



Yale SCHOOL OF MANAGEMENT  
*Program on Financial Stability*

## EliScholar – A Digital Platform for Scholarly Publishing at Yale

---

YPFS Resource Library

---

12-7-2005

### **AIG Memo from William Shirley to Kevin McGinn regarding Credit Risk Committee and Broderick CDO**

William Shirley

<https://elischolar.library.yale.edu/ypfs-documents/5355>

---

This resource is brought to you for free and open access by the Yale Program on Financial Stability and [EliScholar](#), a digital platform for scholarly publishing provided by Yale University Library. For more information, please contact [ypfs@yale.edu](mailto:ypfs@yale.edu).

**AIG Financial Products Corp.**

50 Danbury Road, Wilton, CT 06897-4444  
(203) 222-4700 (800) 248-SWAP  
Fax: (203) 222-4780 Telex: 910-2409432 AIGFPC



**TO:** Kevin McGinn

**CC:** Joseph J. Cassano  
Douglas L. Poling

**FROM:** William A. Shirley

**RE:** Transaction Requiring Approval – Credit Risk Committee – Asset Purchase or Credit Derivative with Goldman Sachs International, L.P. (“Goldman”) in respect of the senior most tranche of Broderick CDO 1 Ltd. (the “CDO”)

**DATE:** December 7, 2005

---

Please see the attached Credit Approval Form and Executive Summary describing a proposed transaction under which AIG-FP will purchase, or provide credit protection to Goldman in respect of, the senior most Aaa/AAA/AAA class of securities issued by Broderick CDO 1 Ltd. in an ABS CDO transaction. Alternatively, AIG-FP may enter into a combination of both an asset purchase and a credit derivative transaction in respect of such class. This class of securities will represent USD 840.0 million of the USD 1.0 billion of securities issued by the CDO. As described in the attached Executive Summary, AIG-FP is proposing to purchase all of the securities of this class or provide protection for this class, which represents the second 84.0% of losses arising in respect of the portfolio held by the CDO for an expected term of 8.1 years (5.7 years expected average life and 37.1 years legal final maturity). AIG-FP will decide on or about the pricing date of the transaction whether to purchase these securities or to provide the credit derivative to Goldman (or to effect a combination of the two), depending on which approach would be most advantageous to AIG-FP, taking into account factors including pricing and our portfolio investment requirements. In addition, AIG-FP anticipates entering into an amortizing USD denominated fixed/floating interest rate swap with the CDO that will have a maximum notional amount of approximately USD 188.2 million, an expected average life of 7.2 years, and an expected final maturity of 10.1 years.

Credit Risk Committee approval is requested for the transaction as the amount of the asset purchase, and the notional amount of the credit derivative, exceed the USD 350 million limit for a single AAA-rated asset-backed security (ABS) issuer and exceed the 50% maximum investment as a percentage of issue for a AAA-rated ABS.

Please let me know if you require any additional information.

W.A.S.

{FILENAME \p}

**CREDIT RISK COMMITTEE  
STANDARD APPROVAL FORM**

<b>OBLIGOR</b>					
OBLIGOR NAME	Goldman Sachs International, L.P. / Broderick CDO 1 Ltd.				
AIG NUMBER					
OBLIGOR STREET ADDRESS					
CITY / STATE / ZIP					
COUNTRY	USA / Cayman Islands				
<b>OVERVIEW OF TRANSACTION / FACILITY</b>					
PRODUCT / PRODUCT TYPE:	Asset Purchase or Credit Derivative				
NOMINAL PRINCIPAL AMOUNT:	USD 840.0 million				
TENOR:	8.1 years expected final (5.7 years expected average life and 37.1 years legal final maturity)				
AGGREGATE EXPOSURE TO OBLIGOR GROUP:	Current Group Exposure: N/A Current Group Potential Exposure: N/A New Transaction Potential Exposure: \$22.7 million				
GUARANTOR (if any):					
COLLATERAL (if any):					
OTHER CHARACTERISTICS:	See Executive Summary				
<b>OBLIGOR RATINGS</b>					
	DESCRIPTION OF RATED OBLIGATION	FOR OBLIGOR	FOR PARENT	FOR GUARANTOR	FOR ENHANCEMENT
AIG OBLIGOR / CROSS BORDER RISK RATING:	Senior Debt Rating	1			
MOODY'S:	Senior Debt Rating	Aaa			
S&P:	Senior Debt Rating	AAA			
FITCH:	Senior Debt Rating	AAA			
<b>SUBMITTER'S INFORMATION</b>					
SUBMITTED BY:	Alan Frost	DATE:	December 7, 2005		
COMPANY:	AIG Financial Products Corp.	PHONE:	(203) 221-4825		
DIVISION:		FAX:	(203) 221-4895		
<b>CONCURRENCE</b>					
<b>CONCURRENCE BY REQUESTOR'S CREDIT AND/OR BUSINESS HEAD:</b>					
	<i>SIGNATURE</i>				

*DO NOT WRITE IN THE SPACE BELOW (CRM ONLY)*

DATE: \_\_\_\_\_

APPROVED: \_\_\_\_\_ YES \_\_\_\_\_ NO

<b>LIMIT IN EXCESS OF HOUSE LIMIT?</b> _____ YES _____ NO
<b>Robert E. Lewis, SVP &amp; Chief Risk Officer</b>
<b>CEO APPROVAL REQUIRED</b> _____ YES _____ NO
<b>Martin J. Sullivan, President &amp; CEO</b>

<b>CRC Member (Group A)</b>
<b>CRC Member (Group B)</b>
<b>CRC Member (Group C)</b>

**DOCUMENTED BY:** \_\_\_\_\_  
**FACILITY #:** \_\_\_\_\_

**CONDITION(S):**

{FILENAME \p}

## EXECUTIVE SUMMARY

**Date:** December 7, 2005

**AIG Entity:** AIG Financial Products Corp.

**Prepared by:** Alan Frost/Gary Gorton

**Counterparty:** Goldman Sachs International, L.P. (“Goldman”) in respect of the Broderick CDO 1 Ltd. Transaction.

**Purpose:** Credit Risk Committee approval is requested for the transaction as the amount of the asset purchase, and the notional amount of the credit derivative, exceed the USD 350 million limit for a single AAA-rated asset-backed security (ABS) issuer and exceed the 50% maximum investment as a percentage of issue for a AAA-rated ABS.

**Transaction Summary:** Pursuant to the transaction, AIG-FP will purchase, or provide credit protection to Goldman in respect of, the entire senior-most Aaa/AAA/AAA class of Notes (the “Class A-1 Notes”) issued in an ABS CDO transaction structured through an issuer called Broderick CDO 1 Ltd. (the “CDO”), a special purpose Cayman Islands vehicle. Alternatively, AIG-FP may enter into a combination of both an asset purchase and a credit derivative transaction in respect of such class. The Class A-1 Notes will be LIBOR-based floaters, rated Aaa/AAA/AAA at issuance, and will have an expected term of 8.1 years, an expected average life of 5.7 years and a legal final maturity of 37.1 years. The Class A-1 Notes will represent USD 840.0 million of the USD 1.0 billion of securities issued by the CDO. AIG-FP will decide on or about the pricing date of the transaction whether to purchase such securities or to enter into a credit derivative transaction with Goldman (or to effect a combination of the two), depending on which approach would be most advantageous to AIG-FP, taking into account factors including pricing and AIG-FP portfolio investment requirements. If AIG-FP purchases the Class A-1 Notes outright or receives such securities as a result of the trigger of the payment obligation under the credit derivative upon a payment default, AIG-FP will have exposure to the second 84.0% of losses arising in respect of the portfolio held by the CDO for the expected term of 8.1 years (5.7 years expected average life and 37.1 years legal final maturity).

In addition, AIG-FP anticipates entering into an interest rate swap with the CDO. The interest rate swap will be an amortizing USD denominated fixed/floating swap with a maximum notional amount of approximately USD 188.2 million, an expected average life of 7.2 years, and an expected final maturity of 10.1 years.

**Description of the CDO Structure and the Class A-1 Notes:** The CDO will fund the purchase of the collateral securities by issuing debt securities with the following capital structure:

Tranche	Size (USD)	Rating (Moody’s/S&P/Fitch)	Percentage of Cap. Str.	Percentage Buffer
Class A-1 Notes	840.00mm	Aaa/AAA/AAA	84.00%	16.00%
Class A-2 Notes	85.00mm	Aaa/AAA/AAA	8.50%	7.50%
Class B Notes	43.00mm	Aa2/AA/AA	4.30%	3.20%
Class C Notes	23.00mm	Baa2/BBB/BBB	2.30%	0.90%
Equity	9.00mm	NR	0.90%	-
<b>Total</b>	<b>1,000.00mm</b>		<b>100.00%</b>	

As the collateral securities return principal to the CDO, such principal collections will be used to pay down the Notes pro-rata. However, upon the occurrence of certain specified trigger events, including events tied to a credit degradation in the underlying collateral such as over-collateralization tests, such principal collections will be used to pay down the Notes in sequential order. Upon the occurrence of

{FILENAME \p}

certain additional trigger events, all available cash flow, after paying interest on the Class A-1, A-2 and B Notes, will be applied towards paying down the principal of the Class A-1 Notes only. Thus, the Class A-1 Notes are the most senior from a loss perspective and are principal protected by 16.0% subordination, including a subordinate Aaa/AAA/AAA tranche (the Class A-2 Notes, which constitute 8.5% of the capital structure).

**Description of Asset Purchase Transaction:** If AIG-FP is the purchaser of the Class A-1 Notes, AIG-FP will receive a monthly floating rate coupon (at a spread above LIBOR to be determined) and will be repaid principal, provided that the principal repayment will be reduced to the extent that the CDO experiences losses in excess of 16.0% of the capital structure.

**Description of Credit Derivative Transaction:** If AIG-FP enters into the credit derivative transaction, AIG-FP will agree to purchase any Class A-1 Notes held by Goldman, up to the USD 840.0 million total principal amount outstanding. The obligation to perform under this transaction will be conditioned upon the occurrence of a Credit Event that will be limited solely to a Failure to Pay in respect of the Class A-1 Notes. Publicly Available Information must support the declaration of a Credit Event, and the Settlement Method will be physical settlement, which would entail delivery to AIG-FP of all of the Class A-1 Notes held by Goldman against payment by AIG-FP of the principal amount of such Notes (up to USD 840.0 million).

**Description of Swap:** The CDO will enter into a swap with AIG-FP to hedge the interest rate mismatch between its assets and liabilities. A portion of the collateral securities will be fixed coupon bonds. The majority of the Notes will be LIBOR-based floaters. The CDO will enter into a USD amortizing interest rate swap with AIG-FP that is designed to hedge this mismatch under both expected and stressed collateral performance scenarios (based on stress tests determined by the rating agencies.) All payments to AIG-FP under the swap, other than termination payments resulting from circumstances beyond the control of the CDO (such as AIG-FP default and certain tax related events), are secured by the assets of the CDO and senior in priority to all payments of interest and principal on the Notes. The CDO may also enter into an interest cap transaction with AIG-FP for hedging purposes.

**Description of CDO Assets and Liabilities:** To date, approximately 93.7% of the portfolio for the CDO has been purchased (see Annex A). The securities that comprise the portion of the portfolio that has been purchased may be classified according to the following Structured Asset Classifications:

Structured Asset Classification	Amount (USD)	% of Existing Portfolio (USD 936.57 mm)
ABS CDO	127,000,000	13.56%
CDO of CDO	12,000,000	1.28%
CMBS	2,965,000	0.32%
Investment Grade CDO	5,500,000	0.59%
RMBS A	346,032,700	36.95%
RMBS B/C	179,623,333	19.18%
RMBS Home Equity	234,451,000	25.03%
Trust Preferred CDO	29,000,000	3.10%
<b>Total</b>	<b>936,572,033</b>	<b>100.00%</b>

After aggregation of different classes of securities issued by the same special purpose vehicle, there will be at least 125 obligors in the portfolio, with a maximum issuer concentration of 2.0%. A maximum of four issuers that are rated Aaa may have an issuer concentration of greater than 1.5% and less than or equal to 2.0%. An additional two issuers that are rated Aaa may have an issuer concentration of greater than 1.25% and less than or equal to 1.5%, and an additional six issuers may have an issuer concentration of greater than 1.0% and less than or equal to 1.25%. All remaining issuers are limited to a maximum concentration of 1.0%. The portfolio will have a maximum of 73.0% (measured by reference to principal amounts) securities rated below Aaa and a maximum of 30.0% securities rated below Aa3. All of the

securities will be rated A3 or better upon purchase. Furthermore, in no event will any collateral security have a weighted average life (WAL) greater than 12 years; a maximum of 10% of the portfolio may have a WAL greater than 10 years and less than or equal to 12 years; a maximum of 30% of the portfolio may have a WAL greater than eight years and less than or equal to 12 years; and the overall WAL of the portfolio must be 6.5 years or less.

The accumulated portfolio satisfies these restrictions. The WAL of the portfolio purchased to date is 6.0 years. The longest WAL of any security purchased to date is 11.0 years. Additionally, the 10-year weighted average rating factor (WARF) of the purchased portfolio is approximately 35 (where 20 = Aa2 and 40 = Aa3) and the correlated diversity score (the “Correlation Factor”) is 17.6 (see Moody’s, “Moody’s Correlated Binomial Default Distribution,” Rating Methodology, August 10, 2004). The final CDO portfolio is limited to a maximum 10-year WARF of 55 (where 40 = Aa3 and 70 = A1), and a maximum Correlation Factor of 25. In addition, no security in the accumulated portfolio represents exposure to only a single underlying property.

During the first two years of the transaction there will be a substitution period, during which time the collateral manager (Seneca Capital Management LLC) can trade up to 7.5% of the outstanding principal balance of the portfolio each year. However, such discretionary trading is subject to a number of rating agency imposed constraints, several of which are of particular importance to AIG-FP. First, there is a two-part realized loss trigger. If the realized losses in the portfolio equal or exceed 0.4% (but do not exceed 0.6%) of the original par value amount, then the maximum discretionary trading of the portfolio falls to 5.0% of the outstanding principal balance. If the realized losses in the portfolio equal or exceed 0.6% of the original par value amount, then purchase of substitution collateral securities is no longer permitted and the collateral manager will only be able to sell securities. Second, if the WARF exceeds 70 at any time, then purchase of substitution collateral securities is also no longer permitted and the collateral manager will only be able to sell securities. Third, any substitution must be at a spread over LIBOR no higher than the greater of (a) 20 bps plus the average current spread of either (i) the 12 most recently issued securities that are similar (in the commercially reasonable opinion of the collateral manager) to the securities being purchased (“similar instruments”) or (ii) all similar instruments issued over the eight week period ended immediately prior to the proposed substitution, whichever classification described in clauses (i) and (ii) represents the smaller number of similar instruments, and (b) 80 bps. Fourth, during the reinvestment period, provided that the realized loss triggers are not breached, reinvestment up to the allowable principal balance percentage is permitted only if the over-collateralization ratios and other asset quality tests are maintained or improved and, following any such reinvestment, the portfolio is in compliance with the requirements described in the table below at least to the same extent it was prior to such reinvestment. For purposes of this memorandum, we have listed in the table below only the more important requirements.

Correlation Factor/10-year WARF	25 max / 55 max
Collateral Items rated below Aaa	73.0% max
Collateral Items rated below Aa3	30.0% max
Collateral Items rated below A3	0.0%
Obligor Concentration > 2.0%	0
Obligor Concentration of > 1.5% and ≤ 2.0%	4 issuers max (Aaa only)
Obligor Concentration of > 1.25% and ≤ 2.0%	6 issuers max (Aaa only)
Obligor Concentration of > 1.0% and ≤ 2.0%	12 issuers max
Number of Obligors	125 min
Obligations with WALs > 12 years	0.0%
Obligations with WALs of > 10 and ≤ 12 years	10.0% max (no CDOs, Aaa only)
Obligations with WALs of > 8 and ≤ 12 years	30.0% max
Overall WAL in Years for Obligations Rated in the Aa Category	6.0 max
Overall WAL in Years for Obligations Rated Below Aa3	5.5 max

Obligations with WALs of > 6.0 years rated below Aa3	6.0% max
Portfolio WAL in Years	6.5 max
CDO Securities in Aggregate	20.0% max
CDO of CDO Securities (subset of CDO Securities)	1.2% max
Corporate CDO Securities (subset of CDO Securities)	1.6% max
Trust Preferred CDO Securities (subset of CDO Securities)	2.9% max

**Risk Factors:** The primary risk factor for either the asset purchase or the credit derivative transaction is that the CDO suffers defaults in the underlying securities portfolio of sufficient magnitude to cause a payment default under the Class A-1 Notes and that there is a loss of principal. The risk that the Class A-1 Notes suffer such a default or experience a loss of principal is analyzed below. As the analysis demonstrates, the senior priority of the Class A-1 Notes, and the 16.0% level of subordination supporting such Notes (including the Aaa/AAA/AAA rated Class A-2 Notes), cause the risk of a payment default or principal loss on the Class A-1 Notes to be extremely remote.

The primary risk factor on the swap is that the portfolio of collateral securities deteriorates so substantially that the CDO cannot support its obligations under the swap. Because of AIG-FP's senior position to the Notes, non-performance by the CDO under the swap would imply that both the Class A-1 and Class A-2 Notes had lost their entire principal as well as all future interest payments. Given the Aaa/AAA/AAA rating of these Notes, this risk is extremely remote. Furthermore, as AIG-FP is receiving a fixed rate payment under the swap, AIG-FP will have exposure to the CDO under the swap only in lower interest rate environments.

**Analysis of the Risk:** The AIG-FP internal credit risk model was used to analyze the risk of the transaction in terms of Worst Case Value-at-Risk ("Worst Case VaR" or "W-VaR"). We applied a number of conservative assumptions in the risk analysis. First, the analysis begins with the lowest of the external ratings of Moody's, S&P and Fitch. Second, we use as inputs for the model either such lowest external rating or a lower rating as we deem appropriate ("Input Ratings"). In addition, because the underlying credits are not corporate names, we further stress the Input Rating for each collateral security by 20%, e.g., a tranche rated in the A category is downgraded to the Baa category 20% of the time. The assumed recovery rates are also conservative. We assumed a 20% recovery rate on all collateral securities with Input Ratings in the A category or higher, as well as on all collateral securities with Input Ratings in the Baa category that are classified in any of the sub-classifications of RMBS or CMBS. We further assumed a 10% recovery rate for any collateral securities with Input Ratings in the Ba category that are classified in any of the sub-classifications of RMBS or CMBS, and 0% for all other collateral securities with Input Ratings in the Baa category or lower.

Furthermore, the different classes of securities issued by the same obligor are aggregated and assigned the lowest of the tranche ratings and the longest maturity.

As a first step we analyzed the 93.7% of the portfolio that has been purchased, despite the fact that this sample is less than the complete portfolio to be purchased. The Worst Case VaR of the purchased portfolio is 7.87%.

Next we constructed the worst case portfolio under the transaction covenants, ignoring the portfolio that has already been purchased. This worst case assumed 125 (independent) collateral securities, 52 items rated in the Aaa category comprising 27.0% of the portfolio, 44 items rated in the Aa category comprising 43.0% of the portfolio and 29 items rated in the A category comprising 30.0% of the portfolio. The portfolio was constructed within concentration limits such that there were four collateral items each with a concentration equal to 2.0%, two collateral items each with a concentration equal to 1.5%, six collateral items each with a concentration greater than 1.0% and less than or equal to 1.25%, and the remaining 113 collateral items each at or below 1.0% of the overall portfolio. Furthermore, we constructed the portfolio in accordance with the transaction's weighted average life restrictions, with no collateral items having an average life of longer than 10 years, 30% of the portfolio having an average life of 10 years, 21% of the

portfolio having an average life of eight years, and the remaining 49% of the portfolio having an average life at or below six years to produce an average life of 6.5 years. Additionally, the worst case assigns the longest weighted average lives to the worst rated credits. The Worst Case VaRs are summarized in the table below:

<b>Constructed Worst Case Scenario</b>	<b>W-VaR</b>
Base Case	9.14%
+1 (yrs. ave. life)	10.02%
+2	10.99%
-1	8.41%

Finally, we combined the existing portfolio (the 93.7% that has been purchased) with the worst remaining collateral securities that can be added. Given the portfolio accumulated so far, we added six items, such that the portfolio would be in compliance with the WAL, obligor concentration, and credit rating stipulations, and yet represent the worst case allowable for the remaining individual collateral items. The Worst Case VaRs are summarized in the table below:

<b>Existing 93.7% plus 6.3% Worst Case</b>	<b>W-VaR</b>
Base Case	9.18%
+1 (yrs. ave. life)	9.97%
+2	10.91%
-1	8.35%

The above analysis ignores the effects of the realized loss triggers and over-collateralization ratios, which require early amortization of the Class A-1 Notes to the extent that these triggers and ratios are breached. The Class A-1 Notes, as noted above, benefit from 16.0% subordination, including the Class A-2 Notes, which represent 8.5% of the portfolio and are initially rated Aaa/AAA/AAA.

These results are consistent with the risk of AIG-FP's position being super AAA risk.

**Recommendation:** Based on the risk mitigation features of the trade outlined above, AIG-FP recommends that the Credit Risk Committee approve the transaction.



**ANNEX A**

No.	Bond	Cusip	Amount	Asset Type	WAL	Moody's*	S&P*	Fitch*
1	AAA 2005-2 A3	31738PBG2	5,000,000	RMBS B/C	5.94	Aaa	AAA	NR
2	ACABS 2005-1A B	00081NAE1	10,000,000	ABS CDO	7.05	Aa2	AA	NR
3	ACE 2005-HE4 A2C	004421PP2	5,000,000	RMBS Home Equity	6.13	Aaa	AAA	AAA
4	ALESC 5A B	01448TAC8	10,000,000	Trust Preferred CDO	8.87	Aa2	AA	AA
5	AMIT 2005-1 M2	00252FAZ4	7,000,000	RMBS B/C	3.57	Aa2	AA+	NR
6	AMIT 2005-3 M2	00252FCG4	2,000,000	RMBS Home Equity	3.36	A2	AA	NR
7	AMSI 2005-R2 M1	03072SYR0	2,000,000	RMBS B/C	4.30	Aa1	AA+	AA+
8	AMSI 2005-R2 M5	03072SYV1	4,000,000	RMBS B/C	3.93	A2	A	A
9	AMSI 2005-R2 M5	03072SYV1	1,500,000	RMBS B/C	3.93	A2	A	A
10	AMSI 2005-R4 M2	03072SC37	4,000,000	RMBS B/C	4.68	Aa2	AA	AA+
11	AMSI 2005-R6 M3	03072SG41	3,000,000	RMBS B/C	4.94	NR	AA-	AA-
12	ARMT 2005-5 6M1	007036LZ7	5,000,000	RMBS A	4.28	Aa2	AA	NR
13	ARMT 2005-8 7M2	007036QY5	2,000,000	RMBS A	4.39	A2	A	NR
14	ARSI 2005-W4 M2	040104PV7	3,000,000	RMBS Home Equity	4.85	NR	AA	AA
15	ARSI 2005-W4 M3	040104PW5	3,000,000	RMBS Home Equity	4.84	NR	AA	AA-
16	BAFC 2005-3 1A13	05946XVV2	6,570,000	RMBS A	10.83	Aaa	AAA	AAA
17	BAFC 2005-4 2A1	05946XZZ9	10,000,000	RMBS A	10.80	Aaa	AAA	NR
18	BAFC 2005-6 1A3	05946XM34	11,439,000	RMBS A	10.99	Aaa	AAA	AAA
19	BAFC 2005-C M1	05946XUE1	5,000,000	RMBS A	5.03	Aa2	AA+	NR
20	BAFC 2005-E 6A1	05946XXS7	10,000,000	RMBS A	2.92	Aaa	AAA	NR
21	BALTA 2005-5 1M1	07386HUC3	5,000,000	RMBS A	3.68	Aa2	AA	NR
22	BAYC 2005-2A M1	07324SBQ4	2,000,000	CMBS	6.34	Aa1	NR	AA+
23	BOAMS 2005-10 1A15	05949CLV6	10,000,000	RMBS A	9.52	Aaa	AAA	AAA
24	BOAMS 2005-9 1A1	05949CJF4	10,000,000	RMBS A	9.20	Aaa	AAA	NR
25	BSABS 2005-HE10 M2	073879X45	9,000,000	RMBS Home Equity	4.47	NR	AA	AA
26	BSABS 2005-HE6 M1	073879XY9	5,000,000	RMBS B/C	4.88	Aa2	AA	NR
27	BSABS 2005-HE7 M2	073879ZH4	7,220,000	RMBS Home Equity	4.14	NR	AA	AA
28	BSABS 2005-HE9 M2	073879R59	10,000,000	RMBS Home Equity	4.28	NR	AA	AA
29	BSABS 2005-SD3 2M1	073877DA7	7,778,000	RMBS B/C	4.64	NR	AA	AA
30	CARR 2005-NC3 M2	144531CZ1	5,000,000	RMBS B/C	4.91	Aa2	AA	AA
31	CBAC 2005-1A M2	12479EAR7	965,000	CMBS	7.96	A2(e)	AA	A
32	CBASS 2005-CB8 M5	12489WQM9	2,000,000	RMBS Home Equity	4.57	A2(e)	A+(e)	NR
33	CLEAR 2002-AA A2	18532NAC2	3,000,000	Investment Grade CDO	8.43	Aa2	AA	NR
34	CLEAR 2002-AA A2	18532NAC2	2,500,000	Investment Grade CDO	8.43	Aa2	AA	NR
35	CMALT 2005-A1 1A5	17308FAE9	11,696,000	RMBS A	7.44	Aaa	NR	NR
36	CSFB 2005-8 3A15	225458Z43	9,228,600	RMBS A	10.05	Aaa	AAA	NR
37	CSFB 2005-9 5A4	2254586B9	10,000,000	RMBS A	7.77	Aaa	AAA	NR

{FILENAME \p}

No.	Bond	Cusip	Amount	Asset Type	WAL	Moody's*	S&P*	Fitch*
38	CWALT 2005-27 3A5	12667GR21	6,000,000	RMBS A	3.02	Aaa	AAA	NR
39	CWALT 2005-3CB 1A7	12667FX59	8,500,000	RMBS A	9.79	Aaa	AAA	NR
40	CWALT 2005-51 M	12668ADD4	10,000,000	RMBS A	5.37	Aa2	AA	NR
41	CWALT 2005-58 M	12668AWP6	11,800,000	RMBS A	6.83	Aa2	AA	NR
42	CWALT 2005-AR1 M4	BCC0MR9P2	3,256,000	RMBS Home Equity	4.40	A1(e)	AA-(e)	NR
43	CWL 2005-14 M5	126670LT3	10,000,000	RMBS B/C	4.76	A2(e)	A(e)	NR
44	CWL 2005-6 M4	126673W57	5,000,000	RMBS B/C	4.48	A1	A+	NR
45	CWL 2005-7 MV2	1266732H4	5,000,000	RMBS Home Equity	4.32	Aa2	AA	NR
46	CWL 2005-AB4 M4	126670KS6	5,000,000	RMBS Home Equity	4.63	A1(e)	AA-	NR
47	CWL 2005-BC3 M3	1266733E0	1,400,000	RMBS B/C	3.86	NR	AA-	AA-
48	CWL 2005-SD2 M1	1266734W9	2,887,333	RMBS B/C	5.28	NR	AA+	NR
49	CXHE 2005-C M2	152314NV8	3,016,000	RMBS B/C	5.04	Aa2	AA	AA
50	ETRD 2005-1A B	26925XAN4	7,000,000	ABS CDO	5.90	Aa2(e)	AA(e)	AA
51	FFML 2005-FF6 M1	32027NSJ1	5,000,000	RMBS Home Equity	4.11	Aa1	AA+	NR
52	FHAMS 2005-FA6 A11	32051GTL9	1,123,000	RMBS A	7.58	Aaa	AAA	NR
53	FHLT 2005-1 M4	35729PJE1	11,266,000	RMBS B/C	4.28	A1	A+	A+
54	FHLT 2005-C M2	35729PKS8	4,000,000	RMBS B/C	4.81	Aa2	AA	AA
55	FNLC 2005-3 M2	32113JBV6	6,000,000	RMBS Home Equity	3.89	A2	A	NR
56	GEMST 2005-3A B	36868AAG7	10,000,000	ABS CDO	6.15	Aa2	AA	NR
57	GLCR 2004-1A B	37638RAE2	10,000,000	ABS CDO	6.34	Aa2	AA	NR
58	GLCR 2005-3A B	37638XAE9	6,000,000	ABS CDO	5.44	Aa2	AA	AA
59	GPMF 2005-AR2 M2	39538RBH1	6,884,000	RMBS A	5.16	Aa2	AA+	NR
60	GSAA 2005-10 M5	362341JL4	1,500,000	RMBS Home Equity	4.31	A2	A+	NR
61	GSAMP 2005-HE3 A2C	362341BP3	5,000,000	RMBS Home Equity	6.20	Aaa	AAA	AAA
62	GSR 2005-5F 2A8	36242D6C2	10,000,000	RMBS A	7.91	Aaa	AAA	NR
63	GSR 2005-5F 8A6	36242D7Q0	10,000,000	RMBS A	10.19	Aaa	AAA	NR
64	GSR 2005-7F 2A6	362341MR7	10,000,000	RMBS A	10.53	Aaa	AAA	NR
65	HEAT 2005-2 M3	437084JS6	7,000,000	RMBS Home Equity	3.72	Aa3	AA-	AA-
66	HMBT 2005-3 M2	43739EBM8	7,393,000	RMBS A	4.15	Aa2	AA	NR
67	HVMLT 2005-11 B1	41161PUS0	7,500,000	RMBS A	6.82	Aa2	AA+	NR
68	HVMLT 2005-8 1B5	41161PRE5	2,000,000	RMBS A	6.86	A2	AA	NR
69	ICM 2004-1A B	464266AE5	10,000,000	ABS CDO	5.15	Aa2	AA	AA
70	INABS 2005-B M1	456606GT3	5,000,000	RMBS Home Equity	4.31	Aa1	AA+	AA+
71	INABS 2005-D M5	456606JT0	6,300,000	RMBS B/C	4.35	A2(e)	AA-(e)	NR
72	INDA 2005-AR2 4A2	45660LZ51	4,548,100	RMBS A	3.07	Aaa(e)	AAA	NR
73	INDE6 6A B	45377TAE6	8,000,000	ABS CDO	5.59	Aa2	AA	AA
74	INDX 2005-AR11 A4	45660LQJ1	10,000,000	RMBS A	2.96	Aaa	AAA	NR
75	INDX 2005-AR31 B2	45660LX53	5,000,000	RMBS A	5.37	A2(e)	A	NR

{FILENAME \p}

No.	Bond	Cusip	Amount	Asset Type	WAL	Moody's*	S&P*	Fitch*
76	INDX 2005-AR7 4A1	45660LLP2	7,000,000	RMBS A	2.95	Aaa	AAA	NR
77	JPTR 2005-3A B	48206AAN8	10,000,000	ABS CDO	6.00	Aa2	AA	AA
78	KLROS 2005-1A B	498587AD6	4,000,000	ABS CDO	7.66	Aa2	AA	AA
79	LCMLT 2005-HE1 A2	50820NAB8	4,000,000	RMBS B/C	1.72	Aaa	AAA	AAA
80	LEXN 2005-1A B	52902TAJ5	10,000,000	ABS CDO	5.88	Aa2(e)	AA	AA
81	LNK 2005-1A B1	526257AE0	12,000,000	CDO of CDO	6.20	Aa1(e)	AA	NR
82	MABS 2005-FRE1 M2	57643LMB9	3,500,000	RMBS B/C	4.37	NR	AA	AA
83	MALT 2005-3 1A4	576434M43	3,307,000	RMBS A	9.71	Aaa	AAA	NR
84	MASD 2005-2 M1	576436CE7	5,739,000	RMBS Home Equity	4.48	NR	AA+	AA+
85	MASL 2005-1 M2	57644DAC7	3,730,000	RMBS Home Equity	4.23	A2	A	A
86	MLMI 2005-HE2 M2	59020US55	9,131,000	RMBS Home Equity	4.30	NR	AA	NR
87	MLMI 2005-NCB M2	59020UT96	3,471,000	RMBS Home Equity	5.14	A2(e)	A	A
88	MLMI 2005-SD1 M1	59020UJ30	7,152,000	RMBS B/C	5.65	NR	AA	AA
89	MLMI 2005-WMC2 M2	59020UWJ0	5,000,000	RMBS Home Equity	4.13	Aa2	AA	NR
90	MLMS 2005-ACR1 M5	55311XAE5	4,500,000	RMBS Home Equity	3.57	A2	A	NR
91	MMLT 2005-2 M4	59001FCU3	3,650,000	RMBS Home Equity	4.32	A1	AA	A+
92	MMLT 2005-3 M5	59001FDR9	10,000,000	RMBS Home Equity	4.22	A2(e)	AA	NR
93	MSAC 2004-HE6 M2	61744CFC5	10,000,000	RMBS Home Equity	3.75	Aa2	AA	AA
94	MSAC 2005-HE3 M4	61744CSJ6	2,250,000	RMBS Home Equity	4.63	A1	AA-	AA-
95	MSAC 2005-HE4 M5	61744CTP1	10,000,000	RMBS Home Equity	4.66	A2	A+	A+
96	MSAC 2005-NC2 M5	61744CPL4	7,152,000	RMBS B/C	4.15	A2	A	A
97	NAA 2005-AR3 M2	65535VMM7	3,680,000	RMBS A	4.94	A1	NR	A+
98	NAA 2005-S1 M1	65535VJT6	2,165,000	RMBS Home Equity	4.20	Aa2	AA	NR
99	NAA 2005-S3 M2	65535VNT1	9,613,000	RMBS Home Equity	4.18	A2	A	NR
100	NCHET 2005-1 M4	64352VKD2	8,000,000	RMBS B/C	4.13	A1	A+	A+
101	NCHET 2005-3 M4	64352VLM1	4,000,000	RMBS Home Equity	4.14	A1	A+	A+
102	NCHET 2005-3 M5	64352VLN9	5,750,000	RMBS Home Equity	4.08	A2	A	A
103	NCOVE 2005-1A B	658829AC0	5,000,000	ABS CDO	5.90	Aa2	AA	NR
104	NEPTN 2004-1A A3L	640699AD6	10,000,000	ABS CDO	5.57	A2	A	NR
105	NHEL 2005-2 M2	66987WCN5	3,000,000	RMBS Home Equity	3.84	Aa2	AA	AA+
106	OOMLT 2005-5 M5	68389FKC7	10,000,000	RMBS Home Equity	4.39	A2	A	A+
107	OWNIT 2005-3 M1	69121PAF0	5,000,000	RMBS Home Equity	3.98	NR	AA	NR
108	OWNIT 2005-4 M2	69121PAZ6	7,000,000	RMBS Home Equity	4.22	NR	AA	NR
109	PPSI 2005-WCW2 M4	70069FLK1	5,000,000	RMBS B/C	4.89	A1	AA-	AA-
110	PPSI 2005-WCW3 M5	70069FMA2	10,000,000	RMBS B/C	4.95	A2	A+	A+
111	PPSI 2005-WHQ3 M2	70069FJQ1	5,000,000	RMBS B/C	4.94	Aa2	AA+	AA+
112	PPSI 2005-WLL1 M5	70069FHA8	5,972,000	RMBS B/C	4.49	A2	A	A
113	RALI 2005-QS13 2A4	761118HD3	10,000,000	RMBS A	7.75	Aaa	AAA	AAA

{FILENAME \p}

No.	Bond	Cusip	Amount	Asset Type	WAL	Moody's*	S&P*	Fitch*
114	RAMC 2005-2 AV3	75970NAG2	5,000,000	RMBS Home Equity	5.88	Aaa	AAA	NR
115	RAMP 2005-EFC1 M2	76112BRM4	5,000,000	RMBS Home Equity	4.01	Aa2	AA	AA+
116	RAMP 2005-RS6 M4	76112BTV2	5,000,000	RMBS Home Equity	4.08	A1	A+	AA-
117	RAMP 2005-RS7 M5	76112BXA3	2,500,000	RMBS Home Equity	4.64	A2	A	NR
118	RASC 2005-EMX2 M2	76110W2H8	5,000,000	RMBS B/C	4.70	Aa2	AA	NR
119	RAST 2005-A11 1A6	45660LA33	10,000,000	RMBS A	7.56	Aaa	AAA	NR
120	RAST 2005-A12 A3	45660LK40	12,400,000	RMBS A	8.04	Aaa	AAA	NR
121	RAST 2005-A5 A8	45660LKE8	14,262,000	RMBS A	6.44	Aaa	AAA	NR
122	RAST 2005-A6CB A3	45660LPD5	10,000,000	RMBS A	9.29	Aaa	AAA	NR
123	RIVER 2005-1A C	768277AD7	10,000,000	ABS CDO	7.24	A2	A	NR
124	SAIL 2005-6 M2	86358EUB0	5,000,000	RMBS Home Equity	4.19	Aa2	AA	AA
125	SAIL 2005-HE1 M1	86358EUV6	5,000,000	RMBS B/C	4.82	Aa1	AA+	AA+
126	SAMI 2005-AR3 M2	86359LKK4	5,705,000	RMBS A	5.24	Aa2	AA+	NR
127	SAMI 2005-AR3 M5	86359LKN8	3,207,000	RMBS A	5.24	A2	AA-	NR
128	SAMI 2005-AR4 M2	86359LMK2	6,826,000	RMBS A	5.67	Aa2	AA+	NR
129	SASC 2005-17 4A6	86359DSQ1	10,000,000	RMBS A	9.67	Aaa	AAA	NR
130	SASC 2005-6 1A4	863576BE3	8,669,000	RMBS A	10.19	Aaa	AAA	NR
131	SURF 2005-AB3 M3	N/A	1,575,000	RMBS Home Equity	4.34	NR	AA-(e)	NR
132	SURF 2005-BC2 M2	84751PFV6	5,000,000	RMBS B/C	4.64	Aa2	AA	NR
133	SURF 2005-BC2 M3	84751PFW4	5,000,000	RMBS B/C	4.39	A2	A	NR
134	SURF 2005-BC4 M3	84751PHX0	6,200,000	RMBS B/C	4.46	NR	AA-(e)	NR
135	SVHE 2005-2 M1	83611MEQ7	5,000,000	RMBS B/C	4.82	Aa1	AA+	AA+
136	SVHE 2005-OPT2 M1	83611MGH5	2,500,000	RMBS B/C	4.87	NR	AA+	AA+
137	TBRNA 2005-2A A2	87330UAD3	4,000,000	Trust Preferred CDO	9.74	NR	AAA	AAA
138	TBRNA 2005-2A B	87330UAE1	5,000,000	Trust Preferred CDO	9.74	Aa2	AA	AA
139	TMTS 2005-10HE M1	881561VB7	2,000,000	RMBS B/C	5.30	Aa1	AA+	NR
140	TMTS 2005-12ALT AV3	881561WC4	6,226,000	RMBS Home Equity	6.11	NR	AAA	AAA
141	TMTS 2005-14HE M2	881561XS8	6,175,000	RMBS Home Equity	5.09	NR	AA+	AA
142	TORO 2005-1A B	891088AC0	7,000,000	ABS CDO	6.38	Aa2	AA	AA
143	TRAIN 2004-5A C	89288FAD4	10,000,000	ABS CDO	8.20	A2	A	A
144	TRPE 2005-1A A3	89412LAC2	10,000,000	Trust Preferred CDO	9.75	Aa2	AA-	AA
145	WAMU 2005-AR15 B1	92922F6E3	7,000,000	RMBS A	5.57	Aa1(e)	AA+	NR
146	WFMBS 2005-9 2A12	94982WBF0	3,100,000	RMBS A	9.47	Aaa	AAA	AAA
147	WMALT 2005-7 2CB2	93934FBM3	4,195,000	RMBS A	8.65	Aaa	AAA	NR
148	WMALT 2005-8 1A1	93934FCE0	10,000,000	RMBS A	8.85	Aaa	AAA	NR

\* Ratings marked with an (e) are expected ratings provided by the related arranger of the transaction