicing Agreement to institute any proceeding with respect thereto, unless such holder previously has given to the trustee written notice of the continuation of an event of default and unless the holders of certificates having not less than 25% of the voting rights evidenced by the certificates have made written request to the trustee to institute such proceeding in its own name as trustee thereunder and have offered to the trustee reasonable indemnity and the trustee for 60 days has neglected or refused to institute any such proceeding.

The Trustee

LaSalle Bank National Association ("LaSalle") will be the trustee and custodian under the Pooling and Servicing Agreement. LaSalle is a national banking association formed under the federal laws of the United States of America. Its parent company, LaSalle Bank Corporation, is an indirect subsidiary of ABN AMRO Bank N.V., a Netherlands banking corporation. LaSalle has extensive experience serving as trustee on securitizations of residential mortgage loans. Since January 1994, LaSalle has served as trustee, securities administrator or paying agent on over 500 residential mortgage-backed security transactions involving assets similar to the mortgage loans. As of December 31, 2006, LaSalle serves as trustee, securities administrator or paying agent on over 425 residential mortgage-backed security transactions. The depositor and the master servicer may maintain other banking relationships in the ordinary course of business with the trustee. The trustee's corporate trust office is located at 135 South LaSalle Street, Suite 1511, Chicago, Illinois, 60603 Attention: Global Securities and Trust Services - Bear Stearns Asset Backed Securities I LLC, Series 2007-HE3 or at such other address as the trustee may designate from time to time.

Using information set forth in this free writing prospectus, the trustee will develop the cashflow model for the trust. Based on the monthly loan information provided by the master servicer, the trustee will calculate the amount of principal and interest to be paid to each class of certificates on each distribution date. In accordance with the cashflow model and based on the monthly loan information provided by the master servicer, the trustee will perform distribution calculations, remit distributions on the distribution date to certificateholders and prepare a monthly statement to certificateholders detailing the payments received and the activity on the mortgage loans during the collection period. In performing these obligations, the trustee will be able to conclusively rely on the information provided to it by the master servicer, and the trustee will not be required to recompute, recalculate or verify the information provided to it by the master servicer.

The trustee may resign at any time, in which event the depositor will be obligated to appoint a successor trustee. The depositor may also remove the trustee if the trustee ceases to be eligible to continue as such under the Pooling and Servicing Agreement or if the trustee becomes incapable of acting, bankrupt, insolvent or if a receiver or public officer takes charge of the trustee or its property. Upon such resignation or removal of the trustee, the depositor will be obligated to appoint a successor trustee. The trustee may also be removed at any time by the holders of certificates evidencing ownership of more than 50% of the issuing entity. In the event that the certificateholders remove the trustee, the compensation of any successor trustee will be paid by the certificateholders to the extent that such compensation exceeds the amount agreed to by the depositor and the trustee. Any resignation or removal of the trustee and appointment of a successor trustee will not become effective until acceptance of the appointment by the successor trustee.

The trustee, prior to the occurrence of an event of default and after the curing or waiver of all events of default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in the Pooling and Servicing Agreement as duties of the trustee, including:

1. Upon receipt of all resolutions, certificates, statements, opinions, reports, documents, orders or other instruments which are specifically required to be furnished to the trustee pursuant to the Pooling and Servicing Agreement, the trustee will examine them to determine whether they are in the required form; provided, however, that the trustee will not be responsible for the accuracy or content of any resolution, certificate, statement, opinion, report, document, order or other instrument furnished hereunder; provided, further, that the trustee will not be responsible for the accuracy or verification of any calculation provided to it pursuant to the Pooling and Servicing Agreement.

2. On each distribution date, the trustee will make monthly distributions and the final distribution to the certificateholders from funds in the distribution account as provided in the Pooling Servicing Agreement.

3. Except for those actions that the trustee is required to take under the Pooling and Servicing Agreement, the trustee will not have any obligation or liability to take any action or to refrain from taking any action in the absence of written direction as provided in the Pooling and Servicing Agreement.

If an event of default has occurred and has not been cured or waived, the trustee will exercise such of the rights and powers vested in it by the Pooling and Servicing Agreement, using the same degree of care and skill in its exercise, as a prudent person would exercise under the circumstances in the conduct of his own affairs.

If an event of default will occur, the trustee will, by notice in writing to the master servicer, which may be delivered by telecopy, immediately terminate all of the rights and obligations of the master servicer thereafter arising under the Pooling and Servicing Agreement, but without prejudice to any rights it may have as a certificateholder or to reimbursement of advances and other advances of its own funds, and the trustee shall act as provided in the Pooling and Servicing Agreement to carry out the duties of the master servicer, including the obligation to make any advance the nonpayment of which was an event of default described in the Pooling and Servicing Agreement. Any such action taken by the trustee must be prior to the distribution on the relevant distribution date.

On and after the time the master servicer receives a notice of termination pursuant to the Pooling and Servicing Agreement, the trustee shall automatically become the successor to the master servicer with respect to the transactions set forth or provided for in the Pooling and Servicing Agreement and after a transition period (not to exceed 90 days), shall be subject to all the responsibilities, duties and liabilities relating thereto placed on the master servicer by the terms and provisions in the Pooling and Servicing Agreement; provided, however, pursuant to the Pooling and Servicing Agreement, the trustee in its capacity as successor master servicer shall be responsible for making any advances required to be made by the master servicer immediately upon the termination of the master servicer and any such advance shall be made on the distribution date on which such advance was required to be made by the predecessor master servicer. Effective on the date of such notice of termination, as compensation therefor, the trustee shall be entitled to all compensation, reimbursement of expenses and indemnification that the master servicer would have been entitled to if it had continued to act hereunder, provided, however, that the trustee shall not be (i) liable for any acts or omissions of the master servicer, (ii) obligated to make advances if it is prohibited from doing so under applicable law, (iii) responsible for expenses of the master servicer or (iv) obligated to deposit losses on any permitted investment directed by the master servicer. Notwithstanding the foregoing, the trustee may, if it shall be unwilling to so act, or shall, if it is prohibited by applicable law from making advances or if it is otherwise unable to so act, appoint, or petition a court of competent jurisdiction to appoint, any established mortgage loan servicing institution the appointment of which does not adversely affect the then current rating of the certificates by each rating agency as the successor to the master servicer pursuant to the Pooling and Servicing

Agreement in the assumption of all or any part of the responsibilities, duties or liabilities of the master servicer pursuant to the Pooling and Servicing Agreement. Any successor master servicer shall (i) be an institution that is a Fannie Mae and Freddie Mac approved seller/servicer in good standing, that has a net worth of at least $15,000,000, (ii) be acceptable to the trustee (which consent shall not be unreasonably withheld) and (iii) be willing to act as successor servicer of any mortgage loans under the Pooling and Servicing Agreement, and shall have executed and delivered to the depositor and the trustee an agreement accepting such delegation and assignment, that contains an assumption by such person of the rights, powers, duties, responsibilities, obligations and liabilities of the master servicer (other than any liabilities of the master servicer hereof incurred prior to termination of the master servicer as set forth in the Pooling and Servicing Agreement), with like effect as if originally named as a party to the Pooling and Servicing Agreement, provided that each rating agency shall have acknowledged in writing that its rating of the certificates in effect immediately prior to such assignment and delegation will not be qualified or reduced as a result of such assignment and delegation. If the trustee assumes the duties and responsibilities of the master servicer, the trustee shall not resign as master servicer until a successor master servicer has been appointed and has accepted such appointment. Pending appointment of a successor to the master servicer hereunder, the trustee, unless the trustee is prohibited by law from so acting, shall act in such capacity as provided in the Pooling and Servicing Agreement. In connection with such appointment and assumption, the trustee may make such arrangements for the compensation of such successor out of payments on mortgage loans or otherwise as it and such successor shall agree; provided that no such compensation unless agreed to by the certificateholders shall be in excess of that permitted the master servicer hereunder. The trustee and such successor shall take such action, consistent with the Pooling and Servicing Agreement, as shall be necessary to effectuate any such succession. Neither the trustee nor any other successor master servicer shall be deemed to be in default hereunder by reason of any failure to make, or any delay in making, any distribution hereunder or any portion thereof or any failure to perform, or any delay in performing, any duties or responsibilities hereunder, in either case caused by the failure of the master servicer to deliver or provide, or any delay in delivering or providing, any cash, information, documents or records to it.

The costs and expenses of the trustee in connection with the termination of the master servicer, appointment of a successor master servicer and, if applicable, any transfer of servicing, including, without limitation, all costs and expenses associated with the complete transfer of all servicing data and the completion, correction or manipulation of such servicing data as may be required by the trustee to correct any errors or insufficiencies in the servicing data or otherwise to enable the trustee or the successor master servicer to service the mortgage loans properly and effectively, to the extent not paid by the terminated master servicer, will be payable to the trustee pursuant to the Pooling and Servicing Agreement. Any successor to the master servicer as successor servicer under any subservicing agreement shall give notice to the applicable mortgagors of such change of servicer and will, during the term of its service as successor servicer maintain in force the policy or policies that the master servicer is required to maintain pursuant to the Pooling and Servicing Agreement.

If the trustee will succeed to any duties of the master servicer respecting the mortgage loans as provided herein, it will do so in a separate capacity and not in its capacity as trustee and, accordingly, the provisions of the Pooling and Servicing Agreement concerning the trustee's duties will be inapplicable to the trustee in its duties as the successor to the master servicer in the servicing of the mortgage loans (although such provisions will continue to apply to the trustee in its capacity as trustee); the provisions of the Pooling and Servicing Agreement relating to the master servicer, however, will apply to it in its capacity as successor master servicer.

Upon any termination or appointment of a successor to the master servicer, the trustee will give prompt written notice thereof to certificateholders of record pursuant to the Pooling and Servicing Agreement and to the rating agencies.

The trustee will transmit by mail to all certificateholders and the Swap Provider, within 60 days after the occurrence of any event of default, notice of each such event of default hereunder actually known to a responsible officer of the trustee, unless such event of default shall have been cured or waived.

The trustee will not in any way be liable by reason of any insufficiency in any account held by or in the name of the trustee unless it is determined by a court of competent jurisdiction that the trustee's gross negligence or willful misconduct was the primary cause of such insufficiency (except to the extent that the trustee is obligor and has defaulted thereon). In no event will the trustee be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the trustee has been advised of the likelihood of such loss or damage and regardless of the form of action. Furthermore, the trustee will not be responsible for the acts or omissions of the other transaction parties, it being understood that the Pooling and Servicing Agreement will not be construed to render them partners, joint venturers or agents of one another. None of the foregoing will be construed, however, to relieve the trustee from liability for its own negligent action, its own negligent failure to act or its own willful misconduct. LaSalle, as trustee and in its individual capacity, will be entitled to reimbursement and indemnification by the issuing entity for any loss, liability or expense arising out of or in connection with the Pooling and Servicing Agreement as set forth in the Pooling and Servicing Agreement except any such loss, liability or expense as may arise from its negligence or intentional misconduct.

In addition to having express duties under the Pooling and Servicing Agreement, the trustee, as a fiduciary, also has certain duties unique to fiduciaries under applicable law. In general, the trustee will be subject to certain federal laws and, because the Pooling and Servicing Agreement is governed by New York law, certain New York state laws. As a national bank acting in a fiduciary capacity, the trustee will, in the administration of its duties under the Pooling and Servicing Agreement, be subject to certain regulations promulgated by the Office of the Comptroller of the Currency, specifically those set forth in Chapter 12, Part 9 of the Code of Federal Regulations. New York common law has required fiduciaries of common law trusts formed in New York to perform their duties in accordance with the "prudent person" standard, which, in this transaction, would require the trustee to exercise such diligence and care in the administration of the issuing entity as a person of ordinary prudence would employ in managing his own property. However, under New York common law, the application of this standard of care can be restricted contractually to apply only after the occurrence of a default. The Pooling and Servicing Agreement provides that the trustee is subject to the prudent person standard only for so long as an event of default has occurred and remains uncured.

The Custodian

In its capacity as custodian, LaSalle will hold the mortgage loan files exclusively for the use and benefit of the issuing entity. The custodian will not have any duty or obligation to inspect, review or examine any of the documents, instruments, certificates or other papers relating to the mortgage loans delivered to it to determine that the same are valid. The disposition of the mortgage loan files will be governed by the Pooling and Servicing Agreement. LaSalle provides custodial services on over 1,000 residential, commercial and asset-backed securitization transactions and maintains almost 2.5 million custodial files in its two vault locations in Elk Grove, Illinois and Irvine, California. LaSalle's two vault locations can maintain approximately 6 million custody files. All custody files are segregated and maintained in secure and fire resistant facilities in compliance with customary industry standards. The vault construction complies with Fannie Mae/Ginnie Mae guidelines applicable to document custodians. LaSalle maintains disaster recovery protocols to ensure the preservation of custody files in the event of force majeure and maintains, in full force and effect, such fidelity bonds and/or insurance policies as are customarily maintained by banks which act as custodians. LaSalle uses unique tracking numbers for each custody file to ensure segregation of collateral files and proper filing of the contents therein and accurate file labeling is maintained through a monthly quality assurance process. LaSalle uses a licensed collateral review system to track and monitor the receipt and movement internally or externally of custody files and any release of collateral or reinstatement of collateral.

The trustee and the sponsor are parties to certain custodial agreements whereby the trustee, for consideration, provides custodial services to the sponsor for certain residential mortgage loans originated or purchased by it.

Pursuant to these custodial agreements, the trustee is currently providing custodial services for the mortgage loans to be sold by the sponsor to the depositor in connection with this securitization. The terms of the custodial agreements are customary for the residential mortgage-backed securitization industry providing for the delivery, receipt, review and safekeeping of mortgage loan files.

THE INTEREST RATE SWAP AGREEMENT

LaSalle Bank National Association as the supplemental interest trust trustee (the "Supplemental Interest Trust Trustee") will enter into an interest rate swap agreement (the "Interest Rate Swap Agreement") with Wachovia Bank, National Association (the "Swap Provider") for the benefit of the holders of the offered certificates. The Interest Rate Swap Agreement will be held in the supplemental interest trust (the "Supplemental Interest Trust"). The Supplemental Interest Trust Trustee will appoint the Swap Administrator (defined below) pursuant to the Swap Administration Agreement (defined below) to receive and distribute funds with regards to the Interest Rate Swap Agreement on behalf of the Supplemental Interest Trust. On or before each distribution date, the Swap Administrator, pursuant to the Swap Administration Agreement, will deposit into an account held in the Supplemental Interest Trust (the "Swap Account") certain amounts, if any, received from the Swap Provider. The Swap Administrator will withdraw from the Swap Account and distribute to holders of the offered certificates certain amounts as described under "The Swap Administration Agreement" in this free writing prospectus. For the avoidance of doubt, the Supplemental Interest Trust, the Interest Rate Swap Agreement, the Swap Administration Agreement and the Swap Account will not be assets of any REMIC.

Under the Interest Rate Swap Agreement, on or before each distribution date commencing with the distribution date in April 2007 and ending with the distribution date in March 2012, the Swap Administrator, on behalf of the Supplemental Interest Trust, will be obligated to pay to the Swap Provider a fixed amount for that distribution date, or the Fixed Swap Payment, equal to the product of (x) a fixed rate equal to 4.924% per annum (subject to a variance of plus or minus 1.00%), (y) the product of (i) the notional amount for that distribution date and (ii) 100, and (z) a fraction, the numerator of which is 30 (or, in the case of the first distribution date, the number of days from and including the effective date (as defined in the Interest Rate Swap Agreement) to but excluding such distribution date, determined on a 30/360 basis) and the denominator of which is 360, and the Swap Provider will be obligated to pay to the Swap Administrator, on behalf of the Supplemental Interest Trust, a floating amount, or the Floating Swap Payment, equal to the product of (x) One-Month LIBOR as determined pursuant to the Interest Rate Swap Agreement, for the related calculation period (as defined in the Interest Rate Swap Agreement) (y) the product of (i) the notional amount for that distribution date and (ii) 100, and (z) a fraction, the numerator of which is equal to the actual number of days in the related calculation period and the denominator of which is 360. A net payment, referred to as a Net Swap Payment, will be required to be made on or before each applicable distribution date (a) by the Swap Administrator, on behalf of the Supplemental Interest Trust, to the Swap Provider, to the extent that the Fixed Swap Payment for such distribution date exceeds the Floating Swap Payment for such distribution date, or (b) by the Swap Provider to the Swap Administrator, on behalf of the Supplemental Interest Trust, to the extent that the Floating Swap Payment exceeds the Fixed Swap Payment for such distribution date. For each distribution date in respect of which a Net Swap Payment is required to be made to the Swap Provider, the trust will be required to make a payment to the Swap Account in the amount of such Net Swap Payment, prior to distributions to the certificateholders. The Swap Administrator, on behalf of the Supplemental Interest Trust, will only be required to make a Net Swap Payment to the Swap Provider to the extent of funds paid by the trust to the Swap Account.

The notional amount with respect to the Interest Rate Swap Agreement and each distribution date set forth below will be the related notional amount set forth below.

Month of Distribution Date	Interest Rate Swap Agreement Notional Amount ($) (the Notional Amount is subject to a variance of plus or minus 10%)
April 2007	9,921,028.9542
May 2007	9,829,769.6500
June 2007	9,710,026.1108
July 2007	9,561,777.1077
August 2007	9,385,230.4445
September 2007	9,180,855.2105
October 2007	8,949,351.7137
November 2007	8,691,701.1102
December 2007	8,409,177.5110
January 2008	8,103,480.9116
February 2008	7,779,107.0180
March 2008	7,452,713.0062
April 2008	7,139,242.7152
May 2008	6,839,346.0304
June 2008	6,552,421.4359
July 2008	6,277,894.5403
August 2008	6,015,216.8380
September 2008	5,763,864.6813
October 2008	5,523,337.6784
November 2008	5,293,158.5120
December 2008	5,072,870.7575
January 2009	4,862,039.9419

February 2009	4,660,278.3020
March 2009	4,467,292.5296
April 2009	4,282,714.2164
May 2009	4,106,007.0324
June 2009	3,936,826.4048
July 2009	3,774,843.1965
August 2009	3,619,743.1388
September 2009	3,471,239.4965
October 2009	3,329,048.8761
November 2009	3,192,876.7190
December 2009	3,062,461.5026
January 2010	2,937,553.6203
February 2010	2,817,921.4785
March 2010	2,703,335.2125
April 2010	2,593,571.0633
May 2010	2,488,416.9989
June 2010	2,387,673.7133
July 2010	2,291,150.8387
August 2010	2,198,667.9229
September 2010	2,110,049.6618
October 2010	2,025,129.3615
November 2010	1,943,747.6380
December 2010	1,865,752.4988
January 2011	1,790,998.6682
February 2011	1,719,347.2274
March 2011	1,650,665.3630
April 2011	1,584,826.1343
May 2011	1,521,708.0804
June 2011	1,461,195.1169
July 2011	1,403,176.2419
August 2011	1,347,545.3163
September 2011	1,294,200.8253
October 2011	1,243,045.6969
November 2011	1,193,987.0489
December 2011	1,146,936.0037
January 2012	1,101,806.6365
February 2012	1,058,514.7493
March 2012	1,016,860.9046

The Interest Rate Swap Agreement will terminate following the last distribution date specified above, unless the Interest Rate Swap Agreement is terminated earlier upon the occurrence of a Swap Event of Default, an Early Termination Event or a Swap Additional Termination Event, each as defined below.

The respective obligations of the Swap Provider and the Swap Administrator, on behalf of the Supplemental Interest Trust, to pay specified amounts due under the Interest Rate Swap Agreement (other than any Swap Termination Payment, as defined below) generally will be subject to the following conditions precedent: (1) no Swap Event of Default (as defined below) or event that with the giving of notice or lapse of time or both would become a Swap Event of Default will have occurred and be continuing with respect to the other party and (2) no "early termination date" (as defined in the Interest Rate Swap Agreement) has occurred or been effectively designated.

Events of default under the Interest Rate Swap Agreement (each a "Swap Event of Default") include the following:

- failure to make a payment as required under the terms of the Interest Rate Swap Agreement,
- failure by the Swap Provider to comply with or perform certain agreements or obligations as required under the terms of the Interest Rate Swap Agreement,
- failure by the Swap Provider to comply with or perform certain agreements or obligations in connection with any credit support document as required under the terms of the Interest Rate Swap Agreement,
- certain representations by the Swap Provider or its credit support provider prove to have been incorrect or misleading in any material respect,

- repudiation or certain defaults by the Swap Provider or any credit support provider in respect of any derivative or similar transactions entered into between the Supplemental Interest Trust Trustee and the Swap Provider and specified for this purpose in the Interest Rate Swap Agreement,

- cross-default by the Swap Provider or any credit support provider relating generally to its obligations in respect of borrowed money in excess of a threshold specified in the Interest Rate Swap Agreement,

- certain insolvency or bankruptcy events, and

- a merger by a party to the Interest Rate Swap Agreement without an assumption of such party's obligations under the Interest Rate Swap Agreement,

each as further described in the Interest Rate Swap Agreement.

Termination Events under the Interest Rate Swap Agreement (each a "Swap Termination Event") include the following:

- illegality (which generally relates to changes in law causing it to become unlawful for either party to perform its obligations under the Interest Rate Swap Agreement),

- tax event (which generally relates to the application of certain withholding taxes to amounts payable under the Interest Rate Swap Agreement, as a result of a change in tax law or certain similar events), and

- tax event upon merger (which generally relates to the application of certain withholding taxes to amounts payable under the Interest Rate Swap Agreement as a result of a merger or similar transaction),

each as further described in the Interest Rate Swap Agreement.

Additional termination events under the Interest Rate Swap Agreement (each a "Swap Additional Termination Event"), include the following:

- failure of the Swap Provider to maintain certain credit ratings or otherwise comply with the downgrade provisions of the Interest Rate Swap Agreement (including certain collateral posting requirements), in each case in certain circumstances as specified in the Interest Rate Swap Agreement,

- failure of the Swap Provider to comply with the Regulation AB provisions of the Interest Rate Swap Agreement (including, if applicable, the provisions of any additional agreement incorporated by reference into the Interest Rate Swap Agreement),

- occurrence of an optional termination of the securitization pursuant to the terms of the Pooling and Servicing Agreement, and

- amendment of the Pooling and Servicing Agreement in a manner contrary to the requirements of the Interest Rate Swap Agreement,

each as further described in the Interest Rate Swap Agreement.

If the Swap Provider's credit ratings are withdrawn or reduced below certain ratings thresholds specified in the Interest Rate Swap Agreement, the Swap Provider may be required, at its own expense and in accordance with the requirements of the Interest Rate Swap Agreement, to do one or more of the following: (1) obtain a substitute swap provider, or (2) establish any other arrangement as may be specified for such purpose in the Interest Rate Swap Agreement.

Upon the occurrence of a Swap Event of Default, the non-defaulting party will have the right to designate an early termination date (an "Early Termination Date"). Upon the occurrence of a Swap Termination Event or a Swap Additional Termination Event, an Early Termination Date may be designated by one of the parties as specified in the Interest Rate Swap Agreement, and will occur only upon notice (including, in some circumstances, notice to the rating agencies) and, in some circumstances, after any affected party has used reasonable efforts to transfer its rights and obligations under the Interest Rate Swap Agreement to a related entity within a specified period after notice has been given of the Swap Termination Event, and, in the case of a downgrade below the second ratings threshold, only if a firm offer from a replacement swap provider remains capable of acceptance by the offeree, all as set forth in the Interest Rate Swap Agreement. The occurrence of an Early Termination Date under the Interest Rate Swap Agreement will constitute a "Swap Early Termination."

Upon a Swap Early Termination, the Swap Administrator, on behalf of the Supplemental Interest Trust, or the Swap Provider may be liable to make a swap termination payment (the "Swap Termination Payment") to the other, regardless, if applicable, of which of the parties has caused the termination. The Swap Termination Payment will be computed in accordance with the procedures set forth in the Interest Rate Swap Agreement. In the event that the Swap Administrator is required to make a Swap Termination Payment to the Swap Provider, the trust will be required to make a payment to the Swap Administrator in the same amount (to the extent such Swap Termination Payment has not been paid by the Swap Administrator from any upfront payment received pursuant to any replacement interest rate swap agreement that may be entered into by the Supplemental Interest Trust Trustee). In the case of a Swap Termination Payment not triggered by a Swap Provider Trigger Event (as defined in this free writing prospectus), the trust will be required to pay such amount on the related distribution date, and on any subsequent distribution date, until paid in full, prior to distributions to the certificateholders, and in the case of a Swap Termination Payment triggered by a Swap Provider Trigger Event, the trust's obligation to make such payment generally will be subordinated to certain distributions to the holders of the offered certificates to the extent described in the Pooling and Servicing Agreement.

Upon a Swap Early Termination other than in connection with the optional termination of the trust, the Swap Administrator, pursuant to the Swap Administration Agreement, will use reasonable efforts to appoint a successor swap provider to enter into a new interest rate swap agreement on terms substantially similar to the Interest Rate Swap Agreement, with a successor swap provider meeting all applicable eligibility requirements. If the Swap Administrator receives a Swap Termination Payment from the Swap Provider in connection with such Swap Early Termination, the Swap Administrator will apply such Swap Termination Payment to any upfront payment required to appoint the successor swap provider. If the Swap Administrator is required to pay a Swap Termination Payment to the Swap Provider in connection with such Swap Early Termination, the Swap Administrator will apply any upfront payment received from the successor swap provider to pay such Swap Termination Payment. If the Swap Administrator is unable to appoint a successor swap provider within 30 days of the Swap Early Termination, then the Swap Administrator will deposit any Swap Termination Payment received from the original Swap Provider into a separate, non-interest bearing reserve account and will, on each subsequent distribution date, withdraw from the amount then remaining on deposit in such reserve account an amount equal to the Net Swap Payment, if any, that would have been paid to the Swap

Administrator by the original Swap Provider calculated in accordance with the terms of the original Interest Rate Swap Agreement, and distribute such amount in accordance with the terms of the Pooling and Servicing Agreement and the Swap Administration Agreement.

Upon a Swap Early Termination in connection with the optional termination of the trust, if the Swap Administrator is required to make a Swap Termination Payment to the Swap Provider, the party exercising such optional termination of the trust will be required to include in its payment an amount equal to such Swap Termination Payment, as described in this free writing prospectus. If the Swap Administrator receives a Swap Termination Payment from the Swap Provider in connection with such Swap Early Termination, such Swap Termination Payment generally will be available in accordance with the terms of the Swap Administration Agreement.

A “Swap Provider Trigger Event” shall mean: (i) an Event of Default under the Interest Rate Swap Agreement with respect to which the Swap Provider is a Defaulting Party (as defined in the Interest Rate Swap Agreement), (ii) a Termination Event under the Interest Rate Swap Agreement with respect to which the Swap Provider is the sole Affected Party (as defined in the Interest Rate Swap Agreement) or (iii) an Additional Termination Event under the Interest Rate Swap Agreement with respect to which the Swap Provider is the sole Affected Party.

The Swap Provider

The Swap Provider is a national banking association that has, as of the date of this free writing prospectus, long-term debt ratings from S&P, Fitch Ratings and Moody’s of “AA”, “AA-” and “Aa1”, respectively, and short-term debt ratings from S&P, Fitch Ratings and Moody’s of “A-1+”, “F1+” and “P-1”, respectively. The ratings reflect the respective rating agency’s current assessment of the creditworthiness of the Swap Provider and may be subject to revision or withdrawal at any time by the rating agencies. The Swap Provider will provide upon request, without charge, to each person to whom this free writing prospectus is delivered, a copy of the most recent audited annual financial statements of the Wachovia Corporation, the parent company of the Swap Provider. Requests for such information should be directed to Wachovia Corporation - Investor Relations, (704) 374-6782 or in writing at Wachovia Corporation, Investor Relations, 301 South College Street, Charlotte, NC 28288-0206.

The Swap Provider has not participated in the preparation of this free writing prospectus and has not reviewed and is not responsible for any information contained in this free writing prospectus, other than the information contained in the immediately preceding paragraph.

The aggregate “significance percentage” of the Interest Rate Swap Agreement, as calculated in accordance with Regulation AB Item 1115, is less than 10%. As provided in the Interest Rate Swap Agreement, the Swap Provider may be replaced in certain circumstances, including if the aggregate significance percentage of the Interest Rate Swap Agreement is equal to or greater than 10%.

THE SWAP ADMINISTRATION AGREEMENT

LaSalle Bank National Association will act as swap administrator (in such capacity, the “Swap Administrator”) under a swap administration agreement (the “Swap Administration Agreement”). The Swap Administrator will only be obligated to make payments to holders of the offered certificates to the extent that it receives funds from the swap provider. The Swap Administrator will only be obligated to make payments to the swap provider to the extent that it receives funds from the trust. The Swap Administrator will be entitled to reimbursement or indemnification by the trust for any loss, liability or expense arising out of or in connection with the Swap Administration Agreement as set forth in the Pooling and Servicing Agreement except any such loss, liability or expense as may arise from its negligence or intentional misconduct. Any resignation or removal of LaSalle Bank National Association as trustee will also result in the resignation or removal, as applicable, of LaSalle Bank National Association as the Swap Administrator.

On or before each distribution date, as applicable, Net Swap Payments payable by the Swap Provider to the Swap Administrator under the Interest Rate Swap Agreement will be deposited by the Swap Administrator into the Swap Account in respect of the Interest Rate Swap Agreement. On each distribution date, to the extent required, the Swap Administrator will withdraw the following amounts from amounts on deposit in the Swap Account and distribute such amounts to the offered certificates in the following order of priority:

first, to each class of Class A Certificates, on a pro rata basis, to pay Current Interest and any Interest Carry Forward Amount to the extent due to the interest portion of a Realized Loss with respect to the mortgage loans, in each case to the extent not fully paid as described under “*Description of the Certificates — Distributions on the Certificates—Interest Distributions*” above;

second, sequentially to the Class M-1, Class M-2, Class M-3, Class M-4, Class M-5, Class M-6, Class M-7, Class M-8 and Class M-9 Certificates, in that order, to pay Current Interest, in each case to the extent not fully paid as described under “*Description of the Certificates—Distributions on the Certificates—Interest Distributions*” above, and any Interest Carry Forward Amount, in each case to the extent due to the interest portion of a Realized Loss with respect to the mortgage loans as described under “*Description of the Certificates—Distributions on the Certificates—Interest Distributions*” above;

third, to pay, first to the Class A Certificates, on a pro rata basis, based on the amount of the Basis Risk Shortfall Carry Forward Amount for each such class, and second, sequentially to the Class M-1, Class M-2, Class M-3, Class M-4, Class M-5, Class M-6, Class M-7, Class M-8, Class M-9 and Class M-10 Certificates, in that order, any Basis Risk Shortfall Carry Forward Amounts for such distribution date; and

fourth, to pay as principal to the offered certificates to be applied as part of the Extra Principal Distribution Amount to the extent that the Overcollateralization Amount is reduced below the Overcollateralization Target Amount as a result of Realized Losses and to the extent not covered by Excess Spread and to be distributed in the same manner and priority as the Principal Distribution Amount and as described under “*Description of the Certificates—Excess Spread and Overcollateralization Provisions*” above.

Any such amounts remaining in the Swap Account after the distributions described in clauses *first* through *fourth* above will be distributed by the Swap Administrator as set forth in the Swap Administration Agreement.

Amounts payable by the trust to the Swap Administrator in respect of Net Swap Payments payable to the Swap Provider and Swap Termination Payments other than Swap Termination Payments resulting from a Swap Provider Trigger Event payable to the Swap Provider (other than to the extent already paid by the Swap Administrator from any upfront payment received pursuant to any replacement interest rate swap agreement that may be entered into by the Supplemental Interest Trust Trustee) will be deducted from available funds before distributions to the holders of the offered certificates. On or before each applicable distribution date, such amounts will be distributed by the trust to the Swap Administrator, and paid by the Swap Administrator to the Swap Provider in the following order of priority:

first, to make any Net Swap Payment owed to the Swap Provider pursuant to the Interest Rate Swap Agreement for such distribution date, and

second, to make any Swap Termination Payment not due to a Swap Provider Trigger Event owed to the Swap Provider pursuant to the Interest Rate Swap Agreement (other than to the extent already paid by the Swap Administrator from any upfront payment received pursuant to any replacement interest rate swap agreement that may be entered into by the Swap Administrator).

Payments by the trust to the Swap Administrator in respect of any Swap Termination Payment triggered by a Swap Provider Trigger Event owed to the Swap Provider pursuant to the Interest Rate Swap Agreement (other than to the extent already paid by the Swap Administrator from any upfront payment received pursuant to any replacement interest rate swap agreement that may be entered into by the Supplemental Interest Trust Trustee) will be subordinated to distributions to the holders of the offered certificates and will be paid by the trust to the Swap Administrator as set forth in the Pooling and Servicing Agreement.

YIELD, PREPAYMENT AND MATURITY CONSIDERATIONS

General

The weighted average life of, and the yield to maturity on, each class of offered certificates generally will be directly related to the rate of payment of principal, including prepayments, of the mortgage loans. The actual rate of principal prepayments on pools of mortgage loans is influenced by a variety of economic, tax, geographic, demographic, social, legal and other factors and has fluctuated considerably in recent years. In addition, the rate of principal prepayments may differ among pools of mortgage loans at any time because of specific factors relating to the mortgage loans in the particular pool, including, among other things, the age of the mortgage loans, the geographic locations of the properties securing the loans, the extent of the mortgagors' equity in such properties, and changes in the mortgagors' housing needs, job transfers and employment status. The rate of principal prepayments may also be affected by whether the mortgage loans impose prepayment penalties. Approximately 74.17% of the mortgage loans in Loan Group I, by aggregate principal balance as of the cut-off date imposed a prepayment charge in connection with voluntary prepayments made within up to five years after origination, which prepayment charges may discourage prepayments during the applicable period. Approximately 64.95% of the mortgage loans in Loan Group II imposed a prepayment charge in connection with voluntary prepayments made within up to three years after origination, which prepayment charges may discourage prepayments during the applicable period. Approximately 60.84% of the mortgage loans in Loan Group III imposed a prepayment charge in connection with voluntary prepayments made within up to three years after origination, which prepayment charges may discourage prepayments during the applicable period. Approximately 70.65% of the mortgage loans in the aggregate, by aggregate principal balance as of the cut-off date, imposed a prepayment charge in connection with voluntary prepayments made within up to five years after origination, which prepayment charges may discourage prepayments during the applicable period. For a detailed description of the characteristics of the prepayment charges on the mortgage loans, and the standards under which the prepayment charges may be waived by the master servicer, please see "*The Mortgage Pool—Prepayment Charges on the Mortgage Loans*" in this free writing prospectus. There can be no assurance that the prepayment charges will have any effect on the prepayment performance of the mortgage loans.

These penalties, if still applicable and if enforced by the master servicer would typically discourage prepayments on the mortgage loans. The holders of the Class P Certificates will be entitled to all prepayment charges received on the mortgage loans and these amounts will not be available for distribution on the other classes of certificates. However, there can be no assurance that the prepayment charges will have any effect on the prepayment performance of the mortgage loans. Investors are encouraged to conduct their own analysis of the effect, if any, that the prepayment charges may have on the prepayment performance of the mortgage loans.

The timing of changes in the rate of prepayments may significantly affect the actual yield to investors who purchase the offered certificates at prices other than par, even if the average rate of principal prepayments is consistent with the expectations of investors. In general, the earlier the payment of principal of the mortgage loans the greater the effect on an investor's yield to maturity. As a result, the effect on an investor's yield of principal prepayments occurring at a rate higher or lower than the rate anticipated by the investor during the period immediately following the issuance of the offered certificates may not be offset by a subsequent like reduction or increase in the rate of principal prepayments.

Certain of the mortgage loans were underwritten generally in accordance with underwriting standards which are primarily intended to provide for single family "non-conforming" mortgage loans. A "non-conforming" mortgage loan means a mortgage loan which is ineligible for purchase by Fannie Mae or Freddie Mac due to either credit characteristics of the related mortgagor, i.e., borrowers on the mortgage loans may have an impaired or unsubstantiated credit history, or documentation standards in connection with the underwriting of the related mortgage loan that do not meet the Fannie Mae or Freddie Mac underwriting guidelines. These documentation standards may include mortgagors who provide limited or no documentation in connection with the underwriting of the related mortgage loan. Accordingly, mortgage loans underwritten under the originator's non-conforming credit underwriting standards are likely to experience rates of delinquency, foreclosure and loss that are higher, and may be substantially higher, than mortgage loans originated in accordance with the Fannie Mae or Freddie Mac underwriting guidelines. Any resulting losses, to the extent not covered by credit enhancement, may affect the yield to maturity of the offered certificates.

The weighted average life and yield to maturity of each class of offered certificates will also be influenced by the amount of Excess Spread generated by the mortgage loans and applied in reduction of the Certificate Principal Balances of such certificates. The level of Excess Spread available on any distribution date to be applied in reduction of the Certificate Principal Balances of the offered certificates will be influenced by, among other factors,

- the overcollateralization level of the assets in the related loan group at such time, i.e., the extent to which interest on the mortgage loans is accruing on a higher Stated Principal Balance than the Certificate Principal Balance of offered certificates;
- with respect to the offered certificates, the final Overcollateralization Target Amount, Stepdown Date and the final Trigger Event;
- the delinquency and default experience of the mortgage loans; and
- the provisions of the Pooling and Servicing Agreement that permit principal collections to be distributed to the Class CE Certificates and the Class R Certificates in each case as provided in the Pooling and Servicing Agreement when required overcollateralization levels have been met.

To the extent that greater amounts of Excess Spread are distributed in reduction of the Certificate Principal Balance of a class of offered certificates, the weighted average life thereof can be expected to shorten. No assurance, however, can be given as to the amount of Excess Spread to be distributed at any time or in the aggregate.

We refer you to "*Description of the Certificates — Distributions on the Certificates*" and " *— Excess Spread and Overcollateralization Provisions*" in this free writing prospectus.

The yields to maturity of the offered certificates and, in particular the subordinated certificates, in the order of payment priority, will be progressively more sensitive to the rate, timing and severity of Realized Losses on the mortgage loans. If an Applied Realized Loss Amount is allocated to a class of the offered certificates, that class will thereafter accrue interest on a reduced Certificate Principal Balance.

Prepayments and Yields of Offered Certificates

The extent to which the yield to maturity of the offered certificates may vary from the anticipated yield will depend upon the degree to which it is purchased at a discount or premium and, correspondingly, the degree to which the timing of payments thereon is sensitive to prepayments, liquidations and purchases of the mortgage loans. In particular, in the case of the offered certificates purchased at a discount, an investor is encouraged to consider the risk that a slower than anticipated rate of principal payments, liquidations and purchases of the mortgage loans could result in an actual yield to such investor that is lower than the anticipated yield and, in the case of an offered certificate purchased at a premium, the risk that a faster than anticipated rate of principal payments, liquidations and purchases of such mortgage loans could result in an actual yield to such investor that is lower than the anticipated yield.

Mortgage loans with higher mortgage rates may prepay faster than mortgage loans with relatively lower mortgage rates in response to a given change in market interest rates. Any such disproportionate prepayment of mortgage loans may reduce the Net Rate Cap applicable to a class or classes of certificates. If the Pass-Through Rate on a class of certificates is limited by its Net Rate Cap no amounts will be distributable on the applicable distribution date or on any future distribution date in respect of the foregone interest amounts, except to the extent that amounts under the Interest Rate Swap Agreement and any Excess Spread is available on future distribution dates to pay Basis Risk Shortfall Carry Forward Amounts. See *"Description of the Certificates — Excess Spread and Overcollateralization Provisions"* and *"The Interest Rate Swap Agreement"*.

To the extent that the Pass-Through Rate on the offered certificates is limited by the applicable Net Rate Cap, the difference between (x) the interest amount payable to such class at the applicable Pass-Through Rate without regard to the related Net Rate Cap, and (y) the Current Interest payable to such class on an applicable distribution date will create a Basis Risk Shortfall. The Interest Rate Swap Agreement will provide some protection against such Basis Risk Shortfalls. However, the Interest Rate Swap Agreement may not provide sufficient funds to cover all such Basis Risk Shortfalls. In addition, payments under the Interest Rate Swap Agreement are limited to a specified rate in effect from time to time. To the extent that net amounts payable under the Interest Rate Swap Agreement are insufficient to cover all such Basis Risk Shortfalls, some or all of the Excess Spread may be used. However, there can be no assurance that the Excess Spread will be sufficient to cover these Basis Risk Shortfalls, particularly because on any distribution date where the Pass-Through Rate is limited to the related Net Rate Cap, there will be little or no excess interest.

In the case of the Interest Rate Swap Agreement, in the event of a decrease in One-Month LIBOR, the amount of Excess Spread available to the offered certificates will be reduced by any Net Swap Payments and Swap Termination Payments (to the extent not due to a Swap Provider Trigger Event and other than to the extent already paid by the Swap Administrator from any upfront payment received pursuant to any replacement interest rate swap agreement that may be entered into by the Supplemental Interest Trust Trustee) paid to the Swap Provider as described in this free writing prospectus. In addition, the related Net Rate Cap and therefore the Pass-Through Rate on offered certificates may be reduced by the requirement of the issuing entity to pay any Net Swap Payments and Swap Termination Payments (to the extent not due to a Swap Provider Trigger Event and other than to the extent already paid by the Swap Administrator from any upfront payment received pursuant to any replacement interest rate swap agreement that may be entered into by the Supplemental Interest Trust Trustee) to the Swap Provider as described in this free writing prospectus.

The "last scheduled distribution date" for each class of offered certificates (other than the Class I-A-1, Class I-A-2 and Class I-A-3 Certificates) is the distribution date in March 2037, which is the distribution date in the month following the latest maturing mortgage loan. Assuming a 0% prepayment assumption, no losses or delinquencies on the mortgage loans, and no Excess Spread on any distribution date, the last scheduled distribution date for the Class I-A-1, Class I-A-2 and Class I-A-3 Certificates is the distribution date in August 2029, August 2034 and January 2037, respectively. The actual final distribution date with respect to each class of offered certificates could occur significantly earlier than its last scheduled distribution date because

- prepayments on the related mortgage loans are likely to occur which will be applied to the payment of the Certificate Principal Balances thereof,
- Excess Spread to the extent available will be applied as an accelerated payment of principal on the offered certificates to the extent described in this free writing prospectus, and
- the majority holder of the Class CE Certificates may purchase all the mortgage loans when the outstanding Stated Principal Balances thereof and REO properties have declined to 10% or less of the cut-off date principal balance of the mortgage loans and may purchase mortgage loans in certain other circumstances as described in this free writing prospectus. If the majority holder of the Class CE Certificates does not exercise such right, the master servicer may purchase all the mortgage loans when the outstanding Stated Principal Balances thereof and REO properties have declined to 5% or less of the cut-off date principal balance of the mortgage loans and may purchase mortgage loans in certain other circumstances as described in this free writing prospectus.

The sponsor may from time to time implement programs designed to encourage refinancing. These programs may include, without limitation, modifications of existing loans, general or targeted solicitations, the offering of pre-approved applications, reduced origination fees or closing costs, or other financial incentives. Targeted solicitations may be based on a variety of factors, including the credit of the borrower or the location of the mortgaged property. In addition, the sponsor may encourage assumptions of mortgage loans, including defaulted mortgage loans, under which creditworthy borrowers assume the outstanding indebtedness of the mortgage loans which may be removed from the mortgage pool. As a result of these programs, with respect to the mortgage pool underlying any issuing entity, the rate of principal prepayments of the mortgage loans in the mortgage pool may be higher than would otherwise be the case, and in some cases, the average credit or collateral quality of the mortgage loans remaining in the mortgage pool may decline.

Prepayments on mortgage loans are commonly measured relative to a prepayment standard or model. The model used in this free writing prospectus, which we refer to as the prepayment model, is a prepayment assumption which represents an assumed rate of prepayment each month relative to the then outstanding principal balance of a pool of mortgage loans similar to the mortgage loans for the life of such mortgage loans. A 100% prepayment assumption assumes that the outstanding principal balance of a pool of mortgage loans prepays at a constant prepayment rate ("CPR") of 4% in the first month of the life of such pool, such rate increasing by an additional approximate 1.91% CPR (precisely 21%/11), in the case of the fixed rate mortgage loans, and an additional approximate 2.82% CPR (precisely 31%/11) in the case of the adjustable rate mortgage loans, each month thereafter through the twelfth month of the life of such pool, and such rate thereafter remaining constant at 25% CPR, in the case of the fixed rate mortgage loans, and 35% CPR, in the case of the adjustable rate mortgage loans, for the remainder of the life of such pool.

There is no assurance, however, that prepayments on the mortgage loans will conform to any level of the prepayment model, and no representation is made that the mortgage loans will prepay at the prepayment rates shown or any other prepayment rate. The rate of principal payments on pools of mortgage loans is influenced by a variety of economic, geographic, social and other factors, including the level of interest rates. Other factors affecting prepayment of mortgage loans include changes in obligors, housing needs, job transfers and unemployment. In the case of mortgage loans in general, if prevailing interest rates fall significantly below the interest rates on such mortgage loans, the mortgage loans are likely to be subject to higher prepayment rates than if prevailing interest rates remain at or above the rates borne by such mortgage loans. Conversely, if prevailing interest rates rise above the interest rates on such mortgage loans, the rate of prepayment would be expected to decrease.

The following tables have been prepared on the basis of the following assumptions, which we refer to, collectively, as modeling assumptions:

- the mortgage loans in the respective loan groups prepay at the indicated percentages of the prepayment assumption;
- distributions on the offered certificates are received, in cash, on the 25th day of each month, commencing in April 2007, in accordance with the payment priorities defined in this free writing prospectus;
- no defaults or delinquencies in, or modifications, waivers or amendments respecting, the payment by the mortgagors of principal and interest on the mortgage loans occur;
- scheduled payments are assumed to be received on the first day of each month commencing in April 2007, there are no shortfalls in the payment of interest to certificateholders, and prepayments represent payment in full of individual mortgage loans and are assumed to be received on the last day of each month, commencing in March 2007, and include 30 days interest thereon;
- the level of Six-Month LIBOR, One-Year Treasury and One-Month LIBOR remains constant at 5.26%, 5.08% and 5.33% per annum, respectively;
- the mortgage rate on each adjustable rate mortgage loan will be adjusted on each interest adjustment date (as necessary) to a rate equal to Six-Month LIBOR or One Year Treasury (as described above), plus the applicable gross margin, subject to maximum lifetime mortgage rates, minimum lifetime mortgage rates and periodic caps (as applicable);
- scheduled payments of principal and interest on the mortgage loans are calculated on their respective principal balances (prior to giving effect to prepayments received thereon during the preceding calendar month), mortgage rate and remaining amortization terms to maturity such that the mortgage loans will fully amortize by their remaining amortization terms (taking into account any remaining interest only periods or balloon periods) except in the case of loan numbers 5, 8, 31, 33, 51 and 53 indicated in the table below which amortize for the first ten years based on a 40-year term to maturity, and thereafter amortize based on a 20-year term to maturity;
- scheduled payments of principal and interest on each mortgage loan will be adjusted in the month immediately following each interest adjustment date (as necessary) for such mortgage loan to equal the fully amortizing payment described in the bullet point above;
- the closing date for the certificates is March 30, 2007;
- the Overcollateralization Target Amount, the Stepdown Date and the Trigger Event are described in this free writing prospectus (without variance);
- except as indicated with respect to the weighted average lives, the majority holder of the Class CE Certificates or the master servicer, as applicable, does not exercise its right to purchase the assets of the issuing entity on the optional termination date; and
- each loan group consists of the mortgage loans having the approximate characteristics described below:

Loan Number	Group	Current Balances ($)	Current Mortgage Rate (%)	Aggregate Expense Rate (%)	Remaining Term to Maturity for Balloon Loans (in months)	Original Amortization Term (in months)	Remaining Amortization Term (in months)	Gross Margin (%)	Initial Periodic Rate Cap (%)
1	I	32,839,516.16	7.710	0.500	358	480	478	N/A	N/A
2	I	19,087,101.75	7.160	0.500	359	600	599	N/A	N/A
3	I	216,560.69	8.675	0.500	177	360	357	N/A	N/A
4	I	91,684,986.18	7.824	0.500	N/A	357	356	N/A	N/A
5	I	4,519,185.07	7.723	0.500	N/A	480	478	N/A	N/A
6	I	33,257,248.00	7.323	0.500	N/A	360	358	N/A	N/A
7	I	115,544.62	9.625	0.500	N/A	360	358	7.150	2.000
8	I	2,877,300.00	8.110	0.500	N/A	480	479	5.785	2.000
9	I	115,886,398.89	8.759	0.500	N/A	360	358	5.791	2.440
10	I	136,272,415.27	8.222	0.500	358	480	478	6.003	2.249
11	I	25,965,602.20	7.827	0.500	359	600	599	5.604	2.277
12	I	104,831,163.00	7.885	0.500	N/A	360	358	5.797	2.527
13	I	10,491,297.73	8.747	0.500	N/A	360	357	6.029	2.254
14	I	14,372,957.72	8.540	0.500	358	480	478	5.923	2.070
15	I	1,714,721.86	7.938	0.500	359	600	599	5.468	2.851
16	I	8,014,560.00	7.940	0.500	N/A	360	358	5.681	2.318
17	I	3,837,209.11	6.988	0.500	N/A	360	359	5.561	2.271
18	I	433,232.65	7.376	0.500	357	480	477	6.097	2.295
19	I	1,855,163.29	7.552	0.500	359	600	599	5.501	2.334
20	I	2,114,570.00	7.818	0.500	N/A	360	358	6.350	2.947

21	I	5,840,198.24	8.459	0.500	N/A	360	358	5.506	2.000
22	I	22,237,958.00	7.637	0.500	N/A	360	358	5.905	2.000
23	I	91,988.08	10.650	0.500	358	480	478	N/A	N/A
24	I	27,237,524.46	10.862	0.500	178	360	358	N/A	N/A
25	I	27,000.00	11.825	0.500	178	360	358	N/A	N/A
26	I	4,240,653.92	11.790	0.500	N/A	336	335	N/A	N/A
27	II	8,634,929.28	8.001	0.500	359	480	479	N/A	N/A
28	II	3,825,594.62	7.433	0.500	359	600	599	N/A	N/A
29	II	359,673.28	9.900	0.500	177	360	357	N/A	N/A
30	II	26,556,366.56	7.959	0.500	N/A	349	349	N/A	N/A
31	II	2,824,527.60	7.643	0.500	N/A	480	478	N/A	N/A
32	II	4,063,250.00	7.330	0.500	N/A	360	358	N/A	N/A
33	II	1,333,000.00	7.977	0.500	N/A	480	479	5.325	2.000
34	II	46,808,445.52	8.880	0.500	N/A	360	358	5.719	2.381
35	II	45,687,616.38	8.386	0.500	359	480	479	5.847	2.265
36	II	8,053,591.54	7.992	0.500	359	600	599	5.766	2.367
37	II	17,026,542.00	7.789	0.500	N/A	360	358	5.623	2.355
38	II	5,599,029.25	9.119	0.500	N/A	360	357	5.804	1.685
39	II	7,074,263.46	8.943	0.500	358	480	478	5.771	1.700
40	II	1,618,250.00	8.618	0.500	N/A	360	357	5.543	1.886
41	II	913,779.71	8.421	0.500	N/A	360	358	5.591	2.695
42	II	271,918.63	7.850	0.500	358	480	478	6.300	3.000
43	II	345,000.00	7.350	0.500	359	600	599	6.000	3.000
44	II	1,058,289.38	8.982	0.500	N/A	360	358	5.969	2.000
45	II	1,784,982.00	8.240	0.500	N/A	360	358	5.939	2.000
46	II	4,038,316.95	11.479	0.500	179	360	359	N/A	N/A
47	II	6,358,362.00	11.414	0.500	N/A	353	353	N/A	N/A
48	III	5,421,266.12	7.472	0.500	359	480	479	N/A	N/A
49	III	916,600.00	7.270	0.500	359	600	599	N/A	N/A
50	III	14,925,343.11	7.854	0.500	N/A	356	355	N/A	N/A
51	III	179,486.25	7.250	0.500	N/A	480	478	N/A	N/A
52	III	1,176,150.00	7.415	0.500	N/A	360	358	N/A	N/A
53	III	756,500.00	9.682	0.500	N/A	480	479	5.545	2.000
54	III	31,527,408.62	8.932	0.500	N/A	360	359	5.710	2.265
55	III	40,998,309.74	8.382	0.500	359	480	479	5.817	2.276
56	III	3,480,150.00	8.186	0.500	359	600	599	5.553	2.000
57	III	13,619,585.00	7.590	0.500	N/A	360	359	5.625	2.278
58	III	4,387,578.37	9.018	0.500	N/A	360	358	5.627	1.697
59	III	6,139,219.81	8.834	0.500	358	480	478	5.684	1.673
60	III	1,813,000.00	8.156	0.500	N/A	360	358	5.566	1.809
61	III	515,500.00	7.050	0.500	N/A	360	359	5.250	2.000
62	III	364,884.36	7.650	0.500	358	480	478	5.500	2.000
63	III	165,000.00	7.000	0.500	N/A	360	358	5.750	3.000
64	III	835,128.99	9.395	0.500	N/A	360	358	5.823	2.000
65	III	584,000.00	8.258	0.500	N/A	360	358	5.800	2.000

Loan Number	Group	Subsequent Periodic Rate Cap (%)	Minimum Gross Mortgage Rate (%)	Maximum Gross Mortgage Rate (%)	Number of Months Until First Rate Adjustment	Rate Adjustment Frequency (in months)	Index	Remaining Interest Only Period (in months)
1	I	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2	I	N/A	N/A	N/A	N/A	N/A	N/A	N/A
3	I	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4	I	N/A	N/A	N/A	N/A	N/A	N/A	N/A
5	I	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6	I	N/A	N/A	N/A	N/A	N/A	N/A	60
7	I	1.000	9.625	15.625	4	6	6 Mo. LIBOR	N/A
8	I	1.000	8.110	13.110	23	6	6 Mo. LIBOR	N/A
9	I	1.098	8.608	14.514	22	6	6 Mo. LIBOR	N/A
10	I	1.076	7.953	13.960	22	6	6 Mo. LIBOR	N/A
11	I	1.000	7.725	13.104	23	6	6 Mo. LIBOR	N/A
12	I	1.063	7.811	13.638	22	6	6 Mo. LIBOR	61
13	I	1.385	7.362	15.209	33	6	6 Mo. LIBOR	N/A
14	I	1.404	6.935	14.947	34	6	6 Mo. LIBOR	N/A
15	I	1.000	7.938	13.789	35	6	6 Mo. LIBOR	N/A
16	I	1.191	7.115	14.199	34	6	6 Mo. LIBOR	58
17	I	1.008	6.988	12.273	59	6	6 Mo. LIBOR	N/A
18	I	1.148	7.130	13.671	57	6	6 Mo. LIBOR	N/A
19	I	1.000	7.385	12.886	59	6	6 Mo. LIBOR	N/A
20	I	1.321	7.248	14.139	58	6	6 Mo. LIBOR	77
21	I	2.000	8.317	14.459	58	12	1 YR TREASURY	N/A

22	I	1.972	7.626	13.637	58	12	1 YR TREASURY	58
23	I	N/A	N/A	N/A	N/A	N/A	N/A	N/A
24	I	N/A	N/A	N/A	N/A	N/A	N/A	N/A
25	I	N/A	N/A	N/A	N/A	N/A	N/A	58
26	I	N/A	N/A	N/A	N/A	N/A	N/A	N/A
27	II	N/A	N/A	N/A	N/A	N/A	N/A	N/A
28	II	N/A	N/A	N/A	N/A	N/A	N/A	N/A
29	II	N/A	N/A	N/A	N/A	N/A	N/A	N/A
30	II	N/A	N/A	N/A	N/A	N/A	N/A	N/A
31	II	N/A	N/A	N/A	N/A	N/A	N/A	N/A
32	II	N/A	N/A	N/A	N/A	N/A	N/A	58
33	II	1.000	7.977	12.977	23	6	6 Mo. LIBOR	N/A
34	II	1.051	8.740	14.465	22	6	6 Mo. LIBOR	N/A
35	II	1.055	8.051	13.921	23	6	6 Mo. LIBOR	N/A
36	II	1.000	7.259	13.359	23	6	6 Mo. LIBOR	N/A
37	II	1.085	7.682	13.411	22	6	6 Mo. LIBOR	60
38	II	1.424	6.484	15.892	33	6	6 Mo. LIBOR	N/A
39	II	1.388	6.346	15.518	34	6	6 Mo. LIBOR	N/A
40	II	1.420	6.192	15.457	33	6	6 Mo. LIBOR	57
41	II	1.184	8.421	14.484	58	6	6 Mo. LIBOR	N/A
42	II	1.000	7.850	14.850	58	6	6 Mo. LIBOR	N/A
43	II	1.000	6.000	13.350	59	6	6 Mo. LIBOR	N/A
44	II	1.928	8.751	14.982	58	12	1 YR TREASURY	N/A
45	II	2.000	8.240	14.240	58	12	1 YR TREASURY	58
46	II	N/A	N/A	N/A	N/A	N/A	N/A	N/A
47	II	N/A	N/A	N/A	N/A	N/A	N/A	N/A
48	III	N/A	N/A	N/A	N/A	N/A	N/A	N/A
49	III	N/A	N/A	N/A	N/A	N/A	N/A	N/A
50	III	N/A	N/A	N/A	N/A	N/A	N/A	N/A
51	III	N/A	N/A	N/A	N/A	N/A	N/A	N/A
52	III	N/A	N/A	N/A	N/A	N/A	N/A	66
53	III	1.000	9.682	14.682	23	6	6 Mo. LIBOR	N/A
54	III	1.101	8.907	14.415	23	6	6 Mo. LIBOR	N/A
55	III	1.034	8.112	13.779	23	6	6 Mo. LIBOR	N/A
56	III	1.000	8.186	13.186	23	6	6 Mo. LIBOR	N/A
57	III	1.000	7.590	12.937	23	6	6 Mo. LIBOR	60
58	III	1.325	6.857	15.363	34	6	6 Mo. LIBOR	N/A
59	III	1.385	6.336	15.316	34	6	6 Mo. LIBOR	N/A
60	III	1.280	6.113	14.366	34	6	6 Mo. LIBOR	58
61	III	1.000	7.050	12.050	59	6	6 Mo. LIBOR	N/A
62	III	1.000	7.650	13.650	58	6	6 Mo. LIBOR	N/A
63	III	1.000	7.000	13.000	58	6	6 Mo. LIBOR	58
64	III	2.000	9.395	15.395	58	12	1 YR TREASURY	N/A
65	III	2.000	8.258	14.258	58	12	1 YR TREASURY	58

Percent of the Initial Certificate Principal Balance
at the Respective Percentages of the Prepayment Assumption

	Class I-A-1 Certificates							
Distribution Date	**0%**	**50%**	**75%**	**100%**	**125%**	**150%**	**175%**	**200%**
Initial Percentage	100%	100%	100%	100%	100%	100%	100%	100%
March 25, 2008	99	68	53	37	21	5	0	0
March 25, 2009	98	29	0	0	0	0	0	0
March 25, 2010	97	0	0	0	0	0	0	0
March 25, 2011	96	0	0	0	0	0	0	0
March 25, 2012	94	0	0	0	0	0	0	0
March 25, 2013	92	0	0	0	0	0	0	0
March 25, 2014	90	0	0	0	0	0	0	0
March 25, 2015	88	0	0	0	0	0	0	0
March 25, 2016	85	0	0	0	0	0	0	0
March 25, 2017	82	0	0	0	0	0	0	0
March 25, 2018	79	0	0	0	0	0	0	0
March 25, 2019	75	0	0	0	0	0	0	0
March 25, 2020	71	0	0	0	0	0	0	0
March 25, 2021	67	0	0	0	0	0	0	0
March 25, 2022	53	0	0	0	0	0	0	0
March 25, 2023	48	0	0	0	0	0	0	0
March 25, 2024	42	0	0	0	0	0	0	0
March 25, 2025	36	0	0	0	0	0	0	0
March 25, 2026	29	0	0	0	0	0	0	0

March 25, 2027	22	0	0	0	0	0	0	0
March 25, 2028	13	0	0	0	0	0	0	0
March 25, 2029	4	0	0	0	0	0	0	0
March 25, 2030	0	0	0	0	0	0	0	0
March 25, 2031	0	0	0	0	0	0	0	0
March 25, 2032	0	0	0	0	0	0	0	0
March 25, 2033	0	0	0	0	0	0	0	0
March 25, 2034	0	0	0	0	0	0	0	0
March 25, 2035	0	0	0	0	0	0	0	0
March 25, 2036	0	0	0	0	0	0	0	0
March 25, 2037	0	0	0	0	0	0	0	0
Weighted Average Life (in years)(1)	15.14	1.50	1.08	0.86	0.73	0.64	0.57	0.52
Weighted Average Life (in years)(1)(2)	15.14	1.50	1.08	0.86	0.73	0.64	0.57	0.52

(1) The weighted average life of the offered certificates is determined by (i) multiplying the amount of each principal payment by the number of years from the date of issuance to the related distribution date, (ii) adding the results, and (iii) dividing the sum by the initial respective Certificate Principal Balance for such class of offered certificates.

(2) To the first possible optional termination date.

Percent of the Initial Certificate Principal Balance
at the Respective Percentages of the Prepayment Assumption

	Class I-A-2 Certificates							
Distribution Date	**0%**	**50%**	**75%**	**100%**	**125%**	**150%**	**175%**	**200%**
Initial Percentage	100%	100%	100%	100%	100%	100%	100%	100%
March 25, 2008	100	100	100	100	100	100	78	45
March 25, 2009	100	100	95	41	0	0	0	0
March 25, 2010	100	91	16	0	0	0	0	0
March 25, 2011	100	39	0	0	0	0	0	0
March 25, 2012	100	12	0	0	0	0	0	0
March 25, 2013	100	0	0	0	0	0	0	0
March 25, 2014	100	0	0	0	0	0	0	0
March 25, 2015	100	0	0	0	0	0	0	0
March 25, 2016	100	0	0	0	0	0	0	0
March 25, 2017	100	0	0	0	0	0	0	0
March 25, 2018	100	0	0	0	0	0	0	0
March 25, 2019	100	0	0	0	0	0	0	0
March 25, 2020	100	0	0	0	0	0	0	0
March 25, 2021	100	0	0	0	0	0	0	0
March 25, 2022	100	0	0	0	0	0	0	0
March 25, 2023	100	0	0	0	0	0	0	0
March 25, 2024	100	0	0	0	0	0	0	0
March 25, 2025	100	0	0	0	0	0	0	0
March 25, 2026	100	0	0	0	0	0	0	0
March 25, 2027	100	0	0	0	0	0	0	0
March 25, 2028	100	0	0	0	0	0	0	0
March 25, 2029	100	0	0	0	0	0	0	0
March 25, 2030	88	0	0	0	0	0	0	0
March 25, 2031	67	0	0	0	0	0	0	0
March 25, 2032	44	0	0	0	0	0	0	0
March 25, 2033	20	0	0	0	0	0	0	0
March 25, 2034	6	0	0	0	0	0	0	0
March 25, 2035	0	0	0	0	0	0	0	0
March 25, 2036	0	0	0	0	0	0	0	0
March 25, 2037	0	0	0	0	0	0	0	0
Weighted Average Life (in years)(1)	24.79	3.93	2.64	1.96	1.58	1.33	1.15	1.02
Weighted Average Life (in years)(1)(2)	24.79	3.93	2.64	1.96	1.58	1.33	1.15	1.02

(1) The weighted average life of the offered certificates is determined by (i) multiplying the amount of each principal payment by the number of years from the date of issuance to the related distribution date, (ii) adding the results, and (iii) dividing the sum by the initial respective Certificate Principal Balance for such class of offered certificates.

2) To the first possible optional termination date.

Percent of the Initial Certificate Principal Balance
at the Respective Percentages of the Prepayment Assumption

	Class I-A-3 Certificates							
Distribution Date	**0%**	**50%**	**75%**	**100%**	**125%**	**150%**	**175%**	**200%**
Initial Percentage	100%	100%	100%	100%	100%	100%	100%	100%
March 25, 2008	100	100	100	100	100	100	100	100
March 25, 2009	100	100	100	100	82	0	0	0
March 25, 2010	100	100	100	8	0	0	0	0
March 25, 2011	100	100	87	8	0	0	0	0
March 25, 2012	100	100	44	0	0	0	0	0
March 25, 2013	100	88	11	0	0	0	0	0
March 25, 2014	100	58	0	0	0	0	0	0
March 25, 2015	100	33	0	0	0	0	0	0
March 25, 2016	100	12	0	0	0	0	0	0
March 25, 2017	100	0	0	0	0	0	0	0
March 25, 2018	100	0	0	0	0	0	0	0
March 25, 2019	100	0	0	0	0	0	0	0
March 25, 2020	100	0	0	0	0	0	0	0
March 25, 2021	100	0	0	0	0	0	0	0
March 25, 2022	100	0	0	0	0	0	0	0
March 25, 2023	100	0	0	0	0	0	0	0
March 25, 2024	100	0	0	0	0	0	0	0
March 25, 2025	100	0	0	0	0	0	0	0
March 25, 2026	100	0	0	0	0	0	0	0
March 25, 2027	100	0	0	0	0	0	0	0
March 25, 2028	100	0	0	0	0	0	0	0
March 25, 2029	100	0	0	0	0	0	0	0
March 25, 2030	100	0	0	0	0	0	0	0
March 25, 2031	100	0	0	0	0	0	0	0
March 25, 2032	100	0	0	0	0	0	0	0
March 25, 2033	100	0	0	0	0	0	0	0
March 25, 2034	100	0	0	0	0	0	0	0
March 25, 2035	81	0	0	0	0	0	0	0
March 25, 2036	48	0	0	0	0	0	0	0
March 25, 2037	0	0	0	0	0	0	0	0
Weighted Average Life (in years)[(1)]	28.89	7.45	4.94	2.87	2.18	1.80	1.52	1.32
Weighted Average Life (in years)[(1)(2)]	28.89	7.45	4.94	2.87	2.18	1.80	1.52	1.32

(1) The weighted average life of the offered certificates is determined by (i) multiplying the amount of each principal payment by the number of years from the date of issuance to the related distribution date, (ii) adding the results, and (iii) dividing the sum by the initial respective Certificate Principal Balance for such class of offered certificates.

(2) To the first possible optional termination date.

Percent of the Initial Certificate Principal Balance
at the Respective Percentages of the Prepayment Assumption

	Class I-A-4 Certificates							
Distribution Date	**0%**	**50%**	**75%**	**100%**	**125%**	**150%**	**175%**	**200%**
Initial Percentage	100%	100%	100%	100%	100%	100%	100%	100%
March 25, 2008	100	100	100	100	100	100	100	100
March 25, 2009	100	100	100	100	100	92	8	0
March 25, 2010	100	100	100	100	1	0	0	0
March 25, 2011	100	100	100	100	1	0	0	0
March 25, 2012	100	100	100	89	1	0	0	0
March 25, 2013	100	100	100	62	1	0	0	0
March 25, 2014	100	100	85	43	1	0	0	0
March 25, 2015	100	100	65	30	1	0	0	0
March 25, 2016	100	100	50	21	1	0	0	0
March 25, 2017	100	94	39	15	1	0	0	0
March 25, 2018	100	79	30	11	1	0	0	0
March 25, 2019	100	66	23	8	0	0	0	0
March 25, 2020	100	55	18	5	0	0	0	0
March 25, 2021	100	46	14	2	0	0	0	0
March 25, 2022	100	36	10	0	0	0	0	0
March 25, 2023	100	30	8	0	0	0	0	0
March 25, 2024	100	25	6	0	0	0	0	0

March 25, 2025	100	21	3	0	0	0	0	0
March 25, 2026	100	17	1	0	0	0	0	0
March 25, 2027	100	14	0	0	0	0	0	0
March 25, 2028	100	12	0	0	0	0	0	0
March 25, 2029	100	10	0	0	0	0	0	0
March 25, 2030	100	8	0	0	0	0	0	0
March 25, 2031	100	6	0	0	0	0	0	0
March 25, 2032	100	4	0	0	0	0	0	0
March 25, 2033	100	2	0	0	0	0	0	0
March 25, 2034	100	0	0	0	0	0	0	0
March 25, 2035	100	0	0	0	0	0	0	0
March 25, 2036	100	0	0	0	0	0	0	0
March 25, 2037	0	0	0	0	0	0	0	0
Weighted Average Life (in years)[(1)]	29.84	14.80	10.05	7.41	2.81	2.22	1.86	1.59
Weighted Average Life (in years)[(1)(2)]	29.84	12.28	8.15	5.97	2.74	2.22	1.86	1.59

(1) The weighted average life of the offered certificates is determined by (i) multiplying the amount of each principal payment by the number of years from the date of issuance to the related distribution date, (ii) adding the results, and (iii) dividing the sum by the initial respective Certificate Principal Balance for such class of offered certificates.

(2) To the first possible optional termination date.

Percent of the Initial Certificate Principal Balance
at the Respective Percentages of the Prepayment Assumption

	Class II-A Certificates							
Distribution Date	**0%**	**50%**	**75%**	**100%**	**125%**	**150%**	**175%**	**200%**
Initial Percentage	100%	100%	100%	100%	100%	100%	100%	100%
March 25, 2008	99	85	78	70	63	55	47	39
March 25, 2009	99	65	50	36	24	12	1	0
March 25, 2010	98	49	30	14	*	0	0	0
March 25, 2011	97	35	24	14	*	0	0	0
March 25, 2012	97	28	18	11	*	0	0	0
March 25, 2013	96	24	14	8	*	0	0	0
March 25, 2014	95	20	11	5	*	0	0	0
March 25, 2015	94	17	8	4	*	0	0	0
March 25, 2016	92	14	6	3	*	0	0	0
March 25, 2017	91	12	5	2	*	0	0	0
March 25, 2018	90	10	4	1	*	0	0	0
March 25, 2019	88	8	3	1	0	0	0	0
March 25, 2020	86	7	2	1	0	0	0	0
March 25, 2021	84	6	2	*	0	0	0	0
March 25, 2022	79	4	1	0	0	0	0	0
March 25, 2023	77	4	1	0	0	0	0	0
March 25, 2024	74	3	1	0	0	0	0	0
March 25, 2025	71	3	*	0	0	0	0	0
March 25, 2026	68	2	*	0	0	0	0	0
March 25, 2027	64	2	0	0	0	0	0	0
March 25, 2028	60	1	0	0	0	0	0	0
March 25, 2029	55	1	0	0	0	0	0	0
March 25, 2030	50	1	0	0	0	0	0	0
March 25, 2031	45	1	0	0	0	0	0	0
March 25, 2032	39	*	0	0	0	0	0	0
March 25, 2033	33	*	0	0	0	0	0	0
March 25, 2034	29	0	0	0	0	0	0	0
March 25, 2035	25	0	0	0	0	0	0	0
March 25, 2036	21	0	0	0	0	0	0	0
March 25, 2037	0	0	0	0	0	0	0	0
Weighted Average Life (in years)(1)	21.56	4.52	3.10	2.24	1.41	1.18	1.03	0.91
Weighted Average Life (in years)(1)(2)	21.56	4.22	2.87	2.06	1.40	1.18	1.03	0.91

* Indicates a number that is greater than zero but less than 0.5%.

(1) The weighted average life of the offered certificates is determined by (i) multiplying the amount of each principal payment by the number of years from the date of issuance to the related distribution date, (ii) adding the results, and (iii) dividing the sum by the initial respective Certificate Principal Balance for such class of offered certificates.

(2) To the first possible optional termination date.

Percent of the Initial Certificate Principal Balance
at the Respective Percentages of the Prepayment Assumption

	Class III-A Certificates							
Distribution Date	**0%**	**50%**	**75%**	**100%**	**125%**	**150%**	**175%**	**200%**
Initial Percentage	100%	100%	100%	100%	100%	100%	100%	100%
March 25, 2008	99	85	78	70	62	55	46	38
March 25, 2009	99	64	49	35	22	10	0	0
March 25, 2010	98	48	28	12	0	0	0	0
March 25, 2011	98	34	22	12	0	0	0	0
March 25, 2012	97	27	16	9	0	0	0	0
March 25, 2013	96	22	12	6	0	0	0	0
March 25, 2014	95	18	9	4	0	0	0	0
March 25, 2015	94	15	7	2	0	0	0	0
March 25, 2016	93	12	5	1	0	0	0	0
March 25, 2017	92	10	3	1	0	0	0	0
March 25, 2018	90	8	2	*	0	0	0	0
March 25, 2019	89	7	2	0	0	0	0	0
March 25, 2020	87	5	1	0	0	0	0	0
March 25, 2021	85	4	1	0	0	0	0	0
March 25, 2022	83	3	*	0	0	0	0	0
March 25, 2023	81	3	*	0	0	0	0	0
March 25, 2024	78	2	0	0	0	0	0	0
March 25, 2025	75	2	0	0	0	0	0	0
March 25, 2026	72	1	0	0	0	0	0	0
March 25, 2027	69	1	0	0	0	0	0	0
March 25, 2028	65	*	0	0	0	0	0	0
March 25, 2029	60	*	0	0	0	0	0	0
March 25, 2030	56	0	0	0	0	0	0	0
March 25, 2031	50	0	0	0	0	0	0	0
March 25, 2032	45	0	0	0	0	0	0	0
March 25, 2033	39	0	0	0	0	0	0	0
March 25, 2034	35	0	0	0	0	0	0	0
March 25, 2035	31	0	0	0	0	0	0	0
March 25, 2036	27	0	0	0	0	0	0	0
March 25, 2037	0	0	0	0	0	0	0	0
Weighted Average Life (in years)(1)	22.41	4.23	2.89	2.06	1.37	1.16	1.01	0.90
Weighted Average Life (in years)(1)(2)	22.41	4.05	2.75	1.97	1.37	1.16	1.01	0.90

* Indicates a number that is greater than zero but less than 0.5%.

(1) The weighted average life of the offered certificates is determined by (i) multiplying the amount of each principal payment by the number of years from the date of issuance to the related distribution date, (ii) adding the results, and (iii) dividing the sum by the initial respective Certificate Principal Balance for such class of offered certificates.

(2) To the first possible optional termination date.

**Percent of the Initial Certificate Principal Balance
at the Respective Percentages of the Prepayment Assumption**

	Class M-1 Certificates							
Distribution Date	**0%**	**50%**	**75%**	**100%**	**125%**	**150%**	**175%**	**200%**
Initial Percentage	100%	100%	100%	100%	100%	100%	100%	100%
March 25, 2008	100	100	100	100	100	100	100	100
March 25, 2009	100	100	100	100	100	100	100	0
March 25, 2010	100	100	100	100	100	0	0	0
March 25, 2011	100	100	73	85	100	0	0	0
March 25, 2012	100	87	55	34	100	0	0	0
March 25, 2013	100	73	42	23	65	0	0	0
March 25, 2014	100	61	32	16	40	0	0	0
March 25, 2015	100	51	24	11	25	0	0	0
March 25, 2016	100	43	19	8	15	0	0	0
March 25, 2017	100	36	14	5	8	0	0	0
March 25, 2018	100	30	11	4	1	0	0	0
March 25, 2019	100	25	8	3	0	0	0	0
March 25, 2020	100	21	6	0	0	0	0	0
March 25, 2021	100	17	5	0	0	0	0	0
March 25, 2022	100	13	3	0	0	0	0	0
March 25, 2023	100	11	3	0	0	0	0	0
March 25, 2024	100	9	*	0	0	0	0	0
March 25, 2025	100	8	0	0	0	0	0	0
March 25, 2026	100	6	0	0	0	0	0	0
March 25, 2027	100	5	0	0	0	0	0	0
March 25, 2028	100	4	0	0	0	0	0	0
March 25, 2029	100	3	0	0	0	0	0	0
March 25, 2030	100	3	0	0	0	0	0	0
March 25, 2031	100	1	0	0	0	0	0	0
March 25, 2032	100	0	0	0	0	0	0	0
March 25, 2033	99	0	0	0	0	0	0	0
March 25, 2034	88	0	0	0	0	0	0	0
March 25, 2035	76	0	0	0	0	0	0	0
March 25, 2036	62	0	0	0	0	0	0	0
March 25, 2037	0	0	0	0	0	0	0	0
Weighted Average Life (in years)(1)	28.94	9.58	6.46	5.37	7.06	2.64	2.20	1.86
Weighted Average Life (in years)(1)(2)	28.94	8.70	5.80	4.87	4.99	2.64	2.20	1.86

* Indicates a number that is greater than zero but less than 0.5%.

(1) The weighted average life of the offered certificates is determined by (i) multiplying the amount of each principal payment by the number of years from the date of issuance to the related distribution date, (ii) adding the results, and (iii) dividing the sum by the initial respective Certificate Principal Balance for such class of offered certificates.

(2) To the first possible optional termination date.

Percent of the Initial Certificate Principal Balance
at the Respective Percentages of the Prepayment Assumption

	Class M-2 Certificates							
Distribution Date	**0%**	**50%**	**75%**	**100%**	**125%**	**150%**	**175%**	**200%**
Initial Percentage	100%	100%	100%	100%	100%	100%	100%	100%
March 25, 2008	100	100	100	100	100	100	100	100
March 25, 2009	100	100	100	100	100	100	100	84
March 25, 2010	100	100	100	100	100	52	0	0
March 25, 2011	100	100	73	49	100	52	0	0
March 25, 2012	100	87	55	34	27	52	0	0
March 25, 2013	100	73	42	23	12	43	0	0
March 25, 2014	100	61	32	16	8	24	0	0
March 25, 2015	100	51	24	11	5	10	0	0
March 25, 2016	100	43	19	8	3	2	0	0
March 25, 2017	100	36	14	5	0	0	0	0
March 25, 2018	100	30	11	4	0	0	0	0
March 25, 2019	100	25	8	1	0	0	0	0
March 25, 2020	100	21	6	0	0	0	0	0
March 25, 2021	100	17	5	0	0	0	0	0
March 25, 2022	100	13	3	0	0	0	0	0
March 25, 2023	100	11	1	0	0	0	0	0
March 25, 2024	100	9	0	0	0	0	0	0
March 25, 2025	100	8	0	0	0	0	0	0
March 25, 2026	100	6	0	0	0	0	0	0
March 25, 2027	100	5	0	0	0	0	0	0
March 25, 2028	100	4	0	0	0	0	0	0
March 25, 2029	100	3	0	0	0	0	0	0
March 25, 2030	100	1	0	0	0	0	0	0
March 25, 2031	100	0	0	0	0	0	0	0
March 25, 2032	100	0	0	0	0	0	0	0
March 25, 2033	99	0	0	0	0	0	0	0
March 25, 2034	88	0	0	0	0	0	0	0
March 25, 2035	76	0	0	0	0	0	0	0
March 25, 2036	62	0	0	0	0	0	0	0
March 25, 2037	0	0	0	0	0	0	0	0
Weighted Average Life (in years)(1)	28.94	9.56	6.43	5.13	5.05	5.07	2.52	2.12
Weighted Average Life (in years)(1)(2)	28.94	8.70	5.80	4.65	4.67	3.47	2.52	2.12

(1) The weighted average life of the offered certificates is determined by (i) multiplying the amount of each principal payment by the number of years from the date of issuance to the related distribution date, (ii) adding the results, and (iii) dividing the sum by the initial respective Certificate Principal Balance for such class of offered certificates.

(2) To the first possible optional termination date.

Percent of the Initial Certificate Principal Balance
at the Respective Percentages of the Prepayment Assumption

	Class M-3 Certificates							
Distribution Date	**0%**	**50%**	**75%**	**100%**	**125%**	**150%**	**175%**	**200%**
Initial Percentage	100%	100%	100%	100%	100%	100%	100%	100%
March 25, 2008	100	100	100	100	100	100	100	100
March 25, 2009	100	100	100	100	100	100	100	100
March 25, 2010	100	100	100	100	100	100	0	0
March 25, 2011	100	100	73	49	67	100	0	0
March 25, 2012	100	87	55	34	20	81	0	0
March 25, 2013	100	73	42	23	12	6	0	0
March 25, 2014	100	61	32	16	8	3	0	0
March 25, 2015	100	51	24	11	5	0	0	0
March 25, 2016	100	43	19	8	0	0	0	0
March 25, 2017	100	36	14	5	0	0	0	0
March 25, 2018	100	30	11	4	0	0	0	0
March 25, 2019	100	25	8	0	0	0	0	0
March 25, 2020	100	21	6	0	0	0	0	0
March 25, 2021	100	17	5	0	0	0	0	0
March 25, 2022	100	13	3	0	0	0	0	0
March 25, 2023	100	11	0	0	0	0	0	0
March 25, 2024	100	9	0	0	0	0	0	0
March 25, 2025	100	8	0	0	0	0	0	0
March 25, 2026	100	6	0	0	0	0	0	0
March 25, 2027	100	5	0	0	0	0	0	0
March 25, 2028	100	4	0	0	0	0	0	0
March 25, 2029	100	1	0	0	0	0	0	0
March 25, 2030	100	0	0	0	0	0	0	0
March 25, 2031	100	0	0	0	0	0	0	0
March 25, 2032	100	0	0	0	0	0	0	0
March 25, 2033	99	0	0	0	0	0	0	0
March 25, 2034	88	0	0	0	0	0	0	0
March 25, 2035	76	0	0	0	0	0	0	0
March 25, 2036	62	0	0	0	0	0	0	0
March 25, 2037	0	0	0	0	0	0	0	0
Weighted Average Life (in years)(1)	28.94	9.53	6.41	5.03	4.63	5.37	2.78	2.33
Weighted Average Life (in years)(1)(2)	28.94	8.70	5.79	4.56	4.28	3.99	2.78	2.33

(1) The weighted average life of the offered certificates is determined by (i) multiplying the amount of each principal payment by the number of years from the date of issuance to the related distribution date, (ii) adding the results, and (iii) dividing the sum by the initial respective Certificate Principal Balance for such class of offered certificates.

(2) To the first possible optional termination date.

Percent of the Initial Certificate Principal Balance
at the Respective Percentages of the Prepayment Assumption

	Class M-4 Certificates							
Distribution Date	**0%**	**50%**	**75%**	**100%**	**125%**	**150%**	**175%**	**200%**
Initial Percentage	100%	100%	100%	100%	100%	100%	100%	100%
March 25, 2008	100	100	100	100	100	100	100	100
March 25, 2009	100	100	100	100	100	100	100	100
March 25, 2010	100	100	100	100	100	100	12	0
March 25, 2011	100	100	73	49	32	100	12	0
March 25, 2012	100	87	55	34	20	11	12	0
March 25, 2013	100	73	42	23	12	6	12	0
March 25, 2014	100	61	32	16	8	0	12	0
March 25, 2015	100	51	24	11	5	0	0	0
March 25, 2016	100	43	19	8	0	0	0	0
March 25, 2017	100	36	14	5	0	0	0	0
March 25, 2018	100	30	11	2	0	0	0	0
March 25, 2019	100	25	8	0	0	0	0	0
March 25, 2020	100	21	6	0	0	0	0	0
March 25, 2021	100	17	5	0	0	0	0	0
March 25, 2022	100	13	0	0	0	0	0	0
March 25, 2023	100	11	0	0	0	0	0	0
March 25, 2024	100	9	0	0	0	0	0	0
March 25, 2025	100	8	0	0	0	0	0	0
March 25, 2026	100	6	0	0	0	0	0	0
March 25, 2027	100	5	0	0	0	0	0	0
March 25, 2028	100	4	0	0	0	0	0	0
March 25, 2029	100	0	0	0	0	0	0	0
March 25, 2030	100	0	0	0	0	0	0	0
March 25, 2031	100	0	0	0	0	0	0	0
March 25, 2032	100	0	0	0	0	0	0	0
March 25, 2033	99	0	0	0	0	0	0	0
March 25, 2034	88	0	0	0	0	0	0	0
March 25, 2035	76	0	0	0	0	0	0	0
March 25, 2036	62	0	0	0	0	0	0	0
March 25, 2037	0	0	0	0	0	0	0	0
Weighted Average Life (in years)[1]	28.94	9.51	6.39	4.98	4.48	4.77	3.47	2.47
Weighted Average Life (in years)[1][2]	28.94	8.70	5.79	4.53	4.14	3.99	2.98	2.47

(1) The weighted average life of the offered certificates is determined by (i) multiplying the amount of each principal payment by the number of years from the date of issuance to the related distribution date, (ii) adding the results, and (iii) dividing the sum by the initial respective Certificate Principal Balance for such class of offered certificates.

(2) To the first possible optional termination date.

Percent of the Initial Certificate Principal Balance
at the Respective Percentages of the Prepayment Assumption

	Class M-5 Certificates							
Distribution Date	**0%**	**50%**	**75%**	**100%**	**125%**	**150%**	**175%**	**200%**
Initial Percentage	100%	100%	100%	100%	100%	100%	100%	100%
March 25, 2008	100	100	100	100	100	100	100	100
March 25, 2009	100	100	100	100	100	100	100	100
March 25, 2010	100	100	100	100	100	100	100	0
March 25, 2011	100	100	73	49	32	90	100	0
March 25, 2012	100	87	55	34	20	11	100	0
March 25, 2013	100	73	42	23	12	6	39	0
March 25, 2014	100	61	32	16	8	0	*	0
March 25, 2015	100	51	24	11	5	0	0	0
March 25, 2016	100	43	19	8	0	0	0	0
March 25, 2017	100	36	14	5	0	0	0	0
March 25, 2018	100	30	11	0	0	0	0	0
March 25, 2019	100	25	8	0	0	0	0	0
March 25, 2020	100	21	6	0	0	0	0	0
March 25, 2021	100	17	5	0	0	0	0	0
March 25, 2022	100	13	0	0	0	0	0	0
March 25, 2023	100	11	0	0	0	0	0	0
March 25, 2024	100	9	0	0	0	0	0	0
March 25, 2025	100	8	0	0	0	0	0	0
March 25, 2026	100	6	0	0	0	0	0	0
March 25, 2027	100	5	0	0	0	0	0	0
March 25, 2028	100	0	0	0	0	0	0	0
March 25, 2029	100	0	0	0	0	0	0	0
March 25, 2030	100	0	0	0	0	0	0	0
March 25, 2031	100	0	0	0	0	0	0	0
March 25, 2032	100	0	0	0	0	0	0	0
March 25, 2033	99	0	0	0	0	0	0	0
March 25, 2034	88	0	0	0	0	0	0	0
March 25, 2035	76	0	0	0	0	0	0	0
March 25, 2036	62	0	0	0	0	0	0	0
March 25, 2037	0	0	0	0	0	0	0	0
Weighted Average Life (in years)(1)	28.94	9.48	6.37	4.93	4.35	4.39	5.93	2.64
Weighted Average Life (in years)(1)(2)	28.94	8.70	5.79	4.50	4.02	3.99	3.32	2.64

* Indicates a number that is greater than zero but less than 0.5%.

(1) The weighted average life of the offered certificates is determined by (i) multiplying the amount of each principal payment by the number of years from the date of issuance to the related distribution date, (ii) adding the results, and (iii) dividing the sum by the initial respective Certificate Principal Balance for such class of offered certificates.

(2) To the first possible optional termination date.

Percent of the Initial Certificate Principal Balance
at the Respective Percentages of the Prepayment Assumption

	Class M-6 Certificates							
Distribution Date	**0%**	**50%**	**75%**	**100%**	**125%**	**150%**	**175%**	**200%**
Initial Percentage	100%	100%	100%	100%	100%	100%	100%	100%
March 25, 2008	100	100	100	100	100	100	100	100
March 25, 2009	100	100	100	100	100	100	100	100
March 25, 2010	100	100	100	100	100	100	100	0
March 25, 2011	100	100	73	49	32	20	100	0
March 25, 2012	100	87	55	34	20	11	27	0
March 25, 2013	100	73	42	23	12	6	0	0
March 25, 2014	100	61	32	16	8	0	0	0
March 25, 2015	100	51	24	11	0	0	0	0
March 25, 2016	100	43	19	8	0	0	0	0
March 25, 2017	100	36	14	5	0	0	0	0
March 25, 2018	100	30	11	0	0	0	0	0
March 25, 2019	100	25	8	0	0	0	0	0
March 25, 2020	100	21	6	0	0	0	0	0
March 25, 2021	100	17	0	0	0	0	0	0
March 25, 2022	100	13	0	0	0	0	0	0
March 25, 2023	100	11	0	0	0	0	0	0
March 25, 2024	100	9	0	0	0	0	0	0
March 25, 2025	100	8	0	0	0	0	0	0
March 25, 2026	100	6	0	0	0	0	0	0
March 25, 2027	100	1	0	0	0	0	0	0
March 25, 2028	100	0	0	0	0	0	0	0
March 25, 2029	100	0	0	0	0	0	0	0
March 25, 2030	100	0	0	0	0	0	0	0
March 25, 2031	100	0	0	0	0	0	0	0
March 25, 2032	100	0	0	0	0	0	0	0
March 25, 2033	99	0	0	0	0	0	0	0
March 25, 2034	88	0	0	0	0	0	0	0
March 25, 2035	76	0	0	0	0	0	0	0
March 25, 2036	62	0	0	0	0	0	0	0
March 25, 2037	0	0	0	0	0	0	0	0
Weighted Average Life (in years)(1)	28.94	9.44	6.35	4.90	4.27	4.18	4.88	2.79
Weighted Average Life (in years)(1)(2)	28.94	8.70	5.79	4.48	3.95	3.92	3.32	2.74

(1) The weighted average life of the offered certificates is determined by (i) multiplying the amount of each principal payment by the number of years from the date of issuance to the related distribution date, (ii) adding the results, and (iii) dividing the sum by the initial respective Certificate Principal Balance for such class of offered certificates.

(2) To the first possible optional termination date.

Percent of the Initial Certificate Principal Balance
at the Respective Percentages of the Prepayment Assumption

	Class M-7 Certificates							
Distribution Date	**0%**	**50%**	**75%**	**100%**	**125%**	**150%**	**175%**	**200%**
Initial Percentage	100%	100%	100%	100%	100%	100%	100%	100%
March 25, 2008	100	100	100	100	100	100	100	100
March 25, 2009	100	100	100	100	100	100	100	100
March 25, 2010	100	100	100	100	100	100	100	9
March 25, 2011	100	100	73	49	32	20	100	9
March 25, 2012	100	87	55	34	20	11	2	9
March 25, 2013	100	73	42	23	12	4	0	9
March 25, 2014	100	61	32	16	8	0	0	0
March 25, 2015	100	51	24	11	0	0	0	0
March 25, 2016	100	43	19	8	0	0	0	0
March 25, 2017	100	36	14	0	0	0	0	0
March 25, 2018	100	30	11	0	0	0	0	0
March 25, 2019	100	25	8	0	0	0	0	0
March 25, 2020	100	21	6	0	0	0	0	0
March 25, 2021	100	17	0	0	0	0	0	0
March 25, 2022	100	13	0	0	0	0	0	0
March 25, 2023	100	11	0	0	0	0	0	0
March 25, 2024	100	9	0	0	0	0	0	0
March 25, 2025	100	8	0	0	0	0	0	0
March 25, 2026	100	4	0	0	0	0	0	0
March 25, 2027	100	0	0	0	0	0	0	0
March 25, 2028	100	0	0	0	0	0	0	0
March 25, 2029	100	0	0	0	0	0	0	0
March 25, 2030	100	0	0	0	0	0	0	0
March 25, 2031	100	0	0	0	0	0	0	0
March 25, 2032	100	0	0	0	0	0	0	0
March 25, 2033	99	0	0	0	0	0	0	0
March 25, 2034	88	0	0	0	0	0	0	0
March 25, 2035	76	0	0	0	0	0	0	0
March 25, 2036	62	0	0	0	0	0	0	0
March 25, 2037	0	0	0	0	0	0	0	0
Weighted Average Life (in years)(1)	28.94	9.41	6.32	4.85	4.20	4.03	4.39	3.25
Weighted Average Life (in years)(1)(2)	28.94	8.70	5.79	4.46	3.90	3.78	3.32	2.74

(1) The weighted average life of the offered certificates is determined by (i) multiplying the amount of each principal payment by the number of years from the date of issuance to the related distribution date, (ii) adding the results, and (iii) dividing the sum by the initial respective Certificate Principal Balance for such class of offered certificates.

(2) To the first possible optional termination date.

Percent of the Initial Certificate Principal Balance
at the Respective Percentages of the Prepayment Assumption

	Class M-8 Certificates							
Distribution Date	**0%**	**50%**	**75%**	**100%**	**125%**	**150%**	**175%**	**200%**
Initial Percentage	100%	100%	100%	100%	100%	100%	100%	100%
March 25, 2008	100	100	100	100	100	100	100	100
March 25, 2009	100	100	100	100	100	100	100	100
March 25, 2010	100	100	100	100	100	100	100	100
March 25, 2011	100	100	73	49	32	20	46	100
March 25, 2012	100	87	55	34	20	11	0	78
March 25, 2013	100	73	42	23	12	0	0	3
March 25, 2014	100	61	32	16	8	0	0	0
March 25, 2015	100	51	24	11	0	0	0	0
March 25, 2016	100	43	19	8	0	0	0	0
March 25, 2017	100	36	14	0	0	0	0	0
March 25, 2018	100	30	11	0	0	0	0	0
March 25, 2019	100	25	8	0	0	0	0	0
March 25, 2020	100	21	0	0	0	0	0	0
March 25, 2021	100	17	0	0	0	0	0	0
March 25, 2022	100	13	0	0	0	0	0	0
March 25, 2023	100	11	0	0	0	0	0	0
March 25, 2024	100	9	0	0	0	0	0	0
March 25, 2025	100	8	0	0	0	0	0	0
March 25, 2026	100	0	0	0	0	0	0	0
March 25, 2027	100	0	0	0	0	0	0	0
March 25, 2028	100	0	0	0	0	0	0	0
March 25, 2029	100	0	0	0	0	0	0	0
March 25, 2030	100	0	0	0	0	0	0	0
March 25, 2031	100	0	0	0	0	0	0	0
March 25, 2032	100	0	0	0	0	0	0	0
March 25, 2033	99	0	0	0	0	0	0	0
March 25, 2034	88	0	0	0	0	0	0	0
March 25, 2035	76	0	0	0	0	0	0	0
March 25, 2036	62	0	0	0	0	0	0	0
March 25, 2037	0	0	0	0	0	0	0	0
Weighted Average Life (in years)(1)	28.94	9.35	6.28	4.82	4.14	3.91	4.07	5.36
Weighted Average Life (in years)(1)(2)	28.94	8.70	5.79	4.46	3.86	3.68	3.32	2.74

(1) The weighted average life of the offered certificates is determined by (i) multiplying the amount of each principal payment by the number of years from the date of issuance to the related distribution date, (ii) adding the results, and (iii) dividing the sum by the initial respective Certificate Principal Balance for such class of offered certificates.

(2) To the first possible optional termination date.

Percent of the Initial Certificate Principal Balance
at the Respective Percentages of the Prepayment Assumption

	Class M-9 Certificates							
Distribution Date	**0%**	**50%**	**75%**	**100%**	**125%**	**150%**	**175%**	**200%**
Initial Percentage	100%	100%	100%	100%	100%	100%	100%	100%
March 25, 2008	100	100	100	100	100	100	100	100
March 25, 2009	100	100	100	100	100	100	100	100
March 25, 2010	100	100	100	100	100	100	100	100
March 25, 2011	100	100	73	49	32	20	12	100
March 25, 2012	100	87	55	34	20	11	0	0
March 25, 2013	100	73	42	23	12	0	0	0
March 25, 2014	100	61	32	16	1	0	0	0
March 25, 2015	100	51	24	11	0	0	0	0
March 25, 2016	100	43	19	1	0	0	0	0
March 25, 2017	100	36	14	0	0	0	0	0
March 25, 2018	100	30	11	0	0	0	0	0
March 25, 2019	100	25	4	0	0	0	0	0
March 25, 2020	100	21	0	0	0	0	0	0
March 25, 2021	100	17	0	0	0	0	0	0
March 25, 2022	100	13	0	0	0	0	0	0

March 25, 2023	100	11	0	0	0	0	0	0
March 25, 2024	100	8	0	0	0	0	0	0
March 25, 2025	100	*	0	0	0	0	0	0
March 25, 2026	100	0	0	0	0	0	0	0
March 25, 2027	100	0	0	0	0	0	0	0
March 25, 2028	100	0	0	0	0	0	0	0
March 25, 2029	100	0	0	0	0	0	0	0
March 25, 2030	100	0	0	0	0	0	0	0
March 25, 2031	100	0	0	0	0	0	0	0
March 25, 2032	100	0	0	0	0	0	0	0
March 25, 2033	99	0	0	0	0	0	0	0
March 25, 2034	88	0	0	0	0	0	0	0
March 25, 2035	76	0	0	0	0	0	0	0
March 25, 2036	62	0	0	0	0	0	0	0
March 25, 2037	0	0	0	0	0	0	0	0
Weighted Average Life (in years)(1)	28.94	9.28	6.23	4.76	4.07	3.78	3.84	4.45
Weighted Average Life (in years)(1)(2)	28.94	8.70	5.79	4.43	3.82	3.58	3.32	2.74

* Indicates a number that is greater than zero but less than 0.5%.

(1) The weighted average life of the offered certificates is determined by (i) multiplying the amount of each principal payment by the number of years from the date of issuance to the related distribution date, (ii) adding the results, and (iii) dividing the sum by the initial respective Certificate Principal Balance for such class of offered certificates.

(2) To the first possible optional termination date.

USE OF PROCEEDS

The depositor will apply the net proceeds of the sale of the offered certificates against the purchase price of the mortgage loans.

FEDERAL INCOME TAX CONSEQUENCES

The Pooling and Servicing Agreement provides that multiple REMIC elections will be made with respect to certain assets in the issuing entity, creating a tiered REMIC structure.

Upon the issuance of the offered certificates, Thacher Proffitt & Wood llp ("Tax Counsel") will deliver its opinion concluding that for federal income tax purposes and assuming compliance with the Pooling and Servicing Agreement, each REMIC comprising the issuing entity (exclusive of the reserve fund and, for the avoidance of doubt, the Swap Account, the Supplemental Interest Trust, the Swap Administration Agreement and the Interest Rate Swap Agreement) will qualify as a REMIC within the meaning of Section 860D of the Internal Revenue Code of 1986, as amended (the "Code"). The Class R Certificates will represent the REMIC residual interest in each REMIC comprising the issuing entity.

Characterization of the Offered Certificates

For federal income tax purposes, a beneficial owner of an offered certificate will be treated as owning an undivided interest in a REMIC regular interest corresponding to that certificate (a "REMIC regular interest component"). In addition, the trustee will treat the beneficial owner of each offered certificate as having entered into a limited recourse notional principal contract (a "notional principal contract component"). Each REMIC regular interest component will be entitled to receive interest and principal payments at the times and in the amounts equal to those made on the offered certificate to which it corresponds, except that (i) the maximum interest rate of each REMIC regular interest component for each distribution date will be equal to:

(A) in the case of the Class I-A Certificates, the weighted average of the net mortgage rates of the mortgage loans in Loan Group I as of the related due date (prior to giving effect to any reduction in the Stated Principal Balances of such mortgage loans on such due date), minus a per annum rate equal to (x) the Net Swap Payment, if any, which would be payable to the Swap Provider pursuant to the Interest Rate Swap Agreement on such distribution date, assuming for this purpose that the notional amount of the Interest Rate Swap Agreement is not greater than the lesser of (1) the aggregate Stated Principal Balance of the mortgage loans in Loan Group I as of the related due date (prior to giving effect to any reduction in the Stated Principal Balances of such mortgage loans on such due date) and (2) the product of (I) the notional amount set forth in this free writing prospectus with respect to the Interest Rate Swap Agreement and such distribution date, (II) 100 and (III) the Group I Swap Notional Allocation Percentage, and assuming for this purpose that the fixed rate used to calculate the Fixed Swap Payment as described in this free writing prospectus does not exceed the weighted average of the net mortgage rates of the mortgage loans in Loan Group I as of the related due date (prior to giving effect to any reduction in the Stated Principal Balances of such mortgage loans on such due date), multiplied by 12, divided by (y) the aggregate Stated Principal Balance of the mortgage loans in Loan Group I as of the related due date (prior to giving effect to any reduction in the Stated Principal Balances of such mortgage loans on such due date),

(B) in the case of the Class II-A Certificates, the weighted average of the net mortgage rates of the mortgage loans in Loan Group II as of the related due date (prior to giving effect to any reduction in the Stated Principal Balances of such mortgage loans on such due date), minus a per annum rate equal to (x) the Net Swap Payment, if any, which would be payable to the Swap Provider pursuant to the Interest Rate Swap Agreement on such distribution date, assuming for this purpose that the notional amount of the Interest Rate Swap Agreement is not greater than the lesser of (1) the aggregate Stated Principal Balance of the mortgage loans in Loan Group II as of the related due date (prior to giving effect to any reduction in the Stated Principal Balances of such mortgage loans on such due date) and (2) the product of (I) the notional amount set forth in this free writing prospectus with respect to the Interest Rate Swap Agreement and such distribution date, (II) 100 and (III) the Group II Swap Notional Allocation Percentage, and assuming for this purpose that the fixed rate used to calculate the Fixed Swap Payment as described in this free writing prospectus does not exceed the weighted average of the net mortgage rates of the mortgage loans in Loan Group II as of the related due date (prior to giving effect to any reduction in the Stated Principal Balances of such mortgage loans on such due date), multiplied by 12, divided by (y) the aggregate Stated Principal Balance of the mortgage loans in Loan Group II as of the related due date (prior to giving effect to any reduction in the Stated Principal Balances of such mortgage loans on such due date),

(C) in the case of the Class III-A Certificates, the weighted average of the net mortgage rates of the mortgage loans in Loan Group III as of the related due date (prior to giving effect to any reduction in the Stated Principal Balances of such mortgage loans on such due date), minus a per annum rate equal to (x) the Net Swap Payment, if any, which would be payable to the Swap Provider pursuant to the Interest Rate Swap Agreement on such distribution date, assuming for this purpose that the notional amount of the Interest Rate Swap Agreement is not greater than the lesser of (1) the aggregate Stated Principal Balance of the mortgage loans in Loan Group II as of the related due date (prior to giving effect to any reduction in the Stated Principal Balances of such mortgage loans on such due date) and (2) the product of (I) the notional amount set forth in this free writing prospectus with respect to the Interest Rate Swap Agreement and such distribution date, (II) 100 and (III) the Group III Swap Notional Allocation Percentage, and assuming for this purpose that the fixed rate used to calculate the Fixed Swap Payment as described in this free writing prospectus does not exceed the weighted average of the net mortgage rates of the mortgage loans in Loan Group III as of the related due date (prior to giving effect to any reduction in the Stated Principal Balances of such mortgage loans on such due date), multiplied by 12, divided by (y) the aggregate Stated Principal Balance of the mortgage loans in Loan Group III as of the related due date (prior to giving effect to any reduction in the Stated Principal Balances of such mortgage loans on such due date), and

(D) in the case of the Class M Certificates, the weighted average of the rates determined pursuant to clauses (A), (B) and (C) above, weighted in proportion to the results of subtracting from the aggregate Stated Principal Balance of the mortgage loans in the related loan group the aggregate Certificate Principal Balance of the related senior certificates, and

(ii) any Swap Termination Payment will be treated as being payable solely from Excess Cashflow. As a result of the foregoing, the amount of distributions on the REMIC regular interest component corresponding to an offered certificate may differ from the actual amount of distributions on such certificate.

Any amount payable on an offered certificate in excess of the amount payable on the corresponding REMIC regular interest component will be deemed to have been paid to the holder of that certificate pursuant to the corresponding notional principal contract component. Alternatively, any amount payable on the REMIC regular interest component corresponding to an offered certificate in excess of the amount payable on the certificate will be treated as having been received by the holder of that certificate in respect of such REMIC regular interest component and then as having been paid by such holder pursuant to the corresponding notional principal contract component. Consequently, each beneficial owner of an offered certificate will be required to report income accruing with respect to the related REMIC regular interest component, as discussed under "*Material Federal Income Tax Considerations—Taxation of Debt Securities*" in the base prospectus, and will be required to report net income and be permitted to recognize net deductions with respect to the related notional principal contract component, as subject to the discussion under "*—The Notional Principal Contract Component*" below.

It is possible that the right to receive payments in respect of the notional principal contract components could be treated as a partnership among the holders of the offered certificates and the Class CE Certificates, in which case holders of such certificates potentially would be subject to different timing of income and foreign holders of such certificates could be subject to withholding in respect of payments in respect of the notional principal contract components. Holders of offered certificates are advised to consult their own tax advisors regarding the allocation of issue price, timing, character and source of income and deductions resulting from the ownership of the offered certificates and the consequences to them in light of their own particular circumstances of the separate taxation of the two components comprising each offered certificate.

Allocation

A beneficial owner of an offered certificate must allocate its purchase price for the certificate between its components—the related REMIC regular interest component and the related notional principal contract component—in accordance with the relative fair market values thereof. For information reporting purposes the trustee may assume the notional principal contract component of each offered certificate will have more than a *de minimis* value. The notional principal contract components are difficult to value, and the Internal Revenue Service ("IRS") could assert that the value of a notional principal contract component as of the Closing Date is greater than the value used for information reporting purposes. Prospective investors are encouraged to consider the tax consequences to them if the IRS were to assert a different value for the notional principal contract component.

Original Issue Discount

The REMIC regular interest components of the offered certificates may be issued with original issue discount, referred to in this free writing prospectus as OID. A beneficial owner of an offered certificate must include any OID with respect to the related REMIC regular interest component in income as it accrues using a constant yield method, regardless of whether the beneficial owner receives currently the cash attributable to such OID. We refer you to "*Material Federal Income Tax Considerations—Taxation of Debt Securities*" in the base prospectus. The prepayment assumption that will be used in determining the accrual of OID, market discount or bond premium, if any, will be a rate equal to 100% of the prepayment assumption as described in this free writing prospectus. No representation is made that the mortgage loans will prepay at such rate or at any other rate.

The Notional Principal Contract Component

The trustee will treat payments made in respect of each notional principal contract component as income or expense or loss, as the case may be, based on Treasury regulations relating to notional principal contracts (the "Notional Principal Contract Regulations"). The balance of this discussion assumes that each notional principal contract component will be treated as a notional principal contract for federal income tax purposes.

The portion of the overall purchase price of an offered certificate attributable to the related notional principal contract component must be amortized over the life of such certificate, taking into account the declining balance of the related REMIC regular interest component. The Notional Principal Contract Regulations provide alternative methods for amortizing the purchase price of a notional principal contract. Prospective investors are urged to consult their tax advisors concerning the methods that can be employed to amortize the portion of the purchase price paid for the notional principal contract component of an offered certificate.

Any payments made to a beneficial owner of an offered certificate in excess of the amounts payable on the related REMIC regular interest component will be treated as having been received in respect of the related notional principal contract component, and such excess will be treated as a periodic payment on a notional principal contract. To the extent the sum of such periodic payments for any year exceeds that year's amortization of the cost of the notional principal contract component, such excess will represent net income for that year. Conversely, to the extent that the amount of that year's amortization of such cost exceeds the sum of the periodic payments, such excess will represent a net deduction for that year. Any amounts payable on a REMIC regular interest component in excess of the amount of payments on the offered certificate to which it relates will be treated as having been received by the beneficial owner of such certificate and then paid by such owner pursuant to the related notional principal contract component, and such excess should be treated as a payment on a notional principal contract that is made by the beneficial owner during the applicable taxable year and that is taken into account in determining the beneficial owner's net income or net deduction with respect to such notional principal contract component for such taxable year. Although not clear, net income or a net deduction with respect to a notional principal contract component should be treated as ordinary income or as an ordinary deduction.

A beneficial owner's ability to recognize a net deduction with respect to a notional principal contract component may be limited under Sections 67 and/or 68 of the Code in the case of (1) estates and trusts and (2) individuals owning an interest in such component directly or through a "pass-through entity" other than in connection with such individual's trade or business. Pass-through entities include partnerships, S corporations, grantor trusts and non-publicly offered regulated investment companies, but do not include estates, non-grantor trusts, cooperatives, real estate investment trusts and publicly offered regulated investment companies. Further, such a beneficial owner will not be able to recognize a net deduction with respect to the notional principal contract component in computing the beneficial owner's alternative minimum tax liability.

Because a beneficial owner of an offered certificate will be required to include in income the amount deemed to have been paid by such owner pursuant to the related notional principal contract component, but may not be able to deduct that amount from income, a beneficial owner of an offered certificate may have income that exceeds cash distributions on the offered certificate in any period and over the term of the offered certificate. As a result, the a offered certificates may not be a suitable investment for any taxpayer whose net deduction with respect to the notional principal contract component would be subject to the limitations described above.

Sale or Exchange of the Offered Certificates

Upon the sale, exchange or other disposition of an offered certificate, the beneficial owner of the certificate must allocate the amount realized between the related REMIC regular interest component and the related notional principal contract component based on the relative fair market values of those components at the time of sale, and must treat the sale, exchange or other disposition as a sale, exchange or disposition of such REMIC regular interest component and notional principal contract component. Assuming that an offered certificate is held as a ''capital asset'' within the meaning of Section 1221 of the Code, gain or loss on the disposition of an interest in the related notional principal contract component should be capital gain or loss, and gain or loss on disposition of the related REMIC regular interest component should generally, subject to the limitation described below, be capital gain or loss. Gain on disposition of such REMIC regular interest component will be treated as ordinary income, however, to the extent such gain does not exceed the excess, if any, of (x) the amount that would have been includable in the holder's gross income with respect to the REMIC regular interest component had income thereon accrued at a rate equal to 110% of the applicable federal rate as defined in Section 1274(d) of the Code determined as of the date of purchase of the REMIC regular interest component over (y) the amount actually included in such holder's income with respect to the REMIC regular interest component.

Status of the Offered Certificates

The REMIC regular interest component of each offered certificate will be treated as assets described in Section 7701(a)(19)(C) of the Code, as a "qualified mortgage" within the meaning of Section 860G(a)(3) of the Code and as "real estate assets" under Section 856(c)(5)(B) of the Code, generally in the same proportion that the assets of the issuing entity, exclusive of the assets not included in any REMIC, would be so treated. In addition, the interest derived from the REMIC regular interest component of each offered certificate will be interest on obligations secured by interests in real property for purposes of Section 856(c)(3) of the Code, subject to the same limitation in the preceding sentence. The notional principal contract component of each offered certificate will not qualify, however, as an asset described in Section 7701(a)(19)(C) of the Code, as a real estate asset under Section 856(c)(5)(B) of the Code or as a "qualified mortgage" within the meaning of Section 860G(a)(3) of the Code. As a result, the offered certificates may not be a suitable investment for a REMIC, a real estate investment trust or an entity intending to qualify under Section 7701(a)(19)(C) of the Code.

For further information regarding the federal income tax consequences of investing in the offered certificates, we refer you to "*Material Federal Income Tax Considerations*" in the base prospectus.

No Withholding on Net Swap Payments Payable to Trust by Swap Provider

The Pooling and Servicing Agreement will restrict any transfer of any Class CE Certificate unless the proposed transferee of such Class CE Certificate (1) provides to the trustee the appropriate tax certification form that would eliminate any withholding or deduction for taxes from amounts payable by the Swap Provider, pursuant to the Interest Rate Swap Agreement, to the Swap Administrator, on behalf of the Supplemental Interest Trust (i.e., IRS Form W-9 or IRS Form W-8BEN, W-8IMY, W-8EXP or W-8ECI, as applicable (or any successor form thereto), together with any applicable attachments) and (2) agrees to update such form (i) upon expiration of any such form, (ii) as required under then applicable U.S. Treasury regulations and (iii) promptly upon learning that such form has become obsolete or incorrect, each as a condition to such transfer. Under the Pooling and Servicing Agreement, upon receipt of any such tax certification form from a proposed transferee of any Class CE Certificate, the trustee will forward such tax certification form provided to it to the Supplemental Interest Trust Trustee. The Supplemental Interest Trust Trustee will then forward such tax certification form provided to it to the Swap Provider. Each holder of a Class CE Certificate and each transferee thereof will be deemed to have consented to the Supplemental Interest Trust Trustee forwarding to the Swap Provider any such tax certification form it has provided and updated in accordance with these transfer restrictions. In addition, if any transfer of the Class CE Certificates would cause the Supplemental Interest Trust to be beneficially owned by two or more persons for federal income tax purposes, the Pooling and Servicing Agreement will contain additional provisions to ensure that the Swap Provider receives the appropriate tax certification forms that would eliminate any withholding or deduction for taxes from amounts payable by the Swap Provider, pursuant to the Interest Rate Swap Agreement, to the Swap Administrator, on behalf of the Supplemental Interest Trust, (i.e., IRS Form W-9 or IRS Form W-8BEN, W-8IMY, W-8EXP or W-8ECI, as applicable (or any successor form thereto) together with any applicable attachments) and any updates thereto from the proposed multiple holders of the Class CE Certificates or the Supplemental Interest Trust, as applicable. Any purported sales or transfers of any Class CE Certificate to a transferee which does not comply with the requirements of this paragraph will be deemed null and void under the Pooling and Servicing Agreement.

STATE AND OTHER TAXES

None of the depositor, the master servicer or the trustee makes any representations regarding the tax consequences of purchase, ownership or disposition of the offered certificates under the tax laws of any state or other jurisdiction. Investors considering an investment in the offered certificates are encouraged to consult their own tax advisors regarding such tax consequences.

All investors are encouraged to consult their own tax advisors regarding the state, local or foreign income tax consequences of the purchase, ownership and disposition of the offered certificates.

ERISA CONSIDERATIONS

Section 406 of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), prohibits "parties in interest" with respect to an employee benefit plan subject to ERISA from engaging in certain transactions involving such plan and its assets unless a statutory, regulatory or administrative exemption applies to the transaction. Section 4975 of the Code imposes certain excise taxes on prohibited transactions involving "disqualified persons" and employee benefit plans or other arrangements (including, but not limited to, individual retirement accounts) described under that section (collectively with employee benefit plans subject to ERISA, "Plans"). ERISA authorizes the imposition of civil penalties for prohibited transactions involving Plans not covered under Section 4975 of the Code. Any Plan fiduciary which proposes to cause a Plan to acquire offered certificates is encouraged to consult with its counsel with respect to the potential consequences under ERISA and the Code of the Plan's acquisition and ownership of such offered certificates. See *"ERISA Considerations"* in the base prospectus.

Certain employee benefit plans, including governmental plans and certain church plans, are not subject to ERISA's requirements. Accordingly, assets of such plans may be invested in offered certificates without regard to the ERISA considerations described in this free writing prospectus and in the base prospectus, subject to the provisions of other applicable federal and state law. Any such plan which is qualified and exempt from taxation under Sections 401(a) and 501(a) of the Code may nonetheless be subject to the prohibited transaction rules set forth in Section 503 of the Code.

Except as noted above, investments by Plans are subject to ERISA's general fiduciary requirements, including the requirement of investment prudence and diversification and the requirement that a Plan's investments be made in accordance with the documents governing the Plan. A fiduciary which decides to invest the assets of a Plan in a class of offered certificates is encouraged to consider, among other factors, the extreme sensitivity of the investments to the rate of principal payments (including prepayments) on the mortgage loans.

The U.S. Department of Labor has granted to Bear, Stearns & Co. Inc. an administrative exemption (Prohibited Transaction Exemption ("PTE") 90-30, as amended by PTE 97-34, PTE 2000-58 and PTE 2002-41) (the "Exemption") from certain of the prohibited transaction rules of ERISA and the related excise tax provisions of Section

4975 of the Code with respect to the initial purchase, the holding and the subsequent resale by Plans of certificates in pass-through trusts that consist of certain receivables, loans and other obligations that meet the conditions and requirements of the Exemption as discussed in "*ERISA Considerations*" in the base prospectus. The Exemption includes a number of conditions including the condition that the certificates issued are rated at least "BBB-" or its equivalent, as more fully described in "*ERISA Considerations*" in the base prospectus. As noted in the base prospectus, another requirement for eligibility under the Exemption is that all of the mortgage loans must have a loan-to-value ratio of not more than 100%, based on the outstanding principal balance of the loan and the fair market value of the mortgage property as of the closing date. It is possible that, if the fair market value of any of the mortgage loans has declined substantially since origination, this requirement may not be satisfied. This possibility is greater for any seasoned loan in the mortgage pool than it is for any mortgage loan that is not seasoned.

The Exemption also provides relief from certain self-dealing/conflict of interest prohibited transactions that may occur when a Plan fiduciary causes a Plan to acquire certificates in an issuing entity holding receivables as to which the fiduciary (or its affiliate) is an obligor, provided that, among other requirements,

- in the case of an acquisition in connection with the initial issuance of certificates, at least fifty percent (50%) of each class of certificates in which Plans have invested is acquired by persons independent of the Restricted Group;

- such fiduciary (or its affiliate) is an obligor with respect to five percent (5%) or less of the fair market value of the obligations contained in the issuing entity;

- a Plan's investment in certificates of any class does not exceed twenty-five percent (25%) of all of the certificates of that class outstanding at the time of the acquisition; and

- immediately after the acquisition, no more than twenty-five percent (25%) of the assets of any Plan with respect to which such person is a fiduciary are invested in certificates representing an interest in one or more issuing entitys containing assets sold or serviced by the same entity.

The Exemption does not apply to Plans sponsored by the underwriter, the trustee, the master servicer, any subservicer, any obligor with respect to mortgage loans included in the issuing entity constituting more than five percent of the aggregate unamortized principal balance of the assets in the issuing entity, any insurer or any affiliate of such parties (the "Restricted Group"). As of the date hereof, there is no single mortgagor that is the obligor on five percent (5%) of the mortgage loans included in the issuing entity by aggregate unamortized principal balance of the assets of the issuing entity.

For so long as the holder of an offered certificate also holds an interest in the Supplemental Interest Trust, the holder will be deemed to have acquired and be holding an offered certificate without the right to receive payments from the Supplemental Interest Trust and, separately, the right to receive payments from the Supplemental Interest Trust. The Exemption is not applicable to the acquisition, holding and transfer of an interest in the Supplemental Interest Trust. In addition, while the Supplemental Interest Trust is in existence, it is possible that not all of the requirements for the Exemption to apply to the acquisition, holding and transfer of offered certificates will be satisfied. However, if the Exemption is not available, there may be other exemptions that may apply. Accordingly, no Plan or other person using assets of a Plan may acquire or hold an offered certificate while the Supplemental Interest Trust is in existence, unless (1) such Plan is an accredited investor within the meaning of the Exemption and (2) such acquisition or holding is eligible for the exemptive relief available under Department of Labor Prohibited Transaction Class Exemption 84-14 (for transactions by independent "qualified professional asset managers"), 91-38 (for transactions by bank collective investment funds), 90-1 (for transactions by insurance company pooled separate accounts), 95-60 (for transactions by insurance company general accounts) or 96-23 (for transactions effected by "in-house asset managers"). For so long as the Supplemental Interest Trust is in existence, each beneficial owner of an offered certificate or any interest therein, will be deemed to have represented, by virtue of its acquisition or holding of the offered certificate, or interest therein, that either (i) it is not a Plan or (ii) (A) it is an accredited investor within the meaning of the Exemption and (B) the acquisition and holding of such certificate and the separate right to receive payments from the Supplemental Interest Trust are eligible for the exemptive relief available under one of the five prohibited transaction class exemptions enumerated above.

Plan fiduciaries are encouraged to consult their legal counsel concerning the availability of, and scope of relief provided by, the Exemption and the enumerated class exemptions.

Each beneficial owner of an offered subordinate certificate or any interest therein who acquires the certificate following termination of the Supplemental Interest Trust will be deemed to have represented, by virtue of its acquisition or holding of that certificate or interest therein, that either (i) it is not a plan investor, (ii) it has acquired and is holding such offered subordinate certificates in reliance on the Exemption, and that it understands that there are certain conditions to the availability of the Exemption, including that the offered subordinate certificates must be rated, at the time of purchase, not lower than "BBB-" (or its equivalent) by Moody's, Standard & Poor's or Fitch or (iii) (1) it is an insurance company, (2) the source of funds used to acquire or hold the certificate or interest therein is an "insurance company general account," as such term is defined in PTCE 95-60, and (3) the conditions in Sections I and III of PTCE 95-60 have been satisfied.

If any offered certificate, or any interest therein, is acquired or held in violation of the provisions of this section, the next preceding permitted beneficial owner will be treated as the beneficial owner of that certificate, retroactive to the date of transfer to the purported beneficial owner. Any purported beneficial owner whose acquisition or holding of an offered certificate, or interest therein, was effected in violation of the provisions of this section will indemnify to the extent permitted by law and hold harmless the depositor, the sponsor, the master servicer, any servicer, the underwriter and the trustee from and against any and all liabilities, claims, costs or expenses incurred by such parties as a result of such acquisition or holding.

Prospective Plan investors are encouraged to consult with their legal advisors concerning the impact of ERISA and the Exemption or any other exemption, and the potential consequences in their specific circumstances, prior to making an investment in the offered certificates. Moreover, each Plan fiduciary is encouraged to determine whether under the general fiduciary standards of investment prudence and diversification, an investment in the offered certificates is appropriate for the Plan, taking into account the overall investment policy of the Plan and the composition of the Plan's investment portfolio.

LEGAL MATTERS

The legality of the certificates, including certain federal income tax consequences with respect hereto, will be passed upon for the depositor by Thacher Proffitt & Wood LLP, New York, New York. Thacher Proffitt & Wood LLP, New York, New York, will also pass upon certain legal matters on behalf of the sponsor, the master servicer and Bear, Stearns & Co. Inc.

LEGAL PROCEEDINGS

There are no material legal proceedings pending against the depositor, the trustee, the issuing entity, PCC, FMC, or the custodian, or with respect to which the property of any of the foregoing transaction parties is subject, that are material to the certificateholders. No legal proceedings against any of the foregoing transaction parties is known to be contemplated by governmental authorities, that are material to the certificateholders. We refer you to "*The Sponsor*" and "*Servicing of the Mortgage Loans — The Master Servicer*" in this free writing prospectus for a description of the legal proceedings against the sponsor and the master servicer.

AFFILIATIONS, RELATIONSHIPS AND RELATED TRANSACTIONS

The sponsor, the master servicer, the issuing entity, Bear, Stearns & Co. Inc., Master Funding LLC and the depositor are affiliated parties. The trustee and the custodian are the same entity. There are no affiliations among (a) the sponsor, the depositor, the master servicer, Bear, Stearns & Co. Inc. and the issuing entity and (b) any of the Swap Provider, PCC, FMC, the trustee or the custodian. There are no affiliations among (a) FMC and (b) any of the Swap Provider, PCC or LaSalle. There are no affiliations among (a) PCC and (b) any of the Swap Provider, FMC or LaSalle.

Except as otherwise described below, there are currently no business relationships, agreements, arrangements, transactions or understandings among (a) the sponsor, the depositor, the Swap Provider or the issuing entity and (b) any of the parties referred to in the preceding sentence, or any of their respective affiliates, that were entered into outside the normal course of business or that contain terms other than would be obtained in an arm's length transaction with an unrelated third party and that are material to the investor's understanding of the certificates, or that relate to the certificates or the pooled assets. Except as otherwise described below, no such business relationship, agreement, arrangement, transaction or understanding has existed during the past two years.

With respect to the mortgage loans originated by PCC, ECC Capital Corporation, of which PCC is a wholly owned subsidiary, sold certain operating assets used in its subprime wholesale mortgage banking division to BSRM, a wholly owned subsidiary of The Bear Stearns Companies Inc., in exchange for cash and the assumption of certain liabilities by BSRM, on February 9, 2007 at which time PCC effectively exited the wholesale mortgage business.

RATINGS

It is a condition of the issuance of the offered certificates that each class of offered certificates be assigned at least the ratings designated below by Standard & Poor's and Moody's.

	Ratings	
Class	**Standard & Poor's**	**Moody's**
I-A-1	AAA	Aaa
I-A-2	AAA	Aaa
I-A-3	AAA	Aaa
I-A-4	AAA	Aaa
II-A	AAA	Aaa
III-A	AAA	Aaa
M-1	AA+	Aa1
M-2	AA	Aa2
M-3	AA-	Aa3
M-4	A+	A1
M-5	A	A2
M-6	A-	A3
M-7	BBB+	Baa1
M-8	BBB	Baa2
M-9	BBB-	Baa3

The security ratings assigned to the offered certificates should be evaluated independently from similar ratings on other types of securities. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the respective rating agency. The ratings on the offered certificates do not, however, constitute statements regarding the likelihood or frequency of prepayments on the mortgage loans or the anticipated yields in light of prepayments.

In addition, the ratings by Standard & Poor's and Moody's do not address the likelihood of the receipt of any amounts in respect of Prepayment Interest Shortfalls, Basis Risk Shortfall Carry Forward Amounts or any interest shortfalls resulting from the application of the Relief Act.

The depositor has not requested ratings of the offered certificates by any rating agency other than Standard & Poor's and Moody's. However, there can be no assurance as to whether any other rating agency will rate the offered certificates or, if it does, what ratings would be assigned by such other rating agency. The ratings assigned by such other rating agency to the offered certificates could be lower than the respective ratings assigned by the rating agencies.

The rating agencies have stated that it is their standard policy to monitor ratings on publicly offered securities for which a rating has been provided, as to each rating agency rating each class of offered certificates in accordance with the rating agencies' particular surveillance policies, unless the issuing entity requests a rating without surveillance. A rating agency will monitor the rating it issues on an ongoing basis and may update the rating after conducting its regular review of the issuing entity's creditworthiness or after conducting a review of the status of the rating upon becoming aware of any information that might reasonably be expected to result in a change of rating. The depositor has not requested that any rating agency not monitor their ratings of the offered certificates, and the depositor has not requested that any rating agency use any monitoring procedures other than their standard monitoring procedures.

LEGAL INVESTMENT

The offered certificates will not constitute "mortgage related securities" for purposes of the Secondary Mortgage Market Enhancement Act of 1984, as amended, or SMMEA.

Institutions whose investment activities are subject to review by certain regulatory authorities hereafter may be or may become subject to restrictions on investment in the certificates, and such restrictions may be retroactively imposed. The Federal Financial Institutions Examination Council, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Office of Thrift Supervision, or OTS, and the National Credit Union Administration, or NCUA, have adopted guidelines, and have proposed policies, regarding the suitability of investments in various types of derivative mortgage-backed securities, including securities such as the certificates.

For example, on April 23, 1998, the Federal Financial Institutions Examination Council issued a revised supervisory policy statement, referred to as the 1998 Policy Statement, applicable to all depository institutions, setting forth guidelines for investments in "high-risk mortgage securities." The 1998 Policy Statement has been adopted by the Federal Reserve Board, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the NCUA and the OTS. The 1998 Policy Statement rescinds a 1992 policy statement that had required, prior to purchase, a depository institution to determine whether a mortgage derivative product that it is considering acquiring is high-risk, and, if so, that the proposed acquisition would reduce the institution's overall interest rate risk. In addition, The 1998 Policy Statement eliminates former constraints on investing in certain "high-risk" mortgage derivative products and substitutes broader guidelines for evaluating and monitoring investment risk. In addition, the NCUA has issued regulations governing federal credit union investments which prohibit investment in certain specified types of securities, which may include the certificates. The NCUA has indicated that its regulations will take precedence over the 1998 Policy Statement. Similar policy statements and regulations have been issued by other regulators having jurisdiction over other types of depository institutions.

The OTS has issued Thrift Bulletin 73a, or TB 73a, entitled "Investing in Complex Securities", effective December 18, 2001 which applies to savings associations regulated by the OTS, and Thrift Bulletin 13a, or TB 13a, entitled "Management of Interest Rate Risk, Investment Securities, and Derivatives Activities", effective December 1, 1998, which is applicable to thrift institutions regulated by the OTS.

TB 73a requires savings associations, prior to taking any investment position, to determine that the investment position meets applicable regulatory and policy requirements and internal guidelines, is suitable for the institution, and is safe and sound. The OTS recommends, with respect to purchases of specific securities, additional analysis, including, among others, analysis of repayment terms, legal structure, expected performance of the issuing entity and any underlying assets as well as analysis of the effects of payment priority, with respect to a security which is divided into separate tranches with unequal payments, and collateral investment parameters, with respect to a security that is prefunded or involves a revolving period. TB 73a reiterates the OTS's due diligence requirements for investing in all securities and warns that if a savings association makes an investment that does not meet the applicable regulatory requirements, the savings association's investment practices will be subject to criticism, and the OTS may require divestiture of such securities. The OTS also recommends, with respect to an investment in any "complex securities," that savings associations should take into account quality and suitability, interest rate risk, and classification factors. For the purposes of each of TB 73a and TB 13a, "complex security" includes, among other things, any collateralized mortgage obligation or real estate mortgage investment conduit security, other than any "plain vanilla" mortgage pass-through security (that is, securities that are part of a single class of securities in the related pool that are non-callable and do not have any special features). Accordingly, all classes of offered certificates would likely be viewed as "complex securities." With respect to quality and suitability factors, TB 73a warns (i) that a savings association's sole reliance on outside ratings for material purchases of complex securities is an unsafe and unsound practice, (ii) that a savings association should only use ratings and analyses from nationally recognized rating agencies in conjunction with, and in validation of, its own underwriting processes, and (iii) that it should not use ratings as a substitute for its own thorough underwriting analyses. With respect the interest rate risk factor, TB 73a recommends that savings associations should follow the guidance set forth in TB 13a.

TB 13a requires thrift institutions, prior to taking any investment position, to (i) conduct a pre-purchase portfolio sensitivity analysis for any "significant transaction" involving securities or financial derivatives, and (ii) conduct a pre-purchase price sensitivity analysis of any "complex security" or financial derivative. The OTS recommends that while a thrift institution should conduct its own in-house pre-acquisition analysis, it may rely on an analysis conducted by an independent third-party as long as management understands the analysis and its key assumptions. Further, TB 13a recommends that the use of "complex securities with high price sensitivity" be limited to transactions and strategies that lower a thrift institution's portfolio interest rate risk. TB 13a warns that investment in complex securities by thrift institutions that do not have adequate risk measurement, monitoring and control systems may be viewed by OTS examiners as an unsafe and unsound practice.

There may be other restrictions on the ability of some investors either to purchase some classes of securities or to purchase any class of securities representing more than a specified percentage of the investors' assets. The depositor will make no representations as to the proper characterization of any class of securities for legal investment or other purposes, or as to the ability of particular investors to purchase any class of securities under applicable legal investment restrictions. These uncertainties may adversely affect the liquidity of any class of securities. Accordingly, all investors whose investment activities are subject to legal investment laws and regulations, regulatory capital requirements or review by regulatory authorities are encouraged to consult with their own legal advisors in determining whether and to what extent the securities of any class constitute legal investments or are subject to investment, capital or other restrictions.

AVAILABLE INFORMATION

The depositor is subject to the informational requirements of the Exchange Act and in accordance therewith files reports and other information with the Commission. Reports and other information filed by the depositor can be inspected and copied at the Public Reference Room maintained by the Commission at 100 F Street NE, Washington, DC 20549, and its Regional Offices located as follows: Chicago Regional Office, 500 West Madison, 14th Floor, Chicago, Illinois 60661; New York Regional Office, 233 Broadway, New York, New York 10279. Copies of the material can also be obtained from the Public Reference Section of the Commission, 100 F Street NE, Washington, DC 20549, at prescribed rates and electronically through the Commission's Electronic Data Gathering, Analysis and Retrieval system at the Commission's Website (http://www.sec.gov). Information about the operation of the Public Reference Room may be obtained by calling the Securities and Exchange Commission at (800) SEC-0330. Exchange Act reports as to any series filed with the Commission will be filed under the issuing entity's name. The depositor does not intend to send any financial reports to security holders.

The issuing entity's annual reports on Form 10-K (including reports of assessment of compliance with the AB Servicing Criteria, attestation reports, and statements of compliance, discussed in "*Description of the Certificates — Reports to Certificateholders*" and "*Servicing of the Mortgage Loans — Evidence as to Compliance*", required to be filed under Regulation AB), periodic distribution reports on Form 10-D, current reports on Form 8-K and amendments to those reports, together with such other reports to security holders or information about the securities as will have been filed with the Commission will be posted on the trustee's internet web site promptly after it has been electronically filed with, or furnished to, the Commission. The address of the website is: www.etrustee.net.

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SCHEDULE A

The following information sets forth in tabular format certain information, as of the cut-off date, about the mortgage loans in each loan group, and about the mortgage loans in the aggregate. Other than with respect to rates of interest, percentages are approximate and are stated by cut-off date principal balance of the mortgage loans in the related loan group or of the mortgage loans in the aggregate, as applicable. The sum of the respective columns may not equal the total indicated due to rounding.

Mortgage Interest Rates of the Mortgage Loans in the Total Pool

Mortgage Interest Rate	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
0.001% - 5.500%..	3	$ 976,704	0.10%	756	80.00%
5.501% - 6.000%..	45	14,951,067	1.51	688	74.11
6.001% - 6.500%..	178	56,604,715	5.71	672	75.64
6.501% - 7.000%..	361	112,997,061	11.39	652	79.26
7.001% - 7.500%..	392	108,886,317	10.98	639	80.63
7.501% - 8.000%..	627	168,965,524	17.03	626	81.82
8.001% - 8.500%..	544	136,104,426	13.72	621	84.03
8.501% - 9.000%..	745	151,201,014	15.24	607	85.17
9.001% - 9.500%..	442	89,626,469	9.03	597	86.37
9.501% - 10.000%..	416	72,692,365	7.33	587	86.16
10.001% - 10.500%..	205	26,335,674	2.65	606	86.46
10.501% - 11.000%..	167	19,668,493	1.98	600	87.23
11.001% - 11.500%..	202	17,741,896	1.79	619	92.24
11.501% - 12.000%..	108	8,781,177	0.89	631	94.16
12.001% - 12.500%..	65	4,776,903	0.48	638	99.37
12.501% - 13.000%..	26	1,663,803	0.17	629	98.78
13.001% - 13.500%..	1	57,525	0.01	602	99.98
13.501% - 14.000%..	1	42,566	0.00	597	100.00
14.001 and greater..	1	29,195	0.00	581	100.00
Total.........	4,529	$ 992,102,895	100.00%	624	83.11%

As of the cut-off date, the weighted average mortgage interest rate of the mortgage loans in the total pool was approximately 8.283%.

*Original Loan-to-Value Ratio of the Mortgage Loans in the Total Pool

*Original Loan-to-Value Ratios	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
10.01% - 20.00%..	6	$ 604,962	0.06%	563	16.90%
20.01% - 30.00%..	18	2,420,154	0.24	657	26.02
30.01% - 40.00%..	46	6,715,001	0.68	616	35.98
40.01% - 50.00%..	75	13,051,530	1.32	618	45.69
50.01% - 60.00%..	162	34,993,331	3.53	596	56.35
60.01% - 70.00%..	338	75,240,632	7.58	594	66.83
70.01% - 80.00%..	1,241	313,670,193	31.62	628	78.60
80.01% - 90.00%..	1,271	326,301,297	32.89	617	87.37
90.01% - 100.00%..	1,372	219,105,795	22.08	643	97.57
Total.........	4,529	$ 992,102,895	100.00%	624	83.11%

* Original loan-to-value ratio reflects loan to value for 1st lien loans and combined loan to value for 2nd lien loans.

As of the cut-off date, the weighted average original loan-to-value ratio of the mortgage loans in the total pool was approximately 83.11%.

*Original Combined Loan-to-Value Ratio of the Mortgage Loans in the Total Pool

*Original Combined Loan-to-Value Ratios	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
10.01% - 20.00%.........	6	$ 604,962	0.06%	563	16.90%
20.01% - 30.00%.........	18	2,420,154	0.24	657	26.02
30.01% - 40.00%.........	46	6,715,001	0.68	616	35.98
40.01% - 50.00%.........	75	13,051,530	1.32	618	45.69
50.01% - 60.00%.........	160	34,719,391	3.50	597	56.35
60.01% - 70.00%.........	331	73,261,479	7.38	593	66.79
70.01% - 80.00%.........	695	167,582,547	16.89	600	77.45
80.01% - 90.00%.........	1,185	307,699,913	31.01	615	87.11
90.01% - 100.00%.........	2,013	386,047,918	38.91	650	90.43
Total.........	4,529	$ 992,102,895	100.00%	624	83.11%

* Original combined loan-to-value ratio reflects combined loan to value for 1st lien loans and combined loan to value for 2nd lien loans.

As of the cut-off date, the weighted average combined original loan-to-value ratio of the mortgage loans in the total pool was approximately 86.33%.

Original Principal Balances of the Mortgage Loans as of the cut-off date in the Total Pool

Original Principal Balance	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
$0 - $100,000.........	1,062	$ 68,626,498	6.92%	625	88.14%
$100,001 - $200,000.........	1,488	218,633,834	22.04	608	82.09
$200,001 - $300,000.........	925	227,437,048	22.92	615	80.81
$300,001 - $400,000.........	482	167,461,813	16.88	625	83.02
$400,001 - $500,000.........	276	124,055,606	12.50	634	84.04
$500,001 - $600,000.........	170	92,903,759	9.36	639	85.02
$600,001 - $700,000.........	68	43,617,809	4.40	651	86.21
$700,001 - $800,000.........	30	22,440,356	2.26	650	85.62
$800,001 and greater.........	28	26,926,173	2.71	645	80.55
Total.........	4,529	$ 992,102,895	100.00%	624	83.11%

As of the cut-off date, the average original principal balance of the mortgage loans in the total pool was approximately $219,108.

Credit Score for the Mortgage Loans in the Total Pool

Credit Score Range	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
500 - 519.........	136	$ 25,680,337	2.59%	509	73.34%
520 - 539.........	239	47,038,984	4.74	530	73.67
540 - 559.........	308	63,107,071	6.36	551	77.35
560 - 579.........	334	68,243,544	6.88	569	78.62
580 - 599.........	571	123,106,114	12.41	590	85.62
600 - 619.........	658	147,384,364	14.86	609	84.20
620 - 639.........	649	141,042,916	14.22	629	84.06
640 - 659.........	580	130,276,787	13.13	649	85.83
660 - 679.........	420	89,543,224	9.03	669	85.03
680 - 699.........	281	70,182,182	7.07	688	85.72
700 - 719.........	123	28,201,248	2.84	708	85.40
720 - 739.........	112	28,273,917	2.85	730	86.04
740 - 759.........	55	11,574,058	1.17	748	82.51
760 - 779.........	38	12,162,432	1.23	767	81.83
780 - 799.........	20	5,055,981	0.51	788	74.61
800 - 819.........	5	1,229,738	0.12	808	59.73
Total.........	4,529	$ 992,102,895	100.00%	624	83.11%

As of the cut-off date, the weighted average credit score of the mortgage loans in the total pool was approximately 624.

Geographic Distribution of the Mortgaged Properties in the Total Pool*

State	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
Alabama	19	$ 2,932,299	0.30%	582	84.84%
Arizona	197	38,766,689	3.91	618	84.12
Arkansas	16	2,332,350	0.24	600	88.14
California	1,113	351,589,672	35.44	636	81.75
Colorado	56	11,625,431	1.17	639	86.55
Connecticut	33	7,393,630	0.75	629	82.52
Delaware	16	3,517,285	0.35	591	82.16
District of Columbia	14	3,866,331	0.39	611	75.33
Florida	479	91,728,779	9.25	612	81.41
Georgia	92	16,010,272	1.61	613	85.38
Hawaii	13	4,118,960	0.42	636	73.74
Idaho	23	3,089,937	0.31	598	80.61
Illinois	302	67,712,608	6.83	618	84.79
Indiana	50	5,309,740	0.54	629	85.82
Iowa	35	4,105,406	0.41	612	93.02
Kansas	26	4,185,469	0.42	633	89.51
Kentucky	14	1,926,160	0.19	614	90.96
Louisiana	13	1,545,797	0.16	628	88.54
Maine	10	1,376,310	0.14	628	81.95
Maryland	187	45,493,865	4.59	613	81.99
Massachusetts	29	7,507,170	0.76	622	82.89
Michigan	112	15,833,263	1.60	607	84.89
Minnesota	43	7,438,499	0.75	633	84.10
Mississippi	27	3,589,486	0.36	603	83.75
Missouri	78	8,744,761	0.88	612	92.52
Montana	9	1,774,128	0.18	644	86.49
Nebraska	6	585,847	0.06	627	93.96
Nevada	106	24,814,180	2.50	622	81.12
New Hampshire	12	2,765,996	0.28	621	86.63
New Jersey	134	37,015,469	3.73	612	81.41
New Mexico	42	7,091,078	0.71	603	82.93
New York	161	47,944,974	4.83	633	82.19
North Carolina	66	8,077,821	0.81	603	88.49
North Dakota	2	229,738	0.02	586	95.92
Ohio	33	3,955,222	0.40	614	86.39
Oklahoma	34	3,640,091	0.37	605	87.62
Oregon	52	10,779,015	1.09	640	82.49
Pennsylvania	96	14,635,221	1.48	605	85.31
Rhode Island	15	3,453,338	0.35	619	85.17
South Carolina	20	2,262,234	0.23	595	88.06
South Dakota	2	233,627	0.02	590	100.00
Tennessee	48	5,462,529	0.55	603	87.70
Texas	362	39,093,843	3.94	622	91.47
Utah	18	4,476,836	0.45	626	84.46
Vermont	1	226,733	0.02	608	84.00
Virginia	131	26,544,682	2.68	602	80.37
Washington	138	28,015,425	2.82	636	83.34
West Virginia	12	1,973,700	0.20	607	83.64
Wisconsin	23	3,842,561	0.39	603	88.64
Wyoming	9	1,468,439	0.15	601	83.70
Total	4,529	$ 992,102,895	100.00%	624	83.11%

*No more than approximately 0.39% of the mortgage loans in the total pool by principal balance as of the cut-off date will be secured by properties located in any one zip code area.

Property Types of Mortgaged Properties in the Total Pool

Property Type	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
2-4 Family	243	$ 74,373,155	7.50%	635	81.69%
Condominium	231	45,140,017	4.55	634	83.54
PUD	637	142,038,462	14.32	628	86.44
Single Family	3,417	730,337,631	73.62	621	82.58
Townhouse	1	213,631	0.02	592	95.00
Total	4,529	$ 992,102,895	100.00%	624	83.11%

Occupancy Status of Mortgaged Properties in the Total Pool*

Occupancy Status	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
Investor	259	$ 45,153,542	4.55%	630	78.02%
Owner Occupied	4,235	938,060,791	94.55	623	83.38
Second Home	35	8,888,563	0.90	638	80.11
Total	4,529	$ 992,102,895	100.00%	624	83.11%

*Based upon representation of the related mortgagors at the time of origination.

Original Term of the Mortgage Loans in the Total Pool

Original Term	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
120 - 179 months	1	$ 108,000	0.01%	638	52.68%
180 - 239 months	511	34,586,401	3.49	662	96.44
240 - 359 months	34	2,222,562	0.22	652	77.75
360 months	3,983	955,185,932	96.28	622	82.64
Total	4,529	$ 992,102,895	100.00%	624	83.11%

As of the cut-off date, the weighted average stated original term to scheduled maturity of the mortgage loans in the total pool was approximately 353 months.

Remaining Term to Stated Maturity for the Mortgage Loans in the Total Pool

Remaining Term to Stated Maturity	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
61 - 120 months	1	$ 108,000	0.01%	638	52.68%
121 - 180 months	511	34,586,401	3.49	662	96.44
181 - 240 months	33	2,020,562	0.20	647	81.85
241 - 300 months	1	202,000	0.02	705	36.73
301 - 360 months	3,983	955,185,932	96.28	622	82.64
Total	4,529	$ 992,102,895	100.00%	624	83.11%

As of the cut-off date, the weighted average stated remaining months to scheduled maturity of the mortgage loans in the total pool was approximately 352 months.

Loan Purpose for the Mortgage Loans in the Total Pool

Loan Purpose	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
Cash-Out Refinance	2,536	$ 619,501,739	62.44%	613	80.48%
Purchase	1,549	271,810,545	27.40	647	89.06
Rate/Term Refinance	444	100,790,611	10.16	625	83.25
Total	4,529	$ 992,102,895	100.00%	624	83.11%

Documentation Type of the Mortgage Loans in the Total Pool

Documentation Type	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
Full/Alternative	2,562	$ 513,864,433	51.80%	613	83.43%
Limited	18	5,762,160	0.58	603	82.65
Lite	28	5,277,503	0.53	612	80.07
Stated Income	1,921	467,198,800	47.09	636	82.79
Total	4,529	$ 992,102,895	100.00%	624	83.11%

Product Type of the Mortgage Loans in the Total Pool

Product Type	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
BALLOON (40/30 BLN)	187	$ 46,987,700	4.74%	637	82.81%
BALLOON (50 BLN)	75	23,829,296	2.40	654	79.64
BALLOON	489	31,852,075	3.21	665	99.02
BALLOON IO	1	27,000	0.00	659	94.59
FIXED	882	143,765,712	14.49	632	83.04
FIXED 10YR DUAL	38	7,523,199	0.76	633	75.23
FIXED IO	102	38,496,648	3.88	660	84.14
6 MONTH LIBOR	1	115,545	0.01	662	80.00
LIBOR 2/6 10YR DUAL	12	4,966,800	0.50	613	82.71
LIBOR 2/6 ARM	995	194,222,253	19.58	598	81.91
LIBOR 2/6 ARM (40/30 BLN)	813	222,958,341	22.47	602	81.29
LIBOR 2/6 ARM (50 BLN)	122	37,499,344	3.78	622	86.33
LIBOR 2/6 ARM IO	396	135,477,290	13.66	647	84.06
LIBOR 3/6 ARM	121	20,477,905	2.06	603	83.10
LIBOR 3/6 ARM (40/30 BLN)	117	27,586,441	2.78	610	81.30
LIBOR 3/6 ARM (50 BLN)	4	1,714,722	0.17	662	85.70
LIBOR 3/6 ARM IO	45	11,445,810	1.15	638	83.91
LIBOR 5/6 ARM	16	5,266,489	0.53	672	70.71
LIBOR 5/6 ARM (40/30 BLN)	4	1,070,036	0.11	588	74.56
LIBOR 5/6 ARM (50 BLN)	6	2,200,163	0.22	651	78.73
LIBOR 5/6 ARM IO	7	2,279,570	0.23	659	84.91
TREASURY 5/1 ARM	32	7,733,617	0.78	648	90.21
TREASURY 5/1 ARM IO	64	24,606,940	2.48	686	86.04
Total	4,529	$ 992,102,895	100.00%	624	83.11%

Rate Adjustment Frequency of the Mortgage Loans in the Total Pool

Rate Adjustment Frequency	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
6 months	2,659	$ 667,280,709	67.26%	613	82.35%
12 months	96	32,340,557	3.26	677	87.04
Fixed	1,774	292,481,630	29.48	642	84.41
Total	4,529	$ 992,102,895	100.00%	624	83.11%

Months to Next Rate Adjustment of the Mortgage Loans in the Total Pool

Months to Next Rate Adjustment	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
1 - 5	1	$ 115,545	0.01%	662	80.00%
6 - 11	1	977,171	0.10	593	100.00
12 - 17	11	2,551,474	0.26	658	80.78
18 - 23	2,326	591,595,383	59.63	612	82.43
24 - 29	1	463,172	0.05	677	89.42
30 - 35	286	60,761,707	6.12	614	82.46
54 - 59	129	43,156,814	4.35	672	84.20
Fixed	1,774	292,481,630	29.48	642	84.41
Total	4,529	$ 992,102,895	100.00%	624	83.11%

The weighted average next rate adjustment for the adjustable rate mortgage loans is approximately 26 months in the total pool. Months to next rate adjustment is calculated by using the first rate adjustment date for the loans still in a fixed period and by using next rate adjustment for loans that are fully indexed.

Maximum Mortgage Rates of the Mortgage Loans in the Total Pool

Maximum Mortgage Rate	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
10.500% - 10.749%	3	$ 1,045,400	0.11%	713	81.92%
10.750% - 10.999%	19	5,846,100	0.59	655	79.89
11.000% - 11.249%	18	5,499,900	0.55	671	73.42
11.250% - 11.499%	27	9,376,792	0.95	664	78.98
11.500% - 11.749%	43	13,736,025	1.38	656	78.03
11.750% - 11.999%	78	24,819,076	2.50	646	78.45
12.000% - 12.249%	46	13,239,259	1.33	641	81.97
12.250% - 12.499%	100	29,264,124	2.95	632	78.46
12.500% - 12.749%	97	28,858,512	2.91	628	79.20
12.750% - 12.999%	169	52,370,824	5.28	622	81.67
13.000% - 13.249%	101	30,373,368	3.06	633	84.05
13.250% - 13.499%	140	38,545,055	3.89	623	81.75
13.500% - 13.749%	159	43,776,460	4.41	617	81.89
13.750% - 13.999%	236	68,264,631	6.88	615	83.89
14.000% - 14.249%	98	25,268,042	2.55	612	81.93
14.250% - 14.499%	156	40,157,070	4.05	608	85.02
14.500% - 14.749%	144	39,215,301	3.95	617	82.72
14.750% - 14.999%	232	56,877,794	5.73	611	83.11
15.000% - 15.249%	109	25,185,063	2.54	608	82.15
15.250% - 15.499%	127	25,721,747	2.59	608	86.16
15.500% - 15.749%	152	34,162,196	3.44	605	85.53
15.750% - 15.999%	144	26,483,681	2.67	598	85.83
16.000% - 16.249%	70	11,851,979	1.19	579	82.74

16.250% - 16.499%	57	11,483,929	1.16	595	84.83
16.500% - 16.749%	57	10,251,207	1.03	562	83.22
16.750% - 16.999%	61	10,955,660	1.10	579	85.52
17.000% - 17.249%	29	3,824,707	0.39	585	82.88
17.250% - 17.499%	25	3,832,296	0.39	579	79.27
17.500% - 17.749%	17	2,887,896	0.29	568	84.21
17.750% - 17.999%	18	3,413,800	0.34	581	86.68
18.000% - 18.249%	9	1,297,069	0.13	558	84.52
18.250% - 18.499%	6	903,683	0.09	546	78.90
18.500% - 18.749%	4	494,948	0.05	549	76.12
18.750% - 18.999%	1	63,600	0.01	653	90.00
19.000% - 19.249%	3	274,073	0.03	581	93.46
Fixed	1,774	292,481,630	29.48	642	84.41
Total	4,529	$ 992,102,895	100.00%	624	83.11%

As of the cut-off date, the weighted average maximum mortgage rate of the adjustable rate mortgage loans in the total pool was approximately 14.048%.

Minimum Mortgage Rates of the Mortgage Loans in the Total Pool

Minimum Mortgage Rate	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
3.250% - 3.499%	1	$ 232,800	0.02%	609	80.00%
4.250% - 4.499%	2	470,208	0.05	639	82.65
4.500% - 4.749%	10	1,755,111	0.18	615	87.79
4.750% - 4.999%	15	2,467,526	0.25	603	86.28
5.000% - 5.249%	12	2,191,717	0.22	597	78.64
5.250% - 5.499%	24	3,984,053	0.40	617	82.29
5.500% - 5.749%	36	7,289,369	0.73	618	78.95
5.750% - 5.999%	74	16,064,286	1.62	611	80.26
6.000% - 6.249%	100	30,084,128	3.03	628	80.55
6.250% - 6.499%	95	28,488,292	2.87	627	81.57
6.500% - 6.749%	83	25,454,751	2.57	643	79.31
6.750% - 6.999%	176	54,082,149	5.45	637	79.04
7.000% - 7.249%	84	24,105,738	2.43	643	83.14
7.250% - 7.499%	151	42,613,669	4.30	635	78.84
7.500% - 7.749%	151	42,069,379	4.24	630	79.82
7.750% - 7.999%	250	73,134,834	7.37	623	83.15
8.000% - 8.249%	127	35,179,697	3.55	630	83.36
8.250% - 8.499%	170	43,596,948	4.39	616	84.46
8.500% - 8.749%	198	52,946,915	5.34	616	83.30
8.750% - 8.999%	271	66,847,307	6.74	603	85.00
9.000% - 9.249%	109	24,548,553	2.47	595	84.64
9.250% - 9.499%	151	33,881,114	3.42	599	87.47
9.500% - 9.749%	121	27,453,039	2.77	592	86.47
9.750% - 9.999%	139	26,060,607	2.63	580	84.49
10.000% - 10.249%	55	8,490,415	0.86	578	82.29
10.250% - 10.499%	45	8,009,729	0.81	582	81.69
10.500% - 10.749%	27	5,044,344	0.51	565	83.26
10.750% - 10.999%	36	5,862,688	0.59	560	79.21
11.000% - 11.249%	17	3,243,447	0.33	551	79.09
11.250% - 11.499%	12	1,690,258	0.17	551	78.30
11.500% - 11.749%	6	778,970	0.08	533	76.67
11.750% - 11.999%	3	1,137,600	0.11	587	79.11
12.000% - 12.249%	3	274,073	0.03	581	93.46
12.500% - 12.749%	1	87,550	0.01	561	85.00
Fixed	1,774	292,481,630	29.48	642	84.41
Total	4,529	$ 992,102,895	100.00%	624	83.11%

As of the cut-off date, the weighted average minimum mortgage rate of the adjustable rate mortgage loans in the total pool was approximately 8.014%.

Periodic Rate Cap of the Mortgage Loans in the Total Pool

Periodic Rate Cap	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
1.000%........	2,216	$ 575,473,349	58.01%	616	82.44%
1.500%........	340	61,532,708	6.20	600	82.00
2.000%........	199	62,615,209	6.31	640	84.30
Fixed…........	1,774	292,481,630	29.48	642	84.41
Total…......	4,529	$ 992,102,895	100.00%	624	83.11%

As of the cut-off date, the weighted average periodic rate cap of the adjustable rate mortgage loans in the total pool was approximately 1.133%.

Initial Rate Cap of the Mortgage Loans in the Total Pool

Initial Rate Cap	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
1.000% - 1.499%........	4	$ 670,150	0.07%	601	84.25%
1.500% - 1.749%........	192	32,245,524	3.25	594	81.15
2.000% - 2.249%........	1,629	438,219,971	44.17	618	81.69
2.500% - 2.749%........	1	135,863	0.01	608	71.58
3.000% - 3.249%........	927	227,247,758	22.91	616	84.41
6.000% - 6.249%........	2	1,102,000	0.11	685	92.83
Fixed…........	1,774	292,481,630	29.48	642	84.41
Total…......	4,529	$ 992,102,895	100.00%	624	83.11%

As of the cut-off date, the weighted average initial rate cap of the adjustable rate mortgage loans in the total pool was approximately 2.307%.

Gross Margin of the Mortgage Loans in the Total Pool

Gross Margin	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
2.250% - 2.499%........	2	$ 465,600	0.05%	635	80.00%
2.500% - 2.749%........	3	1,183,000	0.12	581	82.33
2.750% - 2.999%........	4	727,633	0.07	649	80.00
3.000% - 3.249%........	2	297,979	0.03	637	68.53
3.250% - 3.499%........	3	904,800	0.09	659	80.00
3.500% - 3.749%........	2	256,375	0.03	628	74.53
3.750% - 3.999%........	4	981,613	0.10	604	77.26
4.000% - 4.249%........	5	934,291	0.09	615	78.70
4.250% - 4.499%........	8	2,149,371	0.22	626	83.09
4.500% - 4.749%........	18	3,241,969	0.33	611	83.72
4.750% - 4.999%........	20	3,293,100	0.33	604	84.75
5.000% - 5.249%........	40	9,140,832	0.92	618	83.85
5.250% - 5.499%........	929	247,318,066	24.93	622	82.84
5.500% - 5.749%........	252	57,682,011	5.81	625	84.68
5.750% - 5.999%........	551	147,059,784	14.82	604	80.25
6.000% - 6.249%........	250	67,526,158	6.81	631	85.38
6.250% - 6.499%........	219	50,723,913	5.11	619	84.10
6.500% - 6.749%........	85	20,878,650	2.10	619	81.58
6.750% - 6.999%........	239	60,219,900	6.07	601	80.96
7.000% - 7.249%........	31	6,849,700	0.69	625	78.78
7.250% - 7.499%........	25	5,178,445	0.52	604	82.64
7.500% - 7.749%........	21	5,505,796	0.55	591	80.73
7.750% - 7.999%........	21	3,948,926	0.40	584	87.67
8.000% - 8.249%........	9	1,315,000	0.13	592	89.56
8.250% - 8.499%........	6	1,168,678	0.12	560	84.65

8.500% - 8.749%...	3	365,815	0.04	568	88.03
8.750% - 8.999%...	2	160,228	0.02	599	92.59
9.750% - 9.999%...	1	143,632	0.01	551	85.00
Fixed…..	1,774	292,481,630	29.48	642	84.41
Total…......	4,529	$ 992,102,895	100.00%	624	83.11%

As of the cut-off date, the weighted average gross margin of the adjustable rate mortgage loans in the total pool was approximately 5.816%.

Originator of the Mortgage Loans in the Total Pool

Originator	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
PCC (Formerly Encore)………………..	1,978	$ 469,365,143	47.31%	617	80.87%
FIELDSTONE MORTGAGE…………….	1,027	207,611,202	20.93	655	90.01
OTHER…………………………...	1,524	315,126,551	31.76	614	81.90
Total…......	4,529	$ 992,102,895	100.00%	624	83.11%

Mortgage Interest Rates of the Mortgage Loans in Loan Group I

Mortgage Interest Rate	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
0.001% - 5.500%...	2	$ 624,704	0.09%	741	80.00%
5.501% - 6.000%...	29	11,159,759	1.67	699	73.13
6.001% - 6.500%...	121	42,418,898	6.33	674	76.40
6.501% - 7.000%...	243	84,486,810	12.61	656	79.73
7.001% - 7.500%...	251	77,512,375	11.57	646	80.70
7.501% - 8.000%...	381	115,697,070	17.27	630	83.20
8.001% - 8.500%...	338	92,794,521	13.85	626	84.43
8.501% - 9.000%...	468	97,233,601	14.51	616	86.41
9.001% - 9.500%...	256	55,646,229	8.30	603	87.69
9.501% - 10.000%...	246	43,891,827	6.55	594	88.37
10.001% - 10.500%...	128	15,195,228	2.27	630	89.68
10.501% - 11.000%...	108	11,599,349	1.73	618	90.42
11.001% - 11.500%...	151	12,721,204	1.90	630	95.26
11.501% - 12.000%...	62	4,888,324	0.73	623	92.75
12.001% - 12.500%...	36	2,699,169	0.40	642	99.14
12.501% - 13.000%...	20	1,363,703	0.20	627	98.51
13.001% - 13.500%...	1	57,525	0.01	602	99.97
13.501% - 14.000%...	1	42,566	0.01	597	100.00
14.001 and greater…...	1	29,195	0.00	581	100.00
Total…......	2,843	$ 670,062,057	100.00%	632	83.89%

As of the cut-off date, the weighted average mortgage interest rate of the mortgage loans in loan group I was approximately 8.202%.

***Original Loan-to-Value Ratio of the Mortgage Loans in Loan Group I**

*Original Loan-to-Value Ratios	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
20.01% - 30.00%...	5	$ 920,762	0.14%	720	24.18%
30.01% - 40.00%...	14	2,227,339	0.33	621	37.52
40.01% - 50.00%...	58	10,552,530	1.57	612	45.81
50.01% - 60.00%...	118	25,978,095	3.88	599	56.00
60.01% - 70.00%...	156	39,058,082	5.83	607	66.85

70.01% - 80.00%..	781	218,123,544	32.55	640	78.83
80.01% - 90.00%..	700	206,805,941	30.86	623	87.42
90.01% - 100.00%..	1,011	166,395,763	24.83	644	97.85
Total…......	2,843	$ 670,062,057	100.00%	632	83.89%

* Original loan-to-value ratio reflects loan to value for 1st lien loans and combined loan to value for 2nd lien loans.

As of the cut-off date, the weighted average original loan-to-value ratio of the mortgage loans in loan group I was approximately 83.89%.

***Original Combined Loan-to-Value Ratio of the Mortgage Loans in Loan Group I**

*Original Combined Loan-to-Value Ratios	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
20.01% - 30.00%..	5	$ 920,762	0.14%	720	24.18%
30.01% - 40.00%..	14	2,227,339	0.33	621	37.52
40.01% - 50.00%..	58	10,552,530	1.57	612	45.81
50.01% - 60.00%..	117	25,846,156	3.86	600	55.98
60.01% - 70.00%..	154	38,278,595	5.71	606	66.77
70.01% - 80.00%..	326	91,439,765	13.65	611	77.43
80.01% - 90.00%..	630	190,394,780	28.41	622	87.09
90.01% - 100.00%..	1,539	310,402,130	46.32	651	90.07
Total…......	2,843	$ 670,062,057	100.00%	632	83.89%

* Original combined loan-to-value ratio reflects combined loan to value for 1st lien loans and combined loan to value for 2nd lien loans.

As of the cut-off date, the weighted average combined original loan-to-value ratio of the mortgage loans in loan group I was approximately 87.99%.

Original Principal Balances of the Mortgage Loans as of the Cut-off Date in Loan Group I

Original Principal Balance	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
$0 - $100,000…...	731	$ 44,912,551	6.70%	630	90.26%
$100,001 - $200,000…...	814	118,730,749	17.72	620	83.54
$200,001 - $300,000…...	501	123,029,679	18.36	622	80.76
$300,001 - $400,000…...	272	94,672,683	14.13	634	83.20
$400,001 - $500,000…...	239	108,222,952	16.15	636	84.49
$500,001 - $600,000…...	161	88,139,104	13.15	639	84.96
$600,001 - $700,000…...	67	42,987,809	6.42	651	86.16
$700,001 - $800,000…...	30	22,440,356	3.35	650	85.62
$800,001 and greater…...	28	26,926,173	4.02	645	80.55
Total…......	2,843	$ 670,062,057	100.00%	632	83.89%

As of the cut-off date, the average original principal balance of the mortgage loans in loan group I was approximately $235,750.

Credit Score for the Mortgage Loans in Loan Group I

Credit Score Range	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
500 - 519…..	66	$ 13,109,007	1.96%	509	72.48%
520 - 539…..	110	23,374,888	3.49	530	72.76
540 - 559…..	145	32,297,451	4.82	551	78.27
560 - 579…..	166	36,015,922	5.38	569	79.07
580 - 599…..	333	77,061,512	11.50	590	86.73

600 - 619	383	93,712,178	13.99	609	84.80
620 - 639	434	99,408,401	14.84	629	84.43
640 - 659	400	97,053,471	14.48	649	86.00
660 - 679	315	70,910,392	10.58	669	84.88
680 - 699	225	59,238,653	8.84	687	85.79
700 - 719	89	22,039,471	3.29	708	87.09
720 - 739	90	23,004,038	3.43	730	86.02
740 - 759	41	8,564,394	1.28	749	82.68
760 - 779	28	9,482,479	1.42	767	80.58
780 - 799	15	3,966,936	0.59	788	72.40
800 - 819	3	822,865	0.12	807	67.70
Total	2,843	$ 670,062,057	100.00%	632	83.89%

As of the cut-off date, the weighted average credit score of the mortgage loans in loan group I was approximately 632.

Geographic Distribution of the Mortgaged Properties in Loan Group I*

State	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
Alabama	12	$ 1,802,413	0.27%	572	87.52%
Arizona	102	20,834,612	3.11	630	85.07
Arkansas	11	1,729,157	0.26	601	93.92
California	819	280,867,446	41.92	641	82.87
Colorado	47	10,017,617	1.50	641	86.98
Connecticut	20	5,056,247	0.75	635	82.66
Delaware	8	1,901,443	0.28	592	81.97
District of Columbia	9	2,514,478	0.38	599	75.91
Florida	257	50,236,884	7.50	619	82.95
Georgia	52	10,491,833	1.57	621	85.49
Hawaii	8	2,213,644	0.33	644	72.39
Idaho	14	1,817,123	0.27	592	79.27
Illinois	174	41,773,211	6.23	626	84.94
Indiana	30	3,576,988	0.53	633	86.94
Iowa	18	2,253,261	0.34	624	94.48
Kansas	18	2,903,199	0.43	650	93.23
Kentucky	6	836,013	0.12	630	93.45
Louisiana	10	1,118,593	0.17	641	89.29
Maine	6	672,892	0.10	630	78.85
Maryland	88	25,216,041	3.76	622	82.21
Massachusetts	16	4,313,615	0.64	630	80.83
Michigan	61	8,708,663	1.30	619	85.48
Minnesota	25	4,305,618	0.64	645	82.42
Mississippi	20	2,671,370	0.40	585	82.98
Missouri	54	6,005,930	0.90	614	93.13
Montana	6	1,007,675	0.15	640	86.11
Nebraska	3	276,833	0.04	617	91.91
Nevada	60	14,947,835	2.23	635	81.40
New Hampshire	5	1,226,404	0.18	625	88.51
New Jersey	73	21,439,580	3.20	616	80.11
New Mexico	21	3,651,367	0.54	631	85.51
New York	95	31,967,579	4.77	642	83.01
North Carolina	39	4,412,406	0.66	613	91.70
North Dakota	1	167,277	0.02	572	100.00
Ohio	18	2,167,984	0.32	643	87.70
Oklahoma	23	2,299,234	0.34	616	89.14
Oregon	33	7,056,599	1.05	633	82.05
Pennsylvania	52	8,475,869	1.26	614	84.65
Rhode Island	8	1,897,667	0.28	629	88.35
South Carolina	12	1,264,268	0.19	604	87.63
South Dakota	1	102,950	0.02	594	100.00
Tennessee	34	3,800,240	0.57	605	87.82
Texas	293	31,237,476	4.66	625	92.03
Utah	12	3,193,527	0.48	626	86.35

Virginia……	68	15,548,424	2.32	613	80.81
Washington……	84	16,837,144	2.51	646	84.00
West Virginia……	4	853,300	0.13	596	83.89
Wisconsin……	10	1,935,497	0.29	606	92.27
Wyoming……	3	456,630	0.07	624	80.00
Total…......	2,843	$ 670,062,057	100.00%	632	83.89%

*No more than approximately 0.51% of the mortgage loans in loan group I by aggregate principal balance as of the cut-off date will be secured by properties located in any one zip code area.

Property Types of Mortgaged Properties in Loan Group I

Property Type	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
2-4 Family......	161	$ 50,574,352	7.55%	639	83.41%
Condominium......	143	30,525,630	4.56	641	84.16
PUD......	445	103,444,186	15.44	633	86.92
Single Family......	2,093	485,304,258	72.43	630	83.27
Townhouse......	1	213,631	0.03	592	95.00
Total.........	2,843	$ 670,062,057	100.00%	632	83.89%

Occupancy Status of Mortgaged Properties in Loan Group I*

Occupancy Status	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
Investor…......	161	$ 27,511,665	4.11%	639	78.82%
Owner Occupied…......	2,662	636,231,514	94.95	632	84.16
Second Home…......	20	6,318,878	0.94	644	79.03
Total…......	2,843	$ 670,062,057	100.00%	632	83.89%

*Based upon representation of the related mortgagors at the time of origination.

Original Term of the Mortgage Loans in Loan Group I

Original Term	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
180 - 239 months…......	444	$ 28,586,308	4.27%	666	97.83%
240 - 359 months…......	26	1,482,232	0.22	641	83.54
360 months…......	2,373	639,993,517	95.51	630	83.27
Total…......	2,843	$ 670,062,057	100.00%	632	83.89%

As of the cut-off date, the weighted average stated original term to scheduled maturity of the mortgage loans in loan group I was approximately 352 months.

Remaining Term to Stated Maturity for the Mortgage Loans in Loan Group I

Remaining Term to Stated Maturity	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
121 - 180 months…......	444	$ 28,586,308	4.27%	666	97.83%

181 - 240 months…	26	1,482,232	0.22	641	83.54
301 - 360 months…	2,373	639,993,517	95.51	630	83.27
Total…......	2,843	$ 670,062,057	100.00%	632	83.89%

As of the cut-off date, the weighted average stated remaining months to scheduled maturity of the mortgage loans in loan group I was approximately 350 months.

Loan Purpose for the Mortgage Loans in Loan Group I

Loan Purpose	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
Cash-Out Refinance……	1,336	$ 372,055,900	55.53%	621	80.73%
Purchase……	1,269	234,890,842	35.06	648	89.00
Rate/Term Refinance……	238	63,115,315	9.42	635	83.53
Total…......	2,843	$ 670,062,057	100.00%	632	83.89%

Documentation Type of the Mortgage Loans in Loan Group I

Documentation Type	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
Full/Alternative……	1,610	$ 348,464,421	52.00%	620	83.82%
Limited……	8	3,349,860	0.50	621	86.54
Lite……	15	3,177,684	0.47	620	78.34
Stated Income……	1,210	315,070,092	47.02	646	84.00
Total…......	2,843	$ 670,062,057	100.00%	632	83.89%

Product Type of the Mortgage Loans in Loan Group I

Product Type	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
BALLOON (40/30 BLN)……	123	$ 32,931,504	4.91%	639	83.83%
BALLOON (50/30 BLN)……	53	19,087,102	2.85	659	80.21
BALLOON……	432	27,454,085	4.10	667	99.23
BALLOON IO……	1	27,000	0.00	659	94.59
FIXED……	536	95,925,640	14.32	635	83.79
FIXED 10YR DUAL……	24	4,519,185	0.67	615	73.21
FIXED IO……	81	33,257,248	4.96	661	84.71
6 MONTH LIBOR……	1	115,545	0.02	662	80.00
LIBOR 2/6 10YR DUAL……	6	2,877,300	0.43	614	84.51
LIBOR 2/6 ARM……	562	115,886,399	17.29	605	82.83
LIBOR 2/6 ARM (40/30 BLN)……	432	136,272,415	20.34	610	81.79
LIBOR 2/6 ARM (50/30 BLN)……	74	25,965,602	3.88	630	86.66
LIBOR 2/6 ARM IO……	279	104,831,163	15.64	649	84.50
LIBOR 3/6 ARM……	54	10,491,298	1.57	620	83.59
LIBOR 3/6 ARM (40/30 BLN)……	50	14,372,958	2.15	626	80.69
LIBOR 3/6 ARM (50/30 BLN)……	4	1,714,722	0.26	662	85.70
LIBOR 3/6 ARM IO……	27	8,014,560	1.20	646	82.28
LIBOR 5/6 ARM……	10	3,837,209	0.57	685	71.84
LIBOR 5/6 ARM (40/30 BLN)……	2	433,233	0.06	583	80.00
LIBOR 5/6 ARM (50/30 BLN)……	5	1,855,163	0.28	671	77.91
LIBOR 5/6 ARM IO……	6	2,114,570	0.32	663	85.40
TREASURY 5/1 ARM……	25	5,840,198	0.87	661	90.87
TREASURY 5/1 ARM IO……	56	22,237,958	3.32	687	85.07
Total.........	2,843	$ 670,062,057	100.00%	632	83.89%

Rate Adjustment Frequency of the Mortgage Loans in Loan Group I

Rate Adjustment Frequency	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
6 months…	1,512	$ 428,782,136	63.99%	622	82.99%
12 months…	81	28,078,156	4.19	682	86.28
Fixed…	1,250	213,201,764	31.82	646	85.38
Total….....	2,843	$ 670,062,057	100.00%	632	83.89%

Months to Next Rate Adjustment of the Mortgage Loans in Loan Group I

Months to Next Rate Adjustment	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
1 - 5	1	$ 115,545	0.02%	662	80.00%
6 - 11	1	977,171	0.15	593	100.00
12 - 17	7	2,021,914	0.30	671	81.37
18 - 23	1,345	382,833,794	57.13	620	83.16
24 - 29	1	463,172	0.07	677	89.42
30 - 35	134	34,130,366	5.09	630	82.08
54 - 59	104	36,318,331	5.42	679	84.20
Fixed	1,250	213,201,764	31.82	646	85.38
Total	2,843	$ 670,062,057	100.00%	632	83.89%

The weighted average next rate adjustment for the adjustable rate mortgage loans is approximately 26 months in loan group I. Months to next rate adjustment is calculated by using the first rate adjustment date for the loans still in a fixed period and by using next rate adjustment for loans that are fully indexed.

Maximum Mortgage Rates of the Mortgage Loans in Loan Group I

Maximum Mortgage Rate	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
10.500% - 10.749%	2	$ 693,400	0.10%	678	82.89%
10.750% - 10.999%	9	3,180,700	0.47	652	78.19
11.000% - 11.249%	12	3,718,900	0.56	666	73.30
11.250% - 11.499%	16	6,351,192	0.95	669	79.76
11.500% - 11.749%	25	9,167,900	1.37	661	76.62
11.750% - 11.999%	47	17,035,676	2.54	651	78.91
12.000% - 12.249%	25	9,017,459	1.35	653	82.43
12.250% - 12.499%	62	19,849,104	2.96	635	78.15
12.500% - 12.749%	58	20,243,162	3.02	634	80.14
12.750% - 12.999%	90	33,128,129	4.94	629	82.84
13.000% - 13.249%	58	20,084,538	3.00	642	84.48
13.250% - 13.499%	86	26,370,466	3.94	634	81.66
13.500% - 13.749%	89	26,853,925	4.01	626	82.78
13.750% - 13.999%	133	45,838,359	6.84	624	84.58
14.000% - 14.249%	56	15,967,480	2.38	620	81.05
14.250% - 14.499%	85	24,848,635	3.71	621	85.51
14.500% - 14.749%	87	27,368,370	4.08	628	82.28
14.750% - 14.999%	136	37,619,436	5.61	623	84.29
15.000% - 15.249%	62	16,608,736	2.48	620	83.28
15.250% - 15.499%	83	17,602,171	2.63	616	86.79
15.500% - 15.749%	98	25,086,510	3.74	609	86.62
15.750% - 15.999%	83	16,209,261	2.42	612	89.25
16.000% - 16.249%	36	6,249,964	0.93	576	82.49
16.250% - 16.499%	28	6,418,416	0.96	605	87.05
16.500% - 16.749%	28	5,149,430	0.77	564	82.72
16.750% - 16.999%	42	7,506,416	1.12	588	87.26
17.000% - 17.249%	15	1,706,915	0.25	603	87.58
17.250% - 17.499%	10	1,727,012	0.26	588	84.18

17.500% - 17.749%...	10	1,761,312	0.26	585	85.26
17.750% - 17.999%...	7	1,527,086	0.23	584	82.59
18.000% - 18.249%...	6	787,644	0.12	572	93.16
18.250% - 18.499%...	4	637,522	0.10	534	72.81
18.500% - 18.749%...	3	386,517	0.06	553	77.83
18.750% - 18.999%...	1	63,600	0.01	653	90.00
19.000% - 19.249%...	1	94,948	0.01	597	100.00
Fixed…..	1,250	213,201,764	31.82	646	85.38
Total…......	2,843	$ 670,062,057	100.00%	632	83.89%

As of the cut-off date, the weighted average maximum mortgage rate of the adjustable rate mortgage loans in loan group I was approximately 14.009%.

Minimum Mortgage Rates of the Mortgage Loans in Loan Group I

Minimum Mortgage Rate	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
3.250% - 3.499%...	1	$ 232,800	0.03%	609	80.00%
4.250% - 4.499%...	2	470,208	0.07	639	82.65
4.500% - 4.749%...	4	634,882	0.09	637	89.98
4.750% - 4.999%...	4	582,903	0.09	644	89.71
5.000% - 5.249%...	7	1,058,085	0.16	614	80.08
5.250% - 5.499%...	9	1,807,569	0.27	647	80.78
5.500% - 5.749%...	21	4,542,618	0.68	627	76.94
5.750% - 5.999%...	28	7,207,222	1.08	622	76.69
6.000% - 6.249%...	58	20,478,312	3.06	640	80.02
6.250% - 6.499%...	48	17,638,631	2.63	630	81.15
6.500% - 6.749%...	54	18,595,684	2.78	649	78.60
6.750% - 6.999%...	98	36,115,930	5.39	651	79.02
7.000% - 7.249%...	55	18,155,100	2.71	650	83.73
7.250% - 7.499%...	100	30,842,676	4.60	639	78.56
7.500% - 7.749%...	91	29,025,047	4.33	637	80.85
7.750% - 7.999%...	153	49,672,119	7.41	629	84.36
8.000% - 8.249%...	74	23,287,449	3.48	634	83.79
8.250% - 8.499%...	102	29,195,458	4.36	627	85.43
8.500% - 8.749%...	128	36,448,181	5.44	623	83.59
8.750% - 8.999%...	151	42,168,526	6.29	614	86.57
9.000% - 9.249%...	62	14,948,029	2.23	599	84.79
9.250% - 9.499%...	86	21,096,207	3.15	605	88.73
9.500% - 9.749%...	81	20,075,479	3.00	597	87.95
9.750% - 9.999%...	82	16,340,251	2.44	587	87.01
10.000% - 10.249%...	25	3,086,622	0.46	601	88.27
10.250% - 10.499%...	23	4,448,054	0.66	595	84.38
10.500% - 10.749%...	18	3,756,632	0.56	570	82.90
10.750% - 10.999%...	8	1,232,052	0.18	592	83.80
11.000% - 11.249%...	9	1,731,152	0.26	559	87.55
11.250% - 11.499%...	4	344,560	0.05	575	77.77
11.500% - 11.749%...	2	321,758	0.05	529	75.39
11.750% - 11.999%...	3	1,137,600	0.17	587	79.11
12.000% - 12.249%...	1	94,948	0.01	597	100.00
12.500% - 12.749%...	1	87,550	0.01	561	85.00
Fixed…..	1,250	213,201,764	31.82	646	85.38
Total…......	2,843	$ 670,062,057	100.00%	632	83.89%

As of the cut-off date, the weighted average minimum mortgage rate of the adjustable rate mortgage loans in loan group I was approximately 7.989%.

Periodic Rate Cap of the Mortgage Loans in Loan Group I

Periodic Rate Cap	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
1.000%..	1,270	$ 372,827,755	55.64%	624	83.19%

1.500%...	171	32,098,951	4.79	612	81.45
2.000%...	152	51,933,586	7.75	647	84.26
Fixed…...	1,250	213,201,764	31.82	646	85.38
Total…......	2,843	$ 670,062,057	100.00%	632	83.89%

As of the cut-off date, the weighted average periodic rate cap of the adjustable rate mortgage loans in loan group I was approximately 1.149%.

Initial Rate Cap of the Mortgage Loans in Loan Group I

Initial Rate Cap	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
1.000% - 1.499%...	2	$ 278,000	0.04%	614	71.61%
1.500% - 1.749%...	71	12,625,946	1.88	610	78.15
2.000% - 2.249%...	917	281,749,341	42.05	626	82.35
3.000% - 3.249%...	601	161,105,006	24.04	625	85.02
6.000% - 6.249%...	2	1,102,000	0.16	685	92.83
Fixed…..	1,250	213,201,764	31.82	646	85.38
Total…......	2,843	$ 670,062,057	100.00%	632	83.89%

As of the cut-off date, the weighted average initial rate cap of the adjustable rate mortgage loans in loan group I was approximately 2.348%.

Gross Margin of the Mortgage Loans in Loan Group I

Gross Margin	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
2.250% - 2.499%...	1	$ 309,600	0.05%	596	80.00%
2.500% - 2.749%...	2	876,000	0.13	559	80.00
2.750% - 2.999%...	3	487,633	0.07	641	79.99
3.000% - 3.249%...	2	297,979	0.04	637	68.53
3.250% - 3.499%...	3	904,800	0.14	659	80.00
3.500% - 3.749%...	1	149,544	0.02	641	80.00
3.750% - 3.999%...	3	771,613	0.12	603	75.43
4.000% - 4.249%...	3	477,885	0.07	624	80.52
4.250% - 4.499%...	7	1,823,771	0.27	621	83.64
4.500% - 4.749%...	9	1,483,182	0.22	628	85.18
4.750% - 4.999%...	7	1,014,794	0.15	640	88.67
5.000% - 5.249%...	22	5,201,702	0.78	639	84.14
5.250% - 5.499%...	485	150,414,954	22.45	629	83.32
5.500% - 5.749%...	159	38,286,157	5.71	634	84.92
5.750% - 5.999%...	287	91,596,047	13.67	619	81.64
6.000% - 6.249%...	171	52,380,170	7.82	640	85.81
6.250% - 6.499%...	136	34,720,259	5.18	624	84.16
6.500% - 6.749%...	59	16,262,869	2.43	628	80.93
6.750% - 6.999%...	135	38,419,672	5.73	614	81.71
7.000% - 7.249%...	27	6,235,671	0.93	623	78.79
7.250% - 7.499%...	15	3,116,601	0.47	620	82.35
7.500% - 7.749%...	17	4,904,724	0.73	590	80.14
7.750% - 7.999%...	18	3,571,310	0.53	584	88.21
8.000% - 8.249%...	9	1,315,000	0.20	592	89.56
8.250% - 8.499%...	6	1,168,678	0.17	560	84.65
8.500% - 8.749%...	3	365,815	0.05	568	88.03
8.750% - 8.999%...	2	160,228	0.02	599	92.59
9.750% - 9.999%...	1	143,632	0.02	551	85.00
Fixed…...	1,250	213,201,764	31.82	646	85.38
Total…......	2,843	$ 670,062,057	100.00%	632	83.89%

As of the cut-off date, the weighted average gross margin of the adjustable rate mortgage loans in loan group I was approximately 5.854%.

Originator of the Mortgage Loans in Loan Group I

Originator	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
PCC (Formerly Encore)…………………..	964	$ 272,980,164	40.74%	622	81.32%
FIELDSTONE MORTGAGE…………….	877	181,873,980	27.14	659	89.86
OTHER………………………………………………..	1,002	215,207,914	32.12	622	82.11
Total…......	2,843	$ 670,062,057	100.00%	632	83.89%

Mortgage Interest Rates of the Mortgage Loans in Loan Group II

Mortgage Interest Rate	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
0.001% - 5.500%...	1	$ 352,000	0.18%	781	80.00%
5.501% - 6.000%...	10	2,460,727	1.27	649	82.52
6.001% - 6.500%...	31	7,903,959	4.07	665	71.67
6.501% - 7.000%...	66	15,729,969	8.10	642	78.32
7.001% - 7.500%...	84	18,735,965	9.65	631	81.37
7.501% - 8.000%...	150	32,034,363	16.49	624	79.49
8.001% - 8.500%...	120	25,725,309	13.24	614	84.37
8.501% - 9.000%...	177	33,237,537	17.11	593	83.95
9.001% - 9.500%...	115	18,766,281	9.66	587	84.22
9.501% - 10.000%...	115	18,527,136	9.54	577	84.00
10.001% - 10.500%...	50	6,569,391	3.38	589	83.32
10.501% - 11.000%...	39	4,836,314	2.49	595	87.16
11.001% - 11.500%...	42	3,550,827	1.83	607	88.08
11.501% - 12.000%...	42	3,428,114	1.76	653	98.76
12.001% - 12.500%...	29	2,077,734	1.07	633	99.66
12.501% - 13.000%...	6	300,100	0.15	640	100.00
Total.........	1,077	$ 194,235,728	100.00%	612	82.66%

As of the cut-off date, the weighted average mortgage interest rate of the mortgage loans in loan group II was approximately 8.516%.

***Original Loan-to-Value Ratio of the Mortgage Loans in Loan Group II**

*Original Loan-to-Value Ratios	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
10.01% - 20.00%..	4	$ 354,962	0.18%	600	16.63%
20.01% - 30.00%..	4	556,951	0.29	627	27.52
30.01% - 40.00%..	21	3,198,862	1.65	610	35.46
40.01% - 50.00%..	10	1,459,000	0.75	648	45.50
50.01% - 60.00%..	27	5,428,032	2.79	593	57.18
60.01% - 70.00%..	89	17,315,330	8.91	580	67.20
70.01% - 80.00%..	282	57,772,129	29.74	608	78.39
80.01% - 90.00%..	341	69,250,850	35.65	607	87.54
90.01% - 100.00%..	299	38,899,612	20.03	643	97.42
Total…......	1,077	$ 194,235,728	100.00%	612	82.66%

* Original loan-to-value ratio reflects loan to value for 1st lien loans and combined loan to value for 2nd lien loans.
As of the cut-off date, the weighted average original loan-to-value ratio of the mortgage loans in loan group II was approximately 82.66%.

***Original Combined Loan-to-Value Ratio of the Mortgage Loans in Loan Group II**

*Original Combined Loan-to-Value Ratios	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio

10.01% - 20.00%..	4	$ 354,962	0.18%	600	16.63%
20.01% - 30.00%..	4	556,951	0.29	627	27.52
30.01% - 40.00%..	21	3,198,862	1.65	610	35.46
40.01% - 50.00%..	10	1,459,000	0.75	648	45.50
50.01% - 60.00%..	27	5,428,032	2.79	593	57.18
60.01% - 70.00%..	86	16,749,663	8.62	577	67.26
70.01% - 80.00%..	194	38,846,217	20.00	586	77.68
80.01% - 90.00%..	325	67,227,539	34.61	605	87.35
90.01% - 100.00%..	406	60,414,501	31.10	648	91.49
Total…......	1,077	$ 194,235,728	100.00%	612	82.66%

* Original combined loan-to-value ratio reflects combined loan to value for 1st lien loans and combined loan to value for 2nd lien loans.
As of the cut-off date, the weighted average combined original loan-to-value ratio of the mortgage loans in loan group II was approximately 84.82%.

Original Principal Balances of the Mortgage Loans as of the Cut-off Date in Loan Group II

Original Principal Balance	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
$0 - $100,000…..	265	$ 18,339,057	9.44%	625	88.16%
$100,001 - $200,000…..	426	62,574,097	32.22	598	81.66
$200,001 - $300,000…..	237	58,617,726	30.18	613	81.34
$300,001 - $400,000…..	118	40,600,861	20.90	621	82.97
$400,001 - $500,000…..	23	9,729,332	5.01	621	83.53
$500,001 - $600,000…..	7	3,744,654	1.93	654	86.31
$600,001 - $700,000…..	1	630,000	0.32	679	90.00
Total…......	1,077	$ 194,235,728	100.00%	612	82.66%

As of the cut-off date, the average original principal balance of the mortgage loans in loan group II was approximately $180,387.

Credit Score for the Mortgage Loans in Loan Group II

Credit Score Range	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
500 - 519…...	36	$ 6,310,223	3.25%	509	76.15%
520 - 539…...	73	12,974,191	6.68	531	74.33
540 - 559…...	90	16,249,891	8.37	550	76.44
560 - 579…...	93	17,156,196	8.83	568	79.16
580 - 599…...	147	27,398,537	14.11	590	84.91
600 - 619…...	182	32,977,145	16.98	609	84.07
620 - 639…...	139	25,495,592	13.13	629	83.61
640 - 659…...	131	21,465,427	11.05	648	85.87
660 - 679…...	79	13,514,506	6.96	669	87.89
680 - 699…...	43	8,130,667	4.19	690	87.20
700 - 719…...	22	3,579,712	1.84	707	79.50
720 - 739…...	17	3,575,224	1.84	728	85.79
740 - 759…...	13	2,509,915	1.29	747	83.69
760 - 779…...	7	1,684,352	0.87	766	87.50
780 - 799…...	4	931,150	0.48	785	83.14
800 - 819…...	1	283,000	0.15	813	47.17
Total…......	1,077	$ 194,235,728	100.00%	612	82.66%

As of the cut-off date, the weighted average credit score of the mortgage loans in loan group II was approximately 612.

Geographic Distribution of the Mortgaged Properties in Loan Group II*

State	Number of Mortgage Loans	Aggregate Stated Principal Balance	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio

		Outstanding as of Cut-off Date			
Alabama…………………………………………………	6	$ 1,000,935	0.52%	601	81.71%
Arizona…………………………………………………	59	10,426,322	5.37	608	82.75
Arkansas…………………………………………………	3	286,274	0.15	628	76.64
California…………………………………………………	181	40,602,907	20.90	622	78.44
Colorado…………………………………………………	7	1,257,314	0.65	623	83.31
Connecticut…………………………………………………	8	1,327,277	0.68	615	86.97
Delaware…………………………………………………	3	739,823	0.38	530	83.81
District of Columbia…………………………………………………	3	799,853	0.41	640	68.36
Florida…………………………………………………	145	26,733,885	13.76	611	81.23
Georgia…………………………………………………	31	3,960,373	2.04	609	86.39
Hawaii…………………………………………………	2	763,957	0.39	635	77.75
Idaho…………………………………………………	7	977,946	0.50	600	80.65
Illinois…………………………………………………	76	14,015,074	7.22	607	84.89
Indiana…………………………………………………	14	1,244,549	0.64	619	83.34
Iowa…………………………………………………	13	1,222,687	0.63	604	93.24
Kansas…………………………………………………	6	824,788	0.42	583	82.51
Kentucky…………………………………………………	5	719,160	0.37	601	89.61
Louisiana…………………………………………………	3	427,204	0.22	592	86.60
Maine…………………………………………………	2	392,150	0.20	592	93.21
Maryland…………………………………………………	71	14,492,261	7.46	608	82.29
Massachusetts…………………………………………………	6	1,592,799	0.82	628	89.34
Michigan…………………………………………………	34	4,461,010	2.30	589	84.48
Minnesota…………………………………………………	12	1,948,655	1.00	629	87.59
Mississippi…………………………………………………	4	496,510	0.26	682	86.71
Missouri…………………………………………………	19	2,212,791	1.14	613	93.17
Montana…………………………………………………	2	685,822	0.35	655	86.04
Nebraska…………………………………………………	2	168,544	0.09	668	97.55
Nevada…………………………………………………	30	6,264,230	3.23	605	81.47
New Hampshire…………………………………………………	2	292,888	0.15	595	71.67
New Jersey…………………………………………………	37	9,520,411	4.90	600	84.63
New Mexico…………………………………………………	7	985,450	0.51	602	83.29
New York…………………………………………………	45	10,376,671	5.34	628	82.75
North Carolina…………………………………………………	13	1,624,376	0.84	588	87.66
Ohio…………………………………………………	7	730,414	0.38	594	85.15
Oklahoma…………………………………………………	7	718,437	0.37	586	87.32
Oregon…………………………………………………	13	2,755,161	1.42	652	85.42
Pennsylvania…………………………………………………	27	3,520,780	1.81	594	85.46
Rhode Island …………………………………………………	6	1,393,671	0.72	607	80.28
South Carolina…………………………………………………	7	901,965	0.46	585	89.52
South Dakota…………………………………………………	1	130,677	0.07	587	100.00
Tennessee…………………………………………………	7	779,357	0.40	613	88.71
Texas…………………………………………………	59	6,136,393	3.16	609	91.19
Utah…………………………………………………	2	542,691	0.28	641	79.85
Vermont…………………………………………………	1	226,733	0.12	608	84.00
Virginia…………………………………………………	35	5,327,681	2.74	599	82.02
Washington…………………………………………………	33	6,153,464	3.17	621	83.01
West Virginia…………………………………………………	5	503,200	0.26	564	72.71
Wisconsin…………………………………………………	7	1,140,384	0.59	610	83.71
Wyoming…………………………………………………	2	429,823	0.22	610	85.30
Total….......	1,077	$ 194,235,728	100.00%	612	82.66%

*No more than approximately 0.80% of the mortgage loans in loan group II by aggregate principal balance as of the cut-off date will be secured by properties located in any one zip code area.

Property Types of Mortgaged Properties in Loan Group II

Property Type	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
2-4 Family…...	59	$ 16,275,659	8.38%	628	79.01%
Condominium…...	63	10,261,151	5.28	624	82.72
PUD…..	130	23,530,667	12.11	623	86.68
Single Family…...	825	144,168,250	74.22	608	82.41

Total…......	1,077	$ 194,235,728	100.00%	612	82.66%

Occupancy Status of Mortgaged Properties in Loan Group II*

Occupancy Status	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
Investor	65	$ 11,252,167	5.79%	617	76.32%
Owner Occupied	1,002	181,367,738	93.38	612	83.04
Second Home	10	1,615,823	0.83	609	83.64
Total	1,077	$ 194,235,728	100.00%	612	82.66%

*Based upon representation of the related mortgagors at the time of origination.

Original Term of the Mortgage Loans in Loan Group II

Original Term	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
120 - 179 months	1	$ 108,000	0.06%	638	52.68%
180 - 239 months	64	5,637,390	2.90	644	91.05
240 - 359 months	8	740,330	0.38	673	66.18
360 months	1,004	187,750,008	96.66	611	82.49
Total	1,077	$ 194,235,728	100.00%	612	82.66%

As of the cut-off date, the weighted average stated original term to scheduled maturity of the mortgage loans in loan group II was approximately 354 months.

Remaining Term to Stated Maturity for the Mortgage Loans in Loan Group II

Remaining Term to Stated Maturity	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
61 - 120 months	1	$ 108,000	0.06%	638	52.68%
121 - 180 months	64	5,637,390	2.90	644	91.05
181 - 240 months	7	538,330	0.28	661	77.23
241 - 300 months	1	202,000	0.10	705	36.73
301 - 360 months	1,004	187,750,008	96.66	611	82.49
Total	1,077	$ 194,235,728	100.00%	612	82.66%

As of the cut-off date, the weighted average stated remaining months to scheduled maturity of the mortgage loans in loan group II was approximately 353 months.

Loan Purpose for the Mortgage Loans in Loan Group II

Loan Purpose	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
Cash-Out Refinance	677	$ 136,624,335	70.34%	606	80.76%
Purchase	268	35,066,391	18.05	639	89.58
Rate/Term Refinance	132	22,545,002	11.61	611	83.42
Total	1,077	$ 194,235,728	100.00%	612	82.66%

Documentation Type of the Mortgage Loans in Loan Group II

Documentation Type	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
Full/Alternative	616	$101,302,593	52.15%	604	84.08%
Limited	8	2,000,550	1.03	571	75.44
Lite	5	668,668	0.34	592	88.33
Stated Income	448	90,263,917	46.47	622	81.19
Total	1,077	$194,235,728	100.00%	612	82.66%

Product Type of the Mortgage Loans in Loan Group II

Product Type	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
BALLOON (40/30 BLN)	39	$ 8,634,929	4.45%	624	81.77%
BALLOON (50 BLN)	17	3,825,595	1.97	632	77.59
BALLOON	57	4,397,990	2.26	654	97.68
FIXED	261	32,914,729	16.95	630	83.72
FIXED 10YR DUAL	13	2,824,528	1.45	658	77.38
FIXED IO	15	4,063,250	2.09	654	80.85
LIBOR 2/6 10YR DUAL	4	1,333,000	0.69	651	83.23
LIBOR 2/6 ARM	264	46,808,446	24.10	595	81.48
LIBOR 2/6 ARM (40/30 BLN)	207	45,687,616	23.52	593	80.90
LIBOR 2/6 ARM (50 BLN)	32	8,053,592	4.15	610	85.33
LIBOR 2/6 ARM IO	68	17,026,542	8.77	646	84.80
LIBOR 3/6 ARM	40	5,599,029	2.88	589	83.28
LIBOR 3/6 ARM (40/30 BLN)	37	7,074,263	3.64	589	81.36
LIBOR 3/6 ARM IO	8	1,618,250	0.83	617	88.27
LIBOR 5/6 ARM	3	913,780	0.47	617	71.98
LIBOR 5/6 ARM (40/30 BLN)	1	271,919	0.14	633	80.00
LIBOR 5/6 ARM (50 BLN)	1	345,000	0.18	541	83.13
TREASURY 5/1 ARM	4	1,058,289	0.54	609	91.74
TREASURY 5/1 ARM IO	6	1,784,982	0.92	683	95.12
Total	1,077	$ 194,235,728	100.00%	612	82.66%

Rate Adjustment Frequency of the Mortgage Loans in Loan Group II

Rate Adjustment Frequency	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
6 months	665	$ 134,731,436	69.36%	602	82.04%
12 months	10	2,843,271	1.46	655	93.86
Fixed	402	56,661,020	29.17	634	83.57
Total	1,077	$ 194,235,728	100.00%	612	82.66%

Months to Next Rate Adjustment of the Mortgage Loans in Loan Group II

Months to Next Rate Adjustment	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio

12 - 17……	4	$ 529,560	0.27%	610	78.55%
18 - 23……	571	118,379,635	60.95	603	82.03
30 - 35……	85	14,291,543	7.36	592	82.89
54 - 59……	15	4,373,970	2.25	637	87.58
Fixed……	402	56,661,020	29.17	634	83.57
Total…......	1,077	$ 194,235,728	100.00%	612	82.66%

The weighted average next rate adjustment for the adjustable rate mortgage loans is approximately 25 months in loan group II. Months to next rate adjustment is calculated by using the first rate adjustment date for the loans still in a hybrid period and by using next rate adjustment for loans that are fully indexed.

Maximum Mortgage Rates of the Mortgage Loans in Loan Group II

Maximum Mortgage Rate	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
10.500% - 10.749%......	1	$ 352,000	0.18%	781	80.00%
10.750% - 10.999%......	7	1,874,400	0.97	657	82.77
11.000% - 11.249%......	2	599,000	0.31	664	79.17
11.250% - 11.499%......	5	1,576,500	0.81	649	79.38
11.500% - 11.749%......	5	1,421,700	0.73	666	82.16
11.750% - 11.999%......	20	4,943,650	2.55	645	78.42
12.000% - 12.249%......	14	2,611,700	1.34	619	79.19
12.250% - 12.499%......	20	4,956,220	2.55	643	79.27
12.500% - 12.749%......	23	5,030,400	2.59	626	76.25
12.750% - 12.999%......	40	9,926,654	5.11	607	81.30
13.000% - 13.249%......	23	5,622,500	2.89	628	84.86
13.250% - 13.499%......	27	6,330,442	3.26	616	83.92
13.500% - 13.749%......	36	8,370,612	4.31	607	81.37
13.750% - 13.999%......	57	12,066,664	6.21	598	84.71
14.000% - 14.249%......	22	4,924,615	2.54	602	84.86
14.250% - 14.499%......	40	7,914,627	4.07	585	81.89
14.500% - 14.749%......	37	7,591,687	3.91	596	84.23
14.750% - 14.999%......	63	12,909,525	6.65	593	81.78
15.000% - 15.249%......	30	5,126,081	2.64	585	82.78
15.250% - 15.499%......	32	5,789,794	2.98	588	85.48
15.500% - 15.749%......	35	5,397,280	2.78	599	83.51
15.750% - 15.999%......	34	5,615,828	2.89	575	81.06
16.000% - 16.249%......	19	2,979,576	1.53	593	82.97
16.250% - 16.499%......	21	3,645,062	1.88	577	79.18
16.500% - 16.749%......	17	2,988,261	1.54	567	84.20
16.750% - 16.999%......	11	1,981,110	1.02	576	87.53
17.000% - 17.249%......	11	1,519,396	0.78	568	74.37
17.250% - 17.499%......	8	1,083,869	0.56	591	77.77
17.500% - 17.749%......	2	473,739	0.24	515	82.19
17.750% - 17.999%......	9	1,528,828	0.79	586	91.77
18.000% - 18.249%......	1	162,888	0.08	551	65.99
18.250% - 18.499%......	1	80,973	0.04	533	90.00
19.000% - 19.249%......	2	179,125	0.09	573	90.00
Fixed…......	402	56,661,020	29.17	634	83.57
Total…......	1,077	$ 194,235,728	100.00%	612	82.66%

As of the cut-off date, the weighted average maximum mortgage rate of the adjustable rate mortgage loans in loan group II was approximately 14.198%.

Minimum Mortgage Rates of the Mortgage Loans in Loan Group II

Minimum Mortgage Rate	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
4.500% - 4.749%......	4	$ 860,393	0.44%	607	86.24%

4.750% - 4.999%..	5	654,251	0.34	592	85.31
5.000% - 5.249%..	1	261,455	0.13	551	69.76
5.250% - 5.499%..	10	1,571,849	0.81	598	82.71
5.500% - 5.749%..	10	1,835,384	0.94	608	82.14
5.750% - 5.999%..	28	5,439,996	2.80	601	82.65
6.000% - 6.249%..	31	7,390,783	3.81	596	83.06
6.250% - 6.499%..	30	7,100,756	3.66	617	83.04
6.500% - 6.749%..	9	2,172,221	1.12	629	81.59
6.750% - 6.999%..	44	9,740,199	5.01	612	78.39
7.000% - 7.249%..	18	3,435,555	1.77	622	79.35
7.250% - 7.499%..	30	6,828,917	3.52	637	80.80
7.500% - 7.749%..	37	7,715,875	3.97	630	78.15
7.750% - 7.999%..	53	13,104,459	6.75	618	82.64
8.000% - 8.249%..	30	6,943,947	3.58	631	84.86
8.250% - 8.499%..	37	7,362,396	3.79	606	83.06
8.500% - 8.749%..	38	8,770,082	4.52	606	83.07
8.750% - 8.999%..	70	14,403,086	7.42	589	84.00
9.000% - 9.249%..	28	5,280,581	2.72	586	86.64
9.250% - 9.499%..	38	6,227,518	3.21	591	84.23
9.500% - 9.749%..	24	4,003,998	2.06	571	82.82
9.750% - 9.999%..	38	6,329,064	3.26	573	82.78
10.000% - 10.249%..	19	3,035,743	1.56	571	80.41
10.250% - 10.499%..	14	2,482,289	1.28	576	79.80
10.500% - 10.749%..	2	163,089	0.08	554	89.89
10.750% - 10.999%..	15	2,530,329	1.30	568	83.37
11.000% - 11.249%..	3	568,758	0.29	534	64.77
11.250% - 11.499%..	6	1,046,610	0.54	539	74.80
11.500% - 11.749%..	1	136,000	0.07	560	82.42
12.000% - 12.249%..	2	179,125	0.09	573	90.00
Fixed…..	402	56,661,020	29.17	634	83.57
Total…......	1,077	$ 194,235,728	100.00%	612	82.66%

As of the cut-off date, the weighted average minimum mortgage rate of the adjustable rate mortgage loans in loan group II was approximately 8.025%.

Periodic Rate Cap of the Mortgage Loans in Loan Group II

Periodic Rate Cap	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
1.000%...	541	$ 113,118,793	58.24%	604	82.10%
1.500%...	110	18,748,484	9.65	589	81.74
2.000%...	24	5,707,431	2.94	627	87.66
Fixed…...	402	56,661,020	29.17	634	83.57
Total…......	1,077	$ 194,235,728	100.00%	612	82.66%

As of the cut-off date, the weighted average periodic rate cap of the adjustable rate mortgage loans in loan group II was approximately 1.110%.

Initial Rate Cap of the Mortgage Loans in Loan Group II

Initial Rate Cap	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
1.000% - 1.499%..	2	$ 392,150	0.20%	592	93.21%
1.500% - 1.749%..	71	11,377,499	5.86	581	82.09
2.000% - 2.249%..	388	83,555,181	43.02	608	81.38
2.500% - 2.749%..	1	135,863	0.07	608	71.58
3.000% - 3.249%..	213	42,114,015	21.68	600	84.06
Fixed…...	402	56,661,020	29.17	634	83.57
Total…......	1,077	$ 194,235,728	100.00%	612	82.66%

As of the cut-off date, the weighted average initial rate cap of the adjustable rate mortgage loans in loan group II was approximately 2.263%.

Gross Margin of the Mortgage Loans in Loan Group II

Gross Margin	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
2.250% - 2.499%...	1	$ 156,000	0.08%	712	80.00%
2.750% - 2.999%...	1	240,000	0.12	666	80.00
3.500% - 3.749%...	1	106,831	0.06	610	66.88
3.750% - 3.999%...	1	210,000	0.11	609	84.00
4.000% - 4.249%...	1	164,000	0.08	681	80.00
4.250% - 4.499%...	1	325,600	0.17	650	80.00
4.500% - 4.749%...	6	1,340,701	0.69	608	82.38
4.750% - 4.999%...	6	780,073	0.40	591	86.06
5.000% - 5.249%...	8	1,353,272	0.70	577	80.19
5.250% - 5.499%...	245	53,229,623	27.40	618	82.21
5.500% - 5.749%...	65	12,548,288	6.46	605	85.60
5.750% - 5.999%...	138	27,486,824	14.15	584	79.29
6.000% - 6.249%...	53	11,047,349	5.69	599	84.49
6.250% - 6.499%...	62	12,254,670	6.31	611	85.27
6.500% - 6.749%...	16	2,769,430	1.43	582	83.48
6.750% - 6.999%...	53	10,733,535	5.53	580	79.74
7.000% - 7.249%...	3	369,029	0.19	615	81.58
7.250% - 7.499%...	9	1,704,451	0.88	579	87.21
7.500% - 7.749%...	3	482,394	0.25	605	83.20
7.750% - 7.999%...	2	272,639	0.14	612	90.00
Fixed…..	402	56,661,020	29.17	634	83.57
Total….......	1,077	$ 194,235,728	100.00%	612	82.66%

As of the cut-off date, the weighted average gross margin of the adjustable rate mortgage loans in loan group II was approximately 5.758%.

Originator of the Mortgage Loans in Loan Group II

Originator	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
PCC (Formerly Encore)…………………...	624	$ 112,160,562	57.74%	615	81.32%
FIELDSTONE MORTGAGE…………….	122	19,333,544	9.95	638	92.95
OTHER…………………………...	331	62,741,622	32.30	600	81.88
Total….......	1,077	$ 194,235,728	100.00%	612	82.66%

Mortgage Interest Rates of the Mortgage Loans in Loan Group III

Mortgage Interest Rate	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
5.501% - 6.000%...	6	$ 1,330,581	1.04%	675	66.74%
6.001% - 6.500%...	26	6,281,857	4.92	661	75.55
6.501% - 7.000%...	52	12,780,282	10.00	637	77.33
7.001% - 7.500%...	57	12,637,977	9.89	610	79.15
7.501% - 8.000%...	96	21,234,091	16.61	602	77.76
8.001% - 8.500%...	86	17,584,597	13.76	602	81.40
8.501% - 9.000%...	100	20,729,876	16.22	588	81.29
9.001% - 9.500%...	71	15,213,959	11.90	585	84.16
9.501% - 10.000%...	55	10,273,403	8.04	573	80.64
10.001% - 10.500%...	27	4,571,055	3.58	553	80.26
10.501% - 11.000%...	20	3,232,831	2.53	540	75.86
11.001% - 11.500%...	9	1,469,865	1.15	549	76.15
11.501% - 12.000%...	4	464,739	0.36	553	75.11
Total.........	609	$ 127,805,110	100.00%	599	79.71%

As of the cut-off date, the weighted average mortgage interest rate of the mortgage loans in loan group III was approximately 8.354%.

***Original Loan-to-Value Ratio of the Mortgage Loans in Loan Group III**

*Original Loan-to-Value Ratios	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
10.01% - 20.00%........	2	$ 250,000	0.20%	511	17.30%
20.01% - 30.00%........	9	942,441	0.74	614	26.93
30.01% - 40.00%........	11	1,288,801	1.01	621	34.62
40.01% - 50.00%........	7	1,040,000	0.81	633	44.78
50.01% - 60.00%........	17	3,587,203	2.81	577	57.60
60.01% - 70.00%........	93	18,867,221	14.76	582	66.47
70.01% - 80.00%........	178	37,774,520	29.56	589	77.56
80.01% - 90.00%........	230	50,244,506	39.31	603	86.96
90.01% - 100.00%........	62	13,810,419	10.81	639	94.63
Total……...	609	$ 127,805,110	100.00%	599	79.71%

* Original loan-to-value ratio reflects loan to value for 1st lien loans and combined loan to value for 2nd lien loans.
As of the cut-off date, the weighted average original loan-to-value ratio of the mortgage loans in loan group III was approximately 79.71%.

***Original Combined Loan-to-Value Ratio of the Mortgage Loans in Loan Group III**

*Original Combined Loan-to-Value Ratios	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
10.01% - 20.00%........	2	$ 250,000	0.20%	511	17.30%
20.01% - 30.00%........	9	942,441	0.74	614	26.93
30.01% - 40.00%........	11	1,288,801	1.01	621	34.62
40.01% - 50.00%........	7	1,040,000	0.81	633	44.78
50.01% - 60.00%........	16	3,445,203	2.70	579	57.81
60.01% - 70.00%........	91	18,233,221	14.27	581	66.41
70.01% - 80.00%........	175	37,296,565	29.18	588	77.28
80.01% - 90.00%........	230	50,077,594	39.18	601	86.88
90.01% - 100.00%........	68	15,231,287	11.92	640	93.45
Total……...	609	$ 127,805,110	100.00%	599	79.71%

* Original combined loan-to-value ratio reflects combined loan to value for 1st lien loans and combined loan to value for 2nd lien loans.
As of the cut-off date, the weighted average combined original loan-to-value ratio of the mortgage loans in loan group III was approximately 79.94%.

Original Principal Balances of the Mortgage Loans as of the cut-off date in Loan Group III

Original Principal Balance	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
$0 - $100,000…..........	66	$ 5,374,890	4.21%	586	70.28%
$100,001 - $200,000…..........	248	37,328,988	29.21	590	78.22
$200,001 - $300,000…..........	187	45,789,643	35.83	600	80.28
$300,001 - $400,000…..........	92	32,188,269	25.19	606	82.58
$400,001 - $500,000…..........	14	6,103,322	4.78	617	76.86
$500,001 - $600,000…..........	2	1,020,000	0.80	607	85.00
Total……...	609	$ 127,805,110	100.00%	599	79.71%

As of the cut-off date, the average original principal balance of the mortgage loans in loan group III was approximately $209,894.

Credit Score for the Mortgage Loans in Loan Group III

Credit Score Range	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
500 - 519	34	$ 6,261,107	4.90%	510	72.34%
520 - 539	56	10,689,905	8.36	531	74.86
540 - 559	73	14,559,730	11.39	550	76.34
560 - 579	75	15,071,426	11.79	569	76.93
580 - 599	91	18,646,064	14.59	590	82.06
600 - 619	93	20,695,041	16.19	608	81.65
620 - 639	76	16,138,922	12.63	629	82.48
640 - 659	49	11,757,889	9.20	648	84.35
660 - 679	26	5,118,326	4.00	668	79.44
680 - 699	13	2,812,861	2.20	689	79.97
700 - 719	12	2,582,064	2.02	709	79.17
720 - 739	5	1,694,654	1.33	724	86.88
740 - 759	1	499,750	0.39	740	73.49
760 - 779	3	995,600	0.78	767	84.15
780 - 799	1	157,895	0.12	792	80.00
800 - 819	1	123,874	0.10	805	35.43
Total	609	$ 127,805,110	100.00%	599	79.71%

As of the cut-off date, the weighted average credit score of the mortgage loans in loan group III was approximately 599.

Geographic Distribution of the Mortgaged Properties in Loan Group III*

State	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
Alabama	1	$ 128,951	0.10%	586	71.67%
Arizona	36	7,505,755	5.87	597	83.40
Arkansas	2	316,919	0.25	567	67.04
California	113	30,119,319	23.57	604	75.75
Colorado	2	350,500	0.27	619	85.78
Connecticut	5	1,010,106	0.79	621	75.98
Delaware	5	876,018	0.69	640	81.19
District of Columbia	2	552,000	0.43	623	82.84
Florida	77	14,758,010	11.55	588	76.52
Georgia	9	1,558,066	1.22	564	82.11
Hawaii	3	1,141,359	0.89	621	73.66
Idaho	2	294,868	0.23	631	88.70
Illinois	52	11,924,323	9.33	604	84.11
Indiana	6	488,202	0.38	634	83.97
Iowa	4	629,459	0.49	585	87.41
Kansas	2	457,481	0.36	613	78.47
Kentucky	3	370,987	0.29	604	87.94
Maine	2	311,268	0.24	669	74.50
Maryland	28	5,785,563	4.53	583	80.28
Massachusetts	7	1,600,757	1.25	593	82.02
Michigan	17	2,663,591	2.08	596	83.64
Minnesota	6	1,184,225	0.93	594	84.48
Mississippi	3	421,606	0.33	620	85.09
Missouri	5	526,040	0.41	587	82.89
Montana	1	80,631	0.06	605	95.00
Nebraska	1	140,470	0.11	599	93.67
Nevada	16	3,602,115	2.82	602	79.35
New Hampshire	5	1,246,705	0.98	622	88.30
New Jersey	24	6,055,478	4.74	616	80.91
New Mexico	14	2,454,261	1.92	560	78.96
New York	21	5,600,724	4.38	595	76.49
North Carolina	14	2,041,039	1.60	595	82.22
North Dakota	1	62,461	0.05	622	85.00
Ohio	8	1,056,825	0.83	569	84.55
Oklahoma	4	622,421	0.49	584	82.36

Oregon……	6	967,254	0.76	649	77.40
Pennsylvania……	17	2,638,571	2.06	590	87.21
Rhode Island ……	1	162,000	0.13	606	90.00
South Carolina……	1	96,000	0.08	580	80.00
Tennessee……	7	882,932	0.69	581	86.30
Texas……	10	1,719,974	1.35	626	82.28
Utah……	4	740,618	0.58	613	79.67
Virginia……	28	5,668,577	4.44	574	77.63
Washington……	21	5,024,817	3.93	619	81.54
West Virginia……	3	617,200	0.48	658	92.19
Wisconsin……	6	766,680	0.60	586	86.83
Wyoming……	4	581,986	0.46	577	85.42
Total…......	609	$ 127,805,110	100.00%	599	79.71%

*No more than approximately 0.88% of the mortgage loans in loan group III by aggregate principal balance as of the cut-off date will be secured by properties located in any one zip code area.

Property Types of Mortgaged Properties in Loan Group III

Property Type	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
2-4 Family…......	23	$ 7,523,143	5.89%	623	75.93%
Condominium…......	25	4,353,236	3.41	609	81.20
PUD…......	62	15,063,608	11.79	598	82.81
Single Family…......	499	100,865,123	78.92	597	79.47
Total…......	609	$ 127,805,110	100.00%	599	79.71%

Occupancy Status of Mortgaged Properties in Loan Group III*

Occupancy Status	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
Investor......	33	$ 6,389,710	5.00%	618	77.58%
Owner Occupied......	571	120,461,538	94.25	598	79.81
Second Home......	5	953,862	0.75	651	81.33
Total.........	609	$ 127,805,110	100.00%	599	79.71%

*Based upon representation of the related mortgagors at the time of origination.

Original Term of the Mortgage Loans in Loan Group III

Original Term	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
120 - 179 months…......	3	$ 362,703	0.28%	640	70.23%
360 months…......	606	127,442,408	99.72	599	79.74
Total…......	609	$ 127,805,110	100.00%	599	79.71%

As of the cut-off date, the weighted average stated original term to scheduled maturity of the mortgage loans in loan group III was approximately 359 months.

Remaining Term to Stated Maturity for the Mortgage Loans in Loan Group III

Remaining Term to Stated Maturity	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio

121 - 180 months……	3	$ 362,703	0.28%	640	70.23%
301 - 360 months……	606	127,442,408	99.72	599	79.74
Total…......	609	$ 127,805,110	100.00%	599	79.71%

As of the cut-off date, the weighted average stated remaining months to scheduled maturity of the mortgage loans in loan group III was approximately 358 months.

Loan Purpose for the Mortgage Loans in Loan Group III

Loan Purpose	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
Cash-Out Refinance……	523	$ 110,821,504	86.71%	597	79.29%
Purchase……	12	1,853,312	1.45	661	87.33
Rate/Term Refinance……	74	15,130,293	11.84	604	81.85
Total…......	609	$ 127,805,110	100.00%	599	79.71%

Documentation Type of the Mortgage Loans in Loan Group III

Documentation Type	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
Full/Alternative……	336	$ 64,097,418	50.15%	591	80.35%
Limited……	2	411,750	0.32	605	86.08
Lite……	8	1,431,151	1.12	605	80.07
Stated Income……	263	61,864,791	48.41	607	79.00
Total.........	609	$ 127,805,110	100.00%	599	79.71%

Product Type of the Mortgage Loans in Loan Group III

Product Type	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
BALLOON (40/30 BLN)……	25	$ 5,421,266	4.24%	645	78.30%
BALLOON (50/30 BLN)……	5	916,600	0.72	647	76.39
FIXED……	85	14,925,343	11.68	615	76.70
FIXED 10YR DUAL……	1	179,486	0.14	704	92.08
FIXED IO……	6	1,176,150	0.92	643	79.31
LIBOR 2/6 10YR DUAL……	2	756,500	0.59	544	74.96
LIBOR 2/6 ARM……	169	31,527,409	24.67	581	79.17
LIBOR 2/6 ARM (40/30 BLN)……	174	40,998,310	32.08	589	80.06
LIBOR 2/6 ARM (50/30 BLN)……	16	3,480,150	2.72	596	86.13
LIBOR 2/6 ARM IO……	49	13,619,585	10.66	632	79.78
LIBOR 3/6 ARM……	27	4,387,578	3.43	580	81.69
LIBOR 3/6 ARM (40/30 BLN)……	30	6,139,220	4.80	598	82.69
LIBOR 3/6 ARM IO……	10	1,813,000	1.42	617	87.26
LIBOR 5/6 ARM……	3	515,500	0.40	675	59.99
LIBOR 5/6 ARM (40/30 BLN)……	1	364,884	0.29	560	64.04
LIBOR 5/6 ARM IO……	1	165,000	0.13	604	78.57
TREASURY 5/1 ARM……	3	835,129	0.65	607	83.71

TREASURY 5/1 ARM IO…………………...	2	584,000	0.46	645	94.96
Total….......	609	$ 127,805,110	100.00%	599	79.71%

Rate Adjustment Frequency of the Mortgage Loans in Loan Group III

Rate Adjustment Frequency	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
6 months..	482	$ 103,767,136	81.19%	593	80.11%
12 months..	5	$ 1,419,129	1.11	623	88.34
Fixed..	122	22,618,845	17.70	625	77.33
Total.........	609	$ 127,805,110	100.00%	599	79.71%

Months to Next Rate Adjustment of the Mortgage Loans in Loan Group III

Months to Next Rate Adjustment	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
18 - 23…..	410	$ 90,381,953	70.72%	593	79.90%
30 - 35…..	67	12,339,798	9.66	594	83.01
54 - 59…..	10	2,464,513	1.93	623	78.16
Fixed…..	122	22,618,845	17.70	625	77.33
Total….......	609	$ 127,805,110	100.00%	599	79.71%

The weighted average next rate adjustment for the adjustable rate mortgage loans is approximately 25 months in loan group III. Months to next rate adjustment is calculated by using the first rate adjustment date for the loans still in a hybrid period and by using next rate adjustment for loans that are fully indexed.

Maximum Mortgage Rates of the Mortgage Loans in Loan Group III

Maximum Mortgage Rate	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
10.750% - 10.999%..	3	$ 791,000	0.62%	663	79.92%
11.000% - 11.249%..	4	1,182,000	0.92	690	70.88
11.250% - 11.499%..	6	1,449,100	1.13	658	75.16
11.500% - 11.749%..	13	3,146,425	2.46	639	80.26
11.750% - 11.999%..	11	2,839,750	2.22	616	75.79
12.000% - 12.249%...	7	1,610,100	1.26	614	83.92
12.250% - 12.499%...	18	4,458,800	3.49	603	78.96
12.500% - 12.749%...	16	3,584,950	2.81	592	78.02
12.750% - 12.999%...	39	9,316,040	7.29	609	77.89
13.000% - 13.249%...	20	4,666,330	3.65	605	81.23
13.250% - 13.499%...	27	5,844,146	4.57	585	79.82
13.500% - 13.749%...	34	8,551,923	6.69	599	79.60
13.750% - 13.999%...	46	10,359,608	8.11	591	79.89
14.000% - 14.249%...	20	4,375,947	3.42	594	81.87
14.250% - 14.499%...	31	7,393,808	5.79	590	86.76
14.500% - 14.749%...	20	4,255,244	3.33	585	82.90
14.750% - 14.999%...	33	6,348,832	4.97	574	78.81
15.000% - 15.249%...	17	3,450,247	2.70	581	75.73
15.250% - 15.499%...	12	2,329,782	1.82	592	83.10
15.500% - 15.749%...	19	3,678,406	2.88	580	81.06
15.750% - 15.999%...	27	4,658,591	3.65	575	79.64
16.000% - 16.249%...	15	2,622,438	2.05	571	83.08
16.250% - 16.499%...	8	1,420,451	1.11	596	89.26
16.500% - 16.749%...	12	2,113,515	1.65	549	83.04
16.750% - 16.999%...	8	1,468,133	1.15	537	73.96
17.000% - 17.249%...	3	598,396	0.47	575	91.07
17.250% - 17.499%...	7	1,021,415	0.80	552	72.56

17.500% - 17.749%..	5	652,844	0.51	561	82.83
17.750% - 17.999%..	2	357,887	0.28	546	82.37
18.000% - 18.249%..	2	346,537	0.27	530	73.60
18.250% - 18.499%..	1	185,188	0.14	593	95.00
18.500% - 18.749%..	1	108,432	0.08	535	70.00
Fixed…..	122	22,618,845	17.70	625	77.33
Total…......	609	$ 127,805,110	100.00%	599	79.71%

As of the cut-off date, the weighted average maximum mortgage rate of the adjustable rate mortgage loans in loan group III was approximately 14.019%.

Minimum Mortgage Rates of the Mortgage Loans in Loan Group III

Minimum Mortgage Rate	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
4.500% - 4.749%..	2	$ 259,836	0.20%	592	87.58%
4.750% - 4.999%..	6	1,230,372	0.96	591	85.18
5.000% - 5.249%..	4	872,177	0.68	589	79.56
5.250% - 5.499%..	5	604,636	0.47	574	85.71
5.500% - 5.749%..	5	911,367	0.71	594	82.56
5.750% - 5.999%..	18	3,417,068	2.67	606	84.01
6.000% - 6.249%..	11	2,215,033	1.73	624	77.11
6.250% - 6.499%..	17	3,748,906	2.93	631	80.80
6.500% - 6.749%..	20	4,686,847	3.67	625	81.10
6.750% - 6.999%..	34	8,226,020	6.44	606	79.89
7.000% - 7.249%..	11	2,515,084	1.97	619	84.03
7.250% - 7.499%..	21	4,942,076	3.87	606	77.86
7.500% - 7.749%..	23	5,328,457	4.17	588	76.58
7.750% - 7.999%..	44	10,358,256	8.10	606	77.95
8.000% - 8.249%..	23	4,948,301	3.87	607	79.18
8.250% - 8.499%..	31	7,039,095	5.51	582	81.90
8.500% - 8.749%..	32	7,728,652	6.05	598	82.19
8.750% - 8.999%..	50	10,275,695	8.04	580	79.93
9.000% - 9.249%..	19	4,319,943	3.38	589	81.69
9.250% - 9.499%..	27	6,557,389	5.13	586	86.52
9.500% - 9.749%..	16	3,373,562	2.64	591	82.01
9.750% - 9.999%..	19	3,391,292	2.65	557	75.56
10.000% - 10.249%..	11	2,368,050	1.85	556	76.92
10.250% - 10.499%..	8	1,079,386	0.84	543	74.94
10.500% - 10.749%..	7	1,124,622	0.88	551	83.50
10.750% - 10.999%..	13	2,100,307	1.64	531	71.52
11.000% - 11.249%..	5	943,537	0.74	545	72.21
11.250% - 11.499%..	2	299,088	0.23	566	91.19
11.500% - 11.749%..	3	321,212	0.25	524	75.52
Fixed…..	122	22,618,845	17.70	625	77.33
Total…......	609	$ 127,805,110	100.00%	599	79.71%

As of the cut-off date, the weighted average minimum mortgage rate of the adjustable rate mortgage loans in loan group III was approximately 8.108%.

Periodic Rate Cap of the Mortgage Loans in Loan Group III

Periodic Rate Cap	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
1.000%..	405	$ 89,526,800	70.05%	595	79.73%
1.500%..	59	10,685,273	8.36	583	84.11
2.000%..	23	4,974,192	3.89	583	80.80
Fixed…..	122	22,618,845	17.70	625	77.33
Total…......	609	$ 127,805,110	100.00%	599	79.71%

As of the cut-off date, the weighted average periodic rate cap of the adjustable rate mortgage loans in loan group III was approximately 1.098%.

Initial Rate Cap of the Mortgage Loans in Loan Group III

Initial Rate Cap	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
1.500% - 1.749%...	50	$ 8,242,080	6.45%	585	84.44%
2.000% - 2.249%...	324	72,915,449	57.05	596	79.50
3.000% - 3.249%...	113	24,028,737	18.80	590	80.96
Fixed…...	122	22,618,845	17.70	625	77.33
Total…......	609	$ 127,805,110	100.00%	599	79.71%

As of the cut-off date, the weighted average initial rate cap of the adjustable rate mortgage loans in loan group III was approximately 2.189%.

Gross Margin of the Mortgage Loans in Loan Group III

Gross Margin	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
2.500% - 2.749%...	1	$ 307,000	0.24%	646	88.99%
4.000% - 4.249%...	1	292,405	0.23	564	75.00
4.500% - 4.749%...	3	418,086	0.33	558	82.82
4.750% - 4.999%...	7	1,498,234	1.17	586	81.41
5.000% - 5.249%...	10	2,585,858	2.02	597	85.20
5.250% - 5.499%...	199	43,673,489	34.17	607	81.94
5.500% - 5.749%...	28	6,847,565	5.36	609	81.62
5.750% - 5.999%...	126	27,976,913	21.89	576	76.65
6.000% - 6.249%...	26	4,098,639	3.21	594	82.22
6.250% - 6.499%...	21	3,748,984	2.93	593	79.65
6.500% - 6.749%...	10	1,846,351	1.44	594	84.41
6.750% - 6.999%...	51	11,066,693	8.66	576	79.52
7.000% - 7.249%...	1	245,000	0.19	691	74.24
7.250% - 7.499%...	1	357,393	0.28	578	63.27
7.500% - 7.749%...	1	118,678	0.09	580	95.00
7.750% - 7.999%...	1	104,977	0.08	517	63.25
Fixed…...	122	22,618,845	17.70	625	77.33
Total…......	609	$ 127,805,110	100.00%	599	79.71%

As of the cut-off date, the weighted average gross margin of the adjustable rate mortgage loans in loan group III was approximately 5.725%.

Originator of the Mortgage Loans in Loan Group III

Originator	Number of Mortgage Loans	Aggregate Stated Principal Balance Outstanding as of Cut-off Date	% of Mortgage Pool	Weighted Average Credit Score	Weighted Average Original Loan-to-Value Ratio
PCC (Formerly Encore)…………...……	390	$ 84,224,417	65.90%	601	78.82%
FIELDSTONE MORTGAGE…………….	28	6,403,679	5.01	619	85.55
OTHER………………………..	191	37,177,015	29.09	591	80.72
Total.........	609	$ 127,805,110	100.00%	599	79.71%

ANNEX I

GLOBAL CLEARANCE, SETTLEMENT, AND TAX

DOCUMENTATION PROCEDURES

Except under limited circumstances, the globally offered Bear Stearns Asset Backed Securities I LLC, Asset-Backed Certificates, Series 2007-HE3 (the "Global Securities") will be available only in book-entry form. Investors in the Global Securities may hold the Global Securities through any of DTC, Euroclear or Clearstream. The Global Securities will be tradable as home market instruments in both the European and U.S. domestic markets. Initial settlement and all secondary trades will settle in same-day funds.

Secondary market trading between investors holding Global Securities through Euroclear and Clearstream will be conducted in the ordinary way in accordance with their normal rules and operating procedures and in accordance with conventional eurobond practice (i.e., seven calendar day settlement).

Secondary market trading between investors holding Global Securities through DTC will be conducted according to the rules and procedures applicable to U.S. corporate debt obligations and prior Asset-Backed Certificates issues.

Secondary cross-market trading between Euroclear or Clearstream and DTC participants holding Certificates will be effected on a delivery-against-payment basis through the respective depositaries of Euroclear and Clearstream and as DTC participants.

Non-U.S. holders (as described below) of Global Securities will be subject to U.S. withholding taxes unless the holders meet established requirements and deliver appropriate U.S. tax documents to the securities clearing organizations or their participants.

Initial Settlement

All Global Securities will be held in book-entry form by DTC in the name of Cede & Co. as nominee of DTC. Investors' interests in the Global Securities will be represented through financial institutions acting on their behalf as direct and indirect participants in DTC. As a result, Euroclear and Clearstream will hold positions on behalf of their participants through their respective depositaries, which in turn will hold the positions in accounts as DTC participants.

Investors electing to hold their Global Securities through DTC will follow the settlement practices applicable to prior Asset-Backed Certificates issues. Investor securities custody accounts will be credited with their holdings against payment in same-day funds on the settlement date.

Investors electing to hold their Global Securities through Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional eurobonds, except that there will be no temporary global security and no "lock-up" or restricted period. Global Securities will be credited to the securities custody accounts on the settlement date against payment in same-day funds.

Secondary Market Trading

Since the purchaser determines the place of delivery, it is important to establish at the time of the trade where both the purchaser's and seller's accounts are located to ensure that settlement can be made on the desired value date.

Trading between DTC Participants. Secondary market trading between DTC participants will be settled using the procedures applicable to prior Asset-Backed Certificates issues in same day funds.

Trading between Euroclear and/or Clearstream Participants. Secondary market trading between Euroclear participants or Clearstream participants will be settled using the procedures applicable to conventional eurobonds in same-day funds.

Trading between DTC seller and Euroclear or Clearstream Purchaser. When Global Securities are to be transferred from the account of a DTC participant to the account of a Euroclear participant or a Clearstream participant, the purchaser will send instructions to Euroclear or Clearstream through a Euroclear participant or Clearstream participant at least one business day prior to settlement. Euroclear or Clearstream will instruct the respective depository, as the case may be, to receive the Global Securities against payment. Payment will include interest accrued on the Global Securities from and including the last coupon payment date to and excluding the settlement date, on the basis of either the actual number of days in the accrual period and a year assumed to consist of 360 days or a 360-day year consisting of 12 30-day months as applicable to the related class of Global Securities. For transactions settling on the 31st of the month, payment will include interest accrued to and excluding the first day of the following month. Payment will then be made by the respective depository of the DTC participant's account against delivery of the Global Securities. After settlement has been completed, the Global Securities will be credited to the respective clearing system and by the clearing system, in accordance with its usual procedures, to the Euroclear participant's or Clearstream participant's account. The securities credit will appear the next day (European time) and the cash debt will be back-valued to, and the interest on the Global Securities will accrue from, the value date (which would be the preceding day when settlement occurred in New York). If settlement is not completed on the intended value date (i.e., the trade fails), the Euroclear or Clearstream cash debt will be valued instead as of the actual settlement date.

Euroclear participants and Clearstream participants will need to make available to the respective clearing systems the funds necessary to process same-day funds settlement. The most direct means of doing so is to pre-position funds for settlement, either from cash on hand or existing lines of credit, as they would for any settlement occurring within Euroclear or Clearstream. Under this approach, they may take on credit exposure to Euroclear or Clearstream until the Global Securities are credited to their accounts one day later.

As an alternative, if Euroclear or Clearstream has extended a line of credit to them, Euroclear participants or Clearstream participants can elect not to pre-position funds and allow that credit line to be drawn upon the finance settlement. Under this procedure, Euroclear participants or Clearstream participants purchasing Global Securities would incur overdraft charges for one day, assuming they cleared the overdraft when the Global Securities were credited to their accounts. However, interest on the Global Securities would accrue from the value date. Therefore, in many cases the investment income on the Global Securities earned during that one-day period may substantially reduce or offset the amount of the overdraft charges, although this result will depend on each Euroclear participant's or Clearstream participant's particular cost of funds.

Since the settlement is taking place during New York business hours, DTC participants can employ their usual procedures for sending Global Securities to the respective European depository for the benefit of Euroclear participants or Clearstream participants. The sale proceeds will be available to the DTC seller on the settlement date. Thus, a trade between DTC participants in a cross-market transaction will settle no differently than a trade between two DTC participants.

Trading between Euroclear or Clearstream seller and DTC Purchaser. Due to time zone differences in their favor, Euroclear participants and Clearstream participants may employ their customary procedures for transactions in which Global Securities are to be transferred by the respective clearing system, through the respective depository, to a DTC participant. The seller will send instructions to Euroclear or Clearstream through a Euroclear participant or Clearstream participant at least one business day prior to settlement. In these cases Euroclear or Clearstream will instruct the respective depository, as appropriate, to deliver the Global Securities to the DTC participant's account against payment. Payment will include interest accrued on the Global Securities from and including the last coupon payment to and excluding the settlement date on the basis of either the actual number of days in the accrual period and a year assumed to consist of 360 days or a 360-day year consisting of 12 30-day months as applicable to the related class of Global Securities. For transactions settling on the 31st of the month, payment will include interest accrued to and excluding the first day of the following month. The payment will then be reflected in the account of the Euroclear participant or Clearstream participant the following day, and receipt of the cash proceeds in the Euroclear participant's or Clearstream participant's account would be back-valued to the value date (which would be the preceding day, when settlement occurred in New York). Should the Euroclear participant or Clearstream participant have a line of credit with its respective clearing system and elect to be in debt in anticipation of receipt of the sale proceeds in its account, the back-valuation will extinguish any overdraft incurred over that one-day period. If settlement is not completed on the intended value date (i.e., the trade fails), receipt of the cash proceeds in the Euroclear participant's or Clearstream participant's account would instead be valued as of the actual settlement date.

Finally, day traders that use Euroclear or Clearstream and that purchase Global Securities from DTC participants for delivery to Euroclear participants or Clearstream participants should note that these trades would automatically fail on the sale side unless affirmative action were taken. At least three techniques should be readily available to eliminate this potential problem

(a) borrowing through Euroclear or Clearstream for one day (until the purchase side of the day trade is reflected in their Euroclear or Clearstream accounts) in accordance with the clearing system's customary procedures;

(b) borrowing the Global Securities in the U.S. from a DTC participant no later than one day prior to settlement, which would give the Global Securities sufficient time to be reflected in their Euroclear or Clearstream account in order to settle the sale side of the trade; or

(c) staggering the value dates for the buy and sell sides of the trade so that the value date for the purchase from the DTC participant is at least one day prior to the value date for the sale to the Euroclear participant or Clearstream participant.

U.S. Federal Income Tax Documentation Requirements

A beneficial owner of Global Securities holding securities through Clearstream or Euroclear (or through DTC if the holder has an address outside the U.S.) will be subject to the 30% U.S. withholding tax that generally applies to payments of interest on registered debt issued by U.S. persons, unless (1) each clearing system, bank or other financial institution that holds customers' securities in the ordinary course of its trade or business in the chain of intermediaries between the beneficial owner and the U.S. entity required to withhold tax complies with applicable certification requirements and (2) the beneficial owner takes one of the following steps to obtain an exemption or reduced tax rate

Exemption for non-U.S. persons (Form W-8 BEN). Beneficial owners of Global Securities that are non-U.S. persons can obtain a complete exemption from the withholding tax by filing a signed Form W-8 BEN. If the information shown on Form W-8 BEN changes, a new Form W-8 BEN must be filed within 30 days of the change.

Exemption for non-U.S. persons with effectively connected income (Form W-8ECI). A non- U.S. person, including a non-U.S. corporation or bank with a U.S. branch, for which the interest income is effectively connected with its conduct of a trade or business in the United States, can obtain an exemption from the withholding tax by filing Form W-8ECI.

Exemption or reduced rate for non-U.S. persons resident in treaty countries (Form W-8 BEN). Non-U.S. persons that are beneficial owners residing in a country that has a tax treaty with the United States can obtain an exemption or reduced tax rate (depending on the treaty terms) by filing Form W-8 BEN.

Exemption for U.S. persons (Form W-9). U.S. persons can obtain a complete exemption from the withholding tax by filing Form W-9.

U.S. Federal Income Tax Reporting Procedure. The Global Securities holder files by submitting the appropriate form to the person through whom he holds (e.g., the clearing agency, in the case of persons holding directly on the books of the clearing agency). Forms W-8 BEN and W-8ECI are generally effective for three calendar years.

U.S. Person. As used in this free writing prospectus the term "U.S. person" means a beneficial owner of a Certificate that is for United States federal income tax purposes

- a citizen or resident of the United States,
- a corporation or partnership created or organized in or under the laws of the United States or of any State thereof or the District of Columbia,
- an estate the income of which is subject to United States federal income taxation regardless of its source, or
- a trust if a court within the United States is able to exercise primary supervision of the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust or if it has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. Person.

As used in this free writing prospectus, the term “non-U.S. person” means a beneficial owner of a Certificate that is not a U.S. person.

This summary does not deal with all aspects of U.S. federal income tax withholding that may be relevant to foreign holders of the Global Securities or with the application of the extensive withholding regulations that are generally effective with respect to payments made after December 31, 2000 which have detailed rules regarding the determination of beneficial ownership. Investors are advised to consult their own tax advisors for specific tax advice concerning their holding and disposing of the Global Securities