

# Securitization

ASF  INSTITUTE<sup>SM</sup>

# Securitization – The Secondary Market

**Mark Adelson**

Adelson & Jacob Consulting

[www.adelsonandjacob.com](http://www.adelsonandjacob.com)

12 May 2008

- Secondary market features
- Mechanics of trading and settlement
- Liquidity issues
- Pricing and valuation tools

# Primary vs. Secondary

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## ■ Primary market

- New issues
- Main vehicle for capital formation

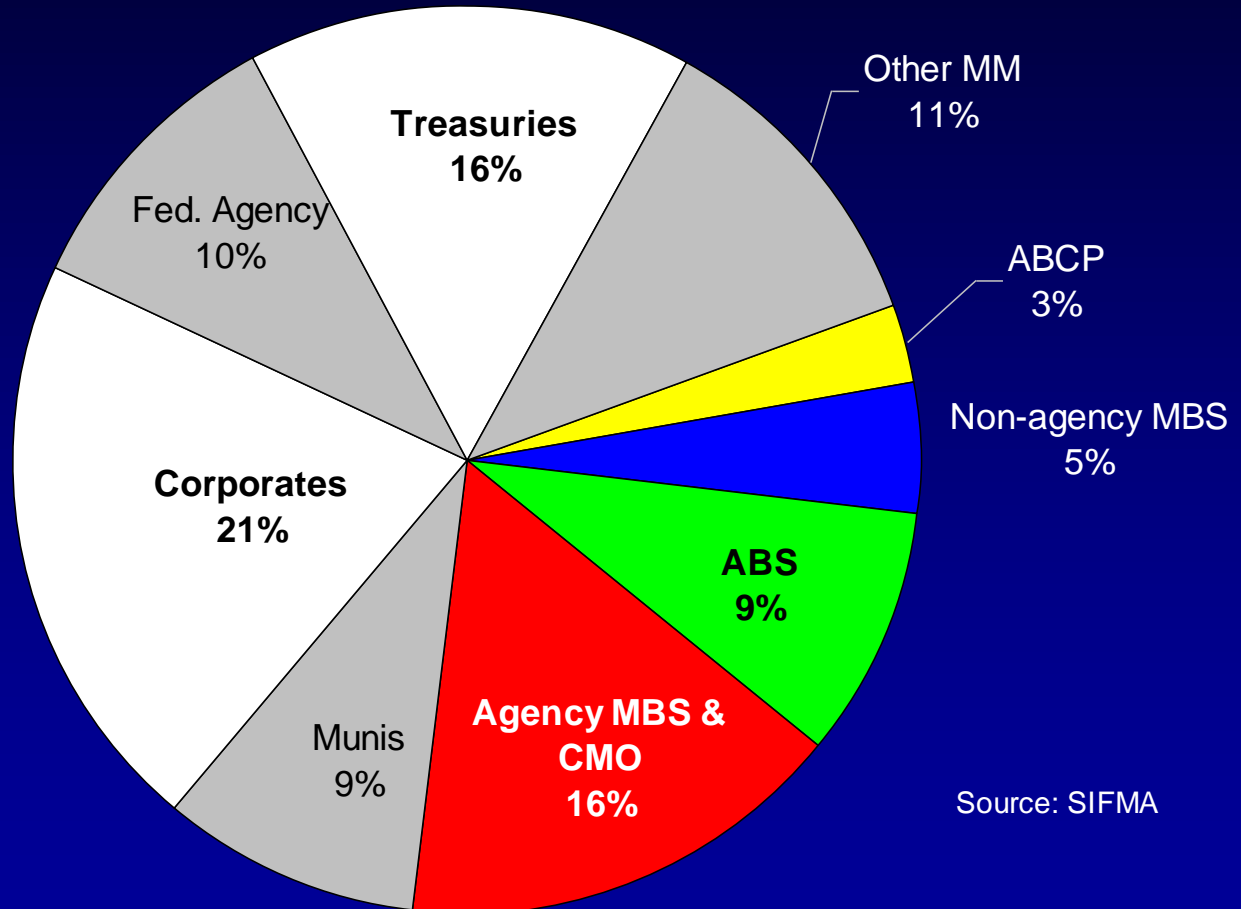
## ■ Secondary market

- Transactions in previously issued securities
- Helps induce investors to buy in the primary market by providing a means later selling a position

- OTC: over-the-counter
  - No organized exchange
  - No centralized reporting of transaction prices or volumes
  - No market makers
- Transparency varies by product
- Fungible vs. idiosyncratic positions

# U.S. Debt Capital Markets

Selected Components, as of 2007Q4 (\$ trillions)



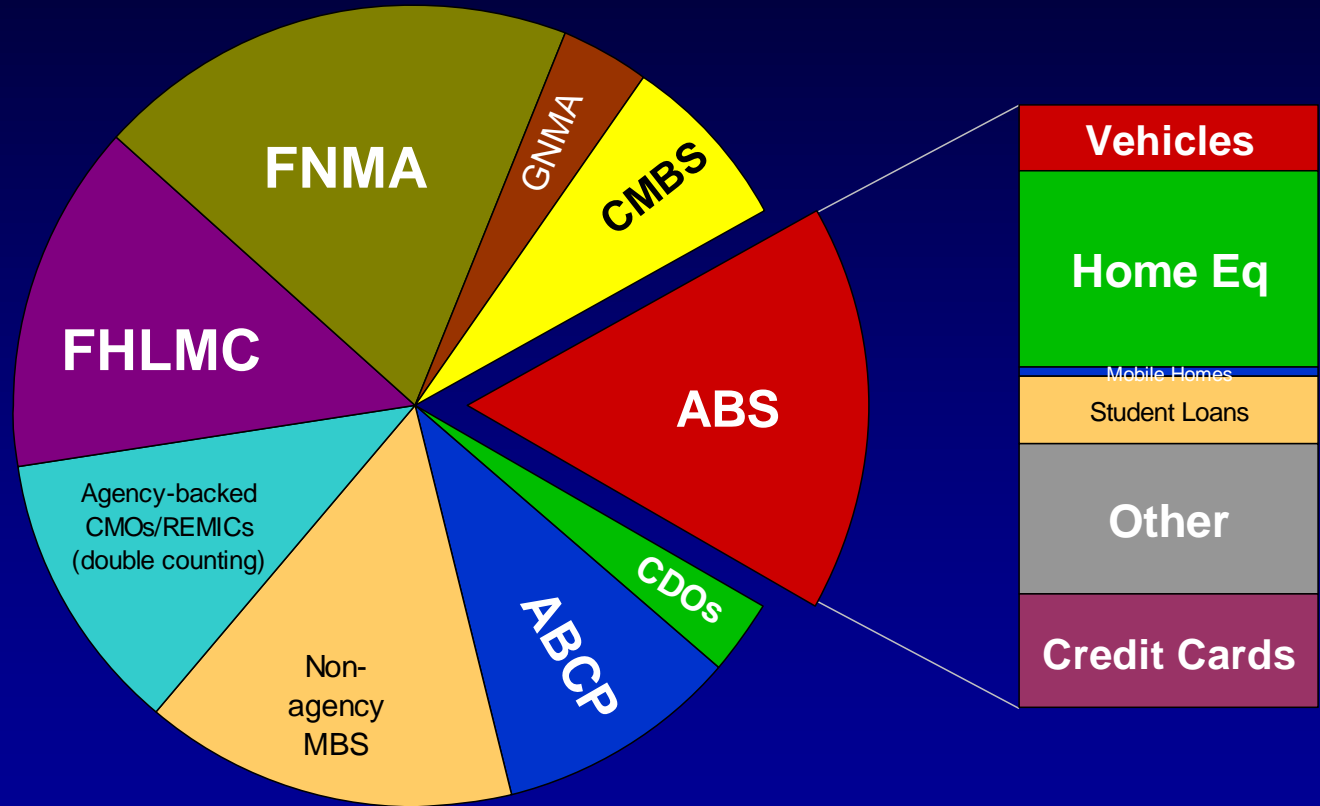
\$28.2 trillion  
total pie

Source: SIFMA

# Securitization Marketplace

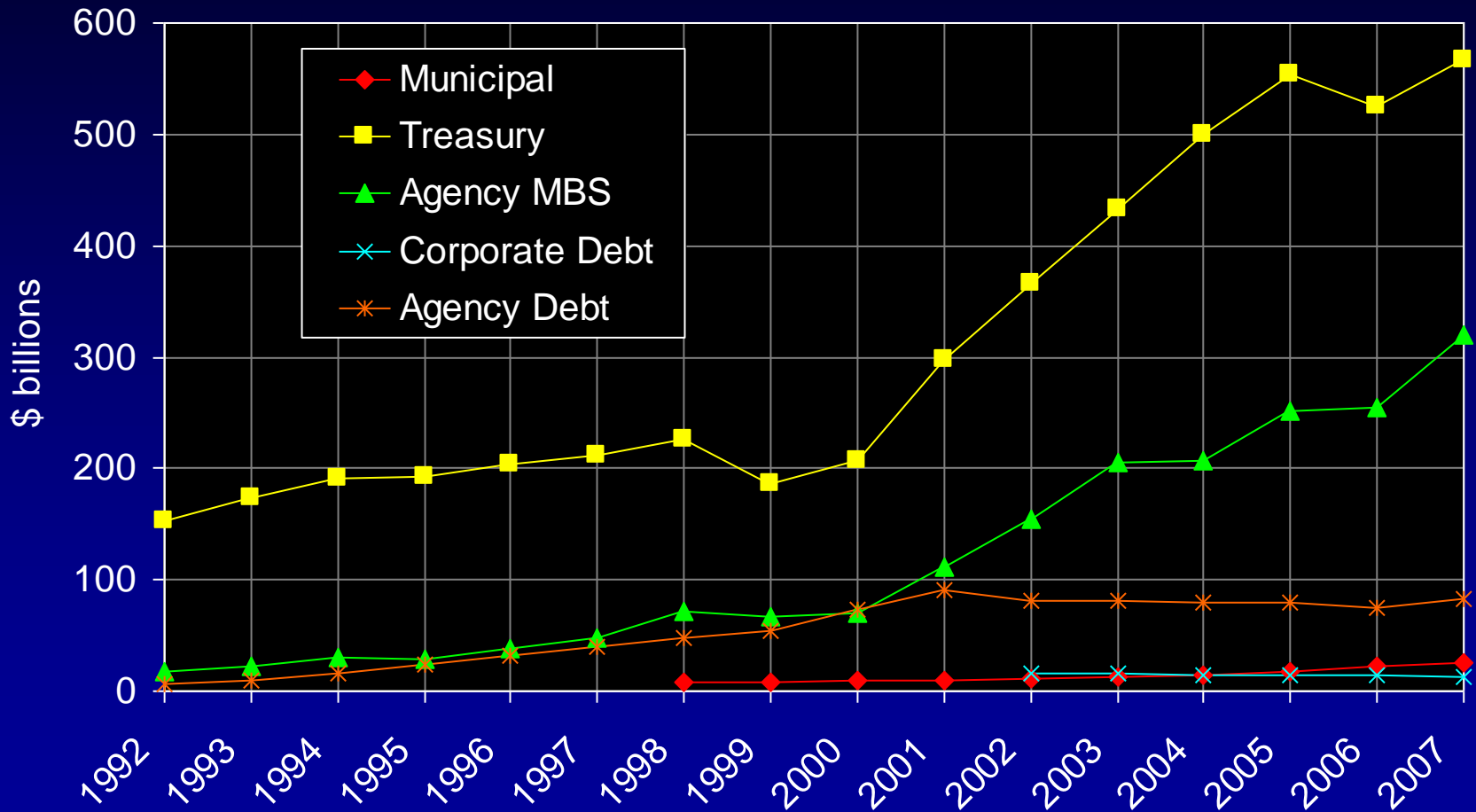
Outstandings as of 2007Q1

*\$17.0 trillion  
total pie*



■ Sources: Bond Market Association, Asset Backed Alert, Bloomberg, Trepp, Nomura

# Average Daily Trading Volume in the U.S. Bond Markets



Source: SIFMA



# Motivations for Secondary Purchases

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## ■ Reasons to buy in secondary

- Ability to observe performance on seasoned deals
- Sometimes cheaper (wider) spread compared to new issues
- Headlines can widen spread on affected bonds; if you feel the widening is unjustified then you buy cheaper
- Certain accounts may be forced to liquidate and there can be good value

- Bid – price at which bidder is willing to purchase
- Ask – price at which seller is willing to sell
- Hit a bid – to agree to sell at a bidder's bid price
- Lift an offer – to agree to purchase at a seller's ask price
- BWIC – bid wanted in competition – a solicitation of bids by a potential seller
- OWIC – offer wanted in competition – a solicitation of ask prices by a potential buyer
- MWIC – market wanted in competition – a solicitation of two-way (bid & ask) prices

## Terminology (2)

- $V_1 \times V_2$  – in describing a price quote, the maximum volume that a dealer is willing to execute on each side of the market;  $V_1$  is the maximum on the bid side and  $V_2$  is the maximum on the ask side
- Tick –  $1/32^{\text{nd}}$ ; **99-24** means a price of  $99-24/32$  or 99.75
- Plus – half a tick,  $1/64^{\text{th}}$ ; **99-24+** means a price of  $99-49/64$  or 99.765625
- $1/4$  – quarter of tick,  $1/128^{\text{th}}$ ; **99-24 $1/4$**  means a price of  $99-97/128$  or 99.7578125
- Example: a quote of **99-8 / 99-16 10x15** means that the dealer will buy up to \$10 million at a price of 99.25 and is willing to sell up to \$15 million at a price of 99.5.

## ■ Spread

- Bid-ask spread – difference between the contemporaneous bid and ask prices quoted by a dealer
- Yield spread – in describing the yield on a security, the incremental yield over or under a specified benchmark

■ Swaps, swap rates – for a given tenor, the fixed rate that a party to an interest rate contract would have to agree to pay in order to receive LIBOR; a common benchmark for spreads on fixed-rate instruments

■ LIBOR – London interbank offered rate for short term (1, 3, 6 months) deposits; a common benchmark for spreads on floating-rate instruments

## ■ Securities traded by price

### ■ Agency pass through MBS

- specified pools price relative to TBAs
- private-label pass-throughs price relative to TBAs

### ■ IOs (interest-only MBS) & POs (principal-only MBS)

### ■ whole mortgage loans

### ■ ABX and TABX

### ■ distressed securities

## ■ Securities traded by yield

### ■ everything else; CMOs, private label MBS, ABS, CMBS, CDOs

### ■ need to make prepayment assumption for yield calculation

## Pricing Conventions (2)

- Popular Bloomberg benchmark curves for spreads
  - I - conventional yield spread to interpolated Yield Curve
  - Z - cashflow spread to implied spot curve
  - N - conventional yield spread to swap curve
  - E - cashflow spread to Eurodollar spot curve (IMM)
- CMOs (incl. private label) spread to Treasuries (I curve)
  - use BBrg median speed
- Most fixed rate ABS spread to swaps (N curve)

- BMA Uniform Practices for the Clearance and Settlement of Mortgage-Backed Securities and Other Related Securities
- MBS TBA trade
  - monthly settlement cycle (chapter 13)
    - notification date
    - settlement date
    - Class A: FN/FH FRM30
    - Class B: FN/FH/GN FRM15
    - Class C: GN FRM30
    - Class D: FN/FH balloons and all ARMs, VRMs, GPMs, MH, and multifamily
  - good delivery guidelines (chapter 8)
    - volume tolerance 0.01%
    - up to 3 pools per \$1 million
  - cheapest to deliver
  - stipulated TBA trading

- Specified pool trade (CUSIP)
  - usually settle T+3
  - parties can vary settlement if they choose
  - intervening paydown – yield maintenance
- Fails
  - failing is expensive
  - shorting is tricky; can lead to failing



- Try to respond
  - looks bad not to respond
- Often need hours or days to analyze bonds
- Bid the bond in or have the sales force shop it around
- Usually don't really want to buy the bond
- Usually best to be the cover
- Even if there is a "riskless" cross, must have a value on the bond
  - Might end up owning it if buyer reneges or puts back because of grossly bad price

- Inventory considerations
- Axe sheet
- Use computational materials (yield tables)
- Sales force
- Last resort: sell to the Street

## ■ Factors

- Size of market
- Size of issue
- Public offering vs. 144A vs. private placement
- Ratings
- Availability of monitoring info; access to info

## ■ Evidence

- Time to sell
- Bid-ask spread
- Volume of transactions
- Number of transactions and who's trading

# Crossed Market Example

	Bid	Ask	Volume
Dealer 1	98-24	99-8	10x10
Dealer 2	99-12	99-28	10x10

- Buy \$10 million from Dealer 1 at 99-8 and sell \$10 million to Dealer 2 at 99-12. Profit is \$12,500.
- Use MWICs to get dealer quotes and then pick-off dealers
- Dealers will respond by widening the bid-ask spread
- Recent real world example: TABX on first week of trading

# Result: Wide B-A Spread

One Dealer's TABX.BBB- Active Market 3/8/07

Tranche	Bid	Ask	Volume
40-100	88-00	90-00	25x25
25-40	58-00	64-00	10x10
15-25	45-00	53-00	5x5
10-15	35-00	42-00	5x5
5-10	31-00	36-00	5x5
0-5	26-16	29-16	5x5

<HELP> for explanation, <MENU> for similar functions. N278 Mt ge **BBT**

**TBA 30Yr** Page 1/8

Single Security Inquiry ▾

5.0				6.0			
	FNCL	FGLMC	GNSF		FNCL	FGLMC	GNSF
Apr	97-00+ / 01+	97-00+ / 01+	97-21 / 22+	100-28+ / 29+	100-29+ / 30+	101-15+ / 17	
May	97-01 / 02	97-00 / 01+	97-21 / 22+	100-27 / 28	100-28 / 29	101-14+ / 15+	
Jun	97-00+ / 01+	97-00 / 01+	97-20 / 23	100-26+ / 27+	100-27 / 28	101-13 / 15	
Apr/May	00 / 00 <sup>1</sup> / <sub>8</sub>	00 <sup>1</sup> / <sub>4</sub> / 00+	00 <sup>3</sup> / <sub>4</sub> / 01	01 <sup>1</sup> / <sub>4</sub> / 01+	01 <sup>5</sup> / <sub>8</sub> / 01 <sup>7</sup> / <sub>8</sub>	01 <sup>1</sup> / <sub>4</sub> / 01+	
May/Jun	/	/	/	00 <sup>3</sup> / <sub>4</sub> / 01 <sup>1</sup> / <sub>8</sub>	/	00 / 00 <sup>3</sup> / <sub>8</sub>	

5.5				6.5			
	FNCL	FGLMC	GNSF		FNCL	FGLMC	GNSF
Apr	99-07+ / 08	99-07 / 08	99-24 / 25	102-00 / 00+	101-31 / 00	102-19 / 20	
May	99-06+ / 07+	99-06+ / 07+	99-23 / 24	101-30+ / 31+	101-30 / 31	102-18 / 19+	
Jun	99-05+ / 06+	99-06 / 07	99-22 / 24	101-30 / 31	101-29 / 30+	102-17+ / 20	
Apr/May	00 <sup>3</sup> / <sub>4</sub> / 01	00 <sup>7</sup> / <sub>8</sub> / 01 <sup>1</sup> / <sub>8</sub>	01 <sup>1</sup> / <sub>4</sub> / 01+	01 <sup>1</sup> / <sub>8</sub> / 01 <sup>3</sup> / <sub>8</sub>	01 <sup>1</sup> / <sub>8</sub> / 01 <sup>3</sup> / <sub>8</sub>	01 / 01 <sup>1</sup> / <sub>4</sub>	
May/Jun	/	/	00 / 00+	/	/	/	

Benchmarks				Roll Analysis		FNCL ▾	Apr/May ▾	Fin Rate	5.32
				Cpn	Cpr	Cur Drp	B/E Drp	B/E Rte	B/E Cpr
Treas 2Y	100-06 <sup>5</sup> / <sub>8</sub> / 07	4.638 / 631	+02 <sup>1</sup> / <sub>4</sub>	5.00	7.41	0.000	0.128	5.366	5.716
Treas 3Y	100-16 <sup>1</sup> / <sub>4</sub> / 16+	4.562 / 558	+03	5.50	9.29	0.750	0.709	5.306	12.355
Treas 5Y	100-14 <sup>5</sup> / <sub>8</sub> / 15 <sup>1</sup> / <sub>8</sub>	4.521 / 517	+04 <sup>1</sup> / <sub>4</sub>	6.00	11.47	1.250	1.304	5.339	12.902
Treas 10Y	100-15 / 15+	4.565 / 563	+06 <sup>3</sup> / <sub>8</sub>	6.50	15.86	1.125	1.863	5.570	25.203
Treas 30Y	100-25+ / 26 <sup>1</sup> / <sub>8</sub>	4.700 / 698	+ 11 <sup>3</sup> / <sub>4</sub>						

TBA30	TBA15	FNMA30	FNMA15	GOLD30	GOLD15	GNMA30	GNMA15
Australia 61 2 9777 8600	Brazil 5511 3048 4500	Europe 44 20 7330 7500	Germany 49 69 920410				
Hong Kong 852 2977 6000	Japan 81 3 3201 8900	Singapore 65 6212 1000	U.S. 1 212 318 2000	Copyright 2007 Bloomberg L.P. H331-374-0 12-Mar-2007 08:45:28			

<HELP> for explanation. Mtge **VALL**  
 Screen Printed  
**Bloomberg** DEALER PREPAYMENT FORECASTS Pg 1-2  
CMO

For: **FNCL** **6.50** **T** FNMA Conv. 30Yr 6.50% as of: **4/27/08**  
TBA

Firm	PSA	Yr	Mo	WAC	-300	-200	-100	-50	+0	+50	+100	+200	+300
CS	726	28	11	7.15	1548	1402	1118	934	726	479	238	140	112
DB	526	28	8	7.00	1100	1083	935	755	526	325	215	170	155
UBS	782	29	10	7.11	1368	1324	1190	1032	782	546	329	174	129
BS	623	29	3	7.10	1667	1667	1616	1165	623	344	217	166	140
ML	872	29	7	7.12	1866	1784	1526	1223	872	554	320	161	138
LB	567	29	8	7.00	999	968	858	746	567	371	234	160	114
SAL	517	29	9	7.05	2299	2299	1517	894	517	282	204	127	107
GCM	611	28	10	7.15	1313	1245	998	798	611	390	270	183	142
MS	593	29	0	7.10	993	989	917	794	593	405	299	169	136
JPS	523	28	11	7.04	1726	1523	1043	670	523	430	270	180	145
BOA	690	29	2	7.15	1538	1425	1199	995	690	457	257	130	93
GS	978	28	11	7.18	1419	1401	1288	1141	978	739	484	231	184
BAR	624	29	0	7.04	1660	1435	1152	930	624	325	210	129	106
Avg	664				1500	1427	1181	929	664	434	273	163	131
MED	623				1538	1402	1152	930	623	405	257	166	136

**M Bloomberg**  
MEDIAN PREPAYMENTS

Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000  
 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2008 Bloomberg Finance L.P.  
 6385-240-3 27-Apr-2008 07:26:52

DES P271 Mtge **DES**

**Bloomberg** 66 <GO> **SECURITY DESCRIPTION** Page 1 of 3  
**ABS** **BMWOT 2004-A A4** 3.32% 2/25/09

CUSIP: 055959BE9 Issuer: BMW VEHICLE OWNER TRUST  
 Series 2004-A Class A4 Mty 2/25/09

5) AUTOS: SEQUENTIAL PAYER

CURRENT	ORIGINAL ISSUE
Feb07 220,318,876	USD 256,312,000
" Fact .859573005	WAL 3.2Yr @ 1.5ABS
Coupon 3.32%	1st coupon 3.32%
Next Paymt 3/25/07	1st paymnt 6/25/04
Rcd date 3/24/07	1st settle 5/12/04
Beg accrue 2/25/07	Dated date 5/12/04
End accrue 3/24/07	px 99-31+ 5/ 4/04
Class/Deal Pct N/A	Class/Deal Pct 17%

**Monthly PAYMENT**

pays 25th day  
 0 day delay  
 accrues 30/360

**ID RATINGS**

Fitch AAA  
 S&P AAA  
 MDY Aaa

CALLABLE

6) Lead Mgr: BOA  
 7) Trustee: CB

**ID VOLATILITY**

C.FLUX 0.0 ●

65) Personal Notes 14) Identifiers 2) AUTO 3.61 M 20wam 4.61wac

	Feb07	Jan	Dec06	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar06
ABS	1.44	1.41	1.32	1.41	1.36	1.49	1.44	1.51	1.58	1.35	1.68	1.39
CPR	33.2	31.1	27.0	29.3	26.9	30.7	28.5	30.0	31.4	24.2	32.9	24.0
FACT	.86	.94	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
CPN	3.32	3.32	3.32	3.32	3.32	3.32	3.32	3.32	3.32	3.32	3.32	3.32

See Page 3 for Comments. MinSize 1000 Incr 1000

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# Tools – BBrig Sec. Desc. (2)

Page

P271 Mtge **DES**

**Bloomberg**  
**ABS**

## DEAL DESCRIPTION

Page 2 of 3

### BMWOT 2004-A

Issuer: BMW VEHICLE OWNER TRUST

Series 2004-A

Aggregate: AUTO 3.61 M

DEAL - CURRENT	
Feb07	255,290,783
Net	3.61%
WAC	4.61%
WAM	1:8 20 mo
AGE	3:4 40 mo
Next Paymt	3/25/07
Rcd date	3/24/07
B.Median	PSA
PAC	0% SUP 0%
Beg Accrue	2/25/07

DEAL - ORIGINAL	
USD	1,500,000,004
Net	3.827%
WAC	4.827%
WAM	4:3 51 mo
AGE	0:7 7 mo
1st paymt	6/25/04
1st settle	5/12/04
px1.50 ABS	5/ 4/04
PAC	0% SUP 0%
Dated	5/12/04

Feb07	ABS-DEAL-CPR	AUTO 3.5 M
1mo	1.44 33.2	- -
3mo	1.36 29.1	- -
6mo	1.39 29.1	- -
12mo	1.44 28.8	- -
Life	1.49 25.1	- -

#### Monthly PAYMENT

pays 25th day  
 0 day delay  
 accrues 30/360

6) Lead Mgr: BOA  
 7) Trustee: CB

	Feb07	Jan	Dec06	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar06
ABS	1.44	1.41	1.32	1.41	1.36	1.49	1.44	1.51	1.58	1.35	1.68	1.39
CPR	33.2	31.1	27.0	29.3	26.9	30.7	28.5	30.0	31.4	24.2	32.9	24.0
WAM	20	21	22	22	23	24	25	26	27	28	29	30
WAC	4.61	4.61	4.61	4.61	4.61	4.61	4.62	4.62	4.62	4.62	4.62	4.62

COLLATERAL	
Country	US

See Page 3 for Comments.

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# Tools – BBrig Yield to Call

YTC N270 Mtge YTC

**Bloomberg** 66 **BMWOT 2004-A A4** 3.32% 2/25/09 ADU: <PAGE>  
**ABS** <GO> 055959BE9 ABS: SEQUENTIAL PAYER NO Notes  
65 AUTO 3.6 M 4.610(20)40 WAC(MAM)AGE FEB07 88 <Go>

FEB '07	ABS	CPR	5/12/04: 256,312,000	next pay	3/25/07 (monthly)	30/360	Cashflows
1mo	1.44	33.2	2/25/07: 220,318,876	rcd date	3/24/07 ( 0 Delay)	created	3/ 6/07
3mo	1.36	29.1	factor 0.859573005000	accrual	2/25/07- 3/24/07	1stProj	3/25/07
6mo	1.39	29.1				ACTUAL	collateral
12mo	1.44	28.8					

**3/14/07** 30/360 DSCNTNG **YIELD-TO-CALL**

Historical 1 mo 1.44 3 mo 1.36 6 mo 1.39 12 mo 1.44 Life 1.49 Px 1.50

Vary PRICE 3/2 1.40 ABS 1.40 ABS 1.40 ABS 1.40 ABS 1.50 ABS 1.50 ABS ABS

CLASS: CO-MANAGERS OF CLASS A NOTES: Barclays Capital; Citigroup;  
 Credit Suisse First Boston.  
 DEAL: CO-LEAD MANAGER: JPMorgan.  
 CALL FEATURE: 10% Deal Cleanup.

**99-2** 6.198 6.198 6.198 6.198 6.257 6.257

SERVICER: BMW Financial Services NA, LLC.  
 ORIGINAL COLLATERAL CHARACTERISTICS:  
 TYPE: Retail installment sale contracts.

AvgLife	0.34	0.34	0.34	0.34	0.33	0.33
Mod Dur	0.33	0.33	0.33	0.33	0.32	0.32
DATE Window	3/07- 8/25/07c	3/07- 8/25/07c	3/07- 8/25/07c	3/07- 8/25/07c	3/07- 8/25/07c	3/07- 8/25/07c

Spread **I** +110/AL +110/AL +110/AL +110/AL +116/AL +116/AL

FEB07	JAN	DEC06	NOV	OCT	SEP	AUG	JUL	JUN	MAY	APR	MAR06	
1.44	1.41	1.32	1.41	1.36	1.49	1.44	1.51	1.58	1.35	1.68	1.39	
33.2	31.1	27.0	29.3	26.9	30.7	28.5	30.0	31.4	24.2	32.9	24.0	

Moody's: Aaa Fitch: AAA S&P: AAA Format# 1-YT **B**

Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 920410  
 Hong Kong 852 2977 6000 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2007 Bloomberg L.P.  
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# Tools – BBrG Yield Table

optional: 75 <GO> for ACT/360 discounting. 271 Mtge **YT**

**Bloomberg** 66 **BMWOT 2004-A A4** 3.32% 2/25/09 ADU: <PAGE>  
**ABS** <GO> 055959BE9 **ABS: SEQUENTIAL PAYER** Notes  
88 <Go>

65 **AUTO 3.6 M** 4.610(20)40 WAC(WAM)AGE FEB07

FEB '07	ABS	CPR	5/12/04: 256,312,000	next pay	3/25/07 (monthly)	30/360	Cashflows
1mo	1.44	33.2	2/25/07: 220,318,876	rcd date	3/24/07 ( 0 Delay)	created	3/ 6/07
3mo	1.36	29.1	factor 0.859573005000	accrual	2/25/07- 3/24/07	1stProj	3/25/07
6mo	1.39	29.1				ACTUAL	collateral
12mo	1.44	28.8					

**3/14/07** 30/360 DSCNTNG **YIELD-TO-CALL**

	1.20	1.30	1.40	1.50	1.60	1.70	
Vary PRICE	1. <sup>1</sup> / <sub>2</sub>	1.20 ABS	1.30 ABS	1.40 ABS	1.50 ABS	1.60 ABS	1.70 ABS
98-31	6.041	6.086	6.488	6.552	6.635	7.249	
99	5.958	6.001	6.391	6.454	6.533	7.129	
99-1	5.875	5.917	6.295	6.355	6.432	7.009	
<b>99-2</b>	5.793	5.833	6.198	<b>6.257</b>	6.331	6.889	
99-3	5.710	5.749	6.102	6.158	6.231	6.769	
99-4	5.628	5.665	6.006	6.060	6.130	6.649	
99-5	5.545	5.582	5.909	5.962	6.029	6.530	
AvgLife	0.40	0.39	0.34	0.33	0.32	0.27	
Mod Dur	0.38	0.37	0.33	0.32	0.31	0.26	
DATEWindow	3/07- 9/25/07c	3/07- 9/25/07c	3/07- 8/25/07c	3/07- 8/25/07c	3/07- 8/25/07c	3/07- 7/25/07c	
Spread	+68/AL	+72/AL	+110/AL	<b>+116/AL</b>	+123/AL	+180/AL	

100-00 CALL **Y** FEB07 JAN DEC06 NOV OCT SEP AUG JUL JUN MAY APR MAR06 Treasury Curve - BGN 14:04

1.44 1.41 1.32 1.41 1.36 1.49 1.44 1.51 1.58 1.35 1.68 1.39c	3mo	6mo	-2-	-3-	-5-	-10-	-30-
83.2 31.1 27.0 29.3 26.9 30.7 28.5 30.0 31.4 24.2 32.9 24.0c	5.08	5.13	4.66	4.58	4.54	4.58	4.72

Moody's: Aaa Fitch: AAA S&P: AAA Format# 1-YT **B**

Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 920410  
Hong Kong 852 2977 6000 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2007 Bloomberg L.P.  
H263-837-0 11-Mar-2007 14:10:56

# Tools – BBrng Yield Table (2)

271 Mtge YT

**Bloomberg** 66 <GO> 68389BAB9 ABS:FLT,STEP,IRC 5.42% 2/25/37 ADU:<PAGE>

**ABS** 65 <GO> HOME EQ 8.2 N 8.625(355)5 WAC<MAM>AGE FEB07 (1xLIBOR01M)+10BP CAP:FLR= Var:0.100


**FEB '07** **CPR** **PSA** **10/27/06:** **163,427,000** **next pay** **3/26/07 (monthly)** **ACT/360 Cashflows**  
**1mo** **20.7** **2019** **2/25/07:** **163,427,000** **reset** **3/25/07 ( 0 Delay)** **created 3/ 5/07**  
**3mo** **-** **-** **factor 1.000000000000** **accrual** **2/26/07- 3/25/07** **1stProj 3/25/07**  
**6mo** **-** **-** **Notes** **88 <Go>** **Latest: 3576 Loans**  
**12mo** **-** **-** **1st INDEX 5.3191**

**3/15/07** **ACT/360 DSCNTNG** **DISCOUNT MARGIN BP** for Index= **5.3191**

	20.0	25.0	30.0
Vary PRICE	1. 1/2	\$3 PPS	\$2 PPS
	\$3 PPS	\$4 PPS	20.0 CPR
	25.0 CPR	30.0 CPR	
99-28	18.2	17.3	18.2
99-29	16.1	15.4	16.1
99-30	14.1	13.6	14.1
<b>99-31</b>	<b>12.0</b>	11.8	12.0
100	10.0	10.0	10.0
100-1	7.9	8.2	7.9
100-2	5.9	6.3	5.9
AvgLife	1.57	1.77	1.57
Sprd Dur	1.49	1.67	1.49
DATEWindow	5/27/08-	8/25/08-	5/27/08-
	1/26/09	5/26/09	1/26/09
			10/27/08
			11/26/10
			10/26/09
			4/27/09

**FEB07JAN07**  
20.7 8.2c  
2019 1011p

NEVER CALLED

Moody's: Aaa S&P: AAA **Format# 4-IPD** **CALLABLE** 

Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 920410  
 Hong Kong 852 2977 6000 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2007 Bloomberg L.P.  
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# Tools – BBrig Yield Table (3)

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66 <GO>										FNCL 5.5																																																					
6.145(356)4										Generic: FNMA																																																					
65 <GO>										WAC (WAM) CAGE																																																					
1mo	201P	9.30								next pay	5/25/07 (monthly)	Age	0: 4																																																		
3mo	219	10.5								rcd date	4/30/07 (24 Delay)	WAM	29: 8																																																		
6mo	220	10.8								accrual	4/ 1/07- 4/30/07	WAC	6.145																																																		
12mo	239	11.5																																																													
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Vary PRICE		111	125	147	250	924	2219	2494																																																							
		PSA	PSA	PSA	PSA	PSA	PSA	PSA																																																							
99-8		5.618	5.621	5.625	5.644	5.760	5.956	5.994																																																							
99-9		5.614	5.616	5.620	5.637	5.744	5.924	5.959																																																							
99-10		5.609	5.611	5.615	5.631	5.728	5.892	5.924																																																							
99-11		5.605	5.607	5.610	5.624	5.712	5.860	5.889																																																							
99-12		5.600	5.602	5.605	5.618	5.696	5.828	5.854																																																							
99-13		5.596	5.597	5.600	5.611	5.680	5.796	5.819																																																							
99-14		5.591	5.593	5.595	5.605	5.664	5.764	5.783																																																							
AvgLife		10.62	9.98	9.09	6.33	2.17	1.04	0.95																																																							
Mod Dur		7.05	6.73	6.28	4.78	1.96	0.98	0.89																																																							
DATEWindow	5/07-	5/07-	5/07-	5/07-	5/07-	5/07-	5/07-	5/07-																																																							
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Spread		+105/AL	+106/AL	+107/AL	+111/AL	+111/AL	+93/AL	+93/AL																																																							
<table border="1"> <tr> <td>MAR07</td> <td>FEB</td> <td>JAN</td> <td>DEC06</td> <td>NOV</td> <td>OCT</td> <td>SEP</td> <td>AUG</td> <td>JUL</td> <td>JUN</td> <td>MAY</td> <td>APR06</td> <td colspan="2">Treasury Curve - BGN 10:13</td> </tr> <tr> <td>-</td> <td>201</td> <td>223</td> <td>237</td> <td>221</td> <td>238</td> <td>214</td> <td>246</td> <td>228</td> <td>268</td> <td>275</td> <td>253p</td> <td>3mo</td> <td>6mo</td> <td>-2-</td> <td>-3-</td> <td>-5-</td> <td>-10-</td> <td>-30-</td> </tr> <tr> <td>-</td> <td>9.3</td> <td>10.4</td> <td>11.2</td> <td>10.4</td> <td>11.2</td> <td>10.0</td> <td>11.4</td> <td>10.3</td> <td>12.0</td> <td>12.1</td> <td>11.0c</td> <td>5.08</td> <td>5.12</td> <td>4.61</td> <td>4.54</td> <td>4.50</td> <td>4.55</td> <td>4.69</td> </tr> </table>												MAR07	FEB	JAN	DEC06	NOV	OCT	SEP	AUG	JUL	JUN	MAY	APR06	Treasury Curve - BGN 10:13		-	201	223	237	221	238	214	246	228	268	275	253p	3mo	6mo	-2-	-3-	-5-	-10-	-30-	-	9.3	10.4	11.2	10.4	11.2	10.0	11.4	10.3	12.0	12.1	11.0c	5.08	5.12	4.61	4.54	4.50	4.55	4.69
MAR07	FEB	JAN	DEC06	NOV	OCT	SEP	AUG	JUL	JUN	MAY	APR06	Treasury Curve - BGN 10:13																																																			
-	201	223	237	221	238	214	246	228	268	275	253p	3mo	6mo	-2-	-3-	-5-	-10-	-30-																																													
-	9.3	10.4	11.2	10.4	11.2	10.0	11.4	10.3	12.0	12.1	11.0c	5.08	5.12	4.61	4.54	4.50	4.55	4.69																																													
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												Copyright 2007 Bloomberg L.P.																																																			
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# Tools – BBrG Collateral Hist.

9 N270 Mtge DPD

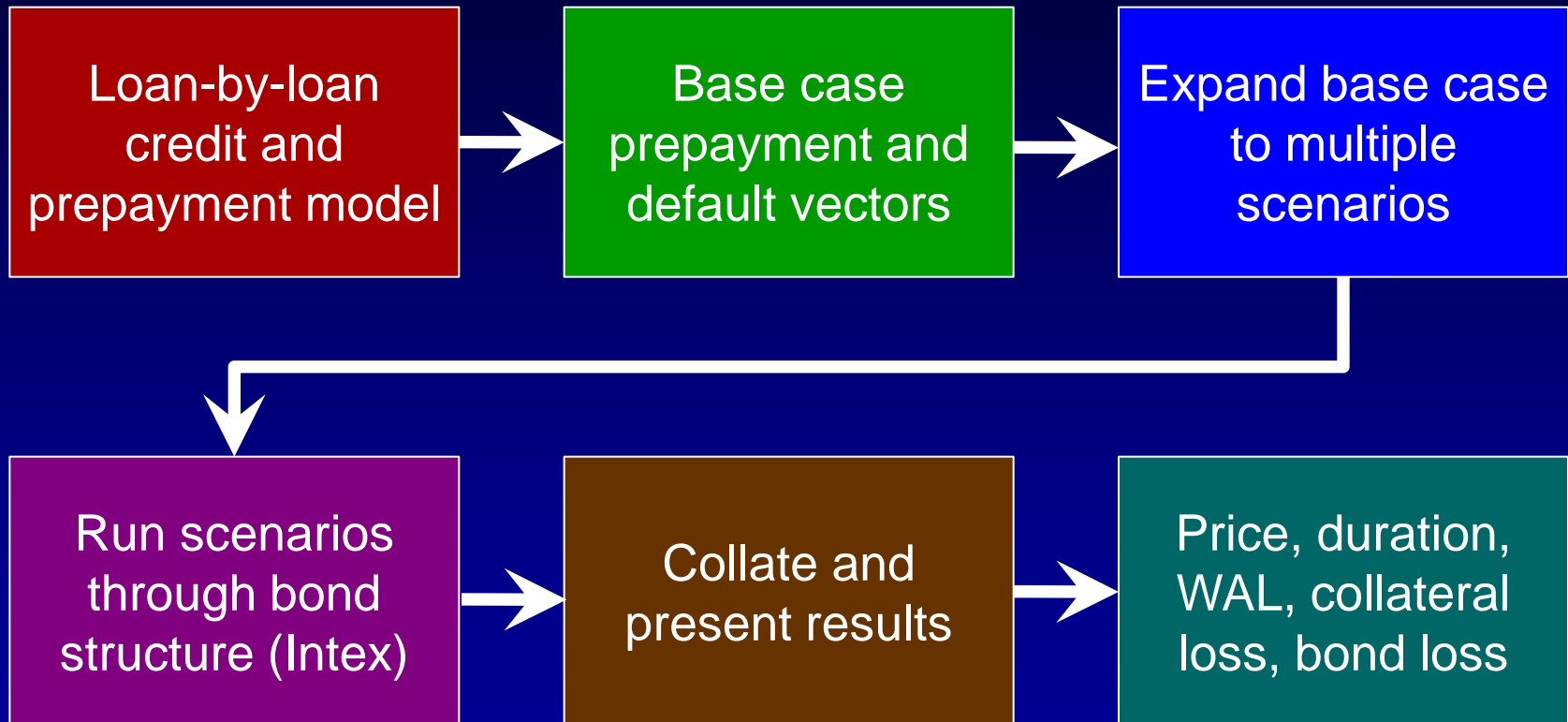
**Bloomberg** **COLLATERAL HISTORY** Page 1 of 3  
**ABS** **BMJOT 2004-A A4** 3.32% 2/25/09 ABS:SEQ  
Aggregate collateral

MODE Deal & CUSIP 055959BE9 using\* orig Bal

Date	WAL	WAM	Age	\$M Bal	ABS					CPR				
					1mo	3mo	6mo	1yr	Life	1mo	3mo	6mo	1yr	Life
2/07	4.61	20	40	255,291	1.44	1.36	1.39	1.44	1.49	33.2	29.1	29.1	28.8	25.1
1/07	4.61	21	39	276,693	1.41	1.36	1.40	1.45	1.50	31.1	28.5	28.6	28.5	25.0
12/06	4.61	22	38	298,429	1.32	1.36	1.42	1.46	1.51	27.0	27.8	28.8	28.4	24.9
11/06	4.61	22	37	320,352	1.41	1.42	1.46	1.44	1.52	29.3	29.0	29.5	27.0	24.9
10/06	4.61	23	36	344,089	1.36	1.43	1.46	1.45	1.53	26.9	28.7	28.7	26.8	24.8
9/06	4.61	24	35	367,867	1.49	1.48	1.51	1.48	1.55	30.7	29.7	29.7	26.9	24.8
8/06	4.62	25	34	394,340	1.44	1.51	1.50	1.50	1.55	28.5	30.0	28.6	26.9	24.6
7/06	4.62	26	33	420,934	1.51	1.49	1.52	1.52	1.56	30.0	28.6	28.5	26.8	24.5
6/06	4.62	27	32	449,470	1.58	1.55	1.52	1.53	1.57	31.4	29.6	28.0	26.5	24.3
5/06	4.62	28	31	480,072	1.35	1.48	1.47	1.54	1.57	24.2	27.2	25.9	26.2	24.1
4/06	4.62	29	30	507,847	1.68	1.55	1.50	1.57	1.59	32.9	28.3	27.1	27.0	24.6
3/06	4.62	30	29	542,118	1.39	1.50	1.48	1.58	1.58	24.0	26.3	26.1	26.6	24.2

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 Hong Kong 852 2977 6000 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2007 Bloomberg L.P.  
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# Tools – Combined Approach



# Heat Map Presentation

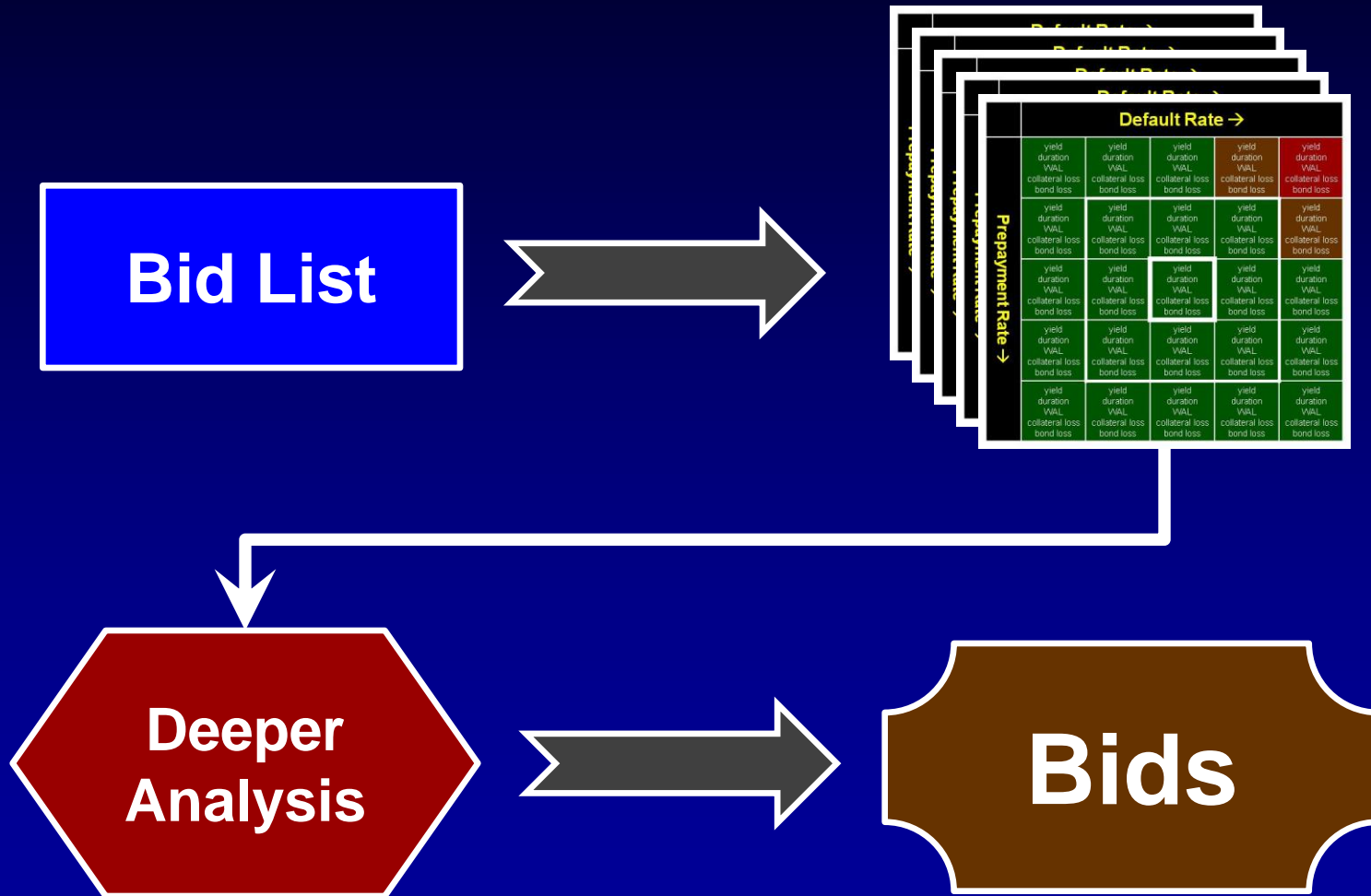
	Default Rate →				
Prepayment Rate →	price duration WAL collateral loss bond loss	price duration WAL collateral loss bond loss	price duration WAL collateral loss bond loss	price duration WAL collateral loss bond loss	price duration WAL collateral loss bond loss
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price  
duration  
WAL  
collateral loss  
bond loss





# Handling Bid Lists



# Tools – Intex Deal Summary

INTEXdesktop - [Option One Mortgage Loan Trust 2006-2 -- OOHE0602]

File Edit View Options Scenario Tools Internet Tools Utilities Go To Help

Deal/ CUSIP/ ISIN Collateral Mode Settle Date Orig Face Forecasting Model  
 OOHE0602 Seasoned-all assets 01/01/2007 Full Face Industry Std.

Deal Type: Home Equity Gross WAC: 8.5796 Opt Redemp: 10%  
 Orig Deal Bal: \$1,500,000,000.00 WA Rem Term: 349 Accum Net Loss: 0.00%  
 Cur Deal Bal: \$1,323,060,118.46 WA Amort Term: 395  
 Orig Collat Bal: \$1,500,000,000.00 Pricing Speed: More...  
 Cur Collat Bal: \$1,250,435,019.28 3 Mo Pricing Units: NA

Quick Summary Investor Reports Prospectus Doc

**OPTION ONE MORTGAGE LOAN TRUST 2006-2**

Intex Name	OOHE0602	Next Pay Date	01/25/2007	Current Factor	0.8336	Delinq 90+ (%)	1.504443
Deal Type	Home Equity	Deal Age	8	Current WAC	8.5796	Foreclosure (%)	4.068350
Issuer	Option One Mortgage Acceptance Corp.	Original Deal Balance	\$1,500,000,000	Current Net WAC	8.2766	REO (%)	0.124549
Trustee	Wells Fargo Bank	Current Deal Balance	\$1,323,060,118	Current WAS	6.30	Delinq Incl Bnkrupt	No
Dealer	Banc of America, RBS Greenwich, Deutsche...	Original Collat Balance	\$1,500,000,000	Current WAM	349.00	Delinq Incl FC	No
Master Servicer	Option One Mortgage Corp.	Current Collat Balance	\$1,250,435,019	Current WALA	8.37	Delinq Incl Reo	No
Settle Date	01/01/2007	Original # Assets	124	Annualized Cur Net Loss Rate	0.025134	1Mo CPR	30.96
Latest Update	02/25/2007	Current # Assets	124	Excess Interest	\$2,961,778	3Mo CPR	28.28
Deal Closing Date	06/29/2006	Cum Loss	\$70,713	Delinq 30-59 (%)	4.025602	Stepdown Date Req	07/25/2009
First Pay Date	07/25/2006	Cum Loss (%)	0.00	Delinq 60-89 (%)	2.077428	OC Floor	\$7,500,000

**TRANCHE SUMMARY INFORMATION**

Tranche	CUSIP	Type	Coupon	Original Moody's/S&P/Fitch	Current Moody's/S&P/Fitch	Orig Supp (%)	Curr Supp (%)	Orig Bal (1000s)	Curr Bal (1000s)	Factor	Stated Maturity	Orig OC (1000s)	Curr OC (1000s)
IA1	68402CAA2	SEN_FLT	5.4000	Aaa/AAA/NA	Aaa/NA/NA	20.40	24.47	\$101,130	\$85,890	0.8493	07/25/2036	\$19,500	\$19,500
IA1	68402CAB0	SEN_FLT	5.4000	Aaa/AAA/NA	Aaa/NA/NA	20.40	24.47	\$563,785	\$392,085	0.7080	07/25/2036	\$19,500	\$19,500
IA2	68402CAC8	SEN_FLT_NO	5.4500	Aaa/AAA/NA	Aaa/NA/NA	20.40	24.47	\$227,365	\$227,365	1.0000	07/25/2036	\$19,500	\$19,500
IA3	68402CAD6	SEN_FLT	5.4900	Aaa/AAA/NA	Aaa/NA/NA	20.40	24.47	\$181,552	\$181,552	1.0000	07/25/2036	\$19,500	\$19,500
IA4	68402CAE4	SEN_FLT	5.6000	Aaa/AAA/NA	Aaa/NA/NA	20.40	24.47	\$130,168	\$130,168	1.0000	07/25/2036	\$19,500	\$19,500
M1	68402CAF1	MEZ_FLT	5.6500	Aa1/AA+/NA	Aa1/NA/NA	16.45	19.73	\$59,250	\$59,250	1.0000	07/25/2036	\$19,500	\$19,500
M2	68402CAG9	MEZ_FLT	5.6700	Aa2/AA+/NA	Aa2/NA/NA	12.80	15.35	\$54,750	\$54,750	1.0000	07/25/2036	\$19,500	\$19,500
M3	68402CAH7	MEZ_FLT	5.6800	Aa3/AA+/NA	Aa3/NA/NA	10.70	12.84	\$31,500	\$31,500	1.0000	07/25/2036	\$19,500	\$19,500
M4	68402CAJ3	MEZ_FLT	5.7500	A1/A+/NA	A1/NA/NA	8.80	10.56	\$28,500	\$28,500	1.0000	07/25/2036	\$19,500	\$19,500
M5	68402CAK0	MEZ_FLT	5.7800	A2/A+/NA	A2/NA/NA	7.00	8.40	\$27,000	\$27,000	1.0000	07/25/2036	\$19,500	\$19,500
M6	68402CAL8	MEZ_FLT	5.8300	A3/A+/NA	A3/NA/NA	5.30	6.36	\$25,500	\$25,500	1.0000	07/25/2036	\$19,500	\$19,500
M7	68402CAM6	MEZ_FLT	6.3500	Baa1/BBB+/NA	Baa1/NA/NA	3.65	4.38	\$24,750	\$24,750	1.0000	07/25/2036	\$19,500	\$19,500
M8	68402CAN4	MEZ_FLT	6.6000	Baa2/BBB/NA	Baa2/NA/NA	2.85	3.42	\$12,000	\$12,000	1.0000	07/25/2036	\$19,500	\$19,500
M9	68402CAP9	MEZ_FLT	7.3500	Baa3/BBB/NA	Baa3/NA/NA	2.30	2.76	\$8,250	\$8,250	1.0000	07/25/2036	\$19,500	\$19,500
M10	68402CAQ7	JUN_FLT_NO	7.6000	Ba2/BB/NA	Ba2/NA/NA	1.30	1.56	\$15,000	\$15,000	1.0000	07/25/2036	\$19,500	\$19,500
P	OOHD5ED50	JUN_PEN_NO	0.0000					\$1,500,000	\$1,250,435	1.0000	07/25/2036		
C	OOHIL7JA0	JUN_OC_NO	0.0000					\$1,500,000	\$1,250,435	1.0000	07/25/2036		
B	OOHPB8P90	NPR_NPR_NO	0.0000					\$0	\$0	0.0000	07/25/2036		
RX	OOHF1NPD0	NPR_NPR_NO	0.0000					\$0	\$0	0.0000	07/25/2036		

**TRIGGERS/TESTS SUMMARY**

Test	Current	Trigger	Result
Trigger Event			NA
Trigger Event Subtrigger: Delinquency Trigger	11.457%	9.302%	Fail
Trigger Event Subtrigger: Cumulative Loss Trigger	0.074%	1.550%	Pass

**TOP 5 STRAT BUCKETS BY CURRENT BALANCE (BASED ON POOL DATA)**

Latest update: 02/25/2007 Settle: Jan 01,2007 Closed: Jun 29,2006 Next Pay: Jan 25,2007 First Pay: Jul 25,2006

Deal/ CUSIP/ ISIN Collateral Mode SettleDate Orig Face Forecasting Model  
 OOHE0602 Seasoned-all assets 01/01/2007 Full Face Industry Std.

Load Database Deal Info Scenarios Reports

Quick Summary Investor Reports Prospectus Doc

Deal Type: Home Equity Gross WAC: 8.5796 Opt Redemp: 10%  
 Orig Deal Bal: \$1,500,000,000.00 WA Rem Term: 349 Accum Net Loss: 0.00%  
 Cur Deal Bal: \$1,323,060,118.46 WA Amort Term: 395  
 Orig Collat Bal: \$1,500,000,000.00 Pricing Speed: More...  
 Cur Collat Bal: \$1,250,435,019.28 3 Mo Pricing Units: NA

**OPTION ONE MORTGAGE LOAN TRUST 2006-2**

Intex Name	OOHE0602	Next Pay Date	01/25/2007	Current Factor	0.8336	Delinq 90+ (%)	1.504443
Deal Type	Home Equity	Deal Age	8	Current WAC	8.5796	Foreclosure (%)	4.068350
Issuer	Option One Mortgage Acceptance Corp.	Original Deal Balance	\$1,500,000,000	Current Net WAC	8.2766	REO (%)	0.124549
Trustee	Wells Fargo Bank	Current Deal Balance	\$1,323,060,118	Current WAS	6.30	Delinq Incl Bnrprt	No
Dealer	Banc of America, RBS Greenwich, Deutsche...	Original Collat Balance	\$1,500,000,000	Current WAM	349.00	Delinq Incl FC	No
Master Servicer	Option One Mortgage Corp.	Current Collat Balance	\$1,250,435,019	Current WALA	8.37	Delinq Incl Reo	No
Settle Date	01/01/2007	Original # Assets	124	Annualized Cur Net Loss Rate	0.025134	1Mo CPR	30.96
Latest Update	02/25/2007	Current # Assets	124	Excess Interest	\$2,961,778	3Mo CPR	28.28
Deal Closing Date	06/29/2006	Cum Loss	\$70,713	Delinq 30-59 (%)	4.025602	Stepdown Date Req	07/25/2009
First Pay Date	07/25/2006	Cum Loss (%)	0.00	Delinq 60-89 (%)	2.077428	OC Floor	\$7,500,000

**TRANCHE SUMMARY INFORMATION**

Tranche	CUSIP	Type	Coupon	Original Moody's/S&P/Fitch	Current Moody's/S&P/Fitch	Orig Supp (%)	Curr Supp (%)	Orig Bal (1000s)	Curr Bal (1000s)	Factor	Stated Maturity	Orig OC (1000s)	Curr OC (1000s)
IA1	68402CAA2	SEN_FLT	5.4000	Aaa/AAA/NA	Aaa/NA/NA	20.40	24.47	\$101,130	\$85,890	0.8493	07/25/2036	\$19,500	\$19,500
IA1	68402CAB0	SEN_FLT	5.4000	Aaa/AAA/NA	Aaa/NA/NA	20.40	24.47	\$553,785	\$392,085	0.7080	07/25/2036	\$19,500	\$19,500
IA2	68402CAC8	SEN_FLT_NO	5.4500	Aaa/AAA/NA	Aaa/NA/NA	20.40	24.47	\$227,365	\$227,365	1.0000	07/25/2036	\$19,500	\$19,500
IA3	68402CAD6	SEN_FLT	5.4900	Aaa/AAA/NA	Aaa/NA/NA	20.40	24.47	\$181,552	\$181,552	1.0000	07/25/2036	\$19,500	\$19,500
IA4	68402CAE4	SEN_FLT	5.6000	Aaa/AAA/NA	Aaa/NA/NA	20.40	24.47	\$130,168	\$130,168	1.0000	07/25/2036	\$19,500	\$19,500
M1	68402CAF1	MEZ_FLT	5.6500	Aa1/AA+/NA	Aa1/NA/NA	16.45	19.73	\$59,250	\$59,250	1.0000	07/25/2036	\$19,500	\$19,500
M2	68402CAG9	MEZ_FLT	5.6700	Aa2/AA/NA	Aa2/NA/NA	12.80	15.35	\$54,750	\$54,750	1.0000	07/25/2036	\$19,500	\$19,500
M3	68402CAH7	MEZ_FLT	5.6800	Aa3/AA/NA	Aa3/NA/NA	10.70	12.84	\$31,500	\$31,500	1.0000	07/25/2036	\$19,500	\$19,500
M4	68402CAJ3	MEZ_FLT	5.7500	A1/A+/NA	A1/NA/NA	8.80	10.56	\$28,500	\$28,500	1.0000	07/25/2036	\$19,500	\$19,500
M5	68402CAK0	MEZ_FLT	5.7800	A2/A/NA	A2/NA/NA	7.00	8.40	\$27,000	\$27,000	1.0000	07/25/2036	\$19,500	\$19,500
M6	68402CAL8	MEZ_FLT	5.8300	A3/A-/NA	A3/NA/NA	5.30	6.36	\$25,500	\$25,500	1.0000	07/25/2036	\$19,500	\$19,500
M7	68402CAM6	MEZ_FLT	6.3500	Baa1/BBB+/NA	Baa1/NA/NA	3.65	4.38	\$24,750	\$24,750	1.0000	07/25/2036	\$19,500	\$19,500
M8	68402CAN4	MEZ_FLT	6.6000	Baa2/BBB/NA	Baa2/NA/NA	2.85	3.42	\$12,000	\$12,000	1.0000	07/25/2036	\$19,500	\$19,500
M9	68402CAP9	MEZ_FLT	7.3500	Baa3/BBB-/NA	Baa3/NA/NA	2.30	2.76	\$8,250	\$8,250	1.0000	07/25/2036	\$19,500	\$19,500
M10	68402CAQ7	JUN_FLT_NO	7.6000	Ba2/BB/NA	Ba2/NA/NA	1.30	1.56	\$15,000	\$15,000	1.0000	07/25/2036	\$19,500	\$19,500
P	OOHD5ED50	JUN_PEN_NO	0.0000					\$1,500,000	\$1,250,435	1.0000	07/25/2036		
C	OOHIL7JA0	JUN_OC_NO	0.0000					\$1,500,000	\$1,250,435	1.0000	07/25/2036		
R	OOHPB8P90	NPR_NPR_NO	0.0000					\$0	\$0	0.0000	07/25/2036		
RX	OOHF1NPD0	NPR_NPR_NO	0.0000					\$0	\$0	0.0000	07/25/2036		

**TRIGGERS/TESTS SUMMARY**

Test	Current	Trigger	Result
Trigger Event			NA
Trigger Event Subtrigger: Delinquency Trigger	11.457%	9.302%	Fail
Trigger Event Subtrigger: Cumulative Loss Trigger	0.074%	1.550%	Pass

**TOP 5 STRAT BUCKETS BY CURRENT BALANCE (BASED ON POOL DATA)**

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# Tools – Intex Deal Report

INTEXdesktop - [Option One Mortgage Loan Trust 2006-2 -- OOHE0602]

File Edit View Options Scenario Tools Internet Tools Utilities Go To Help

Deal/USIP/ISIN: OOHE0602 Collateral Mode: Seasoned-all assets SettleDate: 01/01/2007 Orig Face: Full Face Forecasting Model: Industry Std.

Deal Type: Home Equity Gross WAC: 8.5796 Opt Redemp: 10%  
 Orig Deal Bal: \$1,500,000,000.00 WA Rem Term: 349 Accum Net Loss: 0.00%  
 Cur Deal Bal: \$1,323,060,118.46 WA Amort Term: 395  
 Orig Collat Bal: \$1,500,000,000.00 Pricing Speed: More...  
 Cur Collat Bal: \$1,250,435,019.28 3 Mo Pricing Units: NA

Price/Yield: M9 1-way As Shown Curves

Given: Price 93 \$/100  
 Discount Margin Index: LIBOR\_1MO (LIBOR\_1MO)  
 Step Amt: 2 \$/100 #Steps: 5 ±

Base Case Pricing:  Run base case pricing  
 Settings:  ignore business Daycount: default  
 Spread To: Interp. Curve - Yield Curve Yield Basis: Default

Display:  use Custom Customize View Spot Curve

GoTo: 30 CPR, 8 CDR, 50 Open Transpose

Tranche	CUSIP	Coupon	MEZ FLT	Type	Orig Balance	Cur Balance	Factor	Orig Moody's	Cur Moody's	Orig S&P	Delay	Accrual Date
M9	68402CAP9	7.3500		MEZ_FLT	8,250,000.00	8,250,000.00	1.0000	Baa3	Baa3	BBB-	0	12/26/2006

Given: Price	30 CPR, 8 CDR, 50% Sev. Adj	30 CPR, 9 CDR, 50% Sev. Adj	30 CPR, 10 CDR, 50% Sev. Adj	30 CPR, 11 CDR, 50% Sev. Adj	30 CPR, 12 CDR, 50% Sev. Adj
83.0000	Disc Margin 699	125	-107	-553	NA
85.0000	Disc Margin 635	96	-133	-574	NA
87.0000	Disc Margin 573	67	-158	-595	NA
89.0000	Disc Margin 512	40	-183	-615	NA
91.0000	Disc Margin 454	13	-206	-635	NA
93.0000	Disc Margin 397	-13	-229	-654	NA
95.0000	Disc Margin 342	-39	-252	-672	NA
97.0000	Disc Margin 289	-63	-274	-691	NA
99.0000	Disc Margin 237	-87	-295	-708	NA
101.0000	Disc Margin 187	-111	-316	-725	NA
103.0000	Disc Margin 138	-133	-336	-742	NA
WAL	4.92	6.22	3.37	2.71	2.36
Yield @ Center	9.4743	5.2447	3.0463	-1.2157	-85.5679
Principal Window	Jun10 to Mar21	Jan17 to May20	Nov17 to Aug20	Dec18 to May37	NA
Principal Writedown	0.00 (0.00%)	0.00 (0.00%)	0.00 (0.00%)	3,217,974.70 (39.01%)	8,250,000.00 (100.00%)
Accum Int Shortfall	0.00	0.00	0.00	0.00	0.00
Accum Coup Cap Shortfall	0.00	0.00	0.00	0.00	0.00
Min Credit Support Pct	2.84	0.00	0.00	0.00	0.00
Maturity #mos	171	161	164	365	31
Mod Durm	3.701	8.174	9.320	11.476	3.015
Mod Convexity	0.209	0.910	1.121	1.696	0.128
Total Collat Loss(Entitled)	117,889,911.09 (9.43%)	129,982,131.40 (10.39%)	141,815,686.62 (11.34%)	153,517,565.68 (12.28%)	82,699,152.18 (6.61%)
Total Collat Loss w/ History(Entitled)	117,960,624.31 (7.86%)	130,052,844.62 (8.67%)	141,886,399.84 (9.46%)	153,588,278.90 (10.24%)	82,769,865.40 (5.52%)
Total Collat Liquidation(Entitled)	234,577,745.21 (18.76%)	258,648,712.89 (20.68%)	282,201,567.18 (22.57%)	305,482,995.08 (24.43%)	164,612,015.33 (13.16%)
Prepay Rate	30 CPR	30 CPR	30 CPR	30 CPR	30 CPR
YMP	Incl pnltly	Incl pnltly	Incl pnltly	Incl pnltly	Incl pnltly
Prepay Penalty Haircut(%)	0	0	0	0	0

Latest update: 02/25/2007 Settle: Jan 01, 2007 Closed: Jun 29, 2006 Next Pay: Jan 25, 2007 First Pay: Jul 25, 2006

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 OOHE0602 Seasoned-all assets 01/01/2007 Full Face Industry Std.

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 Step Amt 2 \$/100 #Steps 5 ±  
 Base Case Pricing:  Run base case pricing  
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 Spread To Interp. Curve - Yield Curve  
 Yield Basis Default  
 Display:  use Custom Customize  
 Select Customization: View Spot Curve

GoTo 30 CPR, 8 CDR, 50 Open Customize Transpose  Horizontally

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	Prepay Penalty Haircut(%)	0	0	0	0	0



Mark Adelson is a founding member of Adelson & Jacob Consulting, LLC. Until July 2007, Adelson was a managing director and head of structured finance research at Nomura Securities International in New York. He joined Nomura in February 2001. At Nomura he authored numerous reports on a wide variety of securitization topics and worked closely with other members of the fixed income division toward enhancing Nomura's securitization activities. Before Nomura, Adelson worked at Moody's Investors Service for 9½ years. From 1995 through January 2001 Adelson was a managing director in Moody's structured finance group and, at various times, headed or co headed Moody's ABS, MBS, and ABCP teams. Adelson joined Moody's in 1991 as a senior analyst in the asset-backed commercial paper area.

Before joining Moody's, Adelson practiced law for six years at the firm of Thacher Proffitt & Wood, where he worked on mortgage-backed securities transactions and related regulatory matters. Adelson is a member of the New York bar. He holds a JD from the University of Michigan (1985 cum laude) and an AB in economics from Princeton University (1982 magna cum laude).

# Adelson & Jacob Consulting

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