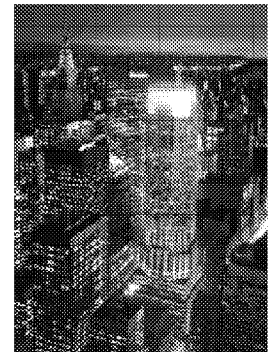


# **Exhibit 2**

*BSABS 2007-HE4 Residual*



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# Transaction Overview

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## *Overall Transaction Structure: BSABS 2007-HE4*

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- Originators: Bear Stearns Residential Mortgage (38.29%) (Encore Division), Performance Credit Corporation (2.98%), EMC Mortgage Corporation (17.01%), and 12 other originators none of who represent more than 10% of the collateral.
- Master Servicer – EMC Mortgage Corp.
- Trustee – LaSalle Bank National Association
- Pool consists of fixed and adjustable rate subprime residential loans.

## Overall Transaction Structure: BSABS 2007-HE4

Collateral: Original Balance = \$869.0 MM

| Class | Prin Amt (\$mm) | Ratings (S&P/Moody's) | Credit Enhancement | Description          |
|-------|-----------------|-----------------------|--------------------|----------------------|
| I-A-1 | 231.0           | AAA/Aaa               | 26.15%             | Senior               |
| I-A-2 | 94.5            | AAA/Aaa               | 26.15%             | Senior               |
| I-A-3 | 62.3            | AAA/Aaa               | 26.15%             | Senior               |
| I-A-4 | 40.8            | AAA/Aaa               | 26.15%             | Senior               |
| II-A  | 213.8           | AAA/Aaa               | 26.15%             | Senior               |
| M-1   | 53.1            | AA+/Aa1               | 20.65%             | Subordinate          |
| M-2   | 41.8            | AA/Aa2                | 15.25%             | Subordinate          |
| M-3   | 13.5            | AA-/Aa3               | 13.70%             | Subordinate          |
| M-4   | 13.5            | A+/A1                 | 12.15%             | Subordinate          |
| M-5   | 14.4            | A/A2                  | 10.50%             | Subordinate          |
| M-6   | 6.5             | A-/A3                 | 9.75%              | Subordinate          |
| M-7   | 13.1            | BBB+/Baa1             | 8.25%              | Subordinate          |
| M-8   | 10.0            | BBB/Baa2              | 7.10%              | Subordinate          |
| M-9   | 14.4            | BBB-/Baa3             | 5.45%              | Subordinate          |
| C     | Notional        | NR                    | -                  | Residual             |
| P     | Notional        | NR                    | -                  | Prepayment Penalties |

As of Cut-Off Date 1/1/2006

## *Overall Transaction Terms: BSABS 2007-HE4*

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- Certificate Pass-Through Rates calculated on an Actual/360 basis.
- Credit enhancement provided by subordination, overcollateralization and excess spread
- Overcollateralization:
  - Initial OC Target = 5.45% of original balance
  - Stepdown OC Target = 10.90% of current balance
- Trigger Events Include a Delinquency Test and a Cumulative Loss Test
  - A delinquency test violation exists if the outstanding balance of loans that are 60+ Days DQ (including loans in foreclosure or REO) as a % of the outstanding pool balance exceeds: 32.55% of the credit enhancement percentage.
  - A cumulative loss test violation exists if cumulative losses exceed:

| Cum Loss% | Distribution Date           |
|-----------|-----------------------------|
| 3.55      | May 2010 through April 2011 |
| 5.60      | May 2011 through April 2012 |
| 7.20      | May 2012 through April 2013 |
| 8.15      | May 2013 and thereafter     |

## Collateral Characteristics: BSABS 2007-HE4

|                    |       |
|--------------------|-------|
| Balance (\$mm)     | 869.0 |
| Number of loans    | 4193  |
| GWAC               | 8.38  |
| WALA               | 2     |
| ALS (\$000s)       | 207.4 |
| FICO               | 612   |
| Gross Margin (bp)  | 578   |
| LTV                | 81.0  |
| CLTV               | 83.2  |
| % Full / Alt Doc   | 56.4  |
| % Lim Doc / Stated | 43.65 |
| % No Doc           | 0.0   |

|                  |      |
|------------------|------|
| %CA              | 27.2 |
| % Single Family  | 83.6 |
| % 2-4 Family     | 4.8  |
| % Condo          | 2.6  |
| % PUD            | 8.7  |
| % Purchase       | 19.4 |
| % Cashout        | 69.3 |
| % Rate/Term Refi | 11.3 |
| % Owner          | 93.7 |
| % Investor       | 5.2  |
| % 2nd home       | 1.1  |
| % Penalty        | 73.1 |

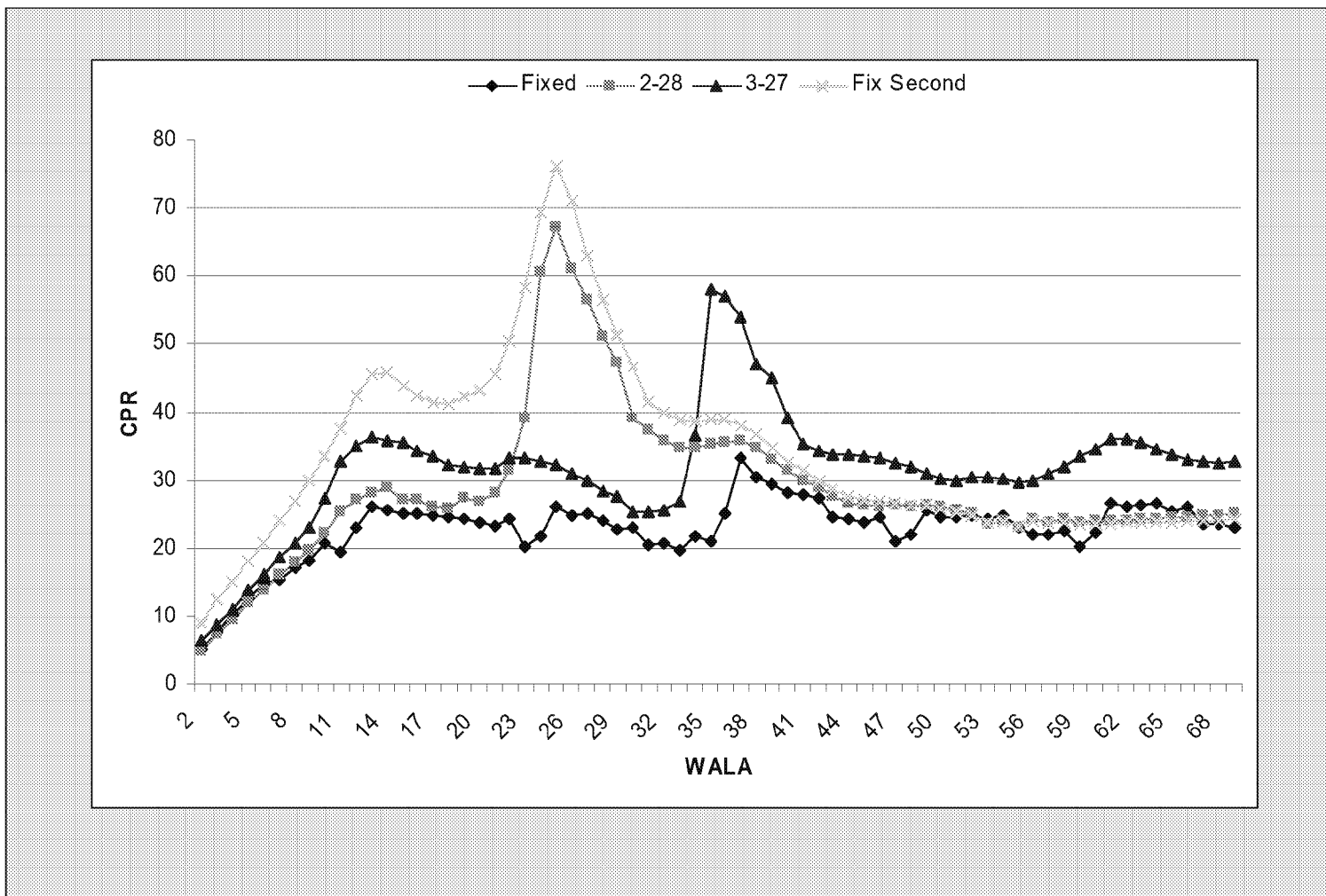
*\*As of cut-off date*

# Prepayments and Defaults

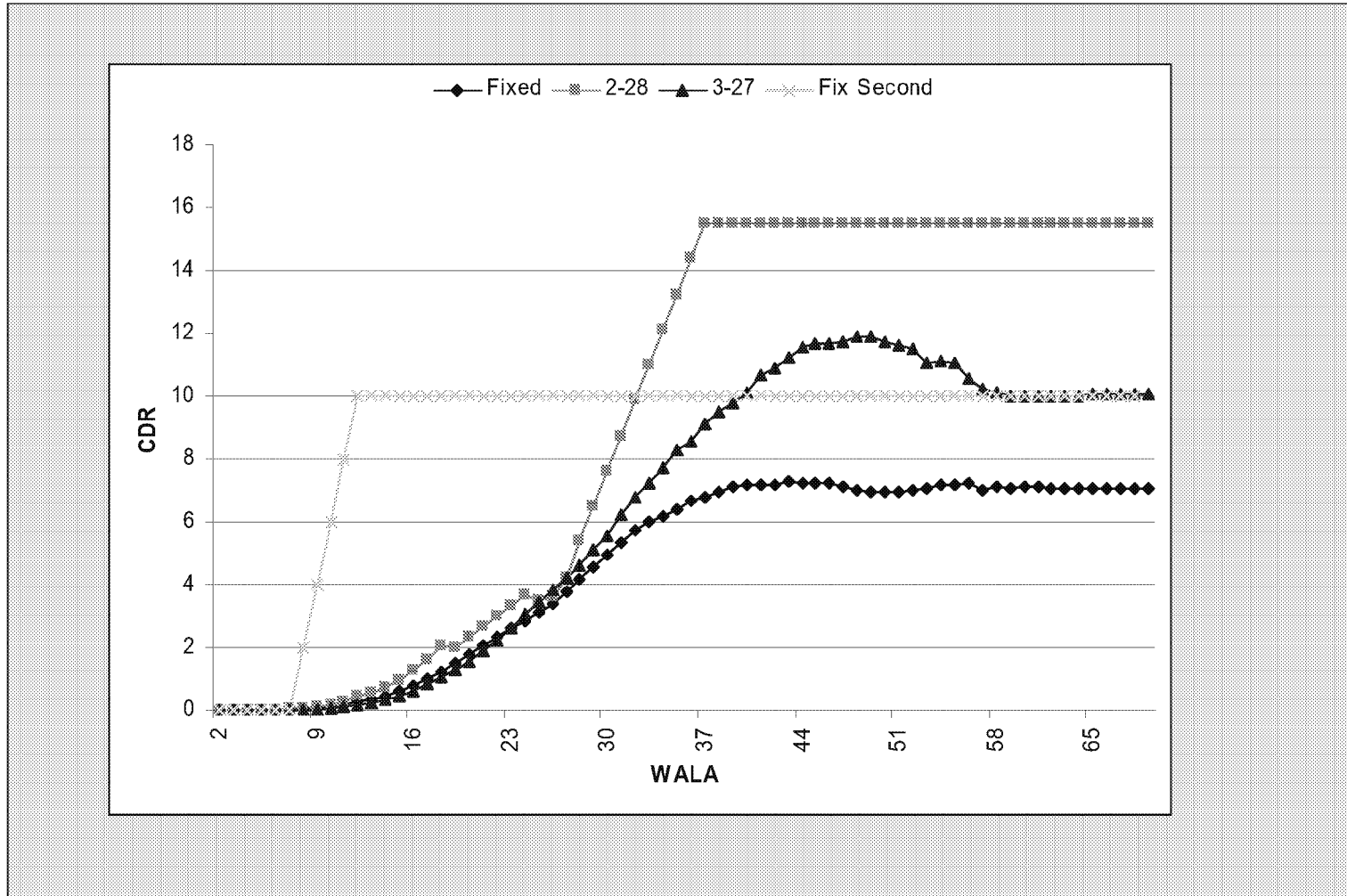
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# Base Case Prepayment Ramps: BSABS 2007-HE4



### Base Case Defaults: BSABS 2007-HE4



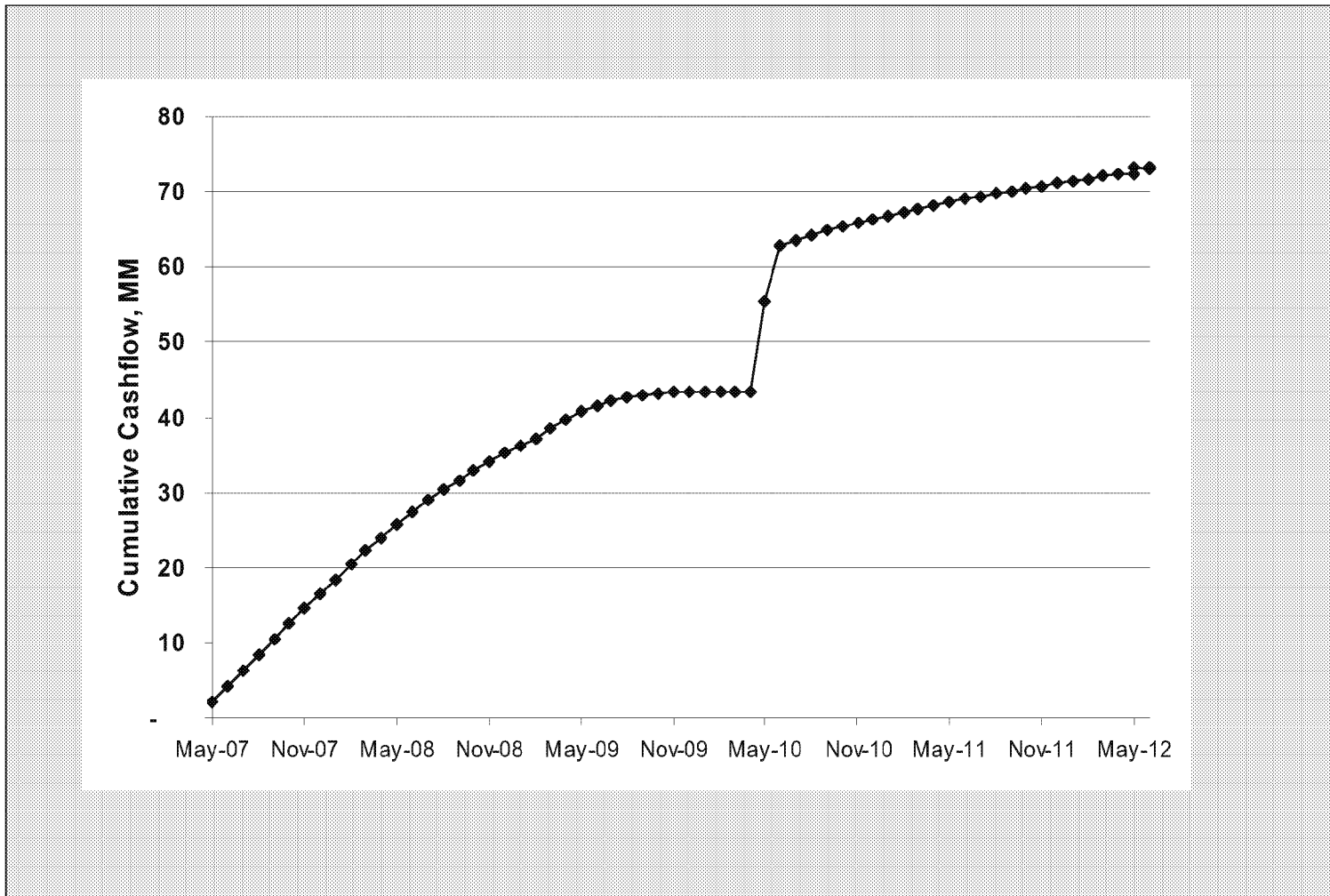
# Risk-Return Profile

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***Yield Profile: BSABS 2007-HE4 Residual (CE + P) run to maturity:***

| Curve Date: 4/30/07<br>Settle Date: 5/3/07 |               |               | Prepayment Multiplier |            |            |            |            |
|--|---------------|---------------|-----------------------|------------|------------|------------|------------|
|  |               |               | 50%                   | 75%        | 100%       | 125%       | 150%       |
| <b>Default<br/>Multiplier</b>              | <b>50%</b>    | Yield @ 6-3+  | 31.38                 | 32.01      | 32.46      | 31.77      | 29.70      |
|  |               | CF AvgLife    | 5.84                  | 4.38       | 3.48       | 2.94       | 2.61       |
|  |               | CF End Date   | 4/25/1937             | 4/25/1937  | 4/25/1937  | 4/25/1937  | 4/25/37*   |
|  |               | Market Value  | 53,334,042            | 53,336,518 | 53,339,026 | 53,341,566 | 53,344,140 |
|  |               | % Foreclosure | 20.37                 | 12.25      | 7.57       | 4.64       | 2.59       |
|  |               | % Loss        | 8.74                  | 5.35       | 3.34       | 2.07       | 1.17       |
|  | <b>75%</b>    | Yield @ 6-3+  | 18.67                 | 24.10      | 26.46      | 27.40      | 26.81      |
|  |               | CF AvgLife    | 7.28                  | 3.95       | 3.21       | 2.79       | 2.53       |
|  |               | CF End Date   | 4/25/1937             | 4/25/37*   | 4/25/37*   | 4/25/37*   | 4/25/37*   |
|  |               | Market Value  | 53,333,861            | 53,336,337 | 53,338,845 | 53,341,386 | 53,343,959 |
|  |               | % Foreclosure | 26.90                 | 16.76      | 10.61      | 6.63       | 3.76       |
|  |               | % Loss        | 11.64                 | 7.36       | 4.70       | 2.96       | 1.70       |
|  | <b>100%</b>   | Yield @ 6-3+  | 6.02                  | 14.60      | 19.94      | 22.91      | 23.98      |
|  |               | CF AvgLife    | 7.36                  | 3.59       | 2.92       | 2.62       | 2.44       |
|  |               | CF End Date   | 4/25/37*              | 4/25/37*   | 4/25/37*   | 4/25/37*   | 3/25/37*   |
|  |               | Market Value  | 53,333,677            | 53,336,153 | 53,338,661 | 53,341,201 | 53,343,775 |
|  |               | % Foreclosure | 32.04                 | 20.56      | 13.29      | 8.44       | 4.86       |
|  |               | % Loss        | 13.96                 | 9.06       | 5.91       | 3.78       | 2.20       |
|  | <b>150%</b>   | Yield @ 6-3+  | (23.88)               | 3.14       | 12.73      | 18.28      | 21.14      |
|  |               | CF AvgLife    | 1.00                  | 5.06       | 2.56       | 2.43       | 2.33       |
| CF End Date                                |               | 1/25/2012     | 4/25/37*              | 4/25/37*   | 4/25/37*   | 3/25/37*   |            |
| Market Value                               |               | 53,333,489    | 53,335,965            | 53,338,473 | 53,341,013 | 53,343,587 |            |
| % Foreclosure                              |               | 36.22         | 23.81                 | 15.67      | 10.09      | 5.90       |            |
| % Loss                                     |               | 15.87         | 10.54                 | 6.99       | 4.53       | 2.67       |            |
| <b>150%</b>                                | Yield @ 6-3+  | (32.26)       | (32.13)               | 3.91       | 13.37      | 18.31      |            |
|  | CF AvgLife    | 0.94          | 0.92                  | 2.14       | 2.22       | 2.23       |            |
|  | CF End Date   | 1/25/2012     | 1/25/2012             | 4/25/37*   | 4/25/37*   | 3/25/37*   |            |
|  | Market Value  | 53,333,297    | 53,335,773            | 53,338,281 | 53,340,821 | 53,343,395 |            |
|  | % Foreclosure | 39.68         | 26.63                 | 17.80      | 11.62      | 6.88       |            |
|  | % Loss        | 17.48         | 11.83                 | 7.96       | 5.22       | 3.12       |            |

# Cumulative Cashflow Projection

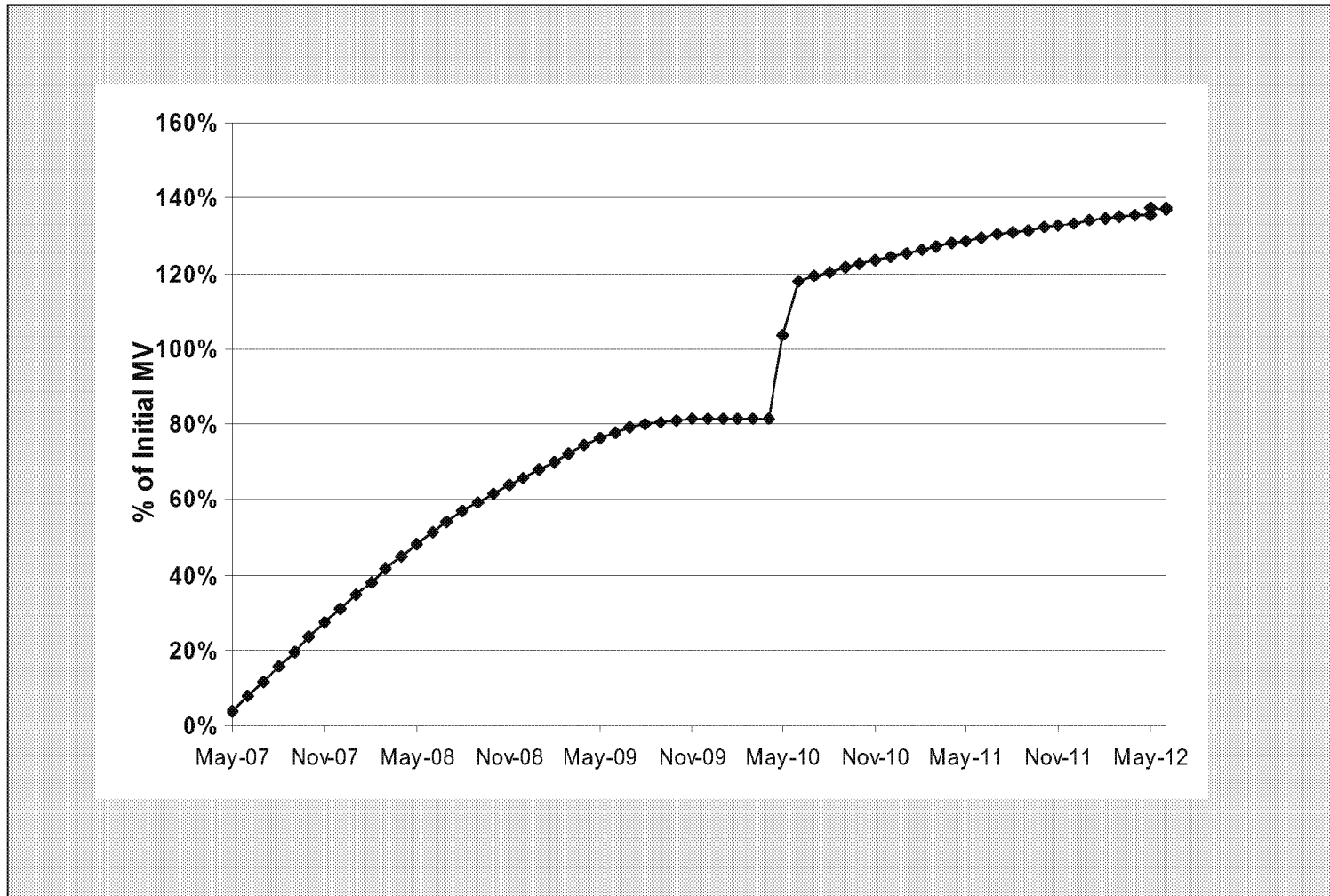


Projected CFs calculated assuming defaults and prepayments at 100% of base case vectors.

Run to Maturity



### Cumulative Cashflow Projection as % of Market Value



Projected CFs calculated assuming defaults and prepayments at 100% of base case vectors.

Run to Maturity



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