



April 29, 2012

Jennifer J. Johnson  
Secretary  
Board of Governors of the Federal Reserve System  
20th Street & Constitution Avenue, N.W.  
Washington, D.C. 20551  
**Docket No. R-1401**  
**RIN 7100-AD61**

Office of the Comptroller of the Currency  
250 E Street, S.W.  
Mail Stop 2-3  
Washington, D.C. 20219  
**Docket ID OCC-2010-0003**  
**RIN 1557-AC99**

Robert E. Feldman  
Executive Secretary  
Federal Deposit Insurance Corporation  
550 17th Street, N.W.  
Washington, D.C. 20429  
Attention: Comments/Legal ESS  
**RIN 3064-AD70**

Re: Risk-Based Capital Guidelines: Market Risk; Alternatives to Credit Ratings for Debt and Securitization Positions

Ladies and Gentlemen:

The American Securitization Forum (“ASF”) is writing to provide certain additional information relevant to the joint notice of proposed rulemaking<sup>1</sup> (the “NPR” and, the proposed rule set forth therein, the “Proposed Rule”) issued by the Board of Governors of the Federal Reserve System (the “Board”), the Federal Deposit Insurance Corporation (the “FDIC”) and the Office of the Comptroller of the Currency (the “OCC,” and together with the Board and FDIC, the “Agencies”) to incorporate into their proposed market risk capital rules (the “Proposed MRC Rules”)<sup>2</sup> alternative methodologies for calculating specific risk capital requirements for debt and securitization positions that do not rely on credit ratings.

The ASF, The Clearing House Association L.L.C. (“The Clearing House”), The Financial Services Roundtable (the “FSR”) and the International Swaps and Derivatives Association, Inc.

---

<sup>1</sup> 76 Fed. Reg. 79380 (Dec. 21, 2011).

<sup>2</sup> 76 Fed. Reg. 1890 (Jan. 11, 2011) (proposed revisions to market risk capital rules).

(“ISDA” and, together with ASF, The Clearing House and FSR, the “Associations”)<sup>3</sup> submitted an initial comment letter of February 7, 2012 (the “February 7 Letter”)<sup>4</sup> with respect to the Proposed Rule that included proposed modifications to the simplified supervisory formula approach (the “SSFA”) for calculating risk-weighting factors for securitization positions under the Proposed Rule. Among other modifications, the February 7 Letter recommended that the capital requirement for a securitization position be calculated using a dynamic Kg based on (a) the weighted average capital requirement of the performing underlying exposures (using initial Kg amounts provided in the letter), plus (b) the expected losses on seriously delinquent underlying exposures using loss severity data for the underlying exposures. This letter provides further information with respect to the following issues relating to such modifications:

1. The accessibility of the servicer reports that are necessary to calculate the risk-weighting factors for securitization exposures using the SSFA with the modifications proposed in the February 7 Letter.

2. The availability in such servicer reports of the information necessary to calculate the SSFA with these proposed modifications.

3. A more detailed proposal as to which asset pools should be entitled to use an initial Kg of 4.0% rather than 8.0%.

4. A more specific proposal for defining seriously delinquent assets and loss severities for purposes of calculating Kg with the proposed modifications set forth in the February 7 Letter.

5. Calculations of Kg with our proposed modifications for example securitization transactions.

### **1. Accessibility of Servicer Reports**

As the Associations indicated in the February 7 Letter, the information necessary to calculate the risk-weighting factors for securitization positions using the SSFA with our proposed modifications is readily available for the securitization positions of banks. Securities issued in publicly offered securitizations are subject to Regulation AB of the Securities and Exchange Commission (“Reg AB”). Under Section 1121 of Reg AB issuers are required to provide periodic information to investors in such securitizations. Privately negotiated securitization transactions also universally require the provision of such periodic information. This information is made available in the form of a report prepared by the servicer of the transaction assets. These reports may be readily obtained by bank investors in securitizations regardless of their size. These servicer reports are the basis of the information available in other commercially available data sources that is used by banks that invest in securitization

---

<sup>3</sup> The Associations collectively represent financial institutions accounting for a substantial majority of banking and financial assets in the United States. Please see *Annex A* of the February 7 Letter for a more detailed description of the Associations.

<sup>4</sup> See [http://www.americansecuritization.com/uploadedFiles/ASF\\_Joint\\_Market\\_Risk\\_Comment\\_Letter\\_2-7-12.pdf](http://www.americansecuritization.com/uploadedFiles/ASF_Joint_Market_Risk_Comment_Letter_2-7-12.pdf).

transactions. An example process for obtaining such a report from a trustee maintained website for the Credit Suisse First Boston Mortgage Securities Corp., Home Equity Pass-Through Certificates, HEAT Series 2006-5 is set forth on Appendix A to this letter.

## **2. Availability of Information from Servicer Reports**

All of the information necessary to calculate risk-weighting factors using the SSFA with the proposed modifications as set forth in the February 7 Letter is, to the extent that such information is relevant for the applicable asset class as described further below, generally required to be contained in periodic servicer reports under the relevant transaction documents. As an illustration, attached as Appendix B are calculations of the inputs used in determining Kg with our proposed modifications for example residential mortgage, commercial mortgage, auto (loan and lease), private student loan, and trust preferred securities securitization transactions together with excerpts from related servicer reports annotated to show where such information has been derived.

## **3. Initial Kg Levels**

In the February 7 Letter, the Associations proposed that initial Kg levels be set at 4.0% based upon an analysis of the historic loss levels of such asset classes. Because of time constraints, the Associations reserved the right to propose a 4.0% initial Kg for other asset classes and asset class segments following further analysis.

Part of the proposal in the February 7 Letter was to designate a 4.0% initial Kg for certain “prime” sub-asset classes. Below and in Appendix C we provide a methodology for determining what asset pools should qualify for a 4.0% initial Kg that does not rely on the use of credit scores (such as FICO).<sup>5</sup>

a. For securitized pools of assets that have risk weights of less than 100% under the Agencies’ currently applicable (Basel I) risk-based capital rules (e.g. prudently underwritten mortgages), the initial Kg would be determined by multiplying the risk weight for such assets by 8.0%.<sup>6</sup>

b. For other securitized asset pools where the average of net losses as a percentage of collections or net losses as a percentage of asset liquidations of the managed or serviced pool of the originator’s assets of which the securitized asset pool are a part is less than or equal to 4.0%, the initial Kg for such asset pool would equal 4.0%. The ratio described above should be determined as of the date of purchase of the securitization position and should be measured as of

---

<sup>5</sup> The ASF believes, however, that credit scores, such as FICO, are an important tool in assessing the creditworthiness of borrowers and notes that FICO scores are used throughout the industry for purposes of classifying borrowers into different credit grades.

<sup>6</sup> For example, prudently underwritten mortgages are assigned a risk weight of 50% under current risk-based capital rules. The initial Kg of a pool of prudently underwritten mortgages would be 50% multiplied by 8.0% or 4.0%.

the date of issuance of the relevant securitization position for the most recent three-year period prior to such issuance date for which the relevant information necessary to make such calculation is available. Further detail as to this methodology and excerpts from prospectuses for public securitization transactions showing the data necessary to make such calculations are set forth on Appendix C hereto.

c. For all other asset pools (including all asset pools derived from an originator's managed or serviced asset pool for which the calculations described in clause b above cannot be made), the initial Kg would equal 8.0%.

#### **4. Defining Seriously Delinquent Exposures and Loss Severities**

In the February 7 Letter, the Associations proposed that Kg be defined as “(a) the weighted-average capital requirement of the performing underlying exposures calculated using Table 1 [in the February 7 Letter], plus (b) the expected losses on seriously delinquent underlying exposures (defined as loans 90 days or greater past due) calculated using historical three-month loss severities on the underlying exposures if publicly available, or 50%.” We recognize that using three month average loss severities in determining Kg can result in certain volatility in required capital levels. The proposal from the Associations also left open the question of how to determine the initial loss severity level for a securitized asset pool pending the requisite time passing before the initial required averaging period has ended. These issues have led our members to conduct a further analysis of the application of loss severity calculations to various securitized asset classes and as to the appropriate definition of “seriously delinquent assets” with respect to these asset classes. This analysis has led to the following conclusions with respect to these issues:

a. The proposed definition of “seriously delinquent assets” should be further modified from the proposed definition in the February 7 Letter. For most asset classes, “seriously delinquent assets” should be defined (without duplication) as those securitized exposures (i) that are 90 days or more past due, (ii) with respect to which the obligor is the subject of an ongoing bankruptcy or insolvency proceeding, or (iii) for which a foreclosure or similar proceeding has been commenced with respect to any assets securing the relevant securitized exposure.

b. The use of 12-month average loss severities is an acceptable and appropriate measure to use in calculating Kg for most asset classes in lieu of the three month average initially proposed in the February 7 Letter. There are certain asset classes, however, such as credit card receivables, for which meaningful loss severity information is not available. For these assets, and for all securitized asset pools for which 12 months of loss severity information is not yet available or is not meaningful, we would suggest using the average historical loss severity proxies set forth on Appendix D hereto.

#### **5. Kg Calculations**

Set forth on Appendix E are calculations of Kg with our proposed modifications derived from information obtained from publicly available servicer reports for example residential mortgage, commercial mortgage, automobile (loan and lease), private student loan, and trust

preferred securities securitization transactions. These calculations show the impact of changes in 12-month loss severities and severely delinquent assets on Kg for these transactions over time.

\* \* \*

ASF appreciates your consideration of the information set forth in this letter. If you have any questions regarding this submission or need further information, please feel free to contact me at 212.412.7107 or at [tdeutsch@americansecuritization.com](mailto:tdeutsch@americansecuritization.com).

Sincerely,



Tom Deutsch  
Executive Director  
American Securitization Forum

cc: Hon. Mary Miller  
*United States Department of the Treasury*

Hon. Cyrus Amir-Mokri  
*United States Department of the Treasury*

Mr. Michael Gibson  
*Board of Governors of the Federal Reserve System*

Ms. Anna Lee Hewko  
*Board of Governors of the Federal Reserve System*

Mr. Thomas Boemio  
*Board of Governors of the Federal Reserve System*

Mr. Dwight Smith  
*Board of Governors of the Federal Reserve System*

Mr. Timothy Clark  
*Board of Governors of the Federal Reserve System*

Mr. George E. French  
*Federal Deposit Insurance Corporation*

Mr. Robert Bean  
*Federal Deposit Insurance Corporation*

Mr. Ryan Billingsley  
*Federal Deposit Insurance Corporation*

Mr. Charles Taylor  
*Office of the Comptroller of the Currency*

Mr. Robert Tufts  
*Office of the Comptroller of the Currency*

Mr. Amrit Sekon  
*Office of the Comptroller of the Currency*

Mr. Mark Ginsberg  
*Office of the Comptroller of the Currency*

Ms. Sarah J. Dahlgren  
*Federal Reserve Bank of New York*

Mr. James McAndrews  
*Federal Reserve Bank of New York*

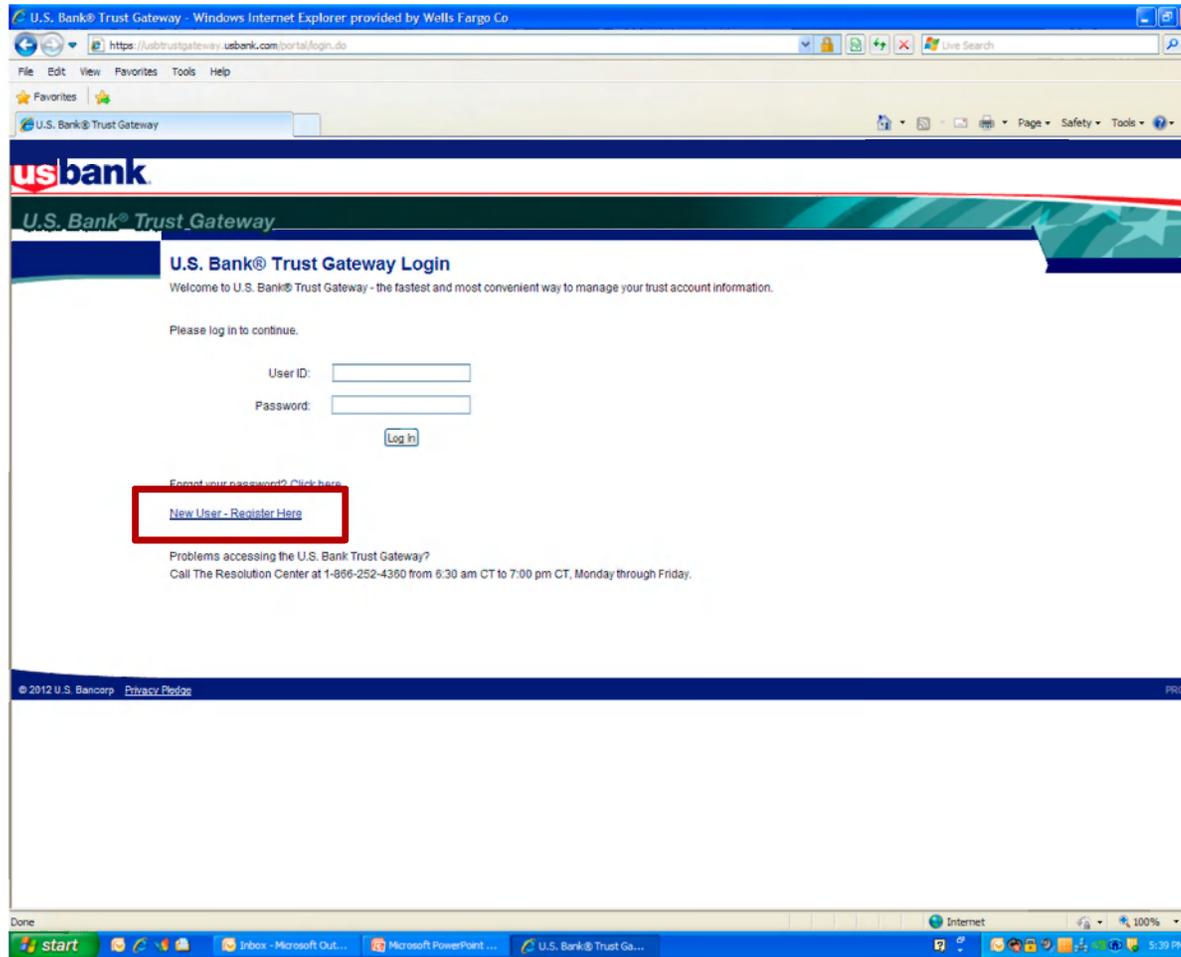
Timothy Mohan, Esq.  
*Chapman and Cutler LLP*

## Appendix A

# How To Access Public Servicer Reports

## Step 1

- ▶ Below is the trustee's (US Bank) website login page. Click 'New User- Register Here' to create a login ID



- ▶ Accept the user agreement

**us bank**  
U.S. Bank® Trust Gateway

**TIR Agreement** [★ Logout](#)

Please read and accept the agreement to continue.

This Corporate Trust and Institutional Trust & Custody End-User License Agreement ("EULA") is a legal agreement between you (either an individual or a single entity) and U.S. Bank, N.A. for the product identified above, which includes associated media, printed materials, and "online" electronic documentation ("Software Product"). By installing, copying or otherwise using the Software Product, you agree to be bound by the terms of this EULA. If you do not agree to the terms of this EULA, do not install or use the Software Product.

**SOFTWARE PRODUCT LICENSE**

The Software Product is protected by copyright laws and international copyright treaties, as well as other intellectual property laws and treaties. The Software Product is licensed, not sold.

- GRANT OF LICENSE.** This EULA grants you the following rights:
  - Installation and Use. You may install and use an unlimited number of copies of the Software Product.
  - Reproduction and Distribution. You may reproduce and distribute an unlimited number of copies of the Software Product, provided that each copy shall be a true and complete copy, including all copyright and trademark notices.
- OTHER RIGHTS AND LIMITATION S**
  - If applicable, Support Services is governed by the Corporate Trust and Institutional Trust & Custody policies and programs as described in the user manual, in "online" documentation, and/or in other Corporate Trust and Institutional Trust & Custody provided materials.
  - Any supplemental software code provided to you as part of the Support Services shall be considered part of this EULA.
  - Termination. Without prejudice to any other rights, Corporate Trust and Institutional Trust & Custody may terminate this EULA, if you fail to comply with the terms and conditions of this EULA.
- COPYRIGHT.** All title and copyrights in and to the Software Product (including but not limited to any images, photographs, animations, video, audio, music, text and applets incorporated into the Software Product), the accompanying printed materials, and any copies of the Software Product are owned by Corporate Trust and Institutional Trust & Custody or its suppliers. The Software Product is protected by copyright laws. Therefore, you must treat the Software Product like any other copyrighted material. The entire risk arising out of use or performance of the Software Product remains with you.
- NO LIABILITY FOR DAMAGES.** In no event shall Corporate Trust and Institutional Trust & Custody or its suppliers be liable for damages whatsoever (including, without limitation, damages for loss of business profits, business interruption, loss of business information, or any other pecuniary loss) arising out of the use or inability to use this Corporate Trust and Institutional Trust & Custody product, even if Corporate Trust and Institutional Trust & Custody has been advised of the possibility of such damages.

U.S. Bank's corporate website(s) are online information owned and operated by U.S. Bank. Except as otherwise provided in this

**ACKNOWLEDGEMENT:**

Do you accept the terms of the preceding License Agreement, Terms of Use, and Terms?

## Step 3

- ▶ Fill out the required information to obtain a user ID and password

U.S. Bank® Trust Gateway

Home

Contact Us

★ Logout

### Create External User

\* required field

Last Name:\*  First Name:\*  MI:

E-mail Address:\*  Re-enter Email Address: \*

Phone Number:  Extension:

User ID:\*  @usb   
(7 to 45 alpha-numeric characters)

Company:\*

Passwords should be 8-24 characters long, contain both letters and numbers, an upper-case letter, and a non-alphanumeric character.

Password:\*  Re-enter Password:\*

Please select three different questions from the options given and provide short answers to them. You will be asked to answer these questions if you forget your Trust Gateway Portal password.

Select Question 1:  
please select a secret question

Answer Question 1:  
 (2-50 characters)

Select Question 2:  
please select a secret question

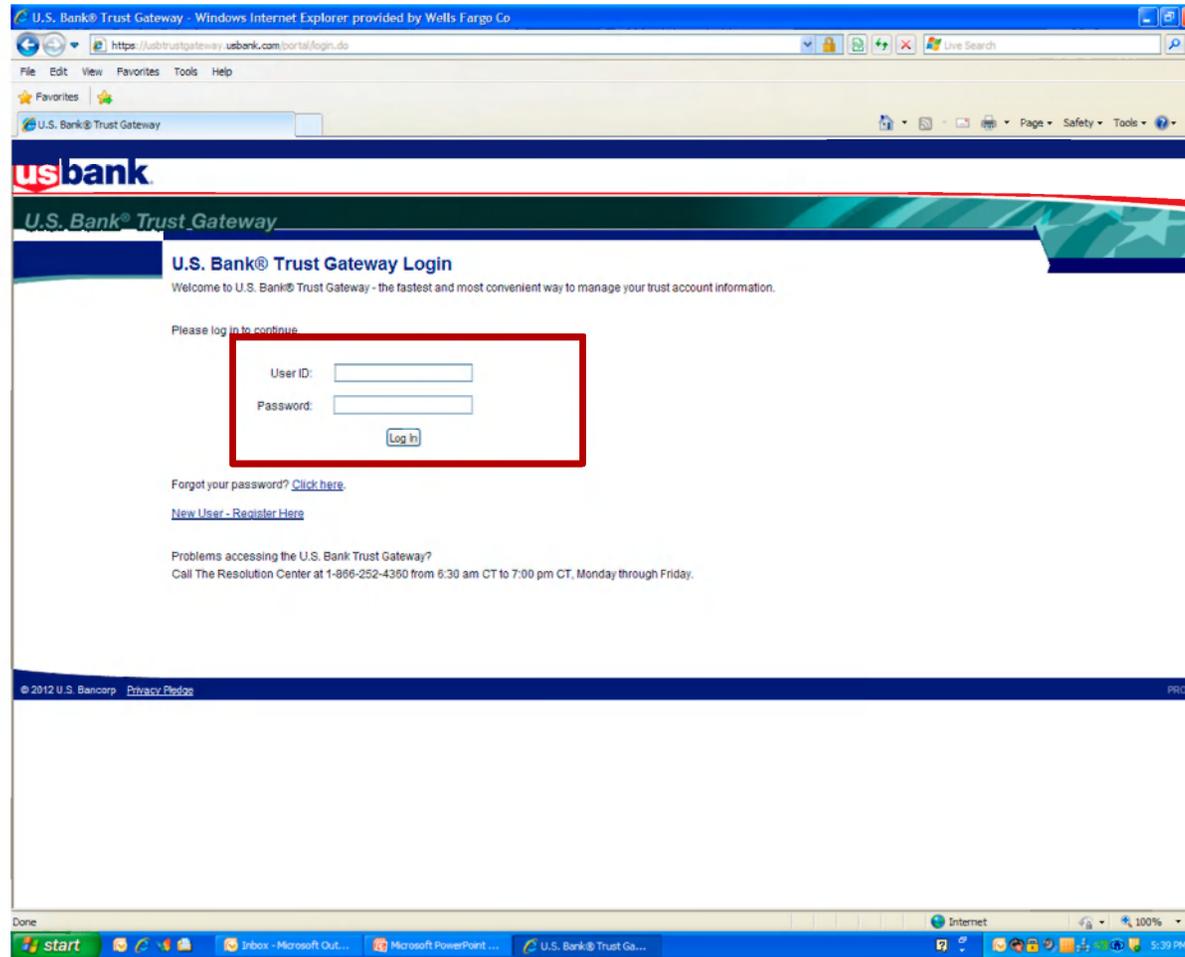
Answer Question 2:  
 (2-50 characters)

Select Question 3:  
please select a secret question

Answer Question 3:  
 (2-50 characters)

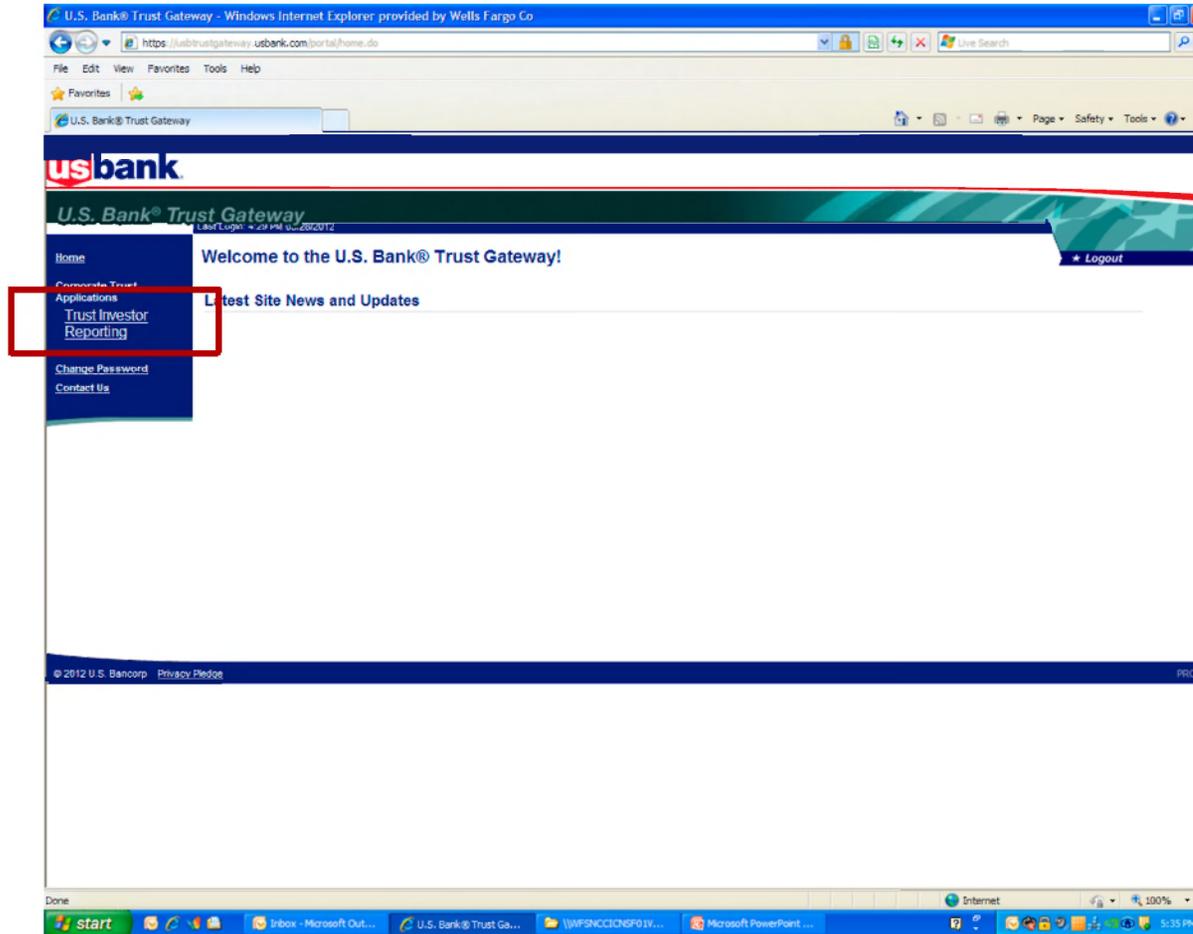
## Step 4

- ▶ The user will be automatically returned to the home page. Enter your user ID and password to proceed



## Step 5

- ▶ Below is the screen after login. Click “Trust Investor Reporting” to proceed to the servicer report database



## Step 6

- ▶ Below is the page that shows all the deals that are “tagged” as part of the user’s portfolio
- ▶ Use the search function to the right to easily locate and add a new deal to the user’s portfolio
- ▶ Click on the deal name to access the deal summary page

The screenshot displays a web browser window with the URL <https://trustinvestorreporting.usbank.com/TDRportal/>. The page title is "Welcome To Trust Investor Reporting".

The main content area features a table of deals with the following columns: Deal Name, Recent Report Date, and Email Notification. The deal "CSFB HEAT 2006-5" is highlighted with a red box. Other deals listed include "First Union Green Trust 2001-A", "HomeEq 2001-A", "The Money Store 1998-B", "The Money Store 1998-C", "WALOT 2007-1", "WALOT 2008-1", "WAOT 2004-A", "WAOT 2004-B", "WAOT 2005-A", "WAOT 2005-B", "WAOT 2005-A", "WAOT 2007-A", "WAOT 2008-A", "WASI 2006-HES1", "WASI 2007-HE1", "WASI 2007-HE2", "WASI HELOC 2002-HE1", "WASI HELOC 2003-HE2", "WASI HELOC 2003-HE3", and "WASI HELOC 2004-HE1".

To the right of the table is a search sidebar with the following fields:
 

- Select Product Type: ALL (dropdown)
- Issuer Name(contains): [text input]
- Deal Name: [text input]
- CUSIP: [text input]
- Continue button

Below the search sidebar is a "Bulk Download" section with the message "You have not added any items to your bulk download list." and a Continue button.

At the bottom right is a "Related Links" section with links for:
 

- Bondholder Services
- Corporate Trust
- Trust Resolution Center
- Trust Now Essentials
- Singlepoint

The browser's taskbar at the bottom shows the Start button, Internet Explorer icon, and several open applications including "Inbox - Microsoft O...", "U.S. Bank @ Trust G...", "Welcome To Trust L...", "WFSNCCIONFOL...", and "Microsoft PowerP...". The system tray shows the time as 5:36 PM.

## Step 7

- ▶ Below is the deal summary page. One click brings up the most recent servicer report

The screenshot shows a web browser window displaying the US Bank Trust Investor Reporting interface. The page title is "Welcome To Trust Investor Reporting - Windows Internet Explorer provided by Wells Fargo Co". The URL is "https://trustinvestorreporting.usbank.com/TR/public/deals/detail/5163/csfb-heat-2006-5".

The main content area displays the deal summary for "CSFB HEAT 2006-5". The details include:

- Privacy: Public
- Product Type: ABSMBS
- Termination Date:
- Recent Report Date: 03/26/2012
- Contact: Kari Anderson
- Phone: 6514952124
- Email: kari.anderson@usbank.com
- Add to Portfolio:

Below the details, there are tabs for "Periodic Reports", "P & I Factors", and "Tax Factors". The "Periodic Reports" tab is active, showing a table of reports:

Report Name	Report Date	Select All	Add To Bulk
Investor Report	03/26/2012	<input type="checkbox"/> XLS <input type="checkbox"/> PDF	history
Investor Report (Excel version)	08/25/2011	<input type="checkbox"/> XLS	history
Loan Level Data	03/26/2012	<input type="checkbox"/> CSV	history
Final Population	01/25/2007	<input type="checkbox"/> CSV	history

The "Investor Report" row is highlighted with a red box. To the right of the table, there is a "Search" section with a "Select Product Type" dropdown set to "ALL", and input fields for "Issuer Name(contains)", "Deal Name", and "CUSIP". Below the search section is a "Bulk Download" section with a message: "You have not added any items to your bulk download list".

The Windows taskbar at the bottom shows the start button and several open applications, including "Inbox - Microsoft O...", "U.S. Bank@ Trust G...", "Welcome To Trust L...", and "Microsoft PowerPon...". The system clock shows "5:36 PM".

▶ Below is the summary page of the servicer report



Distribution Date: Mar 26, 2012

Credit Suisse First Boston Mortgage Securities Corp., Home Equity Pass-Through Certificates, HEAT Series  
2006-5

Contact:  
Kari Anderson  
Account Administrator  
651-495-2124  
kari.anderson@usbank.com

### DISTRIBUTION PACKAGE

#### Distribution Package Includes: \*

- Payment Date Statement	Page 1
- Remittance Summary Group	Page 5
- Remittance Summary Servicer	Page 6
- Mortgage Loan Characteristics	Page 7
- Delinquency Report	Page 14
- Delinquency History Report - Six Months	Page 17
- CPR CDR History Report - Six Months	Page 20
- Bankruptcy Loan Detail Report	Page 21
- Foreclosure Loan Detail Report	Page 23
- REO Loan Detail Report	Page 27
- Prepayment & Liquidation Loan Detail Report	Page 29
- Material Modifications Loan Detail Report	Page 31
- Extended Material Modifications Loan Detail Report	Page 32
- Material Modifications (HAMP) Report	Page 33
- Material Breaches Loan Detail Report	Page 44

#### Issuance Dates

First Distribution Date: July 25, 2006  
Settlement Date: July 05, 2006  
Cutoff Date: June 01, 2006

#### Issuance Parties

Servicer(s): JPMorgan Chase Bank, N.A.; Select Portfolio Servicing, Inc.; Wells Fargo Bank, N.A.  
Certificate Issuer(s): Clavron Fixed Income Services Inc.  
Underwriter(s): Credit Suisse Securities (USA) LLC

#### Contact

Name: Kari Anderson  
Title: Account Administrator  
Phone: 651-495-2124  
Mobile:  
Fax:  
Email: kari.anderson@usbank.com  
Address: 60 Livingston Ave., St. Paul, MN 55107  
Website: www.usbank.com/abs

\* The Trustee, at the direction of the Depositor, and based upon information provided in the Mortgage Loan Schedule or by the Servicer, is furnishing this information to each Certificateholder. The Depositor and/or the Servicer may discontinue the furnishing of this Supplemental Report (other than the Payment Date Statement), or may change its format, at any time and without notice to any Certificateholder. While the above parties have undertaken efforts to ensure the reasonable accuracy of this information, this information has not been audited and the parties make no representation as to the accuracy or completeness of the information.

## Appendix B

# Calculation of Inputs of Modified $K_G$ From Public Servicer Reports



## Table of Contents

---

### Asset Class Examples:

RMBS	I
CMBS	II
Autos (Loan, Lease)	III
Private Student Loans	IV
Trust Preferred Securities	V

---

Asset Class Examples:

<b>RMBS</b>	<b>I</b>
CMBS	II
Autos (Loan, Lease)	III
Private Student Loans	IV
Trust Preferred Securities	V

# RMBS Servicer Report: Severity Calculation

- ▶ The definition of Severity is (Loss on Liquidated Loans) divided by the (Balance of Liquidated Loans)
  - ▶ The example below shows how to calculate 1-month severity, which is the same method used to calculate a cumulative trailing 12-month severity

## HEAT 2006-5 Servicer Report



Credit Suisse First Boston Mortgage Securities Corp., Home Equity Pass-Through Certificates, HEAT Series  
2006-5

Distribution Date: Jul 25, 2008

	TOTAL	Group 1	Group 2
<b>POOL BALANCE INFORMATION</b>			
Beginning Balance	504,640,396.34	212,270,543.18	291,883,848.16
Less: Principal Remittance	8,855,821.81	2,830,012.35	4,025,809.29
Plus: Negative Amortization			
Plus: Draws (If Applicable)	4,308,885.00	937,581.00	3,371,304.00
Less: Net Realized Losses			
Ending Balance	499,075,860.53	209,408,049.81	284,205,932.97
<b>PRINCIPAL REMITTANCE</b>			
Scheduled Principal	226,384.94	107,050.77	122,341.17
Prepayments	2,512,722.14	1,530,952.02	981,770.12
Curtailments	-70,558.42	-31,864.32	-38,694.10
Net Liquidation Proceeds	3,864,062.95	1,030,089.70	2,850,953.10
Repurchase Principal	0.00	0.00	0.00
Total Principal Remittance (A)	8,855,821.81	2,830,012.35	4,025,809.29
<b>INTEREST REMITTANCE</b>			
Gross Interest	3,547,990.00	1,508,879.00	2,039,090.91
Less: Total Retained Fees	208,935.79	87,411.78	119,524.01
Less: Deferred Interest	0.00	0.00	0.00
Less: Relief Act Interest Shortfall	0.00	0.00	0.00
Less: Net Prepayment Interest Shortfall	0.00	0.00	0.00
Less: Net Nonrecoverable Advances	62,793.75	17,942.16	45,151.00
Less: Interest Loss	0.00	0.00	0.00
Net Interest Remittance From Servicer(s) (B)	3,279,230.42	1,403,824.82	1,874,405.90
Prepayment Premiums (C)	3,431.01	3,431.01	0.00
Other Funds (D)	0.00	0.00	0.00
<b>REMITTANCE TO TRUST (A+B+C+D)</b>	<b>3,937,283.03</b>	<b>4,637,287.81</b>	<b>5,960,015.10</b>
<b>OTHER INFORMATION</b>			
Beginning Loan Count	2,614	1,283	1,391
Ending Loan Count	2,290	1,242	1,317
Ending Pool Factor	0.590939071	0.5938943200	0.6024373301
Weighted Average Coupon	6.52192%	6.56169%	6.49226%
Weighted Average Net Coupon	6.00165%	6.04169%	7.37226%
Weighted Average Maximum Net Coupon	12.29141%	12.22772%	12.22791%
Liquidated Loans - Balance	8,292,805.27	1,969,706.16	8,321,936.11
Negative Amortization - Count			
Negative Amortization - Balance			
Substitution in Loans	0.00	0.00	0.00
Substitution Out Loans	0.00	0.00	0.00
Substitution Adjustment - Principal	0.00	0.00	0.00
Loans w/ Prepayment Penalties - Balance	98,354.01	98,354.01	0.00
Loans w/ Prepayment Penalties - Count			
Repurchase Loans - Count			
Subsequent Recoveries	30,454.90	19,891.37	19,693.54
<b>NON-RETAINED FEES</b>			
Excess Servicing Fee	1,004.53	819.32	1,115.21
<b>RETAINED FEES</b>			
Servicing Fee	208,935.79	87,411.78	119,524.01
LPMI	0.00	0.00	0.00
Special Servicing Fee	0.00	0.00	0.00
Additional Master Servicing Fee	0.00	0.00	0.00
Backup Servicing Fee	0.00	0.00	0.00
Supplemental Insurance Fee	0.00	0.00	0.00
Retained Interest	0.00	0.00	0.00

Net Liquidation Proceeds  
In July 2008  
(c)

Liquidated Balance  
In July 2008  
(b)

## Severity Calculation

$$\text{Severity} = \frac{\text{Loss on Liquidated Loans}}{\text{Liquidated Balance}}$$

$$= \frac{\text{Liquidated Balance (b)} - \text{Net Liquidation Proceeds (c)}}{\text{Liquidated Balance (b)}}$$

$$= \frac{6,321,036 - 2,950,963}{6,321,036} = 53.3\%$$

# RMBS Servicer Report : Delinquency Calculation

- ▶ The definition of delinquency is the percentage of loans that are greater than 90 days past due in the given collateral pool
  - ▶ For RMBS transactions, this includes loans in bankruptcy, REO, and foreclosure

## Delinquency Calculation

Delinquency = "DQ90" (f) + "DQ120+" (g) + "Bankruptcy" (h) + "Foreclosure" (i) + "REO" (j)

Delinquency = 1.06% + 4.37% + 2.01% + 17.55% + 12.70% = **37.69%**

## HEAT 2006-5 Servicer Report

**usbank**  
Plus. See How We're Connected.

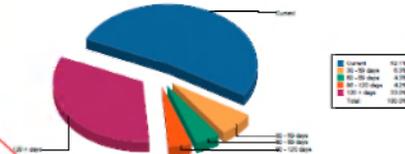
Distribution Date: Jul 25, 2008

Credit Suisse First Boston Mortgage Securities Corp., Home Equity Pass-Through Certificates, HEAT Series  
2006-5

Contact:  
Kari Anderson  
Account Administrator  
651-495-2124  
kari.anderson@usbank.com

### DELINQUENCY SUMMARY REPORT

Group 2		Current	30 - 59 days	60 - 89 days	90 - 120 days	120+ days	TOTAL
Delinquent	Loan Count	703	83	50	30	38	863
	Sched Bal	147,488,179.30	17,571,594.49	12,032,503.00	3,012,048.88	12,430,588.12	192,535,498.82
	Percentage <sup>a</sup>	51.88%	6.18%	4.33%	1.05%	4.37%	17.79%
Bankruptcy	Loan Count	4	4	4	4	4	20
	Sched Bal	479,304.05	107,199.49	291,062.76	803,216.53	4,043,767.23	5,724,609.66
	Percentage <sup>a</sup>	0.17%	0.04%	0.10%	0.24%	1.42%	2.91%
Foreclosure	Loan Count	1	1	1	1	1	5
	Sched Bal	0.00	326,062.11	0.00	8,227,991.71	41,348,632.39	49,902,706.71
	Percentage <sup>a</sup>	0.00%	0.11%	0.00%	2.80%	14.50%	17.30%
REO	Loan Count	0	0	0	0	0	122
	Sched Bal	0.00	0.00	0.00	8,240,591.33	41,498,604.66	50,005,627.66
	Percentage <sup>a</sup>	0.00%	0.00%	0.00%	0.00%	12.70%	12.70%
TOTAL	Loan Count	712	92	55	35	43	863
	Sched Bal	147,967,530.95	18,064,876.09	12,323,565.84	12,843,857.12	83,827,162.94	284,786,932.81
	Percentage <sup>a</sup>	32.02%	6.33%	4.34%	4.24%	23.04%	37.69%
	Actual Bal	148,046,448.80	18,826,556.51	12,346,482.42	12,863,242.95	84,311,796.91	284,794,527.59



<sup>a</sup> Percentages are based on scheduled balance as a percent of total pool scheduled balance.

DQ90  
In July 2008  
(f)

Ending Balance  
In July 2008  
(e)

DQ120+  
In July 2008  
(g)

Bankruptcy  
In July 2008  
(h)

Foreclosure  
In July 2008  
(i)

REO  
In July 2008  
(j)

---

Asset Class Examples:

RMBS

I

**CMBS**

**II**

Autos (Loan, Lease)

III

Private Student Loans

IV

Trust Preferred Securities

V

## CMBS Servicer Report: Severity and Delinquency Calculation

- ▶ The definition of delinquency is percentage of loans that are greater than 90 days past due in the given collateral pool
  - ▶ For CMBS transactions, this includes loans in bankruptcy, REO and foreclosure
  - ▶ Relevant data for the calculation below is included in slides 7 and 8

### Delinquency Calculation

$$\text{Delinquency} = \frac{\text{"Loans Greater Than 90 days past due" (b)}}{\text{"Collateral Balance" (a)}} = \frac{112,651,146}{3,411,270,310} = 3.3\%$$

- ▶ The definition of Severity is (Loss on Liquidated Loans) divided by the (Balance of Liquidated Loans)
  - ▶ The example below shows how to calculate 1-month severity, which is the same method used to calculate a cumulative trailing 12-month severity
  - ▶ Relevant data for the calculation below is included in slide 9

### Severity Calculation

$$\text{Severity} = \frac{\text{"Loss on Liquidated Loans" (c)}}{\text{"Liquidated Balance" (d)}} = \frac{1,708,520}{3,980,000} = 42.9\%$$



# CMBS Servicer Report: Balance Information



Wells Fargo Bank, N.A.  
Corporate Trust Services  
8480 Stagecoach Circle  
Frederick, MD 21701-4747

Merrill Lynch Mortgage Trust 2007-C1  
Commercial Mortgage Pass-Through Certificates  
Series 2007-C1

For Additional Information, please contact  
CTSLink Customer Service  
1-866-846-4526  
Eprints Available www.ctslink.com

Payment Date: 04/13/2012  
Record Date: 03/30/2012  
Determination Date: 04/09/2012

## Certificate Distribution Detail

Class	CUSIP	Pass-Through Rate	Original Balance	Beginning Balance	Principal Distribution	Interest Distribution	Prepayment Penalties	Realized Loss / Additional Trust Fund Expenses	Total Distribution	Ending Balance	Current Subordination Level (1)
A-1	59025KAA0	4.533000%	57,041,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	32.13%
A-2	59025KAB8	5.928357%	298,918,000.00	272,099,340.80	176,120,828.64	1,344,251.71	0.00	0.00	177,465,080.35	95,978,512.16	32.13%
A-2FL	59025KAM4	0.551750%	200,000,000.00	182,056,176.48	117,838,891.36	86,498.18	0.00	0.00	117,925,389.54	64,217,285.12	32.13%
A-3	59025KAC6	6.032357%	322,217,000.00	322,217,000.00	0.00	1,619,773.33	0.00	0.00	1,619,773.33	322,217,000.00	32.13%
A-3FL	59025KAN2	0.711750%	130,000,000.00	130,000,000.00	0.00	79,676.46	0.00	0.00	79,676.46	130,000,000.00	32.13%
A-SB	59025KAD4	6.032357%	90,343,000.00	90,343,000.00	0.00	454,151.03	0.00	0.00	454,151.03	90,343,000.00	32.13%
A-4	59025KAE2	6.032357%	442,207,000.00	442,207,000.00	0.00	2,222,958.77	0.00	0.00	2,222,958.77	442,207,000.00	32.13%
A-1A	59025KAF9	6.032357%	1,294,430,000.00	1,170,193,898.70	81,638.76	5,882,522.87	0.00	0.00	5,964,161.63	1,170,112,260.94	32.13%
AM	59025KAG7	6.032357%	405,023,000.00	405,023,000.00	0.00	2,036,036.13	0.00	0.00	2,036,036.13	405,023,000.00	20.26%
AJ	59025KAH5	6.032357%	134,143,000.00	134,143,000.00	0.00	671,334.50	0.00	0.00	671,334.50	134,143,000.00	10.47%
AJ-FL	59025KAR3	0.901750%	200,000,000.00	200,000,000.00	0.00	151,000.62	0.00	0.00	151,000.62	200,000,000.00	10.47%
B	59025KAJ1	6.032357%	86,068,000.00	86,068,000.00	0.00	0.00	0.00	0.00	0.00	86,068,000.00	7.94%
C	59025KAK8	6.032357%	40,502,000.00	40,502,000.00	0.00	0.00	0.00	0.00	0.00	40,502,000.00	6.76%
D	59025KAL6	6.032357%	45,565,000.00	45,565,000.00	0.00	0.00	0.00	0.00	0.00	45,565,000.00	5.42%
E	59025KAS1	6.032357%	45,565,000.00	45,565,000.00	0.00	0.00	0.00	0.00	0.00	45,565,000.00	4.08%
F	59025KAT9	6.032357%	50,628,000.00	50,628,000.00	0.00	0.00	0.00	0.00	0.00	50,628,000.00	2.60%
G	59025KAU6	6.032357%	40,502,000.00	40,502,000.00	0.00	0.00	0.00	0.00	0.00	40,502,000.00	1.41%
H	59025KAV4	6.032357%	40,502,000.00	40,502,000.00	0.00	0.00	0.00	0.00	0.00	40,502,000.00	0.23%
J	59025KAW2	6.032357%	15,189,000.00	9,011,849.47	0.00	0.00	0.00	1,314,598.07	0.00	7,697,251.40	0.00%
K	59025KAX0	5.847250%	15,188,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
L	59025KAY8	5.265000%	10,125,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
M	59025KAZ5	5.265000%	10,126,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
N	59025KBA9	5.265000%	10,126,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
P	59025KBB7	5.265000%	5,062,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Q	59025KBC5	5.265000%	60,754,260.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Z	N/A	0.000000%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
R-I	59025KBE1	0.000000%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
R-II	59025KBF8	0.000000%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Totals			4,050,224,260.80	3,706,626,266.45	294,041,358.76	14,548,203.60	0.00	1,314,598.07	308,589,562.36	3,411,270,309.62	

Class	CUSIP	Pass-Through Rate	Original Notional Amount	Beginning Notional Amount	Interest Distribution	Prepayment Penalties	Total Distribution	Ending Notional Amount
X	59025KBD3	0.045251%	4,050,224,260.80	3,706,626,266.45	139,773.27	0.00	139,773.27	3,411,270,309.62

(1) Calculated by taking (A) the sum of the ending certificate balance of all classes, less (B) the sum of the ending certificate balance of all classes which are not subordinate to the designated class and (C) the ending balance of the designated class.

Ending Balance  
as of Apr 2012  
(a)

# CMBS Servicer Report: Delinquency Information



Wells Fargo Bank, N.A.  
Corporate Trust Services  
8480 Stagecoach Circle  
Frederick, MD 21701-4747

**Merrill Lynch Mortgage Trust 2007-C1**  
**Commercial Mortgage Pass-Through Certificates**  
**Series 2007-C1**

For Additional Information, please contact  
CTSLink Customer Service  
1-866-846-4526  
Reports Available [www.ctslink.com](http://www.ctslink.com)

**Payment Date:** 04/13/2012  
**Record Date:** 03/30/2012  
**Determination Date:** 04/09/2012

**DQ90++**  
**Includes loan in Foreclosure and REO**  
**(b)**

**Detail**

Distribution Date	Delinquencies			Foreclosure Balance	REO Balance	Modifications Balance	Prepayments		Rate and Maturities	
	30-59 Days # Balance	60-89 Days # Balance	90 Days or More # Balance				Curtailments # Amount	Payoff # Amount	Next Weighted Avg Coupon	WAM
04/13/2012	1 \$2,201,645.09	0 \$0.00	12 \$122,651,145.55	\$37,837,173.34	4 \$54,266,539.52	0 \$0.00	0 \$0.00	2 \$12,607,909.50	5.777876%	55
03/14/2012	2 \$6,569,758.42	0 \$0.00	13 \$126,649,609.14	\$0.00	5 \$72,753,056.91	0 \$0.00	2 \$0.00	0 \$0.00	5.776151%	52
02/14/2012	2 \$10,857,427.04	1 \$3,980,000.00	12 \$122,707,439.81	\$22,855,351.71	4 \$48,107,897.38	0 \$0.00	0 \$0.00	3 \$16,248,583.06	5.776242%	53
01/13/2012	4 \$520,869,951.43	2 \$18,980,000.00	13 \$113,753,121.55	\$22,863,646.18	5 \$53,580,284.08	0 \$0.00	0 \$0.00	1 \$15,571,414.35	5.440519%	53
12/14/2011	1 \$15,000,000.00	1 \$8,592,000.00	18 \$218,708,818.67	\$22,871,898.15	6 \$138,858,759.05	4 \$715,000,000.00	0 \$0.00	1 \$6,687,077.93	5.446023%	53
11/15/2011	1 \$8,592,000.00	1 \$18,160,000.00	19 \$925,192,308.76	\$22,880,835.43	5 \$118,549,847.95	0 \$0.00	0 \$0.00	3 \$46,765,000.00	5.856646%	54
10/17/2011	2 \$15,000,999.98	1 \$85,257,154.61	19 \$858,153,675.15	\$22,888,999.04	6 \$118,580,003.50	0 \$0.00	0 \$0.00	2 \$14,403,944.82	5.852479%	55
09/14/2011	3 \$102,499,154.61	4 \$32,682,363.06	18 \$856,643,981.07	\$22,897,851.22	6 \$141,733,922.96	0 \$0.00	0 \$0.00	0 \$0.00	5.850692%	55
08/12/2011	4 \$37,304,218.10	2 \$8,505,927.96	17 \$852,179,902.04	\$22,905,927.96	6 \$141,763,753.57	0 \$0.00	0 \$0.00	0 \$0.00	5.850736%	56
07/14/2011	2 \$12,672,000.00	5 \$33,316,186.60	13 \$823,351,183.00	\$22,913,963.32	6 \$141,793,432.92	0 \$0.00	1 \$29,221,466.37	0 \$0.00	5.850780%	57
06/14/2011	4 \$29,008,383.32	5 \$759,971,045.40	11 \$82,911,883.04	\$28,457,545.03	5 \$165,638,321.08	0 \$0.00	1 \$13,884,722.43	0 \$0.00	5.849549%	58
05/13/2011	3 \$44,982,876.80	2 \$6,181,525.84	12 \$922,271,656.56	\$48,766,523.21	4 \$163,060,000.00	0 \$0.00	1 \$410,090.50	1 \$2,180,080.01	5.848919%	59

Note: Foreclosure and REO Totals are included in the delinquencies aging categories.

# CMBS Servicer Report: Severity Information



Wells Fargo Bank, N.A.  
Corporate Trust Services  
8480 Stagecoach Circle  
Frederick, MD 21701-4747

**Merrill Lynch Mortgage Trust 2007-C1**  
**Commercial Mortgage Pass-Through Certificates**  
**Series 2007-C1**

For Additional Information, please contact  
CTSLink Customer Service  
1-866-846-4526  
Reports Available [www.ctslink.com](http://www.ctslink.com)

Payment Date: 04/13/2012  
Record Date: 03/30/2012  
Determination Date: 04/09/2012

### Historical Liquidated Loan Detail

Distribution Date	ODCR	Beginning Scheduled Balance	Fees, Advances, and Expenses *	Most Recent Appraised Value or BPD	Gross Sales Proceeds or Other Proceeds	Net Proceeds Received on Liquidation	Net Proceeds Available for Distribution	Realized Loss to Trust	Date of Current Period Adj. to Trust	Current Period Adjustment to Trust	Cumulative Adjustment to Trust	Loss to Loan with Cum Adj. to Trust
06/14/2011	10	130,500,000.00	23,458,582.13	13,000,000.00	38,859,990.87	37,343,304.56	13,884,722.43	1,811,842.37		0.00	1,232,133.07	579,709.30
03/14/2012	25	29,920,000.00	0.00	11,250,000.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00
10/17/2011	32	23,120,000.00	1,597,264.29	15,350,000.00	15,291,106.58	15,291,101.74	13,693,837.45	9,426,162.55	04/13/2012	393,922.35	393,922.35	9,032,240.20
11/15/2007	40	20,000,000.00	0.00	25,600,000.00	0.00	0.00	0.00	17,777.26		0.00	0.00	17,777.26
02/14/2012	50	18,160,000.00	486,957.89	22,700,000.00	14,782,139.13	14,782,139.13	14,295,181.14	3,864,818.86		0.00	0.00	3,864,818.86
01/14/2011	64	14,500,000.00	911,709.12	4,800,000.00	4,935,299.29	4,935,299.29	4,023,590.17	10,476,409.83		0.00	0.00	10,476,409.83
06/14/2011	80	9,644,418.72	0.00	8,255,000.00	0.00	0.00	0.00	0.00		0.00	(9,427.10)	9,427.10
01/14/2011	89	9,540,000.00	863,545.20	4,700,000.00	4,308,171.41	4,308,171.41	3,444,626.21	6,095,373.79		0.00	333,307.72	5,762,066.07
03/14/2012	91	9,440,000.00	0.00	6,700,000.00	1,127.46	0.00	0.00	0.00		0.00	0.00	0.00
02/14/2012	124	6,194,055.26	0.00	5,400,000.00	132,842.52	0.00	0.00	0.00		0.00	0.00	0.00
05/13/2011	125	6,330,000.00	1,253,339.33	3,700,000.00	3,712,632.93	3,433,419.34	2,180,080.01	4,149,919.99		0.00	143,573.30	4,006,346.69
02/14/2012	130	5,461,292.36	1,585,020.66	3,500,000.00	3,552,743.15	3,301,875.21	1,716,854.55	3,744,437.81		0.00	0.00	3,744,437.81
04/13/2012	165	3,980,000.00	180,060.24	2,190,000.00	2,451,539.82	2,451,539.82	2,271,479.58	1,708,520.42		0.00	0.00	1,708,520.42
10/15/2010	224	1,824,245.53	130,839.51	918,000.00	1,089,310.60	950,000.00	819,160.49	1,005,085.04		0.00	0.00	1,005,085.04
09/14/2010	229	1,751,770.69	248,105.86	1,250,000.00	625,226.80	547,434.59	299,328.73	1,452,441.96		0.00	21,976.89	1,430,465.07
02/14/2011	233	1,700,000.00	76,241.56	600,000.00	741,500.00	741,500.00	665,258.44	1,034,741.57		0.00	841.58	1,033,899.99
10/17/2011	235	1,564,514.72	205,884.46	840,000.00	935,064.57	918,054.57	712,170.11	852,344.61		0.00	0.00	852,344.61
04/14/2011	241	1,526,360.19	221,380.13	620,000.00	0.00	637,500.00	416,119.87	1,110,240.32		0.00	16,942.91	1,093,297.41
02/14/2011	263	1,028,417.93	181,470.09	670,000.00	446,800.75	384,873.98	203,403.89	825,014.04		0.00	7,852.19	817,161.85
04/14/2011	269	792,911.92	181,843.04	710,000.00	726,349.21	719,275.21	537,432.17	255,479.75		0.00	987.63	254,492.12
02/14/2012	271	555,038.29	88,629.81	430,000.00	336,089.65	336,089.65	247,459.84	307,578.45	04/13/2012	(6,063.18)	(6,063.18)	313,641.63
<b>Current Total</b>		<b>3,980,000.00</b>	<b>180,060.24</b>	<b>2,190,000.00</b>	<b>2,451,539.82</b>	<b>2,451,539.82</b>	<b>2,271,479.58</b>	<b>1,708,520.42</b>		<b>0.00</b>	<b>0.00</b>	<b>1,708,520.42</b>
<b>Cumulative Total</b>		<b>297,533,025.61</b>	<b>31,670,873.42</b>	<b>133,183,000.00</b>	<b>92,927,934.74</b>	<b>91,081,578.50</b>	<b>59,410,705.06</b>	<b>48,138,188.62</b>		<b>387,859.17</b>	<b>2,136,047.36</b>	<b>46,002,141.26</b>

Liquidated Balance as in April 2012 (d)

Liquidated Loss as in April 2012 (d)

\* Fees, Advances and Expenses also include outstanding P & I advances and unpaid fees (servicing, trustee, etc.).

---

Asset Class Examples:

RMBS	I
CMBS	II
<b>Autos (Loan, Lease)</b>	<b>III</b>
Private Student Loans	IV
Trust Preferred Securities	V

# Auto Loan Servicer Report: Severity and Delinquency Calculation

- ▶ The example below shows how to calculate 1-month severity, which is the same method used to calculate a cumulative trailing 12-month severity

Ford Credit Auto Owner Trust 2006-B Servicer Report (Page 1 of 4)

**Ford Credit Auto Owner Trust 2006-B**  
Monthly Investor Report

Collection Period	November, 2010
Payment Date	12/15/2010
Transaction Month	52
<b>II. AVAILABLE FUNDS</b>	
<b>Interest:</b>	
Interest Collections	\$1,085,764.67
<b>Principal:</b>	
Principal Collections	\$16,550,105.82
Prepayments in Full	\$4,167,908.99
Liquidation Proceeds	\$299,460.11
Recoveries	\$1,129,368.22
<b>Sub Total</b>	<b>\$21,159,008.23</b>

**Example Calculation**

$$\text{Severity} = \frac{\text{Loss on Liquidated Loans}}{\text{Liquidated Balance}} = \frac{\text{Net Realized Loss}}{\text{Realized Loss} + \text{Liquidation Proceeds}}$$

$$= \frac{290,256}{431,800 + 299,460} = 39.7\%$$

Ford Credit Auto Owner Trust 2006-B Servicer Report (Page 4 of 4)

**VIII. NET LOSSES AND DELINQUENT RECEIVABLES**

	# of Receivables	Amount
Realized Loss	262	\$431,799.67
(Recoveries)	615	\$311,543.42
<b>Net Losses for Current Collection Period</b>		<b>\$290,256.25</b>
Cumulative Net Losses Last Collection Period		\$56,776,118.51
<b>Cumulative Net Losses for all Collection Periods</b>		<b>\$66,466,967.76</b>

Underlying Exposures > 90 days delinquent = 0.16% + 2.16% = 2.32%

**Delinquent Receivables:**

	% of EOP Pool Balance	# of Receivables	Amount
31-60 Days Delinquent	5.04%	1,373	\$10,252,353.97
61-90 Days Delinquent	0.50%	132	\$1,008,951.37
91-120 Days Delinquent	0.16%	35	\$317,736.76
Over 120 Days Delinquent	2.16%	374	\$4,394,283.44
<b>Total Delinquent Receivables</b>	<b>7.86%</b>	<b>1,914</b>	<b>\$15,973,325.54</b>

## Auto Lease Servicer Report: Severity and Delinquency Calculation

- ▶ For leases, the current period's realized loss should include losses on the residuals as well as the credit losses
- ▶ The example below shows how to calculate 1-month severity, which is the same method used to calculate a cumulative trailing 12-month severity

### Ford Credit Auto Lease Trust 2009-A Servicer Report

#### Delinquent Leases

	Number of Leases	Securitization Value	% of End of Period Reference Pool Balance
31 - 60 Days Delinquent	402	\$6,966,035.69	1.24%
61 - 90 Days Delinquent	39	713,748.89	0.13%
91 - 120 Days Delinquent	9	298,155.61	0.04%
Over 120 Days Delinquent	6	102,419.52	0.02%
<b>Total Delinquent Leases</b>	<b>456</b>	<b>\$8,012,359.91</b>	<b>1.43%</b>

### Example Calculation

Underlying Exposures > 90 days delinquent  
 = 0.04% + 0.02% = **0.06%**

#### VII. LEASE TERMINATIONS

##### Total Terminations

Number of Leases		Securitization Value	
Current Period	Cumulative	Current Period	Cumulative
1,376	19,719	\$23,509,049.65	\$374,409,632.53

$$1 \text{ Month Severity} = \frac{\text{Net Loss}}{\text{Gross Loss}} = \frac{2,548,047}{23,509,049} = 10.8\%$$

#### VIII. GAIN (LOSS) CALCULATIONS

##### Total Gain (Loss)

Number of Leases		Gain (Loss)	
Current Period	Cumulative	Current Period	Cumulative
1,376	19,719	\$2,548,047.25	\$23,586,732.06

---

Asset Class Examples:

RMBS	I
CMBS	II
Autos (Loan, Lease)	III
<b>Private Student Loans</b>	<b>IV</b>
Trust Preferred Securities	V

## Private Student Loan Servicer Report: Severity and Delinquency Calculation

- ▶ The example below shows how to calculate 1-month severity, which is the same method used to calculate a cumulative trailing 12-month severity

### SLM Private Credit Student Loan Trust 2004-B Servicer Report

Gross Principal Realized Loss - Periodic	\$5,367,287.99	\$5,943,761.02
Gross Principal Realized Loss - Cumulative	\$107,109,189.89	\$101,741,901.90
Delinquent Principal Purchased by Servicer - Periodic	\$0.00	\$0.00
Delinquent Principal Purchased by Servicer - Cumulative	\$61,183,858.02	\$61,183,858.02
Recoveries on Realized Losses - Periodic	\$948,388.30	\$700,438.00
Recoveries on Realized Losses - Cumulative	\$6,048,849.06	\$5,100,460.76
Net Losses - Periodic	\$4,418,899.69	\$5,144,323.02
Net Losses - Cumulative	\$101,090,340.83	\$96,641,441.14
Cumulative Gross Defaults	\$168,293,048.51	\$162,925,758.82
Change in Gross Defaults	\$5,367,287.99	\$5,943,761.02

### Example Calculation

$$1 \text{ Month Severity} = 1 - \frac{\text{Recoveries}}{\text{Gross Loss}} = 1 - \frac{948,388}{5,367,288} = 82.3\%$$

		12/31/2012				11/30/2011			
		Wtd Avg Coupon	# Loans	Principal	% of Principal	Wtd Avg Coupon	# Loans	Principal	% of Principal
INTERIM:	IN SCHOOL	4.39%	362	\$5,425,895.43	0.891%	4.42%	475	\$6,352,845.44	0.791%
	GRACE	4.39%	269	\$3,790,892.06	0.462%	4.39%	365	\$5,673,366.77	0.709%
	DEFERMENT	4.42%	5,074	\$49,237,362.25	8.009%	4.42%	5,068	\$73,812,132.96	9.166%
REPAYMENT:	CURRENT	4.29%	61,348	\$643,448,852.49	91.871%	4.29%	61,260	\$648,470,461.52	90.746%
	31-60 DAYS DELINQUENT	4.94%	1,325	\$17,718,211.88	2.859%	5.04%	1,529	\$19,522,884.75	2.491%
	61-90 DAYS DELINQUENT	5.07%	470	\$6,346,863.46	1.219%	5.31%	776	\$11,740,216.05	1.387%
	91-120 DAYS DELINQUENT	5.42%	367	\$6,412,361.07	1.070%	5.19%	416	\$6,426,117.77	0.879%
	121-180 DAYS DELINQUENT	5.49%	367	\$4,806,843.11	0.819%	5.29%	465	\$6,442,389.25	0.809%
	181-360 DAYS DELINQUENT	5.33%	363	\$1,089,324.94	0.243%	5.59%	367	\$1,246,354.23	0.160%
	> 360 DAYS DELINQUENT	5.55%	311	\$4,601,387.36	0.809%	5.79%	382	\$5,238,577.33	0.627%
	FORFEITURE	4.69%	363	\$13,821,193.36	1.763%	4.69%	1,012	\$18,226,572.34	1.959%
TOTAL			72,846	\$715,817,892.89	100.00%		72,836	\$801,996,902.81	100.00%

Underlying Exposures > 90 days delinquent  
 $= 0.87\% + 0.80\% + 0.88\% + 0.83\% + 1.90\% = 5.28\%$

---

Asset Class Examples:

RMBS	I
CMBS	II
Autos (Loan, Lease)	III
Private Student Loans	IV
<b>Trust Preferred Securities</b>	<b>V</b>

## Trust Preferred Securities Servicer Report: Severity and Delinquency Calculation

- ▶ For Trust Preferred Securities (“TRuPS”), the defaulted securities amount is used as a proxy for delinquencies
  - ▶ Defaulted securities is a conservative estimate of delinquencies because a significant portion of securities listed as defaults are actually deferring interest and could become current on their TRuPS in the future
- ▶ Moody’s<sup>1</sup> estimated historical recovery rate for TRuPS of 11.1% is used as a proxy to determine severity (100%-11.1% = **88.9%**) for purposes of calculating modified  $K_G$

### Preferred Term Securities XXII Servicer Report

Requirements Summary			
Requirements Summary			Asset Information
	Outcome	Requirement	Result
<b>Coverage</b>			
Class B Mezzanine Coverage Test	95.76%	≥ 115.0%	<b>FAIL</b>
Class C Mezzanine Coverage Test	81.58%	≥ 105.5%	<b>FAIL</b>
Class D Mezzanine Coverage Test	74.55%	≥ 100.3%	<b>FAIL</b>
Senior Coverage Test	113.93%	≥ 125.0%	<b>FAIL</b>

<b>Asset Balances:</b>		
Aggregate Principal Amount of PreTS	\$872,600,000.00	
Aggregate Principal Amount of D-SMS	\$104,500,000.00	
Aggregate Principal Amount of D-SDS	\$35,000,000.00	
Aggregate Principal Amount of Subordinated Debenture	\$5,000,000.00	
Aggregate Principal Amount of I-PreTS	\$61,000,000.00	
Aggregate Principal Amount of I-SDS	\$52,000,000.00	
Aggregate Principal Amount of I-SMS	\$45,000,000.00	
Aggregate Principal Amount of Debt-I-SMS	\$71,500,000.00	
Aggregate Principal Amount of R-PreTS	\$55,000,000.00	
<b>Collateral Debt Security Balance</b>	<b>\$1,301,600,000.00</b>	
<b>Swap Counterparty Exposure</b>		
Total Aggregate Amount of Hedge Counterparty	\$22,500,000.00	
<b>Defaulted Securities:</b>		
Total Aggregate Principal Amount of Defaulted Securities	\$395,500,000.00	
<b>Account Balances:</b>		
Interest Collection Subaccount Balance	\$7,365,177.25	
Principal Collection Subaccount Balance	\$0.00	
Reserve Account Balance	\$0.00	
<b>Liability Information</b>		
Tranche	Commitment	Outstanding
Senior A1	\$603,002,927.13	\$603,002,927.13
Senior A2	\$196,966,697.09	\$196,966,697.09
Mezzanine B1	\$63,410,977.77	\$63,410,977.77
Mezzanine B1	\$2,344,086.64	\$2,344,086.64
Deferred Interest		
Mezzanine B2	\$49,777,675.21	\$49,777,675.21

### Example Calculation

$$\text{Delinquency \%} = \frac{395,500,000}{1,301,600,000} = 30.4\%$$

1. Moody’s Investors Service: “Moody’s Approach to Rating TRUP CDOs” (May 26, 2011)

## Appendix C

# Using Loss to Liquidation Ratios to Determine Initial $K_G$

## Loss-to-Liquidation Ratio

---

- ▶ The methodology for determining or proving whether or not a transaction should have a lower  $K_G$  is based upon a loss-to-liquidation ratio (monthly net losses to monthly collections)
  - ▶ Loss-to-Liquidation can also be measured as net losses as a percentage of liquidations, which is reported in the prospectus accompanying the security
  - ▶ Included on the following slides are examples of where to find loss-to-liquidation ratios in publicly available auto ABS prospectuses
- ▶ The data should be based upon the entire managed or serviced portfolio of the originator of the assets.
  - ▶ If the originator has different types of assets that it manages or services, the data should be based upon a pool of assets that are similar in credit quality to the assets in the securitization
- ▶ The loss-to-liquidation ratio should be:
  - (i) Determined as of the date of issuance of the relevant securitization position; and
  - (ii) Measured as the average over a 3-year period (based on the most recently available information on such date of determination)
- ▶ If the loss-to-liquidation ratio as described above is less than or equal to 4%, the investing bank would utilize an initial  $K_G$  value of 4% for the relevant securitization position



# Loss-to-Liquidation Ratio: Prospectus Example

## Ford Credit Auto Owner Trust 2012-A: Prospectus

### Delinquency, Repossession and Credit Loss Experience

	Nine Months Ended September 30,		Year Ended December 31,				
	2011	2010	2010	2009	2008	2007	2006
Average number of contracts outstanding <sup>(1)</sup> .....	2,206,479	2,487,475	2,445,670	2,823,588	3,240,749	3,688,642	4,181,422
Average portfolio outstanding (in millions) <sup>(2)</sup> .....	\$31.954	\$35.204	\$34.673	\$40,575	\$48.842	\$55.238	\$58.134
<b>Delinquencies</b>							
Average number of delinquencies <sup>(3)</sup> .....							
31 - 60 days.....	49,551	54,291	54,095	66,788	69,537	74,783	61,924
61 - 90 days.....	3,488	3,522	3,563	6,518	7,413	6,976	6,385
Over 90 days.....	372	535	508	1,291	1,305	1,091	991
Average number of delinquencies as a percentage of average number of contracts outstanding.....							
31 - 60 days.....	2.25%	2.18%	2.21%	2.37%	2.15%	2.03%	1.96%
61 - 90 days.....	0.16%	0.14%	0.15%	0.23%	0.23%	0.19%	0.15%
Over 90 days.....	0.02%	0.02%	0.02%	0.05%	0.04%	0.03%	0.02%
<b>Repossessions and Credit Losses</b>							
Repossessions as a percentage of average number of contracts outstanding <sup>(4)</sup> .....	2.05%	2.59%	2.54%	3.12%	2.39%	1.95%	2.01%
Aggregate net losses (in millions) <sup>(4)</sup> .....	\$99	\$190	\$255	\$620	\$709	\$435	\$398
Net losses as a percentage of average portfolio outstanding <sup>(5)</sup> .....	0.41%	0.72%	0.74%	1.53%	1.45%	0.79%	0.68%
<b>Net losses as a percentage of gross liquidations<sup>(5)</sup>.....</b>	<b>0.73%</b>	<b>1.32%</b>	<b>1.36%</b>	<b>2.98%</b>	<b>2.96%</b>	<b>1.56%</b>	<b>1.27%</b>
Number of contracts charged off.....	45,761	64,464	83,785	118,189	109,385	111,732	129,898
Number of contracts charged off as a percentage of average number of contracts outstanding <sup>(6)</sup> .....	2.77%	3.46%	3.43%	4.19%	3.38%	3.03%	3.11%
Average net loss on contracts charged off.....	\$2.164	\$2.943	\$3.047	\$5.249	\$6.483	\$3.892	\$3.062

## Loss-to-Liquidation Ratio: Prospectus Example

### Ally Auto Receivables Trust 2012-2: Prospectus

New and Used Car and Light Truck Contracts	Year Ended December 31,				
	2011	2010	2009	2008	2007
Total Retail Contracts Outstanding at the End of the Period (excluding bankruptcies) (in thousands)					
New Vehicles (in thousands)	968	670	298	147	141
Used Vehicles (in thousands)	259	164	73	41	28
Total (in thousands)	1,227	834	371	188	169
Average Daily Delinquency					
31-60 Days	N/A	N/A	0.46%	0.36%	0.36%
61-90 Days	N/A	N/A	0.07%	0.03%	0.03%
91 Days or More	N/A	N/A	0.01%	0.00%	0.00%
Month-End Delinquency Dollars <sup>(1)</sup>					
31-60 Days	0.44%	0.27%	0.29%	0.68%	N/A
61-90 Days	0.06%	0.05%	0.05%	0.09%	N/A
91 Days or More	0.01%	0.01%	0.01%	0.03%	N/A
Repossessions as a Percent of Average Number of Contracts					
Outstanding (including bankruptcies)	0.45%	0.37%	0.65%	0.59%	0.38%
Net Losses as a Percent of Liquidations	0.28%	0.27% <sup>(3)</sup>	0.89% <sup>(3)</sup>	0.82%	0.34%
Net Losses as a Percent of Average Gross Receivables	0.13%	0.11%	0.33%	0.34%	0.14%
Net Losses as a Percent of Average Net Receivables <sup>(2)</sup>	0.19%	0.17%	0.54%	0.50%	0.31%
Total Retail Contracts Outstanding at End of the Period (including bankruptcies) (in thousands)	1,233	838	372	189	169
Bankruptcies as a Percent of Average Number of Contracts					
Outstanding (including bankruptcies)	0.43%	0.41%	0.53%	0.38%	0.24%
Bankruptcies Month-End Delinquency Dollars—31 Days or More <sup>(1)</sup>	0.09%	0.06%	0.06%	0.15%	N/A

- (1) The information is available for the years ended 2008, 2009, 2010 and 2011; prior year information is not available.
- (2) Net Losses as a Percent of Average Net Receivables is an accounting-based metric and, therefore, reflects write-downs that occur based on Federal Financial Institutions Examination Council guidance.
- (3) Restated as of June 8, 2011 to properly reflect intercompany transfers.

## Appendix D

# Average Historical Severities by Asset Category

## Average Historical Severities by Asset Category

- ▶ The following severities should be used as a proxy for situations where meaningful loss severity information is not available, such as when:
  - ▶ 12 months of loss severity information is not yet available
  - ▶ No losses have been experienced to date, leading to a severity of 0%
  - ▶ Securitized asset pools have a significantly low loan count, leading to high volatility in loss severity calculations

Asset Category	Severity %
Autos	55.00%
RMBS <sup>1</sup>	
Prime	15.93%
Alt-A	23.83%
Subprime	36.50%
CMBS	35.94%
Student Loans	
Private	90.00%
FFELP	3.00%
CLOs	19.60%
Credit Cards	90.00%
Trust Preferred Securities	88.90%
Equipment	TBD
Other Consumer Unsecured	90.0%
Other Commercial Unsecured <sup>2</sup>	51.5%
Other Secured	50.0%
European RMBS/CMBS/ABS	TBD

1. If an RMBS transaction can not be categorized as Prime, Alt-A, or Subprime, the overall historical average for RMBS of 31.91% should be used as a proxy for severity

2. Based on recovery rates of senior unsecured bonds documented in Moody's Investors Service: Annual Default Study: Corporate Default and Recovery Rates, 1920-2011 (February 29, 2012):

Moody's Ultimate Recovery Database. Collateralized Bond Obligations (CBOs) would utilize a severity % consistent with the commercial unsecured category

## Appendix E

# Resulting Modified $K_G$ as Proposed by ASF



## Table of Contents

---

### Asset Class Examples:

RMBS	I
CMBS	II
Autos (Loan, Lease)	III
Private Student Loans	IV
Trust Preferred Securities	V

---

Asset Class Examples:

<b>RMBS</b>	<b>I</b>
CMBS	II
Autos (Loan, Lease)	III
Private Student Loans	IV
Trust Preferred Securities	V

## RMBS Example: Modified K<sub>G</sub> Output

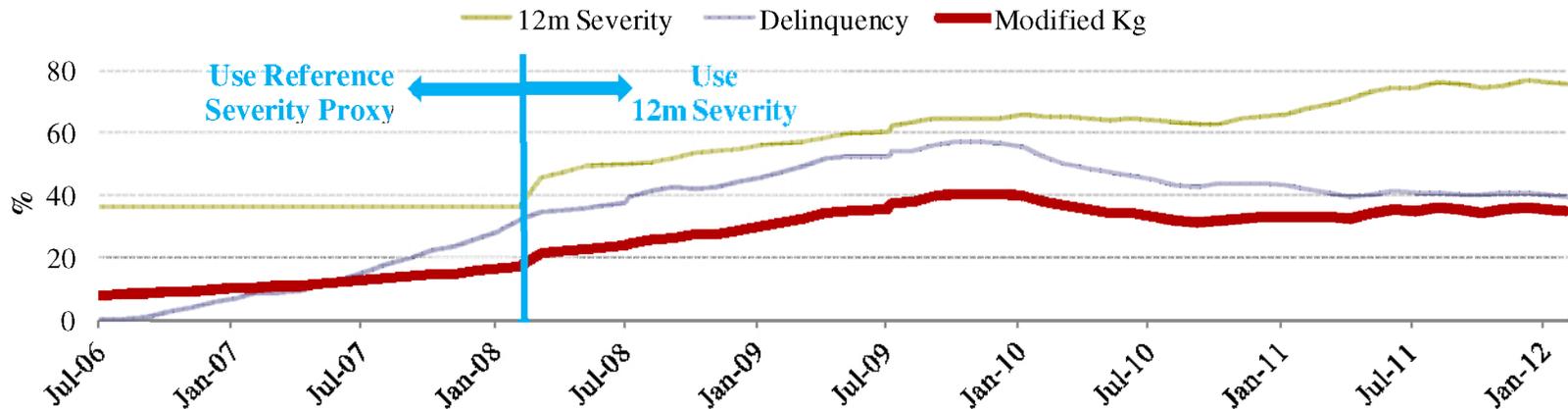
- ▶ The severity and delinquency data obtained from servicer reports is used to calculate the modified K<sub>G</sub> as proposed by ASF, based on the formula below

$$\text{Modified Kg} = [\text{Kg} * (1 - \text{Delinquency } \%) ] + [(\text{Delinquency } \% * 12 \text{ Month Severity})]$$

- ▶ Included in the graph below are outputs of severity, delinquency, and the resulting modified K<sub>G</sub> over time based on data from servicer reports
  - ▶ For the initial period where 12-month historic loss severity data is not available, we propose using a proxy for severity based on historical performance by asset class
  - ▶ For the HEAT 2006-5 transaction below, a severity proxy is used based on historical performance of subprime RMBS transactions, as shown in Appendix D

### HEAT 2006-5: Modified K<sub>G</sub> and K<sub>G</sub> inputs over time

**Severity, Delinquency, Modified Kg**  
(Based on the Data from Publicly Available Servicer Reports)



---

Asset Class Examples:

RMBS

I

**CMBS**

**II**

Autos (Loan, Lease)

III

Private Student Loans

IV

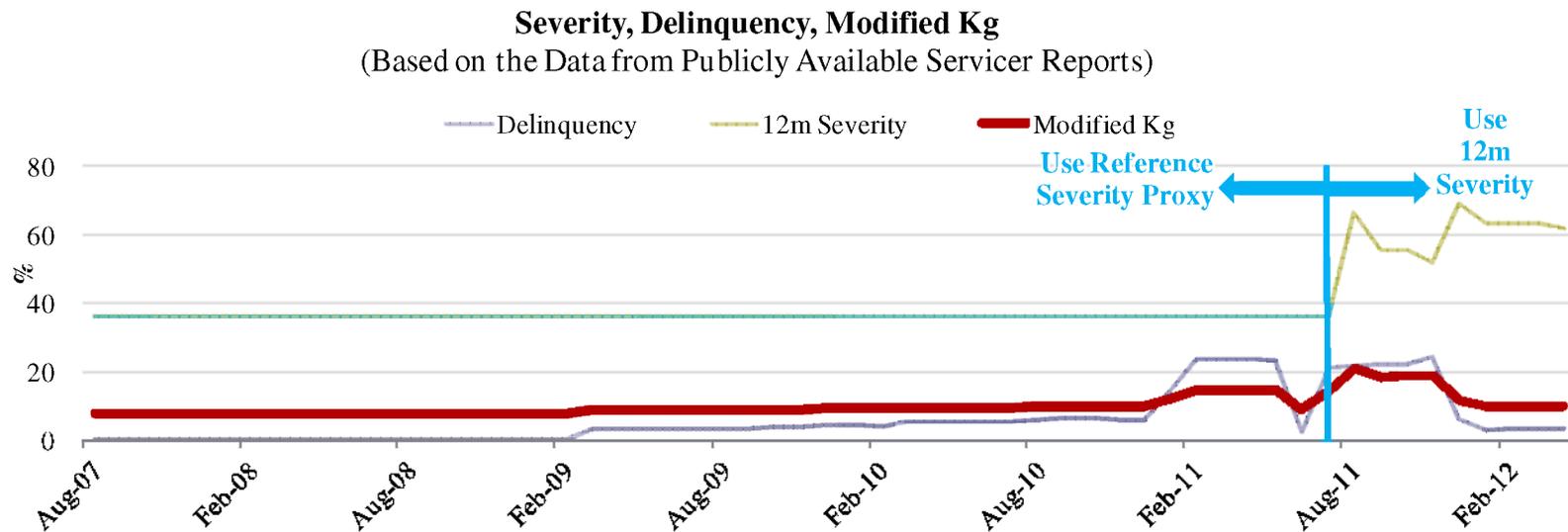
Trust Preferred Securities

V

## CMBS Example: Modified $K_G$ Output

- ▶ Included in the graph below are outputs of severity, delinquency, and the resulting modified  $K_G$  over time based on data from servicer reports
  - ▶ For any period where 12-month historic loss severity data is not available, we propose using a proxy for severity based on historical performance by asset class
    - ▶ For the MLMT 2007-C1 transaction below, a severity proxy is used based on historical performance of CMBS transactions, as shown in Appendix D

### MLMT 2007-C1: Modified $K_G$ and $K_G$ inputs over time



---

Asset Class Examples:

RMBS

I

CMBS

II

**Autos (Loan, Lease)**

**III**

Private Student Loans

IV

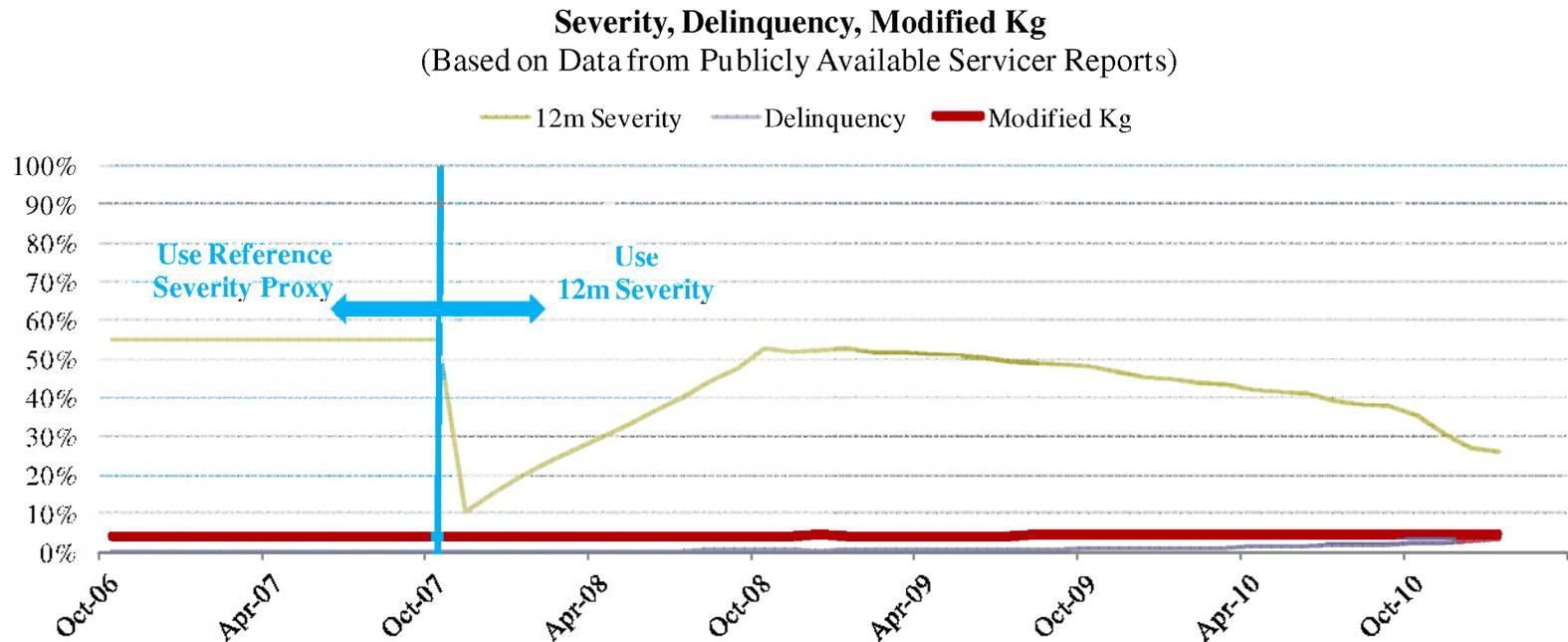
Trust Preferred Securities

V

## Auto Loan Example: Modified $K_G$ Output

- ▶ Included in the graph below are outputs of severity, delinquency, and the resulting modified  $K_G$  over time based on data from servicer reports
  - ▶ For the initial period where 12-month historic loss severity data is not available, we propose using a proxy for severity based on historical performance by asset class
    - ▶ For the Ford Credit Auto Owner Trust 2006-B transaction below, a severity proxy is used based on historical performance of auto transactions, as shown in Appendix D

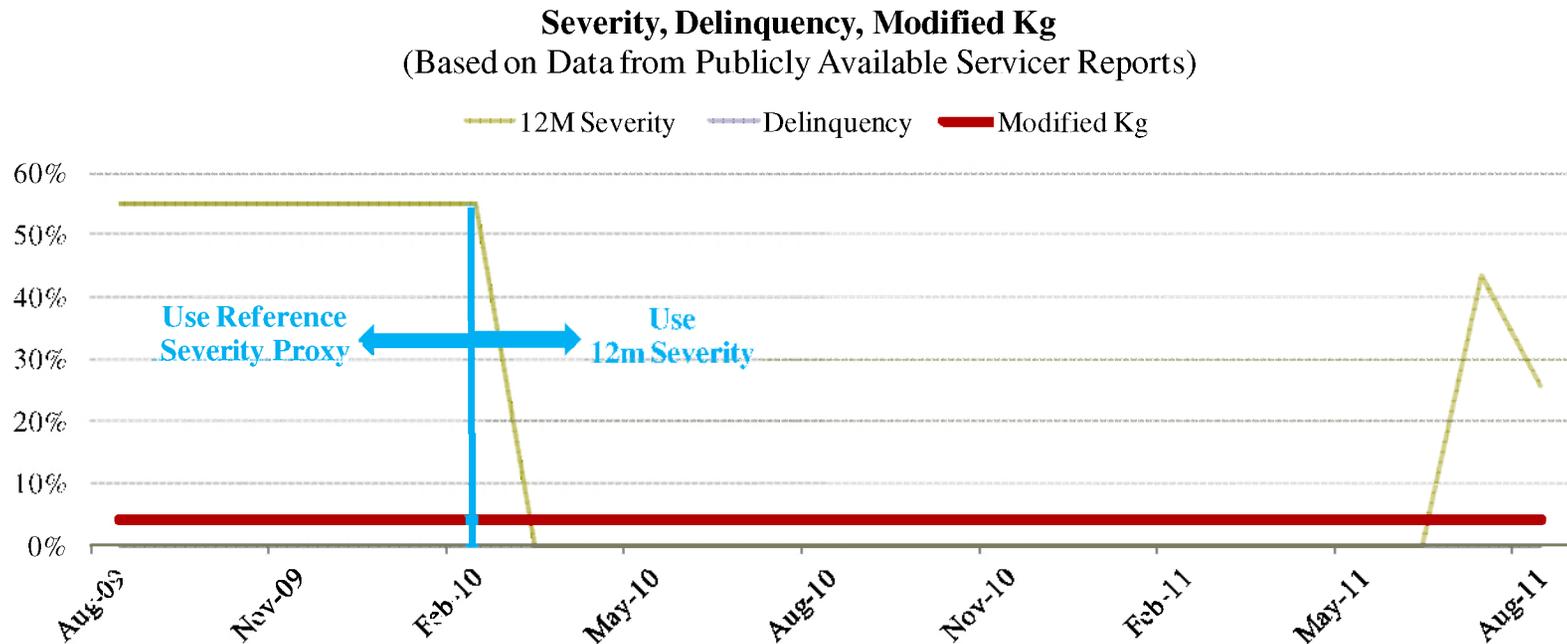
### Ford Credit Auto Owner Trust 2006-B: Modified $K_G$ and $K_G$ inputs over time



## Auto Lease Example: Modified $K_G$ Output

- ▶ Included in the graph below are outputs of severity, delinquency, and the resulting modified  $K_G$  over time based on data from servicer reports
  - ▶ For the initial period where 12-month historic loss severity data is not available, we propose using a proxy for severity based on historical performance by asset class
    - ▶ For the Ford Credit Auto Lease Trust 2009-A transaction below, a severity proxy is used based on historical performance of auto transactions, as shown in Appendix D

### Ford Credit Auto Lease Trust 2009-A: Modified $K_G$ and $K_G$ inputs over time



---

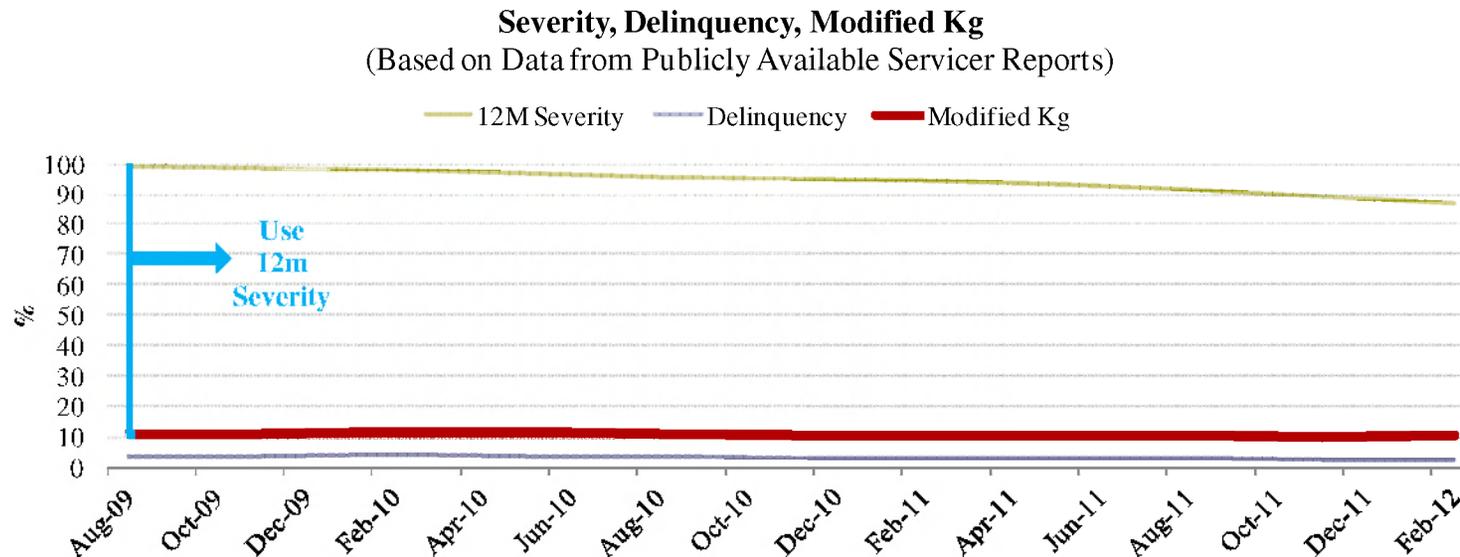
Asset Class Examples:

RMBS	I
CMBS	II
Autos (Loan, Lease)	III
<b>Private Student Loans</b>	<b>IV</b>
Trust Preferred Securities	V

## Private Student Loans Example: Modified $K_G$ Output

- ▶ Included in the graph below are outputs of severity, delinquency, and the resulting modified  $K_G$  over time based on data from servicer reports
  - ▶ For the initial period where 12-month historic loss severity data is not available, we propose using a proxy for severity based on historical performance by asset class
    - ▶ For the SLM Private Credit Student Loan 2004-B transaction below, a severity proxy is used based on historical performance of private student loan transactions, as shown in Appendix D

### SLM Private Credit Student Loan Trust 2004-B: Modified $K_G$ and $K_G$ inputs over time



---

Asset Class Examples:

RMBS	I
CMBS	II
Autos (Loan, Lease)	III
Private Student Loans	IV
<b>Trust Preferred Securities</b>	<b>V</b>

## Trust Preferred Securities Example: Modified $K_G$ Output

- ▶ Included in the graph below are outputs of severity, delinquency, and the resulting modified  $K_G$  over time based on data from servicer reports
  - ▶ We propose using a proxy for severity based on historical performance by asset class
    - ▶ For the Preferred Term Securities XXII transaction below, a severity proxy is used based on historical performance of trust preferred securities transactions, as shown in Appendix D

### Preferred Term Securities XXII: Modified $K_G$ and $K_G$ inputs over time

