

\$826,000,000 (Approximate)



FannieMae®

**Guaranteed Grantor Trust Pass-Through Certificates
Fannie Mae Grantor Trust 2004-T6**

Consider carefully the risk factors starting on page 7 of this prospectus, on page 8 of the attached information circular. Unless you understand and are able to tolerate these risks, you should not invest in the certificates.

The certificates, together with interest thereon, are not guaranteed by the United States and do not constitute a debt or obligation of the United States or any of its agencies or instrumentalities other than Fannie Mae.

The certificates are exempt from registration under the Securities Act of 1933 and are "exempted securities" under the Securities Exchange Act of 1934.

The Certificates

We, the Federal National Mortgage Association or Fannie Mae, will issue the certificates listed in the chart below. The certificates will represent ownership interests in the trust assets.

Payments to Certificateholders

You, the investor, will receive monthly payments on your certificates, including

- interest in an amount equal to the interest paid in that month on the underlying REMIC security, and
- principal in an amount equal to the principal paid in that month on the underlying REMIC security.

We may pay principal in amounts which vary from time to time.

The Fannie Mae Guaranty

We will guarantee that the payments of monthly interest and principal described above are paid to investors on time. In addition, we guarantee that the outstanding principal balance of the certificates will be paid no later than the final distribution date shown below.

The Trust and Its Assets

The trust will own the Class 1-AV-1 Certificate described in this prospectus which will represent the senior ownership interest in a group of conventional mortgage loans made to borrowers with blemished credit histories as described further in this prospectus and the attached information circular. The mortgage loans bear adjustable rates of interest and are secured by first liens on one- to four-family residential properties. In the attached information circular, this group is referred to as "loan group 2."

Class	Original Class Balance ⁽¹⁾	Principal Type	Interest Rate	Interest Type	CUSIP Number	Final Distribution Date
1-AV1	\$826,000,000	SC/PT	(2)	FLT/AFC	31394AS56	January 2035

(1) Approximate, subject to a permitted variance of plus or minus 10%.

(2) The certificates will bear interest at the variable rate borne by the underlying REMIC security as described further in the attached information circular.

The underwriters listed below will offer the certificates from time to time in negotiated transactions at varying prices. We expect the settlement date to be September 28, 2004.

**Countrywide Securities Corporation (Lead Manager)
Banc of America Securities LLC (Co-Manager) JPMorgan (Co-Manager)**

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ADDITIONAL INFORMATION

You should purchase the certificates only if you have read this prospectus and the following documents (the “Disclosure Documents”):

- the information circular dated August 30, 2004 relating to the underlying REMIC security, which is attached to, and forms a part of, this prospectus; and
- any information incorporated by reference in this prospectus as discussed below under the heading “Incorporation by Reference.”

You can obtain copies of all of the Disclosure Documents by writing or calling us at:

Fannie Mae
3900 Wisconsin Avenue, N.W.
Area 2H-3S
Washington, D.C. 20016
(telephone 1-800-237-8627).

In addition, the Disclosure Documents and the class factor for the certificates are available on our corporate Web site at www.fanniemae.com.

You also can obtain copies of this prospectus, including the information circular, by writing or calling the underwriters at:

Countrywide Securities Corporation
Prospectus Department
4500 Park Granada
Calabasas, California 91302
(telephone 1-800-669-6094)

or

Banc of America Securities LLC
Capital Markets Operations
100 W. 33rd Street, 3rd Floor
New York, New York 10001
(telephone 646-733-4166)

or

J.P. Morgan Securities Inc.
34 Exchange Place, 4th Floor, Plaza 2
Harborside Financial Center
Jersey City, New Jersey 07311
(telephone 201-524-8393).

INCORPORATION BY REFERENCE

We are incorporating by reference in this prospectus the documents listed below. This means that we are disclosing information to you by referring you to these documents. These documents are considered part of this prospectus, so you should read this prospectus, and any applicable supplements or amendments, together with these documents.

You should rely only on the information provided or incorporated by reference in this prospectus, and any applicable supplements or amendments, together with the other Disclosure Documents.

We incorporate by reference the following documents we have filed, or may file, with the Securities and Exchange Commission (“SEC”):

- our Annual Report on Form 10-K for the fiscal year ended December 31, 2003 (“Form 10-K”);
- all other reports we have filed pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 since the end of the fiscal year covered by the Form 10-K until the date of this prospectus, excluding any information “furnished” to the SEC on Form 8-K; and
- all proxy statements that we file with the SEC and all documents that we file with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 subsequent to the date of this prospectus and prior to the completion of the offering of the certificates, excluding any information we “furnish” to the SEC on Form 8-K.

Any information incorporated by reference in this prospectus is deemed to be modified or superseded for purposes of this prospectus to the extent information contained or incorporated by reference in this prospectus modifies or supersedes such information. In such case, the information will constitute a part of this prospectus only as so modified or superseded.

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You can obtain copies of the periodic reports we file with the SEC without charge by calling or writing our Office of Investor Relations, Fannie Mae, 3900 Wisconsin Avenue, NW, Washington, DC 20016, telephone: (202) 752-7115. The periodic and current reports that we file with the SEC are also available on our corporate Web site at www.fanniemae.com. Information appearing on our Web site is not incorporated in this prospectus except as specifically stated in this prospectus.

In addition, you may read our SEC filings and other information about Fannie Mae at the offices of the New York Stock Exchange, the Chicago Stock Exchange and the Pacific Exchange. Our SEC filings are also available at the SEC’s Web site at www.sec.gov. You also may read and copy any document we file with the SEC by visiting the SEC’s Public Reference Room at 450 Fifth Street, NW, Washington, DC 20549. Please call the SEC at 1-800-SEC-0330 for further information about the operation of the Public Reference Room. We are providing the address of the SEC’s internet site solely for the information of prospective investors. Information appearing on the SEC’s Web site is not incorporated in this prospectus except as specifically stated in this prospectus.

REFERENCE SHEET

This reference sheet highlights information contained elsewhere in this prospectus. As a reference sheet, it speaks in general terms without giving details or discussing any exceptions. You should purchase the certificates only after reading this prospectus and each of the other disclosure documents listed on page 3 of this prospectus.

General

- The certificates will represent ownership interests in the trust assets.
- The trust assets will consist of the Class 1-AV-1 Certificate to be issued by the underlying REMIC trust formed by CWABS, Inc., an affiliate of Countrywide Securities Corporation. The characteristics of this underlying REMIC security are described in the information circular.
- The underlying REMIC security will represent the senior ownership interest in a group of conventional mortgage loans made to borrowers with blemished credit histories. The mortgage loans bear adjustable interest rates and are secured by first liens on one- to four-family residential properties. This mortgage loan group is further described in the attached information circular where it is referred to as “loan group 2.” Unless otherwise indicated, references in this prospectus to the underlying loans are intended to refer to loan group 2 only.
- All amounts paid on the underlying REMIC security will be passed through to the certificate-holders. For a description of Fannie Mae’s guaranty of the certificates, see “Description of the Certificates—General—*Fannie Mae Guaranty*” in this prospectus.

Characteristics of the Mortgage Loans Backing the Underlying REMIC Security

For information about the nature of the mortgage loans backing the underlying REMIC security, as well as the other mortgage loans held in the underlying REMIC trust, see the section of the information circular entitled “The Mortgage Pool.”

Class Factors

On or before each monthly distribution date, we will publish the class factor for the certificates. If you multiply the class factor by the initial principal balance of a certificate, you will obtain the current principal balance of that certificate, after giving effect to the current month’s payment.

Settlement Date

We expect to issue the certificates on September 28, 2004.

Distribution Dates

Beginning in October 2004, we will make payments on the certificates on the 25th day of each calendar month, or on the next business day if the 25th is not a business day.

Book-Entry Certificates

We will issue the certificates in book-entry form through The Depository Trust Company, which will track ownership of the certificates and payments on the certificates electronically.

Payments of Interest

We will pay monthly interest on the certificates in an amount equal to the interest paid in that month on the underlying REMIC security.

Payments of Principal

We will pay monthly principal on the certificates in an amount equal to the principal paid in that month on the underlying REMIC security.

Guaranty Payments

We guarantee that interest and principal on the certificates will be paid as provided above. In addition, we guarantee the payment of the outstanding principal balance of the certificates no later than the final distribution date listed on the cover of this prospectus.

RISK FACTORS

We describe below some of the risks associated with an investment in the certificates. Because each investor has different investment needs and a different risk tolerance, you should consult your own financial and legal advisors to determine whether the certificates are a suitable investment for you. In addition to the risks discussed below, you should read the section entitled “Risk Factors” beginning on page 8 of the information circular.

Suitability

The certificates may not be a suitable investment. The certificates are not a suitable investment for every investor. Before investing, you should carefully consider the following.

- You should have sufficient knowledge and experience to evaluate the merits and risks of the certificates and the information contained in this prospectus, the information circular and the other disclosure documents.
- You should thoroughly understand the terms of the certificates.
- You should thoroughly understand the terms of the underlying REMIC security and the related loans.
- You should be able to evaluate (either alone or with the help of a financial advisor) the economic, interest rate and other factors that may affect your investment.
- You should have sufficient financial resources and liquidity to bear all risks associated with the certificates.
- You should exercise particular caution if your circumstances do not permit you to hold the certificates until maturity.

Some investors may be unable to buy the certificates. Investors whose investment activities are subject to legal investment laws and regulations, or to review by regulatory authorities, may be unable to buy the certificates. You should get legal advice in determining whether your purchase of the certificates is a legal investment for you or is subject to any investment restrictions.

Yield Considerations

A variety of factors can affect your yield. Your effective yield on the certificates will depend upon:

- monthly changes in the LIBOR index and the effect of periodic and lifetime caps on the interest rates of the underlying loans;
- the price you paid for the certificates;
- how quickly or slowly borrowers repay or prepay the underlying loans;
- if and when the underlying loans are liquidated due to borrower defaults, casualties or condemnations affecting the properties securing those loans;
- if and when the master servicer (as identified in the information circular) or Fannie Mae repurchases certain delinquent underlying loans;
- if and when the master servicer or the NIM insurer (as described in the information circular) exercises its limited right to terminate the underlying REMIC trust by purchasing all of the loans remaining in that trust; and
- the actual characteristics of the underlying loans.

Yield may be lower than expected due to uncertain rate of principal payments. The actual yield on your certificates probably will be lower than you expect:

- if you buy your certificates at a premium and principal payments on the underlying loans are faster than you expect, or
- if you buy your certificates at a discount and principal payments on the underlying loans are slower than you expect.

Even if the underlying loans are prepaid at a rate that on average is consistent with your

expectations, variations over time in the prepayment rate of the underlying loans could significantly affect your yield. Generally, the earlier the payment of principal, the greater the effect on the yield to maturity. As a result, if the rate of principal prepayments on the underlying loans during any period is faster or slower than you expect, a corresponding reduction or increase in the prepayment rate during a later period may not fully offset the impact of the earlier prepayment rate on your yield.

Under certain circumstances, collections of interest on the underlying loans may be reduced as a result of prepayments in full and partial prepayments. If the master servicer is not required to make compensating interest payments sufficient to cover any such prepayment interest shortfalls, interest payments on the certificates could be reduced.

Certain assumptions concerning the underlying loans were used in preparing the tabular information set forth in the information circular. If the actual loan characteristics differ even slightly from those assumptions, the weighted average life and yield of the underlying REMIC security, and therefore the certificates, could be affected.

You must make your own decision as to the assumptions, including the interest rate and principal payment assumptions, you will use in deciding whether to purchase the certificates.

The certificates are subject to basis risk. The pass-through rate on the underlying REMIC security adjusts monthly based on one-month LIBOR. The adjustable interest rates on the underlying loans, which in most cases are fixed for the first two or three years after origination, adjust less frequently than the pass-through rate on the underlying REMIC security and adjust on the basis of a different index. As a result, the certificates will be subject to basis risk, which may reduce their yield. However, prior to the termination date of the related corridor contract, the certificates will be entitled to receive amounts to cover such reductions in interest to the extent of any payments received by the trust under the related corridor contract. **In no event will the Fannie Mae guaranty cover any interest shortfalls due to basis risk or any failure of the trust to receive**

payments under the related corridor contract.

Unpredictable timing of last payment may affect your yield. The actual final payment on the certificates may occur earlier, and could occur much earlier, than the final distribution date listed on the cover of this prospectus. If you assume the actual final payment will occur on the final distribution date specified, your yield could be lower than you expect.

Prepayment Considerations

The rate of principal payments on the certificates depends on numerous factors and cannot be predicted. The rate of principal payments on the certificates generally will depend on the rate of principal payments on the underlying loans. Principal payments will occur as a result of scheduled amortization or prepayments. The rate of principal payments is likely to vary considerably from time to time as a result of the liquidation of foreclosed mortgage loans.

It is highly unlikely that the underlying loans will prepay:

- at the rates we assume,
- at any constant prepayment rate until maturity, or
- at the same rate.

Substantially all of the underlying loans provide that the lender can require repayment in full if the borrower sells the property that secures the loan. In this way, property sales by borrowers can affect the rate of prepayment. In addition, if borrowers are able to refinance their loans by obtaining new loans secured by the same properties, any refinancing will affect the rate of prepayment. Furthermore, Countrywide Home Loans, Inc. has made representations and warranties with respect to the underlying loans and may have to repurchase the related loans if they fail to conform to those representations and warranties. Any such repurchases also will affect the rate of prepayment.

Once the balances of the underlying loans, together with all of the other mortgage loans held in the underlying REMIC trust, plus any related foreclosed real estate, are reduced to 10% or less of the sum of their balances as of the

issue date, the master servicer or the NIM insurer may purchase all the remaining assets of the underlying REMIC trust. Such a purchase would have the same effect as a prepayment in full of the underlying loans. For a further description of the termination risks, you should read the information circular.

In general, the rates of prepayment may be influenced by:

- the level of current interest rates relative to the rates borne by the underlying loans,
- homeowner mobility,
- the general creditworthiness of the borrowers, and
- general economic conditions.

Because so many factors affect the rate of prepayment of a pool of mortgage loans, we cannot estimate the prepayment experience of the mortgage loans backing the underlying REMIC security.

Overcollateralization will accelerate principal payments. Due to the overcollateralization feature of the underlying REMIC trust, the rate of principal payments on the underlying REMIC security, and therefore on the certificates, will be somewhat faster from time to time than the rates of principal payments on the underlying loans. Beginning on the distribution date in January 2005, a portion of the excess interest generated by the underlying loans will be applied to pay principal on the underlying REMIC security until the required level of overcollateralization is reached.

Reinvestment Risk

You may have to reinvest principal payments at a rate of return lower than that on the certificates. Generally, a borrower may prepay a mortgage loan at any time. However, a substantial majority of the underlying loans impose a charge in connection with certain prepayments. As a result, we cannot predict the amount of principal payments on the certificates. The certificates may not be an appropriate investment for you if you require a specific amount of principal on a regular basis or on a specific date. Because interest rates fluctuate, you may not be able to reinvest the principal

payments on the certificates at a rate of return that is as high as your rate of return on the certificates. You may have to reinvest those funds at a much lower rate of return. You should consider this risk in light of other investments that may be available to you.

Market and Liquidity Considerations

It may be difficult to resell your certificates and any resale may occur on adverse terms. We cannot be sure that a market for resale of the certificates will develop. Further, if a market develops, it may not continue or be sufficiently liquid to allow you to sell your certificates. Even if you are able to sell your certificates, the sale price may not be comparable to similar investments that have a developed market. Moreover, you may not be able to sell small or large amounts of certificates at prices comparable to those available to other investors.

A number of factors may affect the resale of certificates, including:

- the payment to certificateholders of interest and principal in amounts based on the interest and principal paid on the underlying REMIC security;
- the characteristics of the underlying loans;
- past and expected prepayment levels of the underlying loans and comparable mortgage loans;
- the outstanding principal amount of the certificates;
- the amount of certificates offered for resale from time to time;
- any legal restrictions or tax treatment limiting demand for the certificates;
- the availability of comparable securities;
- the level, direction and volatility of interest rates generally; and
- general economic conditions.

Terrorist activities and related military and political actions by the U.S. government could cause reductions in investor confidence and substantial market volatility in real estate and securities markets. It is impossible to predict the extent to which terrorist activities may occur or, if they do occur, the extent of the effect on the certificates. Moreover, it is uncertain what effects any past or future terrorist activities or any related military or political actions on the part

of the United States government and others will have on the United States and world financial markets, local, regional and national economies, real estate markets across the United States, or particular business sectors, including those affecting the performance of mortgage loan borrowers. Among other things, reduced investor confidence could result in substantial volatility in securities markets and a decline in real estate-related investments. In addition, defaults on the underlying loans could increase, causing early payments of principal to you and, regardless of the performance of the underlying loans, the liquidity and market value of the certificates may be impaired.

Fannie Mae Guaranty Considerations

Any failure of Fannie Mae to perform its guaranty obligations will adversely affect investors. If we were unable to perform our guaranty obligations, certificateholders would receive only amounts actually paid and other recoveries on the underlying REMIC security without taking into account our guaranty. If that happened, delinquencies and defaults or other shortfalls on the mortgage loans in loan group 2 could directly affect the amounts that the certificateholders would receive each month.

DESCRIPTION OF THE CERTIFICATES

The material under this heading summarizes certain features of the Certificates (defined below) and is not complete. You will find additional information about the Certificates in the other sections of this prospectus, as well as in the other Disclosure Documents and the Trust Agreement (defined below). If we use a capitalized term in this prospectus without defining it, you will find the definition of that term in the applicable Disclosure Document or in the Trust Agreement.

General

Structure. We will create the Fannie Mae Grantor Trust specified on the cover page of this prospectus (the “Trust”) pursuant to a trust agreement (the “Trust Agreement”) dated as of September 1, 2004 (the “Issue Date”). We will execute the Trust Agreement in our corporate capacity and in our capacity as trustee (the “Trustee”). We will issue the Certificates specified on the cover page of this prospectus pursuant to the Trust Agreement.

The Guaranteed Grantor Trust Pass-Through Certificates offered by this prospectus (the “Certificates”) will represent beneficial ownership interests in the Trust. The assets of the Trust will consist of CWABS Asset Backed Certificates Trust 2004-7, Class 1-AV-1 (the “Underlying REMIC Security”) as further described in the information circular. The Underlying REMIC Security will evidence the senior ownership interest in a group of conventional mortgage loans (the “Group 2 Loans”) made to borrowers with blemished credit histories that are included in an underlying trust (the “Underlying REMIC Trust”). The Group 2 Loans bear adjustable rates of interest, and each is secured by a first lien deed of trust or mortgage on a one- to four-family (“single-family”) residential property, all as more fully described in the information circular.

Fannie Mae Guaranty. We guarantee that on each Distribution Date we will pay to Certificateholders:

- interest in the amount paid on the Underlying REMIC Security and
- principal in the amount paid on the Underlying REMIC Security.

In addition, we guarantee the payment of any remaining principal balance of the Certificates on the Final Distribution Date specified on the cover page of this prospectus. For a detailed description of required payments on the Underlying REMIC Security, see “Description of the Certificates—Distributions” and “—Fannie Mae Guaranty” in the information circular.

If we were unable to perform our guaranty obligations, Certificateholders would receive only the amounts actually paid and other recoveries on the Underlying REMIC Security without taking into

account our guaranty. If that happened, delinquencies and defaults on the underlying loans could directly affect the amounts that Certificateholders would receive each month. **Our guaranty is not backed by the full faith and credit of the United States.**

Characteristics of Certificates. The Certificates will be represented by one or more certificates which will be registered in the name of the nominee of The Depository Trust Company (“DTC”). DTC will maintain the Certificates through its book-entry facilities. The “Holder” or “Certificateholder” of a DTC Certificate is the nominee of DTC. A Holder is not necessarily the beneficial owner of a Certificate. Beneficial owners ordinarily will “hold” Certificates through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations.

Authorized Denominations. We will issue the Certificates in minimum denominations of \$1,000 and whole dollar increments.

Distribution Date. Beginning in October 2004, we will make payments of principal and interest on the Certificates on the 25th day of each month or, if the 25th is not a business day (as defined in the information circular), on the first business day after the 25th. We refer to each such date as a “Distribution Date.”

Record Date. On each Distribution Date, we will make each monthly payment to Certificateholders who were Holders of record on the business day preceding that Distribution Date.

Class Factors. On or before each Distribution Date, we will publish a class factor (carried to eight decimal places) for the Certificates. When the class factor is multiplied by the original principal balance of a Certificate, the product will equal the current principal balance of that Certificate after taking into account payments on that Distribution Date.

Underlying Loan Clean-up Call; Termination of the Underlying REMIC Trust. The master servicer named in the information circular (the “Master Servicer”) or any NIM Insurer (as described in the information circular) may purchase all the assets of the Underlying REMIC Trust when the aggregate principal balance of the Group 2 Loans, together with all other mortgage loans in the Underlying REMIC Trust and any related foreclosed property, have been reduced to 10% or less of the sum of their balances as of the Issue Date. A purchase of the assets of the Underlying REMIC Trust would have the same effect on the Certificates as a prepayment in full of the related mortgage loans.

Option to Repurchase Delinquent Loans. The Master Servicer has the option to repurchase underlying mortgage loans that are 150 days or more delinquent, subject to certain conditions referred to in the offering circular. After the aggregate principal balance of the Class BV Certificates issued by the Underlying REMIC Trust has been reduced to zero, Fannie Mae will have the option to purchase any Group 2 Loan that is 90 days or more delinquent.

Voting the Underlying REMIC Security. The Trustee, as holder of the Underlying REMIC Security, may have to vote on issues arising under the documents governing the Underlying REMIC Trust. If so, the Trustee will vote the Underlying REMIC Security as instructed by the Certificateholders, provided that the Trustee receives instructions from Holders of at least 51% of the Certificates. In the absence of such instructions, the Trustee will vote in a manner consistent, in its sole judgment, with the best interests of the Certificateholders.

The Underlying REMIC Security

The Underlying REMIC Security represents the senior ownership interest in the Group 2 Loans.

The Underlying REMIC Security generally represents an entitlement to interest and principal due on the Group 2 Loans. Interest and principal payable on the Underlying REMIC Security will be passed through to the Certificateholders. Interest at the applicable pass-through rate will accrue on the outstanding principal balance of the Underlying REMIC Security as described in the information circular. However, it is possible that the amount of interest paid on the Underlying REMIC Security

could be reduced as a result of Prepayment Interest Shortfalls in excess of the amount of Compensating Interest required to be paid by the Master Servicer as described in the information circular. Principal on the Underlying REMIC Security will be paid based on the specific cash flow sequences described in the information circular. As a result, the rate of principal payments on the Underlying REMIC Security may vary considerably from time to time.

See the information circular for detailed information about the Underlying REMIC Security.

Book-Entry Procedures

General. The Certificates will be registered in the name of the nominee of DTC, a New York-chartered limited purpose trust company, or any successor depository that we select or approve (the “Depository”). In accordance with its normal procedures, the Depository will record the positions held by each Depository participating firm (each, a “Depository Participant”) in the Certificates, whether held for its own account or as a nominee for another person. Initially, we will act as Paying Agent for the Certificates. In addition, U.S. Bank National Association will perform certain administrative functions with respect to the Certificates.

A “beneficial owner” or an “investor” is anyone who acquires a beneficial ownership interest in the Certificates. As an investor, you will not receive a physical certificate. Instead, your interest will be recorded on the records of the brokerage firm, bank, thrift institution or other financial intermediary (a “financial intermediary”) that maintains the account for you. In turn, the record ownership of the intermediary will be recorded on the records of the Depository. If the intermediary is not a Depository Participant, the intermediary’s record ownership will be recorded on the records of a Depository Participant acting as an agent for the financial intermediary. Neither the Trustee nor the Depository will recognize an investor as a Certificateholder. Therefore, you must rely on these various arrangements to transfer your beneficial interest in the Certificates and comply with the procedures of your financial intermediary and of Depository Participants. In general, ownership of Certificates will be subject to the prevailing rules, regulations and procedures governing the Depository and Depository Participants.

Method of Distribution. We will direct payments on the Certificates to the Depository in immediately available funds. The Depository will credit the payments to the accounts of the Depository Participants entitled to them, in accordance with the Depository’s normal procedures. These procedures currently provide for payments made in same-day funds to be settled through the New York clearing house. Each Depository Participant and each financial intermediary will direct the payments to the investors in the Certificates that it represents. Accordingly, investors may experience a delay in receiving payments.

Payments of Interest

Categories. For the purpose of interest payments, the Certificates fall into the following categories:

<u>Interest Type*</u>	<u>Class</u>
Floating Rate	1-AV1
Available Funds	1-AV1

* See “—Class Definitions and Abbreviations” below.

Interest Distribution Amount. On each Distribution Date, we will pay to the Certificateholders an amount of interest equal to the interest amount paid on the Underlying REMIC Security on that Distribution Date.

Payments of Principal

Category. For the purpose of principal payments, the Certificates fall into the following category:

<u>Principal Type*</u>	<u>Class</u>
Structured Collateral/Pass-Through	1-AV1

* See “—Class Definitions and Abbreviations” below.

Principal Distribution Amount. On each Distribution Date, we will pay to the Certificateholders an amount of principal equal to the principal amount, if any, paid on the Underlying REMIC Security on that Distribution Date.

Class Definitions and Abbreviations

The following chart identifies and generally defines the category specified on the cover of this prospectus.

<u>Abbreviation</u>	<u>Category of Class</u>	<u>Definitions</u>
INTEREST TYPES		
AFC	Available Funds	Receives as interest all or a portion of the scheduled interest payments made on the related mortgage loans. However, this amount may be insufficient on any Distribution Date to cover fully the accrued and unpaid interest on the Certificates of this Class at its specified interest rate.
FLT	Floating Rate	Has an interest rate that resets periodically based upon the designated index and that generally varies directly with changes in the index.
PRINCIPAL TYPES		
PT	Pass-Through	Receives principal payments in direct relation to the actual distributions on an underlying security.
SC	Structured Collateral	Receives principal payments based on the actual distributions on an underlying security representing a regular interest in a REMIC trust.

Yield, Modeling Assumptions, Decrement Table, Weighted Average Life

See the section of the information circular entitled “Yield, Prepayment and Maturity Considerations” with respect to the Underlying REMIC Security.

THE TRUST AGREEMENT

In the sections below, we summarize certain provisions of the Trust Agreement that are not discussed elsewhere in this prospectus. Certain capitalized terms that we use in these summaries are defined in the Trust Agreement. These summaries are, by definition, not complete. If there is ever a conflict between what we have summarized in this prospectus and the actual terms of the Trust Agreement, the terms of the Trust Agreement will prevail.

Reports to Certificateholders

As soon as practicable on or shortly before each Distribution Date, we will publish (in print or otherwise) the class factor for the Certificates. The “class factor” is a number (carried to eight decimal places) which, when multiplied by the original principal balance of a Certificate, will equal the

principal balance of that Certificate that will still be outstanding after the principal to be paid in the current month has been paid.

Within a reasonable time after the end of each calendar year, we will also furnish to each person who was a Certificateholder at any time during that year a statement containing any information required by the federal income tax laws.

Fannie Mae, or a special agent that we engage, will make all the necessary numerical calculations.

Certain Matters Regarding Fannie Mae

The Trust Agreement provides that we may not resign from our obligations and duties unless they are no longer permissible under applicable law. Our resignation will be effective only after a successor has assumed our obligations and duties. However, no successor may succeed to our guaranty obligations, and we will continue to be responsible under our guaranty even if we are terminated or have resigned from our other duties and responsibilities under the Trust Agreement.

The Trust Agreement also provides that neither we nor any of our directors, officers, employees or agents will be under any liability to the Trust or to the Certificateholders for errors in judgment or for any action we take, or refrain from taking, in good faith pursuant to the Trust Agreement. However, neither we nor any such person will be protected against any liability due to willful misfeasance, bad faith, gross negligence or willful disregard of obligations and duties.

In addition, the Trust Agreement also provides that we are not under any obligation to appear in, prosecute or defend any legal action that is not incidental to our responsibilities under the Trust Agreement and that in our opinion may involve us in any expense or liability. However, in our discretion, we may undertake any legal action that we deem necessary or desirable in the interests of the Certificateholders. In that event, we will pay the legal expenses and costs of the action, which generally will not be reimbursable out of the trust fund.

Any corporation into which we are merged or consolidated, any corporation that results from a merger, conversion or consolidation to which we are a party or any corporation that succeeds to our business will be our successor under the Trust Agreement.

Events of Default

Any of the following will be considered an “Event of Default” under the Trust Agreement:

- if we fail to make a required payment to the Certificateholders and our failure continues uncorrected for 15 days after we receive written notice from Certificateholders who represent ownership interests totaling at least 5% of the Trust that they have not been paid; or
- if we fail in a material way to fulfill any of our obligations under the Trust Agreement and our failure continues uncorrected for 60 days after we receive written notice of our failure from Certificateholders who represent ownership interests totaling at least 25% of the Trust; or
- if we become insolvent or unable to pay our debts or if other events of insolvency occur.

Rights upon Event of Default

If one of the Events of Default listed above has occurred and continues uncorrected, Certificateholders who represent ownership interests totaling at least 25% of the Trust have the right to terminate, in writing, our obligations under the Trust Agreement both as Trustee and in our corporate capacity. However, our guaranty obligations will continue in effect. The same proportion of Certificateholders that has the right to terminate us may also appoint, in writing, a successor to all of our terminated obligations. In addition, the successor that they appoint will take legal title to the Underlying REMIC Security and any other assets of the Trust.

Amendment

We may amend the Trust Agreement for any of the following purposes without notifying the Certificateholders:

- to add to our duties;
- to evidence that another party has become our successor and has assumed our duties under the Trust Agreement in our capacity as trustee or in our corporate capacity or both;
- to eliminate any of our rights in our corporate capacity under the Trust Agreement; and
- to cure any ambiguity or correct or add to any provision in the Trust Agreement, so long as no Certificateholder is adversely affected in the case of an addition to any provision.

If the Certificateholders that represent ownership interests totaling at least 66% of the Trust consent, we may amend the Trust Agreement to eliminate, change or add to the terms of the Trust Agreement or to waive our compliance with any of those terms. Nevertheless, we may not terminate or change our guaranty obligations or reduce the percentage of Certificateholders who must consent to the types of amendments listed in the previous sentence. In addition, unless each affected Certificateholder consents, no amendment may reduce or delay the funds that are required to be distributed on any Certificate.

Termination

The Trust Agreement will terminate when the Underlying REMIC Security has been paid in full or liquidated, and its proceeds distributed. In no event, however, will the Trust continue beyond the expiration of 21 years from the death of the last survivor of the person named in the Trust Agreement.

For a description of the termination of the Underlying REMIC Trust, see “Description of the Certificates—Optional Termination” in the information circular.

CERTAIN FEDERAL INCOME TAX CONSEQUENCES

The Certificates and payments on the Certificates generally are subject to taxation. Therefore, you should consider the tax consequences of holding a Certificate before you acquire one. The following discussion describes certain U.S. federal income tax consequences to beneficial owners of Certificates. The discussion is general and does not purport to deal with all aspects of federal taxation that may be relevant to particular investors. This discussion may not apply to your particular circumstances for various reasons, including the following:

- This discussion reflects federal tax laws in effect as of the date of this prospectus. Changes to any of these laws after the date of this prospectus may affect the tax consequences discussed below.
- This discussion addresses only Certificates acquired at original issuance and held as “capital assets” (generally, property held for investment).
- This discussion does not address tax consequences to beneficial owners subject to special rules, such as dealers in securities, certain traders in securities, banks, tax-exempt organizations, life insurance companies, persons that hold Certificates as part of a hedging transaction or as a position in a straddle or conversion transaction, or persons whose functional currency is not the U.S. dollar.
- This discussion does not address taxes imposed by any state, local or foreign taxing jurisdiction.

For these reasons, you should consult your own tax advisors regarding the federal income tax consequences of holding and disposing of Certificates as well as any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction.

Taxation of Beneficial Owners of Certificates

Our special tax counsel, Arnold & Porter LLP, will deliver its opinion that, assuming compliance with the Trust Agreement, the Trust will be classified as a trust under subpart E of part I of subchapter J of the Internal Revenue Code of 1986, as amended (the “Code”) and not as an association taxable as a corporation. The Underlying REMIC Security will be the assets of the Trust. Each beneficial owner of a Certificate will be treated as the beneficial owner of an undivided interest in the Underlying REMIC Security held by the Trust. Consequently, each beneficial owner of a Certificate will be required to report its pro rata share of the income with respect to the Underlying REMIC Security, and a sale or other disposition of a Certificate will constitute a sale or other disposition of a pro rata portion of the Underlying REMIC Security. In addition, each beneficial owner of a Certificate will be required to include in income its allocable share of the expenses paid by the Trust.

Each beneficial owner of a Certificate can deduct its allocable share of the expenses paid by the Trust as provided in section 162 or section 212 of the Code, consistent with its method of accounting. A beneficial owner’s ability to deduct its share of these expenses is limited under section 67 of the Code in the case of (i) estates and trusts, and (ii) individuals owning an interest in a Certificate directly or through an investment in a “pass-through entity” (other than in connection with such individual’s trade or business). Pass-through entities include partnerships, S corporations, grantor trusts, certain limited liability companies and non-publicly offered regulated investment companies, but do not include estates, non-grantor trusts, cooperatives, real estate investment trusts and publicly offered regulated investment companies. Generally, such a beneficial owner can deduct its share of these costs only to the extent that these costs, when aggregated with certain of the beneficial owner’s other miscellaneous itemized deductions, exceed 2% of the beneficial owner’s adjusted gross income. For this purpose, an estate or nongrantor trust computes adjusted gross income in the same manner as in the case of an individual, except that deductions for administrative expenses of the estate or nongrantor trust (not including expenses of the Trust) that would not have been incurred if the property were not held in such non-grantor trust or estate are allowable in arriving at adjusted gross income. In addition, section 68 of the Code may provide for certain limitations on itemized deductions otherwise allowable for a beneficial owner who is an individual. Further, a beneficial owner may not be able to deduct any portion of these costs in computing its alternative minimum tax liability.

Taxation of the Underlying REMIC Security

The information circular discusses tax consequences to holders of the Underlying REMIC Security. The information circular states that the holder of the Underlying REMIC Security will be deemed to own two assets, a REMIC regular interest and the right to receive payments from the Net Rate Carryover Component (as defined in the information circular). Because a beneficial owner of a Certificate will be required to report its pro rata share of the income accruing with respect to the Underlying REMIC Security and will be required to treat the sale or other disposition of a Certificate as the sale or other disposition of a pro rata portion of the Underlying REMIC Security, you should review the discussion there.

The information circular states that, taking into account certain assumptions described therein, the Underlying REMIC Security (except for the right to receive payments from the Net Rate Carryover Component) will qualify as a “regular interest” in a “real estate mortgage investment conduit” within the meaning of the Code. Qualification as a REMIC requires initial and ongoing compliance with certain conditions. The remainder of this discussion assumes that all the requirements for qualification as a REMIC have been, and will continue to be, met with respect to the Underlying REMIC Trust. If the Underlying REMIC Security were to fail to qualify as a regular interest in a REMIC, the Underlying REMIC Security might not be accorded the status described under the section of the information circular entitled “Material Federal Income Tax Consequences” and the Underlying REMIC Trust might be taxable as a corporation. You should consult your tax

advisors regarding the tax consequences to a beneficial owner of a Certificate if the Underlying REMIC Security were to fail to qualify as a regular interest in a REMIC.

Information Reporting and Backup Withholding

Fannie Mae will furnish or make available, within a reasonable time after the end of each calendar year, to each Holder of a Certificate at any time during such year, such information as is required by Treasury regulations and such other information as Fannie Mae deems necessary or desirable to assist Holders in preparing their federal income tax returns, or to enable Holders to make such information available to beneficial owners or other financial intermediaries for which such Holders hold Certificates as nominees.

Distributions of interest and principal, as well as distributions of proceeds from the sale of Certificates, may be subject to the “backup withholding tax” under section 3406 of the Code if recipients of such distributions fail to furnish to the payor certain information, including their taxpayer identification numbers, or otherwise fail to establish an exemption from such tax. Any amounts deducted and withheld from a distribution to a recipient would be allowed as a credit against such recipient’s federal income tax. Furthermore, certain penalties may be imposed by the Internal Revenue Service (“IRS”) on a recipient of distributions that is required to supply information but that does not do so in the proper manner.

Foreign Investors

Additional rules apply to a beneficial owner of a Certificate that is not a U.S. Person (a “Non-U.S. Person”). The term “U.S. Person” means:

- a citizen or resident of the United States,
- a corporation, partnership or other entity created or organized in or under the laws of the United States or any state thereof or the District of Columbia,
- an estate the income of which is subject to U.S. federal income tax regardless of the source of its income, or
- a trust if a court within the United States can exercise primary supervision over its administration and at least one U.S. person has the authority to control all substantial decisions of the trust.

Payments on a Certificate made to, or on behalf of, a beneficial owner that is a Non-U.S. Person generally will be exempt from U.S. federal income and withholding taxes, provided the following conditions are satisfied:

- the beneficial owner is not subject to U.S. tax as a result of a connection to the United States other than ownership of the Certificate;
- the beneficial owner signs a statement under penalties of perjury certifying that it is a Non-U.S. Person, and provides the name, address and taxpayer identification number, if any, of the beneficial owner; and
- the last U.S. Person in the chain of payment to the beneficial owner receives such statement from the beneficial owner or a financial institution holding on behalf of the beneficial owner and does not have actual knowledge that such statement is false.

You should be aware that the IRS might take the position that this exemption does not apply to a beneficial owner that also owns 10% or more of the residual interest in the Underlying REMIC Trust or of the voting stock of Fannie Mae, or to a beneficial owner that is a “controlled foreign corporation” described in section 881(c)(3)(C) of the Code.

LEGAL INVESTMENT CONSIDERATIONS

If you are an institution whose investment activities are subject to legal investment laws and regulations or to review by certain regulatory authorities, you may be subject to restrictions on investment in the Certificates. If you are a financial institution that is subject to the jurisdiction of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, the National Credit Union Administration or other federal or state agencies with similar authority, you should review any applicable rules, guidelines and regulations prior to purchasing the Certificates. You should also review and consider the applicability of the Federal Financial Institutions Examination Council Supervisory Policy Statement on Securities Activities (to the extent adopted by their respective federal regulators), which, among other things, sets forth guidelines for financial institutions investing in certain types of mortgage-related securities, including securities such as the Certificates. In addition, if you are a financial institution, you should consult your regulators concerning the risk-based capital treatment of any Certificate.

Pursuant to the Secondary Mortgage Market Enhancement Act of 1984 (“SMMEA”), securities that we issue (such as the Certificates) are legal investments for entities created under the laws of the United States or any state whose authorized investments are subject to state regulation to the same extent as obligations issued or guaranteed by the United States or any of its agencies or instrumentalities. Under SMMEA, if a state enacted legislation prior to October 4, 1991 specifically limiting the legal investment authority of any such entities with respect to securities that we issue or guarantee, those securities will constitute legal investments for such entities only to the extent provided in the legislation. Certain states adopted such legislation prior to the October 4, 1991 deadline. **You should consult your own legal advisors in determining whether and to what extent the Certificates constitute legal investments or are subject to restrictions on investment and whether and to what extent the Certificates can be used as collateral for various types of borrowings.**

LEGAL OPINION

If you purchase Certificates, we will send you, upon request, an opinion of our General Counsel (or one of our Deputy General Counsels) as to the validity of the Certificates and the Trust Agreement.

ERISA CONSIDERATIONS

The Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and section 4975 of the Code impose certain requirements on employee benefit plans subject to ERISA (such as employer-sponsored retirement plans) and upon other types of benefit plans and arrangements subject to section 4975 of the Code (such as individual retirement accounts). ERISA and the Code also impose these requirements on certain entities in which the benefit plans or arrangements that are subject to ERISA and the Code invest. We refer to these plans, arrangements and entities as “Plans.” Any person who is a fiduciary of a Plan also is subject to the requirements imposed by ERISA and the Code. Before a Plan invests in any Certificate, the Plan fiduciary must consider whether the governing instruments for the Plan would permit the investment, whether the Certificates would be a prudent and appropriate investment for the Plan under its investment policy and whether such an investment might result in a transaction prohibited under ERISA or the Code for which no exemption is available.

On November 13, 1986, the U.S. Department of Labor issued a final regulation covering the acquisition by a Plan of a “guaranteed governmental mortgage pool certificate,” defined to include certificates which are “backed by, or evidencing an interest in, specified mortgages or participation interests therein” and are guaranteed by Fannie Mae as to the payment of interest and principal. Under the regulation, investment by a Plan in a “guaranteed governmental mortgage pool certificate” does not cause the assets of the Plan to include the mortgages underlying the certificate or the sponsor, trustee and other servicers of the mortgage pool to be subject to the fiduciary responsibility

provisions of ERISA or the prohibited transaction provisions of ERISA or section 4975 of the Code in providing services with respect to the mortgages in the pool. Our counsel, Sidley Austin Brown & Wood LLP, has advised us that the Certificates qualify under the definition of “guaranteed governmental mortgage pool certificates” and, as a result, the purchase and holding of Certificates by Plans will not cause the underlying mortgage loans or the assets of Fannie Mae to be subject to the fiduciary requirements of ERISA or to the prohibited transaction provisions of ERISA and the Code.

PLAN OF DISTRIBUTION

We will acquire the Underlying REMIC Security from CWABS, Inc. (“CWABS”) in exchange for the Certificates. CWABS has agreed to sell the Certificates, severally and not jointly, to Countrywide Securities Corporation, Banc of America Securities LLC and J.P. Morgan Securities Inc. (the “Underwriters”). CWABS is an affiliate of Countrywide Securities Corporation. In addition, Banc of America Securities LLC is an affiliate of the Corridor Contract Counterparty (as that term is defined in the Information Circular). The Underwriters propose to offer the Certificates directly to the public from time to time in negotiated transactions at varying prices to be determined at the time of sale. The Underwriters may effect these transactions to or through other dealers.

LEGAL MATTERS

Sidley Austin Brown & Wood LLP and, with respect to federal income tax matters, Arnold & Porter LLP will provide legal representation for Fannie Mae. McKee Nelson LLP will provide legal representation for the Underwriters.

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INFORMATION CIRCULAR

\$826,000,000
(Approximate)

CWABS Asset Backed Certificates Trust 2004-7
Issuer

Class 1-AV-1 Certificates

CWABS, INC.



Seller
Countrywide Home Loans Servicing LP
Master Servicer

Consider carefully the risk factors beginning on page 8 in this information circular.

The certificates represent obligations of the trust only and do not represent an interest in or obligation of CWABS, Inc., Countrywide Home Loans, Inc. or any of their affiliates.

The Trust Fund

The trust fund will own a pool of mortgage loans that will be secured by first lien deeds of trust or mortgages on one- to four-family residential properties. The pool of mortgage loans will be divided into three loan groups, each comprised of fixed or adjustable rate mortgage loans. The Class 1-AV-1 Certificates will represent an interest in loan group 2 only.

The Class 1-AV-1 Certificates have not been and will not be registered under the Securities Act of 1933, as amended.

It is a condition to the issuance of the Class 1-AV-1 Certificates that they be guaranteed by Fannie Mae as described in this information circular. The Class 1-AV-1 Certificates, including any interest, are not guaranteed by the United States and do not constitute a debt or obligation of the United States or any of its agencies or instrumentalities other than Fannie Mae.

It is expected that the Class 1-AV-1 Certificates will be issued on or about September 28, 2004.

August 30, 2004

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SUMMARY

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

The Certificates

Asset-Backed Certificates, Series 2004-7, represent undivided beneficial ownership interests in a trust fund. The trust fund consists primarily of a pool of fixed and adjustable rate, credit blemished mortgage loans that are secured by first liens on one- to four-family residential properties and certain other property and assets described in this information circular.

Only the Class 1-AV-1 Certificates are being offered hereby.

See “Description of the Certificates — General” in this information circular.

Depositor

CWABS, Inc., a Delaware corporation and a limited purpose finance subsidiary of Countrywide Financial Corporation, a Delaware corporation.

The depositor maintains its principal office at 4500 Park Granada, Calabasas, California 91302. Its telephone number is (818) 225-3000.

Sellers

Countrywide Home Loans, Inc. and one or more special purpose entities established by Countrywide Financial Corporation. The one or more special purpose entities previously acquired the mortgage loans they are selling directly from Countrywide Home Loans, Inc.

See “Servicing of the Mortgage Loans — Countrywide Home Loans” in this information circular.

Master Servicer

Countrywide Home Loans Servicing LP.

See “Servicing of the Mortgage Loans — The Master Servicer” in this information circular.

Fannie Mae Guaranty

Fannie Mae will guarantee the Class 1-AV-1 Certificates as described in this information circular.

See “Description of the Certificates — Fannie Mae Guaranty” in this information circular.

Trustee

The Bank of New York, a New York banking corporation.

See “Description of the Certificates — The Trustee” in this information circular.

Co-Trustee

BNY Western Trust Company, a subsidiary of The Bank of New York Company, Inc.

See “Description of the Certificates — The Co-Trustee” in this information circular.

The NIM Insurer

After the closing date, a separate trust or trusts may be established to issue net interest margin securities secured by all or a portion of the Class PF, Class PV, Class CF and Class CV Certificates. Those net interest margin securities may or may not have the benefit of one or more financial guaranty insurance policies that guaranty payments on those securities. The insurer or insurers that would issue any such financial guaranty insurance policy are referred to in this information circular as the “NIM Insurer.” The references to the NIM Insurer in this information circular are applicable only if the net interest margin securities are so insured.

Any NIM Insurer will have a number of rights under the pooling and servicing agreement that will limit and otherwise affect the rights of the holders of the Class 1-AV-1 Certificates. Any insurance policy issued by a NIM Insurer will not cover, and will not benefit in any manner whatsoever, the Class 1-AV-1 Certificates.

See “Risk Factors—Rights of the NIM Insurer” in this information circular.

Pooling and Servicing Agreement

The pooling and servicing agreement among the sellers, the master servicer, the depositor, Fannie Mae, the trustee and the co-trustee, under which the trust fund will be formed.

Cut-off Date

For any mortgage loan, the later of September 1, 2004 and the origination date of that mortgage loan.

Closing Date

On or about September 28, 2004.

The Mortgage Loans

The mortgage pool will consist of fixed and adjustable rate mortgage loans that are secured by first liens on one- to four-family properties. The mortgage loans will be divided into three separate groups. Each such group of mortgage loans is referred to as a "loan group." Loan group 1 will consist of first lien fixed rate mortgage loans with principal balances at origination that may or may not exceed Fannie Mae's conforming loan limits. Loan group 2 will consist of first lien adjustable rate mortgage loans with principal balances at origination not in excess of Fannie Mae's conforming loan limits. Loan group 3 will consist of first lien adjustable rate mortgage loans with principal balances at origination that may or may not exceed Fannie Mae's conforming loan limits.

See "The Mortgage Pool" in this information circular.

Statistical Calculation Information

The statistical information presented in this information circular concerning the mortgage loans does not reflect all of the mortgage loans that will be included in the trust fund on the closing date. The statistical information relates to a statistical calculation pool, which is smaller than the mortgage pool will be on the closing date. In addition, certain mortgage loans in the statistical calculation pool may prepay in full or may be determined not to meet the eligibility requirements for the final mortgage pool, and as a result may not be included in the final mortgage pool, and additional mortgage loans will be included in the final mortgage pool.

The information presented in this information circular with respect to the statistical calculation pool is, unless otherwise specified, based on the scheduled principal balances as of September 1, 2004, which is the statistical calculation date. The aggregate principal balance of the statistical calculation pool as of the statistical calculation date is referred to as the statistical calculation pool principal balance. As of the statistical calculation date, the statistical calculation pool principal balance was approximately \$2,881,510,276, approximately \$737,798,858 of which consists of group 1 mortgage loans, approximately \$1,163,551,479 of which consists of group 2 mortgage loans and approximately \$980,159,939 of which consists of group 3 mortgage loans.

Unless otherwise noted, all statistical percentages in this information circular are measured by the statistical calculation date pool principal balance.

Description of the Certificates

General

The trust fund will issue the Class 1-AV-1 Certificates, which are offered by this information circular. The trust fund will also issue the Class AF-1, Class AF-2, Class AF-3, Class AF-4, Class AF-5, Class AF-6, Class MF-1, Class MF-2, Class MF-3, Class MF-4, Class MF-5, Class BF, Class 2-AV-1, Class 2-AV-2, Class 2-AV-3, Class 2-AV-4, Class MV-1, Class MV-2, Class MV-3, Class MV-4, Class MV-5, Class MV-6, Class MV-7, Class MV-8, Class BV, Class A-R, Class PF, Class PV, Class CF and Class CV Certificates, which are not offered by this information circular. Any information contained in this information circular with respect to certificates other than the Class 1-AV-1 Certificates is provided only to permit a better understanding of the Class 1-AV-1 Certificates.

Generally:

- the Class AF-1, Class AF-2, Class AF-3, Class AF-4, Class AF-5, Class AF-6, Class MF-1, Class MF-2, Class MF-3, Class MF-4, Class MF-5 and Class BF Certificates will be backed by the cashflows from the mortgage loans in loan group 1,
- the Class 1-AV-1 Certificates will be backed by the cashflows from the mortgage loans in loan group 2,

- the Class 2-AV-1, Class 2-AV-2, Class 2-AV-3 and Class 2-AV-4 Certificates will be backed by the cashflows from the mortgage loans in loan group 3, and
- the Class MV-1, Class MV-2, Class MV-3, Class MV-4, Class MV-5, Class MV-6, Class MV-7, Class MV-8 and Class BV Certificates will be backed by the cashflows from the mortgage loans in loan group 2 and loan group 3.

For a more detailed description of how the certificates will be backed by these cashflows, see “Description of the Certificates—Distributions” and “Overcollateralization.”

The original certificate principal balances, pass-through rates and last scheduled distribution dates for the certificates are as follows:

Class	Original Certificate Principal Balance(1)	Pass-Through Rate	Last Scheduled Distribution Date(2)
<i>Offered Certificates</i>			
Class 1-AV-1	\$ 826,000,000	(3)	January 2035
<i>Non-Offered Certificates.....</i>			
Class AF-1.....	\$ 216,487,000	(4)	October 2022
Class AF-2.....	\$ 22,421,000	3.324%(5)	December 2023
Class AF-3.....	\$ 140,840,000	3.903%(5)	January 2031
Class AF-4.....	\$ 37,873,000	4.774%(5)	August 2032
Class AF-5.....	\$ 74,539,000	5.368%(5)(6)	January 2035
Class AF-6.....	\$ 64,000,000	4.711%(5)	December 2034
Class MF-1	\$ 31,040,000	5.251%(5)	December 2034
Class MF-2	\$ 26,560,000	5.649%(5)	October 2034
Class MF-3	\$ 7,040,000	5.748%(5)	August 2034
Class MF-4	\$ 6,400,000	5.847%(5)	July 2034
Class MF-5	\$ 6,400,000	5.946%(5)	May 2034
Class BF.....	\$ 6,400,000	6.400%(5)	March 2034
Class 2-AV-1	\$ 257,712,000	(3)	December 2022
Class 2-AV-2	\$ 326,121,000	(3)	May 2033
Class 2-AV-3	\$ 76,527,000	(3)	February 2035
Class 2-AV-4	\$ 50,000,000	(3)	February 2035
Class MV-1.....	\$ 65,100,000	(3)	January 2035
Class MV-2.....	\$ 58,590,000	(3)	December 2034
Class MV-3.....	\$ 37,200,000	(3)	December 2034
Class MV-4.....	\$ 29,760,000	(3)	December 2034
Class MV-5.....	\$ 34,410,000	(3)	November 2034
Class MV-6.....	\$ 29,760,000	(3)	October 2034
Class MV-7.....	\$ 24,180,000	(3)	October 2034
Class MV-8.....	\$ 26,040,000	(3)	August 2034
Class BV.....	\$ 18,600,000	(3)	June 2034
Class A-R.....	(7)	(8)	October 2004
Class PF.....	N/A	N/A	N/A
Class PV.....	N/A	N/A	N/A
Class CF.....	N/A	N/A	N/A
Class CV.....	N/A	N/A	N/A

- The original certificate principal balances of the certificates will be subject to a permitted variance in the aggregate of plus or minus 10%, depending on the amount of mortgage loans actually delivered on the closing date.

- Each date was determined as described under “Yield, Prepayment and Maturity Considerations” in this information circular.
- The pass-through rates for the Class 1-AV-1, Class 2-AV-1, Class 2-AV-2, Class 2-AV-3 and Class 2-AV-4 Certificates and the adjustable rate subordinate certificates may adjust monthly, will be subject to increase after the optional termination date and will be subject to an interest rate cap, in each case as described in this information circular under “Description of the Certificates — Distributions — Distributions of Interest.”
- The pass-through rate for the Class AF-1 Certificates may adjust monthly and will be subject to an interest rate cap as described in this information circular under “Description of the Certificates — Distributions — Distributions of Interest.”
- The pass-through rates for the Class AF-2, Class AF-3, Class AF-4, Class AF-5, Class AF-6 Certificates and the fixed rate subordinate certificates will be subject to an interest rate cap as described in this information circular under “Description of the Certificates — Distributions — Distributions of Interest.”
- The pass-through rate for the Class AF-5 Certificates will increase to 5.868% per annum after the optional termination date, subject to an interest rate cap, as described in this information circular under “Description of the Certificates — Distributions — Distributions of Interest.”
- The original certificate principal balance of the Class A-R Certificates will be \$100.
- The Class A-R Certificates will not accrue any interest on the certificate principal balance thereof.

Registration of Certificates

The Class 1-AV-1 Certificates will initially be issued in book-entry form. The Class 1-AV-1 Certificates will be transferred to the Fannie Mae Grantor Trust 2004-T6 upon issuance and are not expected to be transferred thereafter.

See “Description of Certificates — Book-Entry Certificates” in this information circular.

Designations

Class AF Certificates

The Class AF-1, Class AF-2, Class AF-3, Class AF-4, Class AF-5 and Class AF-6 Certificates.

Class AV Certificates

The Class 1-AV-1, Class 2-AV-2, Class 2-AV-3, and Class 2-AV-4 Certificates.

Senior Certificates

The Class AF, Class AV and Class A-R Certificates.

Subordinate Certificates

The Class MF-1, Class MF-2, Class MF-3, Class MF-4, Class MF-5, Class BF, Class MV-1, Class MV-2, Class MV-3, Class MV-4, Class MV-5, Class MV-6, Class MV-7, Class MV-8 and Class BV Certificates.

Fixed Rate Certificates

The Class AF-2, Class AF-3, Class AF-4, Class AF-5 and Class AF-6 Certificates and the Fixed Rate Subordinate Certificates.

Adjustable Rate Certificates

The Class AF-1 and Class AV Certificates and the Adjustable Rate Subordinate Certificates.

Fixed Rate Subordinate Certificates

The Class MF-1, Class MF-2, Class MF-3, Class MF-4, Class MF-5 and Class BF Certificates.

Adjustable Rate Subordinate Certificates

The Class MV-1, Class MV-2, Class MV-3, Class MV-4, Class MV-5, Class MV-6, Class MV-7, Class MV-8 and Class BV Certificates.

Pass-Through Rates

The pass-through rates for the adjustable rate certificates are variable rates that may change from distribution date to distribution date. On each distribution date, the pass-through rate for each class of adjustable rate certificates will be a per annum rate equal to the lesser of:

- one-month LIBOR plus the applicable pass-through margin for such class, and
- the applicable net rate cap, calculated as described under “*Description of the Certificates — Distributions — Distributions of Interest*” in this information circular.

The pass-through rates of the fixed rate certificates are the respective per annum fixed rates set forth above under “*Description of the Certificates — General*.” On each distribution date, the pass-through rates for the fixed rate certificates will be subject to the applicable net rate cap, calculated as described under “*Description of the Certificates — Distributions — Distributions of Interest*” in this information circular.

See “*Description of the Certificates — Distributions — Distributions of Interest*” and “*— Calculation of One-Month LIBOR*” in this information circular.

If on any distribution date, the pass-through rate for a class of senior or subordinate certificates is based on the applicable net rate cap, each holder of the applicable certificates will be entitled to receive the resulting shortfall from remaining excess cashflow (if any) to the extent described in this information circular, and only in the case of the Class AF-1, Class 1-AV-1 and Class 2-AV Certificates and the adjustable rate subordinate certificates, after payments under the applicable interest rate corridor contract described below.

See “*Description of the Certificates — Distributions*” in this information circular.

Distribution Dates

The trustee will make distributions on the 25th day of each calendar month. If the 25th day of a month is not a business day, then the trustee will make distributions on the next business day. The first distribution date will be the distribution date occurring in October 2004.

Interest Payments

On each distribution date, holders of each class of interest-bearing certificates will be entitled to receive:

- the interest that has accrued at the related pass-through rate on the certificate principal balance immediately prior to the applicable distribution date during the related accrual period, and
- any interest due on a prior distribution date that was not paid.

The “accrual period” for the adjustable rate certificates will be the period from and including the preceding distribution date (or from and including the

closing date, in the case of the first distribution date) to and including the day prior to the current distribution date. The “accrual period” for the fixed rate certificates will be the calendar month immediately preceding the calendar month in which such distribution date occurs.

The trustee will calculate interest on the adjustable rate certificates based on a 360-day year and the actual number of days elapsed during the related accrual period. The trustee will calculate interest on the fixed rate certificates based on a 360-day year that consists of twelve 30-day months.

There are certain circumstances that could reduce the amount of interest paid to you.

See “Description of the Certificates — Distributions — Distributions of Interest” in this information circular.

Principal Payments

On each distribution date, certificateholders will receive a distribution of principal on their certificates if there is cash available on that date for the payment of principal. Monthly principal distributions will generally include principal payments and recoveries on the mortgage loans related to a class of certificates.

Certificateholders should review the priority of payments described under “*Description of the Certificates — Distributions*” in this information circular.

Credit Enhancement

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

Overcollateralization

When excess interest payments received in respect of the mortgage loans are used to reduce principal owed on the certificates, the aggregate principal balance of the mortgage loans is expected to become greater than the aggregate stated principal balance of the certificates. If this occurs, the certificates will be “overcollateralized,” and on any distribution date, the amount of the overcollateralization (if any) will be available to absorb the losses from liquidated

mortgage loans related to such certificates, if those losses are not otherwise covered by excess cashflow (if any) from the related mortgage loans. The required level of overcollateralization may change over time. There will be no overcollateralization as of the closing date.

On the closing date, the aggregate principal balance of the mortgage loans is expected to be approximately equal to the principal balance of the certificates. However, the mortgage loans in each loan group are expected to generate more interest than is needed to pay interest on the related certificates because the weighted average interest rate of the mortgage loans is expected to be higher than the weighted average pass-through rate on the related certificates, plus the weighted average expense fee rate, and in the case of loan group 2 and the Class 1-AV-1 Certificates, the Class 1-AV-1 guaranty fee rate. Beginning with the distribution date in October 2004 with respect to the mortgage loans in loan group 1 and the distribution date in January 2005 with respect to the mortgage loans in loan group 2 and loan group 3, any interest payments received in respect of the mortgage loans in a loan group in excess of the amount that is needed to pay interest on the related certificates, the trust expenses, and in the case of the Class 1-AV-1 Certificates, the Class 1-AV-1 guaranty fee, will be used to reduce the total certificate principal balance of the related certificates, until the required level of overcollateralization has been achieved.

See “Description of the Certificates—Overcollateralization” in this information circular.

Subordination

The issuance of senior certificates and subordinate certificates by the trust fund is designed to increase the likelihood that senior certificateholders will receive regular payments of interest and principal.

The Class AF Certificates will have a payment priority over the fixed rate subordinate certificates. The Class AV Certificates will have a payment priority over the adjustable rate subordinate certificates. With respect to the fixed rate subordinate certificates, the Class MF Certificates with a lower numerical designation will have a payment priority over Class MF Certificates with a higher numerical designation, and all the Class MF Certificates will have a payment priority over the Class BF Certificates. With respect to the adjustable rate subordinate certificates, the Class MV Certificates with a lower numerical designation will

have a payment priority over Class MV Certificates with a higher numerical designation, and all the Class MV Certificates will have a payment priority over the Class BV Certificates.

Subordination is designed to provide the holders of certificates having a higher payment priority with protection against most losses realized when the remaining unpaid principal balance on a mortgage loan exceeds the amount of proceeds recovered upon the liquidation of that mortgage loan. In general, this loss protection is accomplished by allocating realized losses among the subordinate certificates related to that loan group or loan groups, beginning with the related subordinate certificates with the lowest payment priority.

Excess cashflow from a loan group will be available to restore the overcollateralization for the other loan group or loan groups and to pay unpaid realized loss amounts to the subordinate certificates related to the other loan group or loan groups, as applicable, to the extent available and in the priority described in this information circular. However, realized losses on the mortgage loans in a loan group will be allocated solely to the classes of subordinate certificates related to that loan group or loan groups, as applicable.

Fannie Mae Guaranty

It is a condition to the issuance of the Class 1-AV-1 Certificates that they be purchased by Fannie Mae and that Fannie Mae guarantee payments on the Class 1-AV-1 Certificates as further described in this information circular. The Fannie Mae guarantee is not backed by the full faith and credit of the United States.

The Corridor Contracts

Countrywide Home Loans has entered into four interest rate corridor contracts, (1) the Class AF-1 corridor contract, (2) the Class 1-AV-1 corridor contract, (3) the Class 2-AV corridor contract and (4) the adjustable rate subordinate corridor contract, each of which will be assigned to the trust fund on the closing date. On or prior to the applicable corridor contract termination date, amounts paid under a corridor contract will be available to the applicable class (or in the case of the Class 2-AV corridor contract and the adjustable rate subordinate corridor contract, the applicable classes) of certificates, as described in this information circular to cover net rate carryover resulting from the application of the applicable net rate cap to the related pass-through rate(s).

Payments under each corridor contract will be made pursuant to the formula described in “*Description of the Certificates — The Corridor Contracts*” in this information circular. Any amounts received on a corridor contract for a distribution date that are not used on that date to cover net rate carryover on the related certificates are expected to be distributed to the holders of the Class CF and Class CV Certificates as provided in the pooling and servicing agreement and will not be available thereafter for payment of net rate carryover on any class of certificates.

See “*Description of the Certificates — The Corridor Contracts*” in this information circular.

Advances

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

See “*Servicing of the Mortgage Loans*” in this information circular.

Optional Termination

The master servicer may purchase all of the remaining assets of the trust fund on any distribution date on or after the first distribution date on which the aggregate stated principal balance of the mortgage loans and any foreclosed real estate owned by the trust fund declines to or below 10% of the aggregate stated principal balance of the mortgage loans as of the cut-off date. Any such purchase by the master servicer will result in the early retirement of the certificates. The NIM Insurer may also have the right to purchase all of the remaining assets in the trust fund.

See “*Description of the Certificates — Optional Termination*” in this information circular.

Material Federal Income Tax Consequences

For federal income tax purposes, the trust fund (exclusive of the corridor contracts, the credit comeback excess account and the assets held in the carryover reserve fund) will comprise multiple real

estate mortgage investment conduits, organized in a tiered REMIC structure. The Class 1-AV-1 Certificates will represent beneficial ownership of REMIC “regular interests” in the master REMIC identified in the pooling and servicing agreement and a beneficial interest in the right to receive payments from the carryover reserve fund pursuant to the pooling and servicing agreement.

See “Material Federal Income Tax Consequences” in this information circular.

RISK FACTORS

The following information, which you should carefully consider, identifies certain significant sources of risk associated with an investment in the certificates.

The Obligations of the Trust Fund to Make Payments on the Certificates are Non-Recourse Obligations

The certificates will be non-recourse obligations of the trust fund payable solely from the assets of the trust fund. Except to the extent of Fannie Mae's guaranty of the Class 1-AV-1 Certificates described in this information circular, the certificates do not represent an interest in, or obligation of, the Depositor, the Sellers, the Master Servicer, the Trustee, the Co-Trustee, Fannie Mae or the Underwriters. Consequently, certificateholders must rely exclusively on assets of the trust fund for distributions on the certificates.

The Mortgage Loans Were Underwritten to Countrywide Home Loans's Standards for Credit Blemished Mortgage Loans. Mortgage Loans Underwritten to Such Standards Will Experience Higher Rates of Delinquency and Loss than Mortgage Loans Underwritten in a More Traditional Manner

Countrywide Home Loans's credit blemished mortgage loan underwriting standards are more flexible than the standards generally used by banks for borrowers with non-blemished credit histories with regard to the borrower's credit standing and repayment ability. Borrowers who qualify generally have impaired credit histories, which may include a record of major derogatory credit items such as outstanding judgments or prior bankruptcies. On a case by case basis, Countrywide Home Loans may determine that, based upon compensating factors, a prospective borrower not strictly qualifying under its applicable underwriting risk category guidelines warrants an underwriting exception. It is expected that a significant number of the mortgage loans will have been originated based on such underwriting exceptions.

With respect to first lien mortgage loans, the underwriting standards do not prohibit a mortgagor from obtaining, at the time of origination of the originator's first lien mortgage loan, additional financing which is subordinate to that first lien mortgage loan, which subordinate financing would reduce the equity the mortgagor would otherwise appear to have in the related mortgaged property as indicated in the loan-to-value ratio set forth in this information circular.

As a result of Countrywide Home Loans's underwriting standards, the mortgage loans in the mortgage pool are likely to experience rates of delinquency, foreclosure and bankruptcy that are higher, and that may be substantially higher, than those experienced by mortgage loans underwritten in a more traditional manner. Furthermore, changes in the values of the mortgaged properties may have a greater effect on the delinquency, foreclosure, bankruptcy and loss experience of the mortgage loans in the mortgage pool than on mortgage loans originated in a more traditional manner. No assurance can be given that the values of the related mortgaged properties have remained or will remain at the levels in effect on the dates of origination of the related mortgage loans.

**Subordination May Not Be
Sufficient to Protect Senior
Certificates from Losses**

When certain classes of certificates provide credit enhancement for other classes of certificates this is sometimes referred to as “*subordination*.” The subordination feature is intended to enhance the likelihood that senior certificateholders will receive regular payments of interest and principal. For purposes of this information circular, “*related subordinate classes*” means:

- with respect to the Class AF Certificates, the fixed rate subordinate certificates,
- with respect to the Class AV Certificates, the adjustable rate subordinate certificates,
- with respect to the Class MF-1 Certificates, the Class MF-2, Class MF-3, Class MF-4, Class MF-5 and Class BF Certificates,
- with respect to the Class MV-1 Certificates, the Class MV-2, Class MV-3, Class MV-4, Class MV-5, Class MV-6, Class MV-7, Class MV-8 and Class BV Certificates,
- with respect to the Class MF-2 Certificates, the Class MF-3, Class MF-4, Class MF-5 and Class BF Certificates,
- with respect to the Class MV-2 Certificates, the Class MV-3, Class MV-4, Class MV-5, Class MV-6, Class MV-7, Class MV-8 and Class BV Certificates,
- with respect to the Class MF-3 Certificates, the Class MF-4, Class MF-5 and Class BF Certificates,
- with respect to the Class MV-3 Certificates, the Class MV-4, Class MV-5, Class MV-6, Class MV-7, Class MV-8 and Class BV Certificates,
- with respect to the Class MF-4 Certificates, the Class MF-5 and Class BF Certificates,
- with respect to the Class MV-4 Certificates, the Class MV-5, Class MV-6, Class MV-7, Class MV-8 and Class BV Certificates,
- with respect to the Class MF-5 Certificates, the Class BF Certificates,
- with respect to the Class MV-5 Certificates, the Class MV-6, Class MV-7, Class MV-8 and Class BV Certificates,
- with respect to the Class MV-6 Certificates, the Class MV-7, Class MV-8 and Class BV Certificates,
- with respect to the Class MV-7 Certificates, the Class MV-8 and Class BV Certificates, and
- with respect to the Class MV-8 Certificates, the Class BV Certificates.

Credit enhancement in the form of subordination will be provided for the certificates, first, by the right of the holders of the senior certificates to receive certain distributions prior to the related subordinate classes and, second, by the allocation of realized losses on the mortgage loans in a loan group or loan groups to such related subordinate classes, beginning with the Class BF (in the case of loan group 1) and Class BV Certificates (in the case of loan group 2 or loan group 3).

This type of credit enhancement is provided by using collections on the mortgage loans in a loan group otherwise payable to the holders of the related subordinate classes to pay amounts due on the more senior related classes. Realized losses of a particular loan group or loan groups are allocated to the related subordinate certificates, beginning with the related subordinate certificates with the lowest payment priority, until the principal balance of that related subordinate class has been reduced to zero. This means that after the credit enhancement provided by related excess cashflow and overcollateralization (if any) have been exhausted, realized losses on the mortgage loans of a particular loan group will first be allocated to the Class BV Certificates (in the case of loan group 2 or loan group 3) or Class BF Certificates (in the case of loan group 1) until the respective certificate principal balance of the Class BV Certificates or Class BF Certificates, as applicable, has been reduced to zero. Subsequent realized losses of a particular loan group will be allocated to the next most junior class of related subordinate certificates, until the principal balance of that class of subordinate certificates has been reduced to zero. If the aggregate certificate principal balance of the fixed rate or adjustable rate subordinate classes were to be reduced to zero, delinquencies and defaults on the mortgage loans in the related loan group or loan groups would reduce the amount of funds available for monthly distributions to holders of the related senior certificates (in the case of the Class 1-AV-1 Certificates, before giving effect to the Fannie Mae guaranty).

See "Description of the Certificates" in this information circular.

**Excess Interest from the Mortgage
Loans May Not Provide Adequate
Credit Enhancement.....**

The amount by which the aggregate principal balance of the mortgage loans in a loan group or loan groups exceeds the aggregate principal balance of the related classes of certificates is called "**overcollateralization**." The mortgage loans in a loan group or loan groups are expected to generate more interest than is needed to pay interest on the related certificates because the weighted average interest rate on such mortgage loans is expected to be higher than the weighted average pass-through rate on such certificates plus the expense fee rate, and in the case of the Class 1-AV-1 Certificates, the Class 1-AV-1 guaranty fee rate. Beginning with the distribution date in October 2004 with respect to the mortgage loans in loan group 1 and the distribution date in January 2005 with respect to the mortgage loans in loan group 2 and loan group 3, if the mortgage loans in a loan group or loan groups generate more interest than is needed to pay interest on the related certificates, such "**excess interest**" from the related loan group or loan groups will be used to make additional principal payments on the related certificates, to the extent described in this information circular. Overcollateralization is intended to provide limited protection to certificateholders by absorbing the certificates' share of losses from liquidated mortgage loans in the related loan group or loan groups.

However, we cannot assure you that enough excess interest will be generated on the mortgage loans to create or maintain the required levels of overcollateralization.

The excess interest available on any distribution date will be affected by the actual amount of interest received, collected or recovered in respect of the mortgage loans during the preceding month. Such amount will be influenced by changes in the weighted average of the mortgage rates resulting from prepayments and liquidations of the mortgage loans as well as from adjustments of the mortgage rates on adjustable rate mortgage loans. Because such excess interest available may vary and because the pass-through rates on the adjustable-rate certificates may increase, it may be necessary to apply all or a portion of the available interest to cover the interest requirements. As a result, available excess interest may be reduced.

If the protection afforded by overcollateralization is insufficient, then the holders of the certificates could experience a loss on their investment.

Risk Regarding Mortgage Rates The pass-through rates on the adjustable rate certificates may adjust monthly and are generally based on one-month LIBOR. The mortgage rates on the mortgage loans either are fixed or adjust semi-annually based on six-month LIBOR, which is referred to as a mortgage index, but in most cases only after a period of two or three years after origination. Because the mortgage index may respond to various economic and market factors different than those affecting one-month LIBOR, there is not necessarily a correlation in movement between the interest rates on those mortgage loans and the pass-through rates of the adjustable rate certificates. For example, it is possible that the interest rates on certain of the adjustable rate mortgage loans may decline while the pass-through rates on the adjustable rate certificates are stable or rising. In addition, although it is possible that both the mortgage rates and certificate pass-through rates may decline or increase during the same period, mortgage rates may decline or increase more slowly than the certificate pass-through rates because of the difference between interest rate adjustment periods and pass-through rate adjustment periods.

The absence of a correlation between movement in the mortgage rates and the certificate pass-through rates may reduce the interest payable on the related interest-bearing certificates because of the imposition of a pass-through rate cap called the “*net rate cap*.” In addition, prepayments of mortgage loans in loan group 2 with relatively higher mortgage rates may reduce the applicable net rate cap and consequently reduce the pass-through rate for the Class 1-AV-1 Certificates. It is intended that the amount by which a certificateholder’s interest payment has been reduced by operation of the applicable net rate cap will be paid from remaining excess cashflow (if any) as described in this information circular. In addition, prior to the Class 1-AV-1 corridor contract termination date, the Class 1-AV-1 Certificates will also be entitled to receive corridor contract proceeds in respect of such resulting reduction in interest resulting from the operation of the applicable net rate cap from payments (if any) under the Class 1-AV-1 corridor contract, as described in this information circular. However, we cannot assure you that any such funds will be available, or sufficient, to make any such payments.

Declines in Property Values May Adversely Affect You

The value of the properties underlying the mortgage loans may decline over time. Among the factors that could adversely affect the value of the properties are:

- an overall decline in the residential real estate market in the areas in which they are located,
- a decline in their general condition from the failure of borrowers to maintain their property adequately, and
- natural disasters that are not covered by insurance, such as earthquakes and floods.

If property values decline, the actual rates of delinquencies, foreclosures, and losses on all mortgage loans could be higher than those currently experienced in the mortgage lending industry in general. These losses, to the extent not otherwise covered by a credit enhancement (including the Fannie Mae guaranty in the case of the Class 1-AV-1 Certificates), will be borne by the holder of one or more classes of certificates.

Cash Flow Considerations and Risks Could Cause Payment Delays and Losses

There could be substantial delays in the liquidation of defaulted mortgage loans and corresponding delays in receiving your portion of the proceeds of a liquidation. These delays could continue for several years.

Furthermore, an action to obtain a deficiency judgment is regulated by statutes and rules, and the amount or availability of a deficiency judgment may be limited by law. In the event of a default by a borrower, these restrictions may impede the ability of the master servicer to foreclose on or to sell the mortgaged property or to obtain a deficiency judgment. In addition, liquidation expenses (such as legal and appraisal fees, real estate taxes and maintenance and preservation expenses) will reduce the amount of security for the mortgage loans and, in turn, reduce the proceeds payable to certificateholders.

In the event that:

- the mortgaged properties fail to provide adequate security for the related mortgage loans,
- excess cashflow (if any) and overcollateralization (if any) is insufficient to cover such shortfalls,
- the subordination of certain classes are insufficient to cover such shortfalls, and
- with respect to the Class 1-AV-1 Certificates, the guarantor fails to make the required payments under the guaranty,

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

Yield and Reinvestment Could Be Adversely Affected by

Unpredictability of Prepayments

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

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

Any mortgage loan may be prepaid in full or in part at any time; however, approximately 78.10%, 69.09% and 71.65% of the mortgage loans in the statistical calculation pool in respect of loan group 1, loan group 2 and loan group 3, respectively, in each case by principal balance of the mortgage loans in the statistical calculation pool in respect of the related loan group, provide for the payment by the borrower of a prepayment charge on full prepayments during the period of time specified in the related mortgage note. In addition, substantially all of the mortgage loans contain due-on-sale provisions, and the master servicer intends to enforce those provisions unless doing so is not permitted by applicable law or the master servicer, in a manner consistent with reasonable commercial practice, permits the purchaser of the mortgaged property in question to assume the related mortgage loan.

See "The Mortgage Pool," "Yield, Prepayment and Maturity Considerations" and "Certain Legal Aspects of the Loans — Due-on-Sale Clauses" in this information circular for a description of certain provisions of the mortgage loans that may affect their prepayment experience.

The weighted average life of the Class 1-AV-1 Certificates will be sensitive to the rate and timing of principal payments (including prepayments) on the mortgage loans in loan group 2, which may fluctuate significantly from time to time.

You should note that:

- generally, if you purchase your certificates at a discount and principal is repaid on the mortgage loans in the related loan group or loan groups slower than you anticipate, then your yield may be lower than you anticipate,
- for the Class 1-AV-1 Certificates, your yield will also be sensitive to:
 - (1) the level of one-month LIBOR,
 - (2) the timing of adjustment of the pass-through rate on your certificate as it relates to the interest rates on the mortgage loans in

loan group 2 and the level of the mortgage index, the timing of adjustment of the interest rates on those mortgage loans, and periodic and lifetime limits on those adjustments, and

(3) other limitations on the pass-through rate of the Class 1-AV-1 Certificates as described further in this information circular, and

- you bear the reinvestment risks resulting from a faster or slower rate of principal payments than you expect.

See “Yield, Prepayment and Maturity Considerations” in this information circular.

Your Yield Will Be Affected by the Interest-Only Feature of Some of the Mortgage Loans

Approximately 4.89%, 15.35% and 23.29% of the mortgage loans in the statistical calculation pool in respect of loan group 1, loan group 2 and loan group 3, respectively, in each case by principal balance of the mortgage loans in the statistical calculation pool in respect of the related loan group, require monthly payments of only accrued interest for the first 2, 3 or 5 years after origination. These mortgage loans may involve a greater degree of risk because, if the related mortgagor defaults, the outstanding principal balance of the mortgage loans will be higher than for an amortizing mortgage loan. During the interest-only period, less principal will be available for distribution to certificateholders than otherwise would be the case. In addition, during the interest-only period, these mortgage loans may be less likely to prepay because the perceived benefits from refinancing may be less than if the mortgage loans were fully amortizing. As the interest-only period approaches its end, however, these mortgage loans may be more likely to be refinanced in order to avoid higher monthly payments necessary to fully amortize the mortgage loans.

Distribution to and Rights of Investors Could Be Adversely Affected by the Bankruptcy or Insolvency of Certain Parties

The sellers will treat the transfers of the mortgage loans to the depositor as a sale of the mortgage loans. However, if a seller becomes bankrupt, the trustee in bankruptcy of such seller may argue that the mortgage loans were not sold but were only pledged to secure a loan to such seller. If that argument is made, you could experience delays or reduction in payments on the certificates. If that argument is successful, the bankruptcy trustee could elect to sell the mortgage loans and pay down the certificates early. Thus, you could lose the right to future payments of interest, and might suffer reinvestment losses in a lower interest rate environment.

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

Geographic Concentration of Mortgaged Properties in California Increases the Risk That Certificate Yields Could Be Impaired.....

Approximately 40.70%, 25.50% and 26.56% of the mortgage loans in the statistical calculation pool in respect of loan group 1, loan group 2 and loan group 3, respectively, in each case by principal balance of the mortgage

loans in the statistical calculation pool in respect of the related loan group, are secured by mortgaged properties that are located in California. Property in California may be more susceptible than homes located in other parts of the country to certain types of uninsurable hazards, such as earthquakes, floods, mudslides and other natural disasters. In addition:

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

**Violations of Consumer Protection
Laws May Adversely Affect You.....**

Federal, state and local laws extensively regulate various aspects of brokering, originating, servicing and collecting mortgage loans secured by consumers' dwellings. Among other things, these laws may regulate interest rates and other charges, require disclosures, impose financial privacy requirements, mandate specific business practices, and prohibit unfair and deceptive trade practices. In addition, licensing requirements may be imposed on persons that broker, originate, service or collect such mortgage loans.

The penalties for violating federal, state or local laws vary depending on the local law and the particular facts of the situation. However, private plaintiffs typically may assert claims for actual damages and, in some cases, also may recover civil money penalties or exercise a right to rescind the mortgage loan. Violations of certain laws may limit the ability to collect all or part of the principal or interest in a mortgage loan and, in some cases, borrowers may even be entitled to a refund of amounts previously paid. Federal, state and local administrative or law enforcement agencies may also be entitled to bring legal actions, including actions for civil money penalties or restitution, for violations of certain of these laws. Depending on the particular alleged misconduct, it is possible that claims may be asserted against various participants in secondary market transactions, including assignees that hold the mortgage loans, such as the trust fund.

Impact of World Events.....

The economic impact of the United States' military operations in Iraq, Afghanistan and other parts of the world, as well as the possibility of any terrorist attacks domestically or abroad, is uncertain, but could have a material effect on general economic conditions, consumer confidence, and market liquidity. No assurance can be given as to the effect of these events on consumer confidence and the performance of the mortgage loans. Any adverse impact resulting from these events would be borne by the holders of the certificates. United States military operations also increase the likelihood of shortfalls under the Servicemembers Civil Relief Act (referred to as the "**Relief Act**"). The Relief Act provides relief to borrowers who enter active military service and to borrowers in reserve status who are

called to active duty after the origination of their mortgage loan. The Relief Act provides generally that these borrowers may not be charged interest on a mortgage loan in excess of 6% per annum during the period of the borrower's active duty. These shortfalls are not required to be paid by the borrower at any future time and will not be advanced by the master servicer. To the extent these shortfalls reduce the amount of interest paid to the Class 1-AV-1 Certificateholders, they will be covered by the Fannie Mae Guaranty. In addition, the Relief Act imposes limitations that would impair the ability of the master servicer to foreclose on an affected loan during the borrower's period of active duty status, and, under some circumstances, during an additional period thereafter.

Hurricane Damage Risks.....

Several hurricanes which have struck the southeastern United States in August and September of 2004 may have adversely affected mortgaged properties located in that area. Countrywide Home Loans will represent and warrant as of the closing date that no mortgaged property has been damaged by any of these hurricanes so as to materially affect the value of the mortgaged property, and Countrywide Home Loans will be obligated to repurchase or substitute for any mortgage loan found to be in breach of this representation and warranty after the initial issuance of the certificates. Any damage to a mortgaged property occurring after the closing date as a result of the hurricanes referred to above or any other hurricane, tornado or casualty will not cause a breach of this representation and warranty. Any repurchase would have the effect of increasing the rate of principal payment on the certificates.

Certain Rights May Be Affected by the Issuance of Three Groups of Certificates from a Single Trust Fund.....

The ability to declare an event of master servicing termination or to amend the pooling and servicing agreement rests with the holders of specified percentages of the certificates related to each loan group. In addition under certain circumstances, the guarantor of the Class 1-AV-1 Certificates will have such rights as they relate to the Class 1-AV-1 Certificates. As a result, you may have less ability to control certain actions of the trust fund than you would have had if only a single class of certificates had been issued from the trust fund.

Rights of the NIM Insurer.....

If there is a NIM Insurer under the pooling and servicing agreement, unless the NIM Insurer fails to make a required payment under the policy insuring the net interest margin securities and the failure is continuing or the NIM Insurer is the subject of a bankruptcy proceeding (each such event, a "NIM Insurer Default"), subject to certain conditions specified in the pooling and servicing agreement, the NIM Insurer will be entitled to exercise, among others, the following rights without the consent of certificateholders:

- the right to provide notices of master servicer defaults and the right to direct the trustee to terminate the rights and obligations of the master servicer under the pooling and servicing agreement upon a default by the master servicer,
- the right to remove the trustee or any co-trustee pursuant to the pooling and servicing agreement, and
- the right to direct the trustee to make investigations and take actions

pursuant to the pooling and servicing agreement.

In addition, unless a NIM Insurer Default exists, such NIM Insurer's consent will be required before, among other things,

- any removal of the master servicer, any successor servicer or the trustee,
- any appointment of any co-trustee,
- any otherwise permissible waivers of prepayment penalties or extensions of due dates for payment granted by the master servicer with respect to more than 5% of the mortgage loans, or
- any amendment to the pooling and servicing agreement.

Investors in the certificates should note that:

- any insurance policy issued by the NIM Insurer will not cover, and will not benefit in any manner whatsoever, the certificates,
- the rights granted to the NIM Insurer are extensive,
- the interests of the NIM Insurer may be inconsistent with, and adverse to, the interests of the holders of the certificates, and the NIM Insurer has no obligation or duty to consider the interests of the certificates in connection with the exercise or nonexercise of the NIM Insurer's rights, and
- the NIM Insurer's exercise of its rights and consents may negatively affect the certificates and the existence of the NIM Insurer's rights, whether or not exercised, may adversely affect the liquidity of the certificates, relative to other asset-backed certificates backed by comparable mortgage loans and with comparable payment priorities.

See "Rights of the NIM Insurer under Pooling and Servicing Agreement" in this information circular.

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

THE MORTGAGE POOL

General

The statistical information presented in this information circular (including the information set forth in Annex A hereto) is based on a pool of mortgage loans that CWABS, Inc. (the “**Depositor**”) believes is representative of the mortgage loans to be included in the Trust Fund (such pool, the “**Statistical Calculation Pool**”), although some characteristics of the Mortgage Loans in the Mortgage Pool may vary. See “—*The Statistical Calculation Pool*.” The information presented with respect to the Statistical Calculation Pool is based on the number and the Stated Principal Balances of such Mortgage Loans as of the later of (x) September 1, 2004 (the “**Statistical Calculation Date**”), and (y) the date of origination of each such Mortgage Loan (the “**Cut-off Date**,” and such aggregate of such Stated Principal Balances, the “**Cut-off Date Pool Principal Balance**,” and the Stated Principal Balance of any Mortgage Loan as of the Cut-off Date, the “**Cut-off Date Principal Balance**”).

The Statistical Calculation Pool consists of approximately 16,683 Mortgage Loans and is comprised of Mortgage Loans that bear interest at fixed rates (such Mortgage Loans, the “**Fixed Rate Mortgage Loans**”) and adjustable rates (such Mortgage Loans, the “**Adjustable Rate Mortgage Loans**”). The aggregate Stated Principal Balance of the Mortgage Loans included in the Statistical Calculation Pool as of the Statistical Calculation Date will be approximately \$2,881,510,276 (the “**Statistical Calculation Date Pool Principal Balance**”), of which approximately \$737,798,858 will consist of Group 1 Mortgage Loans, approximately \$1,163,551,479 will consist of Group 2 Mortgage Loans and approximately \$980,159,939 will consist of Group 3 Mortgage Loans (in each case subject to a permitted variance of plus or minus 10%). Unless otherwise indicated, information presented below expressed as a percentage (other than rates of interest) are approximate percentages based on the Statistical Calculation Date Pool Principal Balance.

All of the Mortgage Loans to be included in the Trust Fund will be evidenced by promissory notes (the “**Mortgage Notes**”). The Mortgage Notes will be secured by first lien deeds of trust, security deeds or mortgages on one- to four-family residential properties (the “**Mortgaged Properties**”). The Mortgaged Properties in the Statistical Calculation Pool are located in 50 states and the District of Columbia. Each Mortgage Loan in the Trust Fund will be assigned to one of three mortgage loan groups (“**Loan Group 1**,” “**Loan Group 2**” and “**Loan Group 3**” and each a “**Loan Group**”). Loan Group 1 will consist of first lien fixed rate mortgage loans with principal balances at origination that may or may not be in excess of Fannie Mae’s conforming loan limits. Loan Group 2 will consist of first lien adjustable rate mortgage loans having principal balances at origination not in excess of Fannie Mae’s conforming loan limits. Loan Group 3 will consist of first lien adjustable rate mortgage loans with principal balances at origination that may or may not be in excess of Fannie Mae’s conforming loan limits.

Except for balloon loans, the Mortgage Loans to be included in the Trust Fund will provide for the full amortization of the amount financed over a series of monthly payments, and a substantial majority of the Mortgage Loans are expected to provide for payments due as of the first day of each month. The Mortgage Loans to be included in the Trust Fund will have been originated or purchased by Countrywide Home Loans, Inc. (“**Countrywide Home Loans**” or a “**Seller**”) and will have been originated substantially in accordance with the Countrywide Home Loans’s underwriting criteria for credit blemished mortgage loans described in this information circular under “— *Underwriting Standards — Credit Blemished Mortgage Loans*.” Credit blemished mortgage loans are generally mortgage loans made to borrowers with prior credit difficulties.

Scheduled monthly payments made by the mortgagors on the Mortgage Loans (“**Scheduled Payments**”) either earlier or later than the scheduled due dates thereof will not affect the amortization schedule or the relative application of such payments to principal and interest. All of the Mortgage Notes will provide for a fifteen (15) day grace period for monthly payments. A Scheduled Payment with respect to a Mortgage Loan is generally considered “delinquent” if the mortgagor fails to make such Scheduled Payment prior to the due date occurring immediately after the due date on which such Scheduled Payment was originally due.

Any Mortgage Loan may be prepaid in full or in part at any time; however, approximately 78.10%, 69.09% and 71.65% of the Mortgage Loans in the Statistical Calculation Pool in respect of Loan Group 1, Loan Group 2 and Loan Group 3, respectively, in each case by principal balance of the Mortgage Loans in the Statistical Calculation

Pool in respect of the related Loan Group, provide for the payment by the borrower of a prepayment charge on full prepayments made with respect to the Mortgage Loans. Generally, any such prepayment charge will apply, in the case of Fixed Rate Mortgage Loans, to prepayments made within five years from the date of execution of the related Mortgage Note and, in the case of Adjustable Rate Mortgage Loans, to prepayments made prior to the first Adjustment Date. In general, the related Mortgage Note will provide that a prepayment charge will apply if, during the applicable period, the borrower prepays such Mortgage Loan in full. The amount of the prepayment charge will generally be equal to six months' advance interest calculated on the basis of the Mortgage Rate in effect at the time of such prepayment on the amount prepaid in excess of 20% of the original balance of such Mortgage Loan. The "**Mortgage Rate**" with respect to a Mortgage Loan is the annual rate of interest borne by the Mortgage Loan pursuant to the terms of the related Mortgage Note, except as provided below with respect to Fixed Rate Credit Comeback Loans.

Additional Information Regarding the Adjustable Rate Mortgage Loans. Each of the Adjustable Rate Mortgage Loans will have a Mortgage Rate which is subject to adjustment on the first day of the months specified in the related Mortgage Note (each such date, an "**Adjustment Date**") to equal the sum, rounded to the nearest 0.125%, of:

- (1) the average of the London interbank offered rates for six-month U.S. dollar deposits in the London market, as set forth in *The Wall Street Journal*, or, if such rate ceases to be published in *The Wall Street Journal* or becomes unavailable for any reason, then based upon a new index selected by the Master Servicer based on comparable information, in each case as most recently announced as of a date generally 45 days prior to such Adjustment Date (the "**Mortgage Index**"), and
- (2) a fixed percentage amount specified in the related Mortgage Note (the "**Gross Margin**");

provided, however, that the Mortgage Rate for substantially all of the Adjustable Rate Mortgage Loans will not increase or decrease by more than either 1.000% or 1.500% on any Adjustment Date (the "**Periodic Rate Cap**"), with the exception of the initial Adjustment Date for certain of the Two-Year Hybrid Mortgage Loans and the Three-Year Hybrid Mortgage Loans, which are subject to a different initial Periodic Rate Cap as set forth in the related Mortgage Notes. Substantially all of the Adjustable Rate Mortgage Loans will have been originated with Mortgage Rates less than the sum of the then-current Mortgage Index and the related Gross Margin.

A "**Two-Year Hybrid Mortgage Loan**" and a "**Three-Year Hybrid Mortgage Loan**" have fixed Mortgage Rates for approximately 24 and 36 months, respectively, after their origination before such fixed Mortgage Rates become subject to adjustment based on the Mortgage Index described in the immediately preceding paragraph.

It is expected that substantially all of the Adjustable Rate Mortgage Loans will provide that, over the life of each such Mortgage Loan, the Mortgage Rate will in no event be more than the initial Mortgage Rate plus a maximum added margin, generally between 4.000% and 10.000%, as provided in the Mortgage Note (such initial Mortgage Rate plus such maximum added margin, the "**Maximum Mortgage Rate**"). The weighted average of such margins (weighted on the basis of the Stated Principal Balances thereof as of the Cut-off Date) with respect to the Adjustable Rate Mortgage Loans in the Statistical Calculation Pool is approximately 6.610%.

In addition, certain of the Adjustable Rate Mortgage Loans in the Statistical Calculation Pool are 2/28 Interest-Only Loans or 3/27 Interest-Only Loans. A "**2/28 Interest-Only Loan**" and a "**3/27 Interest-Only Loan**" have only interest due for approximately 24 and 36 months, respectively, after their origination before amortization of the principal balances is required.

Additional Information Regarding the Fixed Rate Mortgage Loans. The Fixed Rate Mortgage Loans will include "**credit comeback loans**" that provide borrowers the potential of four Mortgage Rate reductions for good payment history during any one or more of the first four consecutive twelve-month periods following the origination date of the loan ("**Fixed Rate Credit Comeback Loans**"). The Fixed Rate Credit Comeback Loan payment history is evaluated in the twelfth month of each such twelve-month period. If the Fixed Rate Credit Comeback Loan borrower makes Scheduled Payments in full during such twelve-month period with a maximum of one late payment (which, however, cannot be in the twelfth month of such period) the Fixed Rate Credit Comeback Loan is eligible for a 0.375% per annum reduction on the current mortgage rate.

However, for purposes of all payments made on the Certificates, including the calculation of each applicable Net Rate Cap as well as other Mortgage Rate calculations, the Mortgage Rate on each Fixed Rate Credit Comeback Loan will be deemed to be reduced by 0.375% on the Due Date following the end of each of the first four annual periods after the origination date, irrespective of whether the borrower qualifies for the reduction by having a good payment history. Any interest received in excess of the interest received as a result of such deemed reduction (such excess, the “**Credit Comeback Excess Amount**”) will be deposited in the Credit Comeback Excess Account and used to pay Certificateholders as described below under “— *Credit Comeback Excess Account*” below. It is expected that no more than approximately 8.362% of the Mortgage Loans in Loan Group 1 will be Fixed Rate Credit Comeback Loans.

In addition, certain of the Fixed Rate Mortgage Loans in the Statistical Calculation Pool are Fixed 30-Year Interest-Only Loans. A “**Fixed 30-Year Interest-Only Loan**” has only interest due for approximately 60 months after its origination before amortization of the principal balance is required.

Loan-to-Value Ratio. The “**Loan-to-Value Ratio**” of a Mortgage Loan is equal to:

- (1) the principal balance of such Mortgage Loan at the date of origination, divided by
- (2) the Collateral Value of the related Mortgaged Property.

The “**Collateral Value**” of a Mortgaged Property is the lesser of:

- (1) the appraised value based on an appraisal made for Countrywide Home Loans by an independent fee appraiser at the time of the origination of the related Mortgage Loan, and
- (2) the sales price of such Mortgaged Property at such time of origination.

With respect to a Mortgage Loan the proceeds of which were used to refinance an existing mortgage loan, the Collateral Value is the appraised value of the Mortgaged Property based upon the appraisal obtained at the time of refinancing.

Stated Principal Balance. “**Stated Principal Balance**” means, for any Mortgage Loan and (1) the Cut-off Date, the unpaid principal balance of such Mortgage Loan as of such date, as specified in its amortization schedule at the time (before any adjustment to the amortization schedule for any moratorium or similar waiver or grace period), after giving effect to any partial prepayments and Liquidation Proceeds received prior to such date and to the payment of principal due on such date and irrespective of any delinquency in payment by the related mortgagor or (2) any Distribution Date, the Stated Principal Balance of the Mortgage Loan as of its Cut-off Date, minus the sum of (i) the principal portion of any Scheduled Payments due with respect to the Mortgage Loan on or prior to the end of the most recent Due Period that were received by the Master Servicer on or prior to the most recent Determination Date or were advanced by the Master Servicer on or prior to the most recent Master Servicer Advance Date, (ii) principal prepayments with respect to the Mortgage Loan received on or prior to the end of the most recent prepayment period (the period from the 16th day of the month prior to a Distribution Date (or, in the case of the first Distribution Date, from the Cut-off Date) to and including the 15th day of the month in which such Distribution Date occurs (each a “**Prepayment Period**”)) and (iii) Liquidation Proceeds received by the Master Servicer prior to the end of the most recent Due Period to the extent applied as recoveries of principal with respect to the Mortgage Loan. When used with respect to the Mortgage Pool, Stated Principal Balance means the aggregate Stated Principal Balance of all Mortgage Loans in the Mortgage Pool. When used with respect to a Loan Group, Stated Principal Balance means the aggregate Stated Principal Balance of all Mortgage Loans in such Loan Group.

The Statistical Calculation Pool

The statistical information presented in this information circular is based on the Statistical Calculation Pool. The Statistical Calculation Pool reflects Mortgage Loans as of September 1, 2004. The statistical information presented in this information circular is based on the number and the Stated Principal Balances of such Mortgage Loans as of the Statistical Calculation Date. The Depositor expects the aggregate Stated Principal Balance of the

Mortgage Loans to be included in the Mortgage Pool as of the Cut-off Date will be no less than \$2,500,000,000 of which \$640,000,000 of the Mortgage Loans will comprise Loan Group 1, \$1,000,000,000 of the Mortgage Loans will comprise Loan Group 2 and \$860,000,000 of the Mortgage Loans will comprise Loan Group 3 (in each case subject to a permitted variance of plus or minus 10%). The Mortgage Loans to be included in the Mortgage Pool will represent Mortgage Loans in the Statistical Calculation Pool plus additional Mortgage Loans sold by the Sellers to the Depositor, and by the Depositor to the Trust Fund, on or before the Closing Date. However, certain of the Mortgage Loans in the Statistical Calculation Pool, as to which statistical information is presented in this information circular, may prepay in part or in full, or may be determined not to meet the eligibility requirements for the final Mortgage Pool on the Closing Date and as a result may not be included in the final Mortgage Pool. As a result of the foregoing, the statistical distribution of characteristics for the Mortgage Pool will vary from the statistical distribution of such characteristics of the Statistical Calculation Pool as presented in this information circular, although such variance will not be material. Further statistical information regarding the Statistical Calculation Pool Mortgage Loans is set forth in Annex A hereto.

Assignment of the Mortgage Loans

Pursuant to the pooling and servicing agreement dated as of September 1, 2004 (the “**Pooling and Servicing Agreement**”), among the Depositor, the Master Servicer, the Sellers, Fannie Mae (the “**Guarantor**”), The Bank of New York, as trustee (the “**Trustee**”) and BNY Western Trust Company, a subsidiary of The Bank of New York Company, Inc., as co-trustee (the “**Co-Trustee**”), the Depositor on the Closing Date will sell, transfer, assign, set over and otherwise convey without recourse to the Trustee in trust for the benefit of the Certificateholders all right, title and interest of the Depositor in and to each Mortgage Loan and all right, title and interest in and to all other assets included in the Trust Fund, including all principal and interest received on or with respect to the Mortgage Loans after the Cut-off Date, exclusive of any scheduled principal due on or prior to the Cut-off Date and any interest accruing prior to the Cut-off Date.

In connection with such transfer and assignment of the Mortgage Loans, the Depositor will deliver the following documents to the Co-Trustee (collectively constituting the “**Trustee’s Mortgage File**”) with respect to each Mortgage Loan (the “**Mortgage Loans**”):

- (1) the original Mortgage Note, endorsed by the applicable Seller or the originator of the Mortgage Loan, without recourse in the following form: “Pay to the order of _____ without recourse” with all intervening endorsements that show a complete chain of endorsement from the originator to the applicable Seller,
- (2) the original recorded Mortgage,
- (3) a duly executed assignment of the Mortgage to “Asset-Backed Certificates, Series 2004-7, CWABS, Inc., by The Bank of New York, a New York banking corporation, as trustee under the Pooling and Servicing Agreement dated as of September 1, 2004, without recourse,” in recordable form, as described in the Pooling and Servicing Agreement,
- (4) the original recorded assignment or assignments of the Mortgage together with all interim recorded assignments of such Mortgage,
- (5) the original or copies of each assumption, modification, written assurance or substitution agreement, if any, and
- (6) the original or duplicate original lender’s title policy and all riders thereto or, in the event such original title policy has not been received from the insurer, such original or duplicate original lender’s title policy and all riders thereto will be delivered within one year of the Closing Date.

Notwithstanding the foregoing, in lieu of providing the documents set forth in clauses (3) and (4) above, the Depositor may at its discretion provide evidence that the related Mortgage is held through the MERS® System. In addition, the Mortgages for some or all of the Mortgage Loans in the Trust Fund that are not already held through

the MERS® System may, at the discretion of the Master Servicer, in the future be held through the MERS® System. For any Mortgage held through the MERS® System, the Mortgage is recorded in the name of Mortgage Electronic Registration Systems, Inc., or MERS®, as nominee for the owner of the Mortgage Loan, and subsequent assignments of the Mortgage were, or in the future may be, at the discretion of the Master Servicer, registered electronically through the MERS® System. For each of these Mortgage Loans, MERS® serves as mortgagee of record on the Mortgage solely as a nominee in an administrative capacity on behalf of the Trustee, and does not have any interest in the Mortgage Loan.

Pursuant to the Pooling and Servicing Agreement, the Depositor will be required to deliver (or cause delivery of) the Trustee's Mortgage Files:

- (A) not later than the Closing Date, with respect to at least 50% of the Mortgage Loans,
- (B) not later than twenty days after the Closing Date, with respect to at least an additional 40% of the Mortgage Loans, and
- (C) not later than thirty days after the Closing Date, with respect to the remaining Mortgage Loans.

Assignments of the Mortgage Loans to the Trustee (or its nominee) will be recorded in the appropriate public office for real property records, except in states (such as California) as to which an opinion of counsel is delivered to the effect that such recording is not required to protect the Trustee's interests in the Mortgage Loan against the claim of any subsequent transferee or any successor to or creditor of the Depositor or the applicable Seller. As to any Mortgage Loan, the recording requirement exception described in the preceding sentence is applicable only so long as the related Trustee Mortgage File is maintained in the possession of the Co-Trustee in one of the states to which such exception applies. In the event any such assignment is delivered to the Trustee in blank and the related Trustee Mortgage File is released by the Trustee pursuant to applicable provisions of the Pooling and Servicing Agreement, the Trustee will complete such assignment as provided in subparagraph (3) above prior to any such release. In the event such recording is required to protect the interest of the Trustee in the Mortgage Loans, the Master Servicer is required to cause each previously unrecorded assignment to be submitted for recording.

The Co-Trustee will review the Mortgage Loan documents on or prior to the Closing Date (or promptly after the Co-Trustee's receipt of any document permitted to be delivered after the Closing Date), as described above, and the Co-Trustee will hold such documents in trust for the benefit of the holders of the Certificates. After review of such Mortgage Loan documents, if any document is found to be missing or defective in any material respect, the Trustee or the Co-Trustee is required to notify the Master Servicer and Countrywide Home Loans in writing. If Countrywide Home Loans cannot or does not cure such omission or defect within 90 days of its receipt of notice from the Trustee or the Co-Trustee, Countrywide Home Loans is required to repurchase the related Mortgage Loan from the Trust Fund at the Purchase Price defined below for Mortgage Loan repurchases. Rather than repurchase the Mortgage Loan as provided above, Countrywide Home Loans may remove such Mortgage Loan (a "**Deleted Mortgage Loan**") from the Trust Fund and substitute in its place another Mortgage Loan of like kind (a "**Replacement Mortgage Loan**"); however, such substitution is only permitted within two years after the Closing Date, and may not be made unless an opinion of counsel is provided to the effect that such substitution would not disqualify any REMIC election made by the Trustee or result in a prohibited transaction tax under the Code. Any Replacement Mortgage Loan generally will, on the date of substitution, among other characteristics set forth in the Pooling and Servicing Agreement:

- (1) have a Stated Principal Balance, after deduction of the principal portion of the Scheduled Payment due in the month of substitution, not in excess of, and not less than 90% of, the Stated Principal Balance of the Deleted Mortgage Loan (the amount of any shortfall to be forwarded by Countrywide Home Loans to the Master Servicer and deposited by the Master Servicer in the Certificate Account not later than the succeeding Determination Date and held for distribution to the holders of the Certificates on the related Distribution Date),

- (2) if the Deleted Mortgage Loan that is being replaced was in Loan Group 2, such Replacement Mortgage Loan will have a principal balance at origination not in excess of Fannie Mae's conforming loan limits,
- (3) if the Deleted Mortgage Loan that is being replaced is an Adjustable Rate Mortgage Loan, have a Maximum Mortgage Rate not more than 1% per annum higher or lower than the Maximum Mortgage Rate of the Deleted Mortgage Loan,
- (4) if the Deleted Mortgage Loan that is being replaced is an Adjustable Rate Mortgage Loan, have a minimum Mortgage Rate specified in its related Mortgage Note (such rate, the "**Minimum Mortgage Rate**") not more than 1% per annum higher or lower than the Minimum Mortgage Rate of the Deleted Mortgage Loan,
- (5) if the Deleted Mortgage Loan that is being replaced is an Adjustable Rate Mortgage Loan, have the same Mortgage Index, Periodic Rate Cap and intervals between Adjustment Dates, as the Deleted Mortgage Loan and a Gross Margin not more than 1% per annum higher or lower than that of the Deleted Mortgage Loan,
- (6) have the same or higher credit quality characteristics than that of the Deleted Mortgage Loan,
- (7) be accruing interest at a rate not more than 1% per annum higher or lower than that of the Deleted Mortgage Loan,
- (8) have a Loan-to-Value Ratio no higher than that of the Deleted Mortgage Loan,
- (9) have a remaining term to maturity not greater than (and not more than one year less than) that of the Deleted Mortgage Loan,
- (10) not permit conversion of the Mortgage Rate from a fixed rate to a variable rate or vice versa,
- (11) provide for a prepayment charge on terms substantially similar to those of the prepayment charge, if any, of the Deleted Mortgage Loan,
- (12) constitute the same occupancy type and lien priority as the Deleted Mortgage Loan,
- (13) if the Deleted Mortgage Loan that is being replaced was in Loan Group 2, such Replacement Mortgage Loan will be otherwise acceptable to the Guarantor, and
- (14) comply with all of the representations and warranties set forth in the Pooling and Servicing Agreement as of the date of substitution.

This cure, repurchase or substitution obligation constitutes the sole remedy available to the Certificateholders, the Trustee or the Depositor for omission of, or a material defect in, a Mortgage Loan document.

Countrywide Home Loans will make representations and warranties regarding all the Mortgage Loans. Such representations and warranties may include, among other things:

- that title insurance (or in the case of Mortgaged Properties located in areas where such policies are generally not available, an attorney's certificate of title) and any required hazard insurance policy were effective at origination of each Mortgage Loan, other than cooperative loans, and that each policy (or certificate of title as applicable) remained in effect on the date of purchase of the loan from the Seller by or on behalf of the Depositor;

- that each Mortgage constituted a valid first lien on, or a perfected security interest with respect to, the Mortgaged Property (subject only to permissible liens disclosed, if applicable, title insurance exceptions, if applicable, and certain other exceptions described in the Pooling and Servicing Agreement) and that the Mortgaged Property was free from damage and was in acceptable condition;
- that there were no delinquent tax or assessment liens against the Mortgaged Property; and
- that each Mortgage Loan was made in compliance with, and is enforceable under, all applicable local, state and federal laws and regulations in all material respects.

In addition, each Seller will make a representation and warranty that such Seller had good title to, and was the sole owner of, each Mortgage Loan it transfers, free and clear of any pledge, lien, encumbrance or security interest and had full right and authority, subject to no interest or participation of, or agreement with, any other party, to sell and assign the same pursuant to the Pooling and Servicing Agreement. The Master Servicer will also make certain representations and warranties regarding the Mortgage Loans.

The representations and warranties in respect of a Mortgage Loan will be made as of the Cut-off Date; however, certain representations and warranties will be made as of the Closing Date. These representations and warranties generally will not address events that may occur following the dates as of which they are made.

Upon notification of the relevant representing party as provided in the Pooling and Servicing Agreement of a breach of any representation or warranty made by it in respect of a Mortgage Loan which materially and adversely affects the interests of the Certificateholders in such Mortgage Loan, the representing party will within 90 days cure such breach or:

- repurchase such Mortgage Loan from the Trust Fund at a price (the “**Purchase Price**”) equal to (i) 100% of the unpaid principal balance (or, if such purchase or repurchase, as the case may be, is effected by the Master Servicer, the Stated Principal Balance) of the Mortgage Loan as of the date of such purchase, (ii) accrued interest thereon at the applicable Mortgage Rate (or, if such purchase or repurchase, as the case may be, is effected by the Master Servicer, at the Net Mortgage Rate) and (iii) any costs, expenses and damages incurred by the Trust Fund resulting from any violation of any predatory or abusive lending law in connection with such Mortgage Loan from (a) the date through which interest was last paid by the mortgagor (or, if such purchase or repurchase, as the case may be, is effected by the Master Servicer, the date through which interest was last advanced and not reimbursed by the Master Servicer) to (b) the Due Date in the month in which the Purchase Price is to be distributed to Certificateholders or
- substitute for such Mortgage Loan a Replacement Mortgage Loan that satisfies the criteria specified above for substitutions.

This cure, repurchase or substitution obligation constitutes the sole remedy available to the Certificateholders, the Trustee or the Depositor for a breach of representation or warranty with respect to the Mortgage Loans.

No party other than the particular representing party making representations in respect of the Mortgage Loans will be obligated to purchase or substitute a loan if that representing party defaults on its obligation to do so, and no assurance can be given a representing party will carry out their respective repurchase or substitution obligations with respect to the Mortgage Loans.

Underwriting Standards

Credit Blemished Mortgage Loans. The following is a description of the underwriting procedures customarily employed by Countrywide Home Loans with respect to credit blemished mortgage loans. Countrywide Home Loans produces its credit blemished mortgage loans through its Consumer Markets, Full Spectrum Lending, Correspondent Lending and Wholesale Lending Divisions. Prior to the funding of any credit blemished mortgage loan, Countrywide Home Loans underwrites the related mortgage loan in accordance with the underwriting standards established by Countrywide Home Loans. In general, the mortgage loans are underwritten centrally by a

specialized group of underwriters who are familiar with the unique characteristics of credit blemished mortgage loans. In general, Countrywide Home Loans does not purchase any credit blemished mortgage loan that it has not itself underwritten.

Countrywide Home Loans's underwriting standards are primarily intended to evaluate the value and adequacy of the mortgaged property as collateral for the proposed mortgage loan and the borrower's credit standing and repayment ability. On a case by case basis, Countrywide Home Loans may determine that, based upon compensating factors, a prospective borrower not strictly qualifying under the underwriting risk category guidelines described below warrants an underwriting exception. Compensating factors may include low loan-to-value ratio, low debt-to-income ratio, stable employment, time in the same residence or other factors. It is expected that a significant number of the Mortgage Loans will have been originated based on such underwriting exceptions.

Each prospective borrower completes an application which includes information with respect to the applicant's assets, liabilities, income and employment history, as well as certain other personal information. Countrywide Home Loans requires an independent credit bureau report on the credit history of each applicant in order to evaluate the applicant's prior willingness and/or ability to repay. The report typically contains information relating to such matters as credit history with local and national merchants and lenders, installment debt payments and any record of defaults, bankruptcy, repossession, suits or judgments.

After obtaining all applicable employment, credit and property information, Countrywide Home Loans uses a debt-to-income ratio to assist in determining whether the prospective borrower has sufficient monthly income available to support the payments of principal and interest on the mortgage loan in addition to other monthly credit obligations. The "*debt-to-income ratio*" is the ratio of the borrower's total monthly credit obligations to the borrower's gross monthly income. The maximum monthly debt-to-income ratio varies depending upon a borrower's credit grade and documentation level (as described below) but does not generally exceed 50%. Variations in the monthly debt-to-income ratios limit are permitted based on compensating factors.

Countrywide Home Loans's underwriting standards are applied in accordance with applicable federal and state laws and regulations and require an independent appraisal of the mortgaged property prepared on a Uniform Residential Appraisal Report (Form 1004) or other appraisal form as applicable to the specific mortgaged property type. Each appraisal includes a market data analysis based on recent sales of comparable homes in the area and, where deemed appropriate, replacement cost analysis based on the current cost of constructing a similar home and generally is required to have been made not earlier than 180 days prior to the date of origination of the mortgage loan. Every independent appraisal is reviewed by a representative of Countrywide Home Loans before the loan is funded, and an additional review appraisal is generally performed in connection with appraisals not provided by Landsafe Appraisals, Inc., a wholly owned subsidiary of Countrywide Home Loans. In most cases, properties that are not at least in average condition (including properties requiring major deferred maintenance) are not acceptable as collateral for a credit blemished loan. The maximum loan amount varies depending upon a borrower's credit grade, Credit Bureau Risk Score, and documentation level but does not generally exceed \$1,000,000. Variations in maximum loan amount limits are permitted based on compensating factors.

Countrywide Home Loans's underwriting standards permit first mortgage loans with loan-to-value ratios at origination of up to 100% and second mortgage loans with combined loan-to-value ratios at origination of up to 100% depending on the program, type and use of the property, documentation level, creditworthiness of the borrower, debt-to-income ratio and loan amount.

Countrywide Home Loans requires title insurance on all credit blemished mortgage loans. Countrywide Home Loans also requires that fire and extended coverage casualty insurance be maintained on the mortgaged property in an amount at least equal to the principal balance or the replacement cost of the mortgaged property, whichever is less.

Countrywide Home Loans's credit blemished mortgage loan underwriting standards are more flexible than the standards generally acceptable to Countrywide Home Loans for its non-credit blemished mortgage loans with regard to the borrower's credit standing and repayment ability. While more flexible, Countrywide Home Loans's underwriting guidelines still place primary reliance on a borrower's ability to repay; however Countrywide Home Loans may require lower loan-to-value ratios than for loans underwritten to more traditional standards. Borrowers

who qualify generally have payment histories and debt-to-income ratios which would not satisfy more traditional underwriting guidelines and may have a record of major derogatory credit items such as outstanding judgments or prior bankruptcies. Countrywide Home Loans's credit blemished mortgage loan underwriting guidelines establish the maximum permitted loan-to-value ratio for each loan type based upon these and other risk factors with more risk factors resulting in lower loan-to-value ratios.

Countrywide Home Loans underwrites or originates credit blemished mortgage loans pursuant to alternative sets of underwriting criteria under its Full Documentation Loan Program (the "**Full Doc Program**"), and Stated Income Loan Program (the "**Stated Income Program**"). Under each of the underwriting programs, Countrywide Home Loans verifies the loan applicant's sources and amounts of income (except under the Stated Income Program where the amount of income is not verified), calculates the amount of income from all sources indicated on the loan application, reviews the credit history of the applicant, calculates the debt-to-income ratio to determine the applicant's ability to repay the loan, and reviews the appraisal of the mortgaged property for compliance with Countrywide Home Loans's underwriting standards.

Under the Stated Income Program, the borrower's employment and income sources and amounts must be stated on the borrower's application. The borrower's income as stated must be reasonable for the related occupation and such determination as to reasonableness is subject to the loan underwriter's discretion. However, the borrower's income as stated on the application is not independently verified. Maximum loan-to-value ratios are generally lower than those permitted under the Full Doc Program. Except as otherwise stated above, the same mortgage credit, consumer credit and collateral related underwriting guidelines apply.

Under the Full Doc, and Stated Income Programs, various risk categories are used to grade the likelihood that the mortgagor will satisfy the repayment conditions of the mortgage loan. These risk categories establish the maximum permitted loan-to-value ratio, debt-to-income ratio and loan amount, given the borrower's credit history, the occupancy status of the mortgaged property and the type of mortgaged property. In general, more (or more recent) derogatory credit items such as delinquent mortgage payments or prior bankruptcies result in a loan being assigned to a higher credit risk category.

Countrywide Home Loans's underwriting guidelines for credit blemished mortgage loans utilize credit grade categories to grade the likelihood that the mortgagor will satisfy the repayment conditions of the mortgage loans. In general, a credit grade category is assigned by evaluating a borrower's mortgage history, time since bankruptcy, and time since foreclosure or notice of default. The credit grade categories establish guidelines for determining maximum allowable loan-to-value ratios and loan amounts given the borrower's Credit Bureau Risk Score, and maximum allowable debt-to-income ratios for a given mortgage loan. A summary of the credit grade categories is set forth below.

Credit Grade Category: "A"

Loan-To-Value Ratio: Maximum of 100%

Debt-To-Income Ratio: Maximum of 50%

Loan Amount: Maximum of \$1,000,000

Consumer Credit History: Credit Bureau Risk Score must be greater than or equal to 500 for loan amounts up to \$400,000, 520 for loan amounts up to \$500,000, 580 for loan amounts up to \$600,000, or 600 for loan amounts of \$600,001 to \$1,000,000. If no Credit Bureau Risk Score is available, Countrywide Home Loans evaluates the borrower's consumer credit history through alternative means in accordance with its underwriting criteria for credit blemished mortgage loans. If the Credit Bureau Risk Score is inaccurate, as evidenced by objective criteria provided to Countrywide Home Loans by independent third parties, then no more than 4 delinquencies of 30 days in the past 12 months.

Mortgage History: No more than 1 non-consecutive delinquency of 30 days during the past 12 months.

Bankruptcy: At least 2 years since discharge/dismissal of Chapter 7, 11, or 13 Bankruptcy.

Foreclosure/Notice of Default: At least 3 years since foreclosure/notice of default released.

Credit Grade Category: "A-"

Loan-To-Value Ratio: Maximum of 90%

Debt-To-Income Ratio: Maximum of 50%

Loan Amount: Maximum of \$500,000

Consumer Credit History: Credit Bureau Risk Score must be greater than or equal to 500 for loan amounts up to \$400,000, or 520 for loan amounts up to \$500,000. If no Credit Bureau Risk Score is available, Countrywide Home Loans evaluates the borrower's consumer credit history through alternative means in accordance with its underwriting criteria for credit blemished mortgage loans. If the Credit Bureau Risk Score is inaccurate, as evidenced by objective criteria provided to Countrywide Home Loans by independent third parties, then no more than 6 delinquencies of 30 days, and 2 delinquencies of 60 days in the past 12 months.

Mortgage History: No more than 2 non-consecutive delinquencies of 30 days during the past 12 months.

Bankruptcy: At least 2 years since discharge/dismissal of Chapter 7 or 11 Bankruptcy, and 2 years since filing or dismissal of Chapter 13 Bankruptcy. Additionally, a Chapter 13 Bankruptcy must be discharged prior to the loan application date if it has not been dismissed.

Foreclosure/Notice of Default: At least 3 years since foreclosure/notice of default released.

Credit Grade Category: "B"

Loan-To-Value Ratio: Maximum of 85%

Debt-To-Income Ratio: Maximum of 50%

Loan Amount: Maximum of \$500,000

Consumer Credit History: Credit Bureau Risk Score must be greater than or equal to 500 for loan amounts up to \$400,000, or 520 for loan amounts up to \$500,000. If no Credit Bureau Risk Score is available, Countrywide Home Loans evaluates the borrower's consumer credit history through alternative means in accordance with its underwriting criteria for credit blemished mortgage loans. If the Credit Bureau Risk Score is inaccurate, as evidenced by objective criteria provided to Countrywide Home Loans by independent third parties, then no more than 10 delinquencies of 30 days, 4 delinquencies of 60 days, and 2 delinquencies of 90 days or more in the past 12 months.

Mortgage History: No more than 1 delinquency of 60 days in the past 12 months. Delinquencies of 30 days are not restricted.

Bankruptcy: At least 18 months since discharge or dismissal of Chapter 7 or 11 Bankruptcy and 18 months since filing or dismissal of Chapter 13 Bankruptcy.

Foreclosure/Notice of Default: At least 2 years since foreclosure/notice of default released.

Credit Grade Category: "C"

Loan-To-Value Ratio: Maximum of 80%

Debt-To-Income Ratio: Maximum of 50%

Loan Amount: Maximum of \$450,000.

Consumer Credit History: The minimum Credit Bureau Risk Score is 500 for loan amounts up to \$400,000, or 520 for loan amounts up to \$450,000. If no Credit Bureau Risk Score is available, Countrywide Home Loans evaluates the borrower's consumer credit history through alternative means in accordance with its underwriting criteria for credit blemished mortgage loans. If the Credit Bureau Risk Score is inaccurate, as evidenced by objective criteria provided to Countrywide Home Loans by independent third parties, then no more than 8 delinquencies of 60 days, and 4 delinquencies of 90 days or more in the past 12 months.

Mortgage History: No more than 1 delinquency of 90 days during the past 12 months. Delinquencies of 30 days and 60 days are not restricted.

Bankruptcy: At least 1 year since discharge or dismissal of Chapter 7 or 11 Bankruptcy and 1 year since filing or dismissal of Chapter 13 Bankruptcy.

Foreclosure/Notice of Default: At least 1 year since foreclosure/notice of default released.

Credit Grade Category: "C-"

Loan-To-Value Ratio: Maximum of 70%

Debt-To-Income Ratio: Maximum of 50%

Loan Amount: Maximum of \$350,000.

Consumer Credit History: The minimum Credit Bureau Risk Score is 500. If no Credit Bureau Risk

Score is available, Countrywide Home Loans evaluates the borrower's consumer credit history through alternative means in accordance with its underwriting criteria for credit blemished mortgage loans. If the Credit Bureau Risk Score is inaccurate, as evidenced by objective criteria provided to Countrywide Home Loans by independent third parties, then no more than 12 delinquencies of 60 days, and 8 delinquencies of 90 days or more in the past 12 months.

Mortgage History: No more than 2 delinquencies of 90 days during the past 12 months. Delinquencies of 30 days and 60 days are not restricted.

Bankruptcy: Chapter 13 Bankruptcy must be discharged/dismissed, or paid-off through escrow at funding. Chapter 7 Bankruptcy must be discharged/dismissed at least 1 day prior to funding.

Foreclosure/Notice of Default: None at time of funding.

Credit Grade Category: "D"

Loan-To-Value Ratio: Maximum of 65%

Debt-To-Income Ratio: Maximum of 45%

Loan Amount: Maximum of \$250,000

Consumer Credit History: The minimum Credit Bureau Risk Score is 500. If no Credit Bureau Risk Score is available, Countrywide Home Loans evaluates the borrower's consumer credit history through alternative means in accordance with its underwriting criteria for credit blemished mortgage loans. If the Credit Bureau Risk Score is inaccurate, as evidenced by objective criteria provided to Countrywide Home Loans by independent third parties, then no more than 12 delinquencies of 60 days, and 8 delinquencies of 90 days or more in the past 12 months.

Mortgage History: Open Notice of default must be cured at time of funding.

Bankruptcy: Chapter 13 Bankruptcy must be discharged/dismissed, or paid-off through escrow at funding. Chapter 7 Bankruptcy must be discharged or dismissed at least 1 day prior to funding.

Foreclosure/Notice of Default: Notice of default is acceptable but must be cured at time of funding.

The loan-to-value ratios, debt-to-income ratios, and loan amounts stated above are maximum levels for a given credit grade category. There are additional restrictions on loan-to-value ratios, debt-to-income ratios, and loan amounts depending on, but not limited to, the occupancy status of the mortgaged property, the type of mortgaged property, and the documentation program.

The "**Credit Bureau Risk Score**" is a statistical credit score obtained by Countrywide Home Loans in connection with the loan application to help assess a borrower's credit worthiness. Credit Bureau Risk Scores are generated by models developed by a third party and are made available to mortgage lenders through three national credit bureaus. The models were derived by analyzing data on consumers in order to establish patterns which are believed to be indicative of the borrower's probability of default. The Credit Bureau Risk Scores are based on a borrower's historical credit data, including, among other things, payment history, delinquencies on accounts, levels of outstanding indebtedness, length of client history, types of credit, and bankruptcy experience. Credit Bureau Risk Scores range from approximately 250 to approximately 900, with higher scores indicating an individual with a more favorable credit history compared to an individual with a lower score. However, a Credit Bureau Risk Score purports only to be a measurement of the relative degree of risk a borrower represents to a lender, i.e., that a borrower with a higher score is statistically expected to be less likely to default in payment than a borrower with a lower score. In addition, it should be noted that Credit Bureau Risk Scores were developed to indicate a level of default probability over a two-year period which does not correspond to the life of a mortgage loan. Furthermore, Credit Bureau Risk Scores were not developed specifically for use in connection with mortgage loans, but for consumer loans in general. Therefore, a Credit Bureau Risk Score does not take into consideration the effect of mortgage loan characteristics on the probability of repayment by the borrower. The Credit Bureau Risk Scores set forth in Annex A hereto were obtained either at the time of origination of the Mortgage Loan or more recently. The Credit Bureau Risk Score is used as an aid to, not a substitute for, the underwriter's judgment.

In determining a Credit Bureau Risk Score for a particular borrower, Countrywide Home Loans attempts to obtain Credit Bureau Risk Scores from each of the three national credit bureaus that produce such scores. Although different scores may be available from each of the three national credit bureaus for a particular borrower, Countrywide Home Loans will use only one score in its determination of whether to underwrite a mortgage loan, based on the following methodology: if scores are available from each of the three national credit bureaus, Countrywide Home Loans will disregard the highest and lowest scores, and use the remaining score; and if scores

are available from only two of the three national credit bureau, Countrywide Home Loans will use the lower of the two scores. In the case of a mortgage loan with more than one applicant, Countrywide Home Loans will use the Credit Bureau Risk Score of the applicant contributing the highest percentage of the total qualifying income.

If only one score is available, or no score is available, Countrywide Home Loans will follow its Limited Credit guidelines. Under the Limited Credit guidelines, credit histories may be developed using rent verification from current and/or previous landlords, proof of payment to utilities such as telephone, or verification from other sources of credit or services for which the applicant has (or had) a regular financial obligation. In general, applications with the aforementioned type of credit documentation are limited to A- risk and 80% loan-to-value ratio. For applicants with established mortgage payment history of at least 12 months and one credit score or no credit score, the mortgage payment history may be used in lieu of a credit score to determine a risk grade.

SERVICING OF THE MORTGAGE LOANS

General

Countrywide Home Loans Servicing LP (“*Countrywide Servicing*” or the “*Master Servicer*”) will act as Master Servicer and will service the Mortgage Loans in accordance with the terms set forth in the Pooling and Servicing Agreement. The Master Servicer may perform any of its obligations under the Pooling and Servicing Agreement through one or more subservicers. Notwithstanding any such subservicing arrangement, the Master Servicer will remain liable for its servicing duties and obligations under the Pooling and Servicing Agreement as if the Master Servicer alone were servicing the Mortgage Loans.

The Master Servicer

The principal executive offices of Countrywide Servicing are located at 7105 Corporate Drive, Plano, Texas 75024. Countrywide Servicing is a Texas limited partnership directly owned by Countrywide GP, Inc. and Countrywide LP, Inc., each a Nevada corporation and a direct wholly owned subsidiary of Countrywide Home Loans. Countrywide GP, Inc. owns a 0.1% interest in Countrywide Servicing and is the general partner. Countrywide LP, Inc. owns a 99.9% interest in Countrywide Servicing and is a limited partner.

Countrywide Home Loans established Countrywide Servicing in February 2000 to service mortgage loans originated by Countrywide Home Loans that would otherwise have been serviced by Countrywide Home Loans. In January and February, 2001, Countrywide Home Loans transferred to Countrywide Servicing all of its rights and obligations relating to mortgage loans serviced on behalf of Freddie Mac and Fannie Mae, respectively. In October 2001, Countrywide Home Loans transferred to Countrywide Servicing all of its rights and obligations relating to the bulk of its non-agency loan servicing portfolio (other than the servicing of home equity lines of credit), including with respect to those mortgage loans (other than home equity lines of credit) formerly serviced by Countrywide Home Loans and securitized by the Depositor. While Countrywide Home Loans expects to continue to directly service a portion of its loan portfolio, it is expected that the servicing rights for most newly originated Countrywide Home Loans mortgage loans will be transferred to Countrywide Servicing upon sale or securitization of the related mortgage loans. Countrywide Servicing is engaged in the business of servicing mortgage loans and will not originate or acquire loans, an activity that will continue to be performed by Countrywide Home Loans. In addition to acquiring mortgage servicing rights from Countrywide Home Loans, it is expected that Countrywide Servicing will service mortgage loans for non-Countrywide Home Loans affiliated parties as well as subservice mortgage loans on behalf of other master servicers.

In connection with the establishment of Countrywide Servicing, certain employees of Countrywide Home Loans became employees of Countrywide Servicing. Countrywide Servicing has engaged Countrywide Home Loans as a subservicer to perform certain loan servicing activities on its behalf.

Countrywide Servicing is an approved mortgage loan servicer for Fannie Mae, Freddie Mac, Ginnie Mae, HUD and VA and is licensed to service mortgage loans in each state where a license is required. Its loan servicing activities are guaranteed by Countrywide Financial and/or Countrywide Home Loans when required by the owner of the mortgage loans. As of June 30, 2004, Countrywide Servicing had a net worth of approximately \$11.1 billion.

Countrywide Home Loans

Countrywide Home Loans is a direct wholly owned subsidiary of Countrywide Financial Corporation, a Delaware corporation (“*Countrywide Financial*”). The principal executive offices of Countrywide Home Loans are located at 4500 Park Granada, Calabasas, California 91302. Countrywide Home Loans is engaged primarily in the mortgage banking business, and as such, originates, purchases, sells and services mortgage loans. Countrywide Home Loans originates mortgage loans through a retail branch system and through mortgage loan brokers and correspondents nationwide. Mortgage loans originated by Countrywide Home Loans are principally first lien, fixed or adjustable rate mortgage loans secured by single-family residences. Except as otherwise indicated, reference in the remainder of this information circular to “*Countrywide Home Loans*” should be read to include Countrywide Home Loans and its consolidated subsidiaries, including Countrywide Servicing.

Countrywide Home Loans services substantially all of the mortgage loans it originates or acquires. In addition, Countrywide Home Loans has purchased in bulk the rights to service mortgage loans originated by other lenders. Countrywide Home Loans has in the past and may in the future sell to other mortgage bankers a portion of its portfolio of loan servicing rights. As of June 30, 2004, Countrywide Home Loans provided servicing for mortgage loans with an aggregate principal balance of approximately \$726.227 billion, substantially all of which are being serviced for unaffiliated persons. As of June 30, 2004, Countrywide Home Loans provided servicing for approximately \$54.86 billion in credit blemished mortgage loans.

Loan Servicing

The Master Servicer has established standard policies for the servicing and collection of mortgages. Servicing includes, but is not limited to:

- (a) collecting, aggregating and remitting mortgage loan payments;
- (b) accounting for principal and interest;
- (c) holding escrow (impound) funds for payment of taxes and insurance;
- (d) making inspections as required of the mortgaged properties;
- (e) preparation of tax related information in connection with the mortgage loans;
- (f) supervision of delinquent mortgage loans;
- (g) loss mitigation efforts;
- (h) foreclosure proceedings and, if applicable, the disposition of mortgaged properties; and
- (i) generally administering the mortgage loans, for which it receives servicing fees.

Billing statements with respect to mortgage loans are mailed monthly by the Master Servicer. The statement details all debits and credits and specifies the payment due. Notice of changes in the applicable loan rate are provided by the Master Servicer to the mortgagor with such statements.

Collection Procedures

Credit Blemished Mortgage Loans. When a mortgagor fails to make a payment on a credit blemished mortgage loan, the Master Servicer attempts to cause the deficiency to be cured by corresponding with the mortgagor. In most cases, deficiencies are cured promptly. Pursuant to the Master Servicer’s servicing procedures for credit blemished loans, the Master Servicer generally mails to the mortgagor a notice of intent to foreclose after the loan becomes 31 days past due (two payments due but not received) and, generally within 59 days thereafter, if the loan remains delinquent, institutes appropriate legal action to foreclose on the mortgaged property. Foreclosure

proceedings may be terminated if the delinquency is cured. Mortgage loans to borrowers in bankruptcy proceedings may be restructured in accordance with law and with a view to maximizing recovery of such loans, including any deficiencies.

Once foreclosure is initiated by the Master Servicer, a foreclosure tracking system is used to monitor the progress of the proceedings. The system includes state specific parameters to monitor whether proceedings are progressing within the time frame typical for the state in which the mortgaged property is located. During the foreclosure proceeding, the Master Servicer determines the amount of the foreclosure bid and whether to liquidate the mortgage loan.

If foreclosed, the mortgaged property is sold at a public or private sale and may be purchased by Countrywide Home Loans. After foreclosure, the Master Servicer may liquidate the mortgaged property and charge-off the loan balance which was not recovered through liquidation proceeds.

Servicing and charge-off policies and collection practices with respect to credit blemished mortgage loans may change over time in accordance with, among other things, the Master Servicer's business judgment, changes in the servicing portfolio and applicable laws and regulations.

Foreclosure and Delinquency Experience

Credit Blemished Mortgage Loans. The following table summarizes the delinquency and foreclosure experience, respectively, on the dates indicated, of credit blemished mortgage loans originated and serviced by Countrywide Home Loans. A credit blemished mortgage loan is characterized as delinquent if the borrower has not paid the monthly payment due within one month of the related due date. The delinquency and foreclosure percentages may be affected by the size and relative lack of seasoning of the servicing portfolio because many of such loans were not outstanding long enough to give rise to some or all of the periods of delinquency indicated in the chart below. Accordingly, the information should not be considered as a basis for assessing the likelihood, amount, or severity of delinquency or losses on the Mortgage Loans, and no assurances can be given that the delinquency or foreclosure experience presented in the table below will be indicative of such experience on such Mortgage Loans. The sum of the columns below may not equal the total indicated due to rounding.

For purposes of the following table:

- the period of delinquency is based on the number of days payments are contractually past due;
- certain total percentages and dollar amounts may not equal the sum of the percentages and dollar amounts indicated in the columns due to differences in rounding;
- the “**Foreclosure Rate**” is the dollar amount of mortgage loans in foreclosure as a percentage of the total principal balance of mortgage loans outstanding as of the date indicated; and
- the “**Bankruptcy Rate**” is the dollar amount of mortgage loans for which the related borrower has declared bankruptcy as a percentage of the total principal balance of mortgage loans outstanding as of the date indicated.

Delinquency and Foreclosure Experience				
	As of December 31, 2001		As of December 31, 2002	
	Principal Balance	Percentage	Principal Balance	Percentage
Total Portfolio	\$9,081,242,926.99	100.00%	\$10,499,524,957.75	100.00%
Delinquency Percentage				
30-59 Days	\$806,843,594.55	8.88%	\$776,262,182.66	7.39%
60-89 Days	255,443,513.99	2.81	272,447,833.46	2.59
90+ Days	103,605,791.49	1.14	112,192,108.56	1.07
Sub-Total	\$1,165,892,900.03	12.84%	\$1,160,902,124.68	11.06%
Foreclosure Rate	\$356,652,093.38	3.93%	\$277,872,737.06	2.65%
Bankruptcy Rate	\$232,679,880.26	2.56%	\$293,013,840.50	2.79%

Delinquency and Foreclosure Experience				
	As of December 31, 2003		As of June 30, 2004	
	Principal Balance	Percentage	Principal Balance	Percentage
Total Portfolio	\$20,666,799,653.23	100.00%	\$34,258,379,461.22	100.00%
Delinquency Percentage				
30-59 Days	\$1,237,075,952.99	5.99%	\$1,800,217,721.03	5.25%
60-89 Days	369,166,558.52	1.79	518,866,342.89	1.51
90+ Days	101,415,871.40	0.49	144,345,311.97	0.42
Sub-Total	\$1,707,658,382.91	8.26%	\$2,463,429,375.89	7.19%
Foreclosure Rate	\$322,166,334.41	1.56%	\$471,317,724.45	1.38%
Bankruptcy Rate	\$305,504,468.46	1.48%	\$385,581,805.24	1.13%

Historically, a variety of factors, including the appreciation of real estate values, have limited the loss and delinquency experience on credit blemished mortgage loans. There can be no assurance that factors beyond the control of Countrywide Home Loans, such as national or local economic conditions or a downturn in the real estate markets of its lending areas, will not result in increased rates of delinquencies and foreclosure losses in the future.

Servicing Compensation and Payment of Expenses

The Master Servicer will be paid a monthly fee from interest collected with respect to each Mortgage Loan (as well as from any liquidation proceeds from a liquidated mortgage loan that are applied to accrued and unpaid interest or subsequent recoveries) equal to one-twelfth of the Stated Principal Balance thereof multiplied by the Servicing Fee Rate (such product, the “**Servicing Fee**”). The “**Servicing Fee Rate**” for each Mortgage Loan will equal 0.50% per annum. The amount of the monthly Servicing Fee is subject to adjustment with respect to Mortgage Loans that are prepaid in full, as described in this information circular under “— *Adjustment to Servicing Fee in Connection with Certain Prepaid Mortgage Loans.*” The Master Servicer is also entitled to receive, as additional servicing compensation, amounts in respect of interest paid on Principal Prepayments received during that portion of a Prepayment Period from the related Due Date to the end of such Prepayment Period (“**Prepayment Interest Excess**”), all late payment fees, assumption fees and other similar charges (excluding prepayment charges) and all investment income earned on amounts on deposit in the Certificate Account and Distribution Account. The Master Servicer is obligated to pay certain ongoing expenses associated with the Mortgage Loans and incurred by the Trustee and Co-Trustee in connection with their respective responsibilities under the Pooling and Servicing Agreement.

Adjustment to Servicing Fee in Connection With Certain Prepaid Mortgage Loans

When a borrower prepays all or a portion of a Mortgage Loan between scheduled monthly payment dates (“**Due Dates**”), the borrower pays interest on the amount prepaid only to the date of prepayment. Principal Prepayments which are received during that portion of the Prepayment Period from the related Due Date in such Prepayment Period to the end of such Prepayment Period reduce the Scheduled Payment of interest for such Due Date but are included in a distribution that occurs on or prior to the distribution of such Scheduled Payment, and accordingly no shortfall in interest otherwise distributable to holders of the Certificates results. Conversely,

Principal Prepayments received from that portion of the Prepayment Period from the beginning of such Prepayment Period to related Due Date in such Prepayment Period reduce the Scheduled Payment of interest for the following Due Date and are included in a distribution that occurs on or after the distribution of such Scheduled Payment, and accordingly an interest shortfall (a “**Prepayment Interest Shortfall**”) could result. In order to mitigate the effect of any such shortfall in interest distributions to holders of the Certificates on any Distribution Date, one-half of the amount of the Servicing Fee otherwise payable to the Master Servicer for such month will, to the extent of such shortfall, be deposited by the Master Servicer in the Certificate Account for distribution to holders of the Certificates entitled thereto on such Distribution Date. Any such deposit by the Master Servicer (the “**Compensating Interest**”) will be reflected in the distributions to holders of the Certificates entitled thereto made on the Distribution Date on which the Principal Prepayments received would be distributed.

Advances

Subject to the following limitations, on the Business Day prior to each Distribution Date, the Master Servicer will be required to advance its own funds, or funds in the Certificate Account that are not required to be distributed on such Distribution Date, in an amount equal to the aggregate of payments of principal and interest on the Mortgage Loans (with the Mortgage Rate adjusted to a rate equal to the Mortgage Rate minus the Servicing Fee Rate (as so adjusted, the “**Net Mortgage Rate**”)) that were due on the related Due Date and delinquent on the related Determination Date, together with an amount equivalent to interest (adjusted to the Net Mortgage Rate) deemed due on each Mortgage Loan as to which the related Mortgaged Property has been acquired by the Master Servicer through foreclosure or deed-in-lieu of foreclosure in connection with a defaulted Mortgage Loan (“**REO Property**”), such latter amount to be calculated after taking into account any rental income from such Mortgaged Property (any such advance, an “**Advance**” and the date of any such Advance, as described in this information circular, a “**Master Servicer Advance Date**”).

Advances are intended to maintain a regular flow of scheduled interest and principal payments on the Certificates rather than to guarantee or insure against losses. The Master Servicer is obligated to make Advances to the extent that such Advances are, in its judgment, reasonably recoverable from future payments and collections or insurance payments or proceeds of liquidation of the related Mortgage Loan. If the Master Servicer determines on any Determination Date to make an Advance, such Advance will be included with the distribution to holders of the Certificates on the related Distribution Date. Any failure by the Master Servicer to make an Advance as required under the Pooling and Servicing Agreement will constitute an event of default thereunder, in which case the Trustee, as successor master servicer, or such other entity as may be appointed as successor master servicer, will be obligated to make any such Advance in accordance with the terms of the Pooling and Servicing Agreement.

DESCRIPTION OF THE CERTIFICATES

General

The Class 1-AV-1 Certificates will be issued pursuant to the Pooling and Servicing Agreement. Set forth below are summaries of the material terms and provisions pursuant to which the Class 1-AV-1 Certificates will be issued. The following summaries are subject to, and are qualified in their entirety by reference to, the provisions of the Pooling and Servicing Agreement. When particular provisions or terms used in the Pooling and Servicing Agreement are referred to, the actual provisions (including definitions of terms) are incorporated by reference.

The CWABS, Inc., Asset-Backed Certificates, Series 2004-7 (the “**Certificates**”) will consist of:

- Class AF-1, Class AF-2, Class AF-3, Class AF-4, Class AF-5 and Class AF-6 Certificates (collectively, the “**Class AF Certificates**”),
- Class MF-1, Class MF-2, Class MF-3, Class MF-4, Class MF-5 and Class BF Certificates (collectively, the “**Fixed Rate Subordinate Certificates**”),
- Class 1-AV-1 Certificates,

- Class 2-AV-1, Class 2-AV-2, Class 2-AV-3 and Class 2-AV-4 Certificates (collectively, the “***Class 2-AV Certificates***” and together with the Class 1-AV-1, Class AF and Class A-R Certificates, the “***Senior Certificates***”),
- Class MV-1, Class MV-2, Class MV-3, Class MV-4, Class MV-5, Class MV-6, Class MV-7, Class MV-8 and Class BV Certificates (collectively, the “***Adjustable Rate Subordinate Certificates***” and together with the Fixed Rate Subordinate Certificates, the “***Subordinate Certificates***”),
- Class A-R Certificates,
- Class PF and Class PV Certificates, and
- Class CF and Class CV Certificates.

The Class 1-AV-1 and the Class 2-AV Certificates are collectively referred to as the “***Class AV Certificates***.”

Only the Class 1-AV-1 Certificates are being offered by this information circular. As used in this information circular, the “***Certificate Principal Balance***” for any class of Certificates (other than the Class CF and Class CV Certificates) is the aggregate outstanding principal balance of all Certificates of such class, reduced by all amounts previously distributed to holders of Certificates of such class as scheduled and unscheduled payments of principal, and in the case of a class of Subordinate Certificates, the Applied Realized Loss Amounts allocated to such class; provided, however, that if Applied Realized Loss Amounts have been allocated to the Certificate Principal Balance of any class of Subordinate Certificates, then the Certificate Principal Balance thereof will be increased on each Distribution Date after such allocation of Applied Realized Loss Amounts, sequentially by class in the order of payment priority, by the amount of Subsequent Recoveries for the related Loan Group or Loan Groups, collected during the related Due Period (if any) (but not by more than the amount of the Unpaid Realized Loss Amount for that class). After such allocation, a corresponding decrease will be made on such Distribution Date to the Unpaid Realized Loss Amount for any class that had its Certificate Principal Balance increased by such allocation of Subsequent Recoveries. Although Subsequent Recoveries, if any, will be allocated to increase the Certificate Principal Balance of a class of Subordinate Certificates as described above, such Subsequent Recoveries will be included in the applicable Principal Remittance Amount and will be distributed in the priority set forth below under “—*Distributions—Distributions of Principal*,” and therefore such Subsequent Recoveries may not be used to make any principal payments on the class or classes of Certificates for which the Certificate Principal Balances have been increased by allocation of Subsequent Recoveries as described above. Additionally, holders of such Certificates will not be entitled to any payment in respect of interest that would have accrued on the amount of the increase in Certificate Principal Balance for any Accrual Period preceding the Distribution Date on which such increase occurs.

Generally, distributions of principal and interest on the Class AF and Class A-R Certificates and the Fixed Rate Subordinate Certificates will be based on amounts available for distribution in respect of the Mortgage Loans in Loan Group 1, distributions of principal and interest on the Class 1-AV-1 Certificates will be based on amounts available for distribution in respect of the Mortgage Loans in Loan Group 2, distributions of principal and interest on the Class 2-AV Certificates will be based on amounts available for distribution in respect of the Mortgage Loans in Loan Group 3, and distributions of principal and interest on the Adjustable Rate Subordinate Certificates will be based on amounts available for distribution in respect of the Mortgage Loans in Loan Group 2 and Loan Group 3. Distributions on the Class PF and Class CF Certificates, to the extent provided in the Pooling and Servicing Agreement, will be based on amounts available for distribution in respect of the Mortgage Loans in Loan Group 1. Distributions on the Class PV and Class CV Certificates, to the extent provided in the Pooling and Servicing Agreement, will be based on amounts available for distribution in respect of the Mortgage Loans in Loan Group 2 and Loan Group 3.

Deposits to the Certificate Account

The Master Servicer will establish and initially maintain a certificate account (the “**Certificate Account**”) for the benefit of the Trustee on behalf of the Certificateholders. On a daily basis within two Business Days after receipt, the Master Servicer will deposit or cause to be deposited into the Certificate Account the following payments and collections received or made or to be applied by it on or subsequent to the Cut-off Date, including all principal and interest received with respect to the Mortgage Loans after the Cut-off Date (exclusive of any scheduled principal due on or prior to the Cut-off Date and any interest accruing prior to the Cut-off Date):

- (1) all payments on account of principal, including Principal Prepayments, on the Mortgage Loans,
- (2) all payments on account of interest (other than interest accruing on the Mortgage Loans prior to the Cut-off Date) on the Mortgage Loans, net of the related Servicing Fees on the Mortgage Loans and net of Prepayment Interest Excess,
- (3) all Insurance Proceeds, Liquidation Proceeds and Subsequent Recoveries,
- (4) all payments made by the Master Servicer in respect of Compensating Interest,
- (5) all payments made by a Seller in connection with the repurchase of any Mortgage Loan due to the breach of certain representations, warranties or covenants by such Seller that obligates such Seller to repurchase such Mortgage Loan in accordance with the Pooling and Servicing Agreement,
- (6) all payments made by the Master Servicer in connection with the purchase of any Mortgage Loans which are 150 days delinquent in accordance with the Pooling and Servicing Agreement,
- (7) all payments made by the Guarantor in connection with the purchase of any Mortgage Loans in Loan Group 2 which are 90 days delinquent in accordance with the Pooling and Servicing Agreement,
- (8) all prepayment charges paid by a mortgagor in connection with the full or partial prepayment of the related Mortgage Loan,
- (9) any amount required to be deposited by the Master Servicer in connection with any losses on investment of funds in the Certificate Account,
- (10) any amounts required to be deposited by the Master Servicer with respect to any deductible clause in any blanket hazard insurance policy maintained by the Master Servicer in lieu of requiring each mortgagor to maintain a primary hazard insurance policy,
- (11) all amounts required to be deposited in connection with shortfalls in the principal amount of Replacement Mortgage Loans, and
- (12) all Advances.

“**Insurance Proceeds**” means all proceeds of any insurance policy (to the extent such proceeds are not applied to the restoration of the property or released to the mortgagor in accordance with the Master Servicer’s normal servicing procedures), other than proceeds that represent reimbursement of the Master Servicer’s costs and expenses incurred in connection with presenting claims under the related insurance policy.

“**Liquidation Proceeds**” means any Insurance Proceeds and all other net proceeds received prior to a Final Recovery Determination in connection with the partial or complete liquidation of a Mortgage Loan (whether through trustee’s sale, foreclosure sale or otherwise) or in connection with any condemnation or partial release of the related Mortgaged Property, together with the net proceeds received prior to a Final Recovery Determination with respect to

any Mortgaged Property acquired by the Master Servicer by foreclosure or deed in lieu of foreclosure in connection with a defaulted Mortgage Loan (other than the amount of such net proceeds representing any profit realized by the Master Servicer in connection with the disposition of any such properties and net of reimbursable expenses).

“Final Recovery Determination” means a determination by the Master Servicer that it has received all proceeds it expects to receive with respect to the liquidation of a Mortgage Loan.

“Subsequent Recoveries” means, with respect to any Mortgage Loan in respect of which a Realized Loss was incurred, any proceeds of the type described in the definitions of “Insurance Proceeds” and “Liquidation Proceeds” received in respect of such Mortgage Loan after a Final Recovery Determination (other than the amount of such net proceeds representing any profit realized by the Master Servicer in connection with the disposition of any such properties and net of reimbursable expenses).

On the Business Day prior to the Master Servicer Advance Date in October 2004, Countrywide Home Loans shall remit to the Master Servicer, and the Master Servicer shall deposit in the Certificate Account, the Seller Shortfall Interest Requirement (if any) for such Master Servicer Advance Date.

Withdrawals from the Certificate Account

The Master Servicer may from time to time withdraw funds from the Certificate Account prior to the related Distribution Account Deposit Date for the following purposes:

(1) to pay to the Master Servicer the Servicing Fees on the Mortgage Loans to the extent not previously paid to or withheld by the Master Servicer (subject, in the case of Servicing Fees, to reduction as described above under “*Servicing of the Mortgage Loans — Adjustment to Servicing Fee in Connection with Prepaid Mortgage Loans*”) and, as additional servicing compensation, assumption fees, late payment charges (excluding prepayment charges), net earnings on or investment income with respect to funds in or credited to the Certificate Account and the amount of Prepayment Interest Excess for the related Prepayment Period,

(2) to reimburse the Master Servicer for Advances, such right of reimbursement with respect to any Mortgage Loan pursuant to this clause (2) being limited to amounts received that represent late recoveries of payments of principal and/or interest on the related Mortgage Loan (or Insurance Proceeds, Liquidation Proceeds or Subsequent Recoveries with respect thereto) with respect to which such Advance was made,

(3) to reimburse the Master Servicer for any Advances previously made that the Master Servicer has determined to be nonrecoverable,

(4) to reimburse the Master Servicer from Insurance Proceeds for expenses incurred by the Master Servicer and covered by the related insurance policy,

(5) to pay to the Master Servicer any unpaid Servicing Fees and to reimburse it for any unreimbursed ordinary and necessary out-of-pocket costs and expenses incurred by the Master Servicer in the performance of its master servicing obligations, such right of reimbursement pursuant to this clause (5) being limited to amounts received representing late recoveries of the payments of such costs and expenses (or Liquidation Proceeds or Subsequent Recoveries, purchase proceeds or repurchase proceeds with respect thereto),

(6) to pay to the applicable Seller, the Guarantor or the Master Servicer, as applicable, with respect to each Mortgage Loan or Mortgaged Property acquired in respect thereof that has been purchased by that Seller, the Guarantor or the Master Servicer from the Trust Fund pursuant to the Pooling and Servicing Agreement, all amounts received thereon and not taken into account in determining the related Stated Principal Balance of such purchased Mortgage Loan,

(7) to reimburse the applicable Seller, the Master Servicer, the NIM Insurer, the Guarantor or the Depositor for fees and expenses incurred and reimbursable pursuant to the Pooling and Servicing Agreement,

(8) to withdraw any amount deposited in the Certificate Account and not required to be deposited therein, and

(9) to clear and terminate the Certificate Account upon termination of the Pooling and Servicing Agreement.

In addition, not later than 1:00 p.m. Pacific Time on the Business Day immediately preceding each Distribution Date (the “***Distribution Account Deposit Date***”), the Master Servicer will withdraw from the Certificate Account and remit to the Trustee the amount of the Interest Remittance Amount and the Principal Remittance Amount to the extent on deposit in the Certificate Account, and the Trustee will deposit such amount in the Distribution Account, as described below.

The “***Interest Remittance Amount***” with respect to each Loan Group is equal to:

(a) the sum, without duplication, of:

(1) all scheduled interest collected during the related Due Period (other than Credit Comeback Excess Amounts (if any)), less the related Servicing Fees,

(2) all interest on prepayments, other than Prepayment Interest Excess,

(3) all Advances relating to interest,

(4) all Compensating Interest,

(5) all Liquidation Proceeds collected during the related Due Period (to the extent such Liquidation Proceeds relate to interest), and

(6) any Seller Shortfall Interest Requirement,

(b) less, all non-recoverable Advances relating to interest and certain expenses reimbursed during the related Due Period,

in each case with respect to the Mortgage Loans in such Loan Group.

A “***Seller Shortfall Interest Requirement***” with respect to the Master Servicer Advance Date in October 2004, is the product of: (1) the excess of the aggregate Stated Principal Balance of the Mortgage Loans as of the Cut-off Date over the aggregate Stated Principal Balance of the Mortgage Loans as of the Cut-off Date that have a Scheduled Payment of interest due in the related Due Period, and (2) a fraction, the numerator of which is the weighted average Net Mortgage Rate of the Mortgage Loans (weighted on the basis of the Stated Principal Balances thereof as of the Cut-off Date) and the denominator of which is 12. There are no other Seller Shortfall Interest Requirements.

The “***Principal Remittance Amount***” with respect to each Loan Group is equal to:

(a) the sum, without duplication, of:

(1) the scheduled principal collected during the related Due Period or advanced on or before the related Master Servicer Advance Date,

(2) prepayments collected in the related Prepayment Period,

(3) the Stated Principal Balance of each Mortgage Loan that was repurchased by a Seller or purchased by the Guarantor or the Master Servicer,

(4) the amount, if any, by which the aggregate unpaid principal balance of any Replacement Mortgage Loans delivered by Countrywide Home Loans in connection with a substitution of a Mortgage Loan is less than the aggregate unpaid principal balance of any Deleted Mortgage Loans, and

(5) all Liquidation Proceeds (to the extent such Liquidation Proceeds relate to principal) and Subsequent Recoveries collected during the related Due Period,

(b) less, all non-recoverable Advances relating to principal and certain expenses reimbursed during the related Due Period,

in each case with respect to the Mortgage Loans in such Loan Group.

A “***Due Period***” with respect to any Distribution Date is the period beginning on the second day of the calendar month preceding the calendar month in which such Distribution Date occurs and ending on the first day of the month in which such Distribution Date occurs.

Deposits to the Distribution Account

The Trustee will establish and maintain a distribution account (the “***Distribution Account***”) on behalf of the Certificateholders. The Trustee will, promptly upon receipt, deposit in the Distribution Account and retain therein:

(1) the aggregate amount remitted by the Master Servicer to the Trustee, and

(2) any amount required to be deposited by the Master Servicer in connection with any losses on investment of funds in the Distribution Account.

Withdrawals from the Distribution Account

The Trustee will withdraw funds from the Distribution Account for distribution to the Certificateholders as described below under “— *Distributions*” and may from time to time make withdrawals from the Distribution Account:

(1) to pay the trustee fee (the “***Trustee Fee***”) to the Trustee,

(2) to pay to the Master Servicer, as additional servicing compensation, earnings on or investment income with respect to funds in or credited to the Distribution Account,

(3) to withdraw any amount deposited in the Distribution Account and not required to be deposited therein, and

(4) to clear and terminate the Distribution Account upon the termination of the Pooling and Servicing Agreement.

Distributions

General. Distributions on the Certificates will be made by the Trustee on each Distribution Date to the persons in whose names such Certificates are registered at the close of business on the Record Date. The “**Record Date**” is:

- the Business Day immediately preceding such Distribution Date in the case of the Adjustable Rate Certificates, unless such Certificates are no longer book-entry certificates, in which case the Record Date will be the last Business Day of the month preceding the month of such Distribution Date and
- the last Business Day of the month preceding the month of such Distribution Date in the case of the Fixed Rate Certificates and the Class A-R Certificates.

A “**Distribution Date**” is the 25th day of each month, or if such day is not a Business Day, on the first Business Day thereafter, commencing in October 2004.

A “**Business Day**” is any day other than:

- A Saturday or Sunday,
- A day on which banking institutions in the state of New York or California are required or authorized by law to be closed, or
- A day on which the Federal Reserve Bank of New York authorizes banking institutions in the Second Federal Reserve District to be closed.

On each Distribution Date, the Trustee will withdraw all prepayment charges in the Distribution Account and distribute them (i) in the case of prepayment charges from the Mortgage Loans in Loan Group 1, to the Class PF Certificates, and (ii) in the case of prepayment charges from the Mortgage Loans in Loan Group 2 and Loan Group 3, to the Class PV Certificates.

Distributions of Interest. On each Distribution Date, the interest distributable with respect to the interest-bearing certificates is the interest which has accrued on the Certificate Principal Balance thereof immediately prior to that Distribution Date at the then applicable related Pass-Through Rate during the applicable Accrual Period. For any Distribution Date, the “**Accrual Period**” for the Adjustable Rate Certificates is the period from and including the preceding Distribution Date (or from and including the Closing Date in the case of the first Distribution Date) to and including the day prior to the current Distribution Date, and for the Fixed Rate Certificates is the calendar month immediately preceding the month in which such Distribution Date occurs.

All calculations of interest on the Adjustable Rate Certificates will be made on the basis of a 360-day year and the actual number of days elapsed in the applicable Accrual Period. All calculations of interest on the Fixed Rate Certificates will be made on the basis of a 360-day year assumed to consist of twelve 30-day months.

Distributions of Interest Funds For Loan Group 1. On each Distribution Date, the Interest Funds for such Distribution Date for Loan Group 1 are required to be distributed in the following order of priority, until such Interest Funds have been fully distributed:

- (1) from the Interest Funds for Loan Group 1, concurrently to each class of Class AF Certificates, the Current Interest and Interest Carry Forward Amount for each such class and such Distribution Date, pro rata, based on their respective entitlements,
- (2) from the remaining Interest Funds for Loan Group 1, sequentially:
 - (a) to the Class MF-1 Certificates, the Current Interest for such class,
 - (b) to the Class MF-2 Certificates, the Current Interest for such class,

- (c) to the Class MF-3 Certificates, the Current Interest for such class,
- (d) to the Class MF-4 Certificates, the Current Interest for such class,
- (e) to the Class MF-5 Certificates, the Current Interest for such class,
- (f) to the Class BF Certificates, the Current Interest for such class, and
- (g) any remainder as part of the Fixed Rate Loan Group Excess Cashflow as described under “—*Overcollateralization Provisions*” below.

Distributions of Interest Funds for Loan Group 2 and Loan Group 3. On each Distribution Date, the Interest Funds for such Distribution Date with respect to Loan Group 2 and Loan Group 3 are required to be distributed in the following order of priority, until such Interest Funds have been fully distributed:

- (1) concurrently:
 - (a) from the Interest Funds for Loan Group 2, sequentially (i) to the Guarantor, the amount of the Class 1-AV-1 Guaranty Fee for such Distribution Date, (ii) to the Class 1-AV-1 Certificates, the Current Interest for such class and Distribution Date, (iii) to the Guarantor, the Class 1-AV-1 Guarantor Reimbursement Amount for such Distribution Date, and (iv) to the Class 1-AV-1 Certificates, the Interest Carry Forward Amount for such class and such Distribution Date,
 - (b) from the Interest Funds for Loan Group 3, concurrently to each class of Class 2-AV Certificates, the Current Interest and Interest Carry Forward Amount for each such class and such Distribution Date, pro rata, based on their respective entitlements,
- (2) from the remaining Interest Funds for Loan Group 2 and Loan Group 3, sequentially (I) to the Guarantor, the amount of the Class 1-AV-1 Guaranty Fee and the Class 1-AV-1 Guarantor Reimbursement Amount not paid pursuant to clauses (1)(a)(i) and (1)(a)(iii) above and (II) to the Class 1-AV-1 and each class of Class 2-AV Certificates, any remaining Current Interest and Interest Carry Forward Amount not paid pursuant to clauses (1)(a) and (1)(b) above, pro rata, based on the Certificate Principal Balances thereof, to the extent needed to pay any Current Interest and Interest Carry Forward Amount for each such class; provided that any such Interest Funds remaining after such allocation to pay any Current Interest and Interest Carry Forward Amount based on the Certificate Principal Balances of the Certificates will be distributed to each class of Senior Certificates with respect to which there remains any unpaid Current Interest and Interest Carry Forward Amount (after the distribution based on Certificate Principal Balances), pro rata, based on the amount of such remaining unpaid Current Interest and Interest Carry Forward Amount,
- (3) from the remaining Interest Funds for Loan Group 2 and Loan Group 3, sequentially:
 - (a) to the Class MV-1 Certificates, the Current Interest for such class,
 - (b) to the Class MV-2 Certificates, the Current Interest for such class,
 - (c) to the Class MV-3 Certificates, the Current Interest for such class,
 - (d) to the Class MV-4 Certificates, the Current Interest for such class,
 - (e) to the Class MV-5 Certificates, the Current Interest for such class,
 - (f) to the Class MV-6 Certificates, the Current Interest for such class,
 - (g) to the Class MV-7 Certificates, the Current Interest for such class,

- (h) to the Class MV-8 Certificates, the Current Interest for such class,
- (i) to the Class BV Certificates, the Current Interest for such class, and
- (j) any remainder as part of the Adjustable Rate Loan Group Excess Cashflow as described under “—*Overcollateralization Provisions*” below.

Distributions of Funds from the Corridor Contracts. On each Distribution Date on or prior to the applicable Corridor Contract Termination Date, amounts received by the Trustee in respect of each Corridor Contract for such Distribution Date will be deposited in the Carryover Reserve Fund and then distributed to the Class AF-1 Certificates, Class 1-AV-1 Certificates, Class 2-AV Certificates or the Adjustable Rate Subordinate Certificates, as applicable, to pay any unpaid Net Rate Carryover as follows:

- (i) in the case of any such amounts received on the Class AF-1 Corridor Contract, to the Class AF-1 Certificates, to the extent needed to pay any Net Rate Carryover,
- (ii) in the case of any such amounts received on the Class 1-AV-1 Corridor Contract, to the Class 1-AV-1 Certificates, to the extent needed to pay any Net Rate Carryover,
- (iii) in the case of any such amounts received on the Class 2-AV Corridor Contract, concurrently to each class of Class 2-AV Certificates, pro rata, based on the Certificate Principal Balances thereof, to the extent needed to pay any Net Rate Carryover for each such class; and then, any amounts remaining after such allocation to pay Net Rate Carryover based on the Certificate Principal Balances of the Class 2-AV Certificates will be distributed to each class of Class 2-AV Certificates to the extent needed to pay any remaining unpaid Net Rate Carryover, pro rata, based on the amount of such remaining unpaid Net Rate Carryover, and
- (iv) in the case of any such amounts received on the Adjustable Rate Subordinate Corridor Contract, concurrently to each class of Adjustable Rate Subordinate Certificates, pro rata, based on the Certificate Principal Balances thereof, to the extent needed to pay any Net Rate Carryover for each such class; and then, any amounts remaining after such allocation to pay Net Rate Carryover based on the Certificate Principal Balances of the Adjustable Rate Subordinate Certificates will be distributed to each class of Adjustable Rate Subordinate Certificates to the extent needed to pay any remaining unpaid Net Rate Carryover, pro rata, based on the amount of such remaining unpaid Net Rate Carryover.

Any amounts remaining after the application of such amounts as described in each of clauses (i) through (iv) above received from each respective Corridor Contract will be distributed to (a) the holders of the Class CF Certificates, in the case of amounts received in respect of the Class AF-1 Corridor Contract and (b) the Class CV Certificates, in the case of amounts received in respect of the Class 1-AV-1 Corridor Contract, the Class 2-AV Corridor Contract and the Adjustable Rate Subordinate Corridor Contract and will not be available for the payment of any Net Rate Carryover on any class or classes of Certificates unless a Corridor Contract is subject to an early termination, in which case any early termination payment received in respect of such Corridor Contract will be deposited by the Trustee in the Carryover Reserve Fund to cover any Net Rate Carryover on the class or classes of Certificates specifically benefiting from such Corridor Contract until the applicable Corridor Contract Termination Date. See “—*Carryover Reserve Fund*” below.

The “**Interest Funds**” for any Loan Group are equal to (1) the Interest Remittance Amount for that Loan Group, less (2) the portion of the Trustee Fee allocable to that Loan Group for such Distribution Date.

“**Current Interest**,” with respect to each class of interest-bearing certificates and each Distribution Date, is the interest accrued at the applicable Pass-Through Rate for the applicable Accrual Period on the Certificate Principal Balance of such class immediately prior to such Distribution Date, plus any amount previously distributed with respect to interest for such class that is recovered as a voidable preference by a trustee in bankruptcy.

“Interest Carry Forward Amount,” with respect to each class of interest-bearing certificates and each Distribution Date, is the excess of:

- (a) Current Interest for such class with respect to prior Distribution Dates over
- (b) the amount actually distributed to such class with respect to interest on prior Distribution Dates.

The ***“Pass-Through Rate”*** with respect to each Accrual Period and the Adjustable Rate Certificates will be a per annum rate equal to the lesser of:

- (1) One-Month LIBOR for such Accrual Period (calculated as described below under “*— Calculation of One-Month LIBOR*”) plus the Pass-Through Margin for such class and Accrual Period, and
- (2) the applicable Net Rate Cap for the related Distribution Date.

The ***“Pass-Through Rate”*** with respect to each Accrual Period and the Fixed Rate Certificates will be a per annum rate equal to the lesser of:

- (1) the per annum fixed rate for such class and such Accrual Period set forth set forth in the summary of this information circular under “*Description of the Certificates — General,*” and
- (2) the applicable Net Rate Cap for the related Distribution Date.

The ***“Adjusted Net Mortgage Rate”*** with respect to each Mortgage Loan is equal to the Mortgage Rate less the related Expense Fee Rate.

The ***“Expense Fee Rate”*** with respect to each Mortgage Loan is equal to the sum of (i) the Servicing Fee Rate and (ii) the trustee fee rate as provided in the Pooling and Servicing Agreement.

The ***“Net Rate Cap”*** for each Distribution Date is equal to:

(i) with respect to the Class AF Certificates and each class of Fixed Rate Subordinate Certificates, the weighted average Adjusted Net Mortgage Rate on the Mortgage Loans in Loan Group 1 for such Distribution Date, adjusted, in the case of the Class AF-1 Certificates only, to an effective rate reflecting the calculation of interest on the basis of the actual number of days elapsed during the related Accrual Period and a 360-day year,

(ii) with respect to the Class 1-AV-1 Certificates, the weighted average Adjusted Net Mortgage Rate of the Mortgage Loans in Loan Group 2 for such Distribution Date less the Class 1-AV-1 Guaranty Fee Rate, adjusted to an effective rate reflecting the calculation of interest on the basis of the actual number of days elapsed during the related Accrual Period and a 360-day year,

(iii) with respect to the Class 2-AV Certificates, the weighted average Adjusted Net Mortgage Rate of the Mortgage Loans in Loan Group 3 for such Distribution Date, adjusted to an effective rate reflecting the calculation of interest on the basis of the actual number of days elapsed during the related Accrual Period and a 360-day year, and

(iv) with respect to each class of Adjustable Rate Subordinate Certificates, the weighted average of (a) the weighted average Adjusted Net Mortgage Rate of the Mortgage Loans in Loan Group 2 for such Distribution Date (weighted by an amount equal to the positive difference (if any) of the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 2 over the outstanding Certificate Principal Balance of the Class 1-AV-1 Certificates) and (b) the weighted average Adjusted Net Mortgage Rate of the Mortgage Loans in Loan Group 3 for such Distribution Date (weighted by an amount equal to the positive difference (if any) of the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 3 over the outstanding Certificate Principal Balance of the

Class 2-AV Certificates), adjusted to an effective rate reflecting the calculation of interest on the basis of the actual number of days elapsed during the related Accrual Period and a 360-day year.

The “**Pass-Through Margin**” for each class of Adjustable Rate Certificates is as follows:

	(1)	(2)
Class AF-1	0.200%	0.200%
Class 1-AV-1.....	0.150%	0.300%
Class 2-AV-1.....	0.150%	0.300%
Class 2-AV-2.....	0.350%	0.700%
Class 2-AV-3.....	0.530%	1.060%
Class 2-AV-4.....	0.370%	0.740%
Class MV-1.....	0.620%	0.930%
Class MV-2.....	0.650%	0.975%
Class MV-3.....	0.700%	1.050%
Class MV-4.....	1.100%	1.650%
Class MV-5.....	1.150%	1.725%
Class MV-6.....	1.400%	2.100%
Class MV-7.....	1.750%	2.625%
Class MV-8.....	1.850%	2.775%
Class BV	3.000%	4.500%

(1) For any Accrual Period relating to any Distribution Date occurring on or prior to the Optional Termination Date.

(2) For any Accrual Period relating to any Distribution Date occurring after the Optional Termination Date.

The “**Net Rate Carryover**” for a class of interest-bearing certificates on any Distribution Date is the excess of:

(1) the amount of interest that such class would have accrued for such Distribution Date had the Pass-Through Rate for that class and the related Accrual Period not been calculated based on the applicable Net Rate Cap, *over*

(2) the amount of interest such class accrued on such Distribution Date based on the applicable Net Rate Cap,

plus the unpaid portion of any such excess from prior Distribution Dates (and interest accrued thereon at the then applicable Pass-Through Rate, without giving effect to the applicable Net Rate Cap).

Distributions of Principal Distribution Amount for Loan Group 1. On each Distribution Date, the Principal Distribution Amount for such Distribution Date for Loan Group 1 is required to be distributed as follows until such Principal Distribution Amount has been fully distributed (with the Principal Remittance Amount being applied first and the Extra Principal Distribution Amount being applied thereafter):

(1) For each Distribution Date prior to the Fixed Rate Stepdown Date or on which a Fixed Rate Trigger Event is in effect, from the Principal Distribution Amount for Loan Group 1, sequentially:

(A) to the Class A-R Certificates, until the Certificate Principal Balance thereof is reduced to zero,

(B) to the Class AF Certificates, in the order and priorities set forth in clause (3) below, until the Certificate Principal Balances thereof are reduced to zero,

(C) to the Class MF-1 Certificates, until the Certificate Principal Balance thereof is reduced to zero,

(D) to the Class MF-2 Certificates, until the Certificate Principal Balance thereof is reduced to zero,

(E) to the Class MF-3 Certificates, until the Certificate Principal Balance thereof is reduced to zero,

(F) to the Class MF-4 Certificates, until the Certificate Principal Balance thereof is reduced to zero,

(G) to the Class MF-5 Certificates, until the Certificate Principal Balance thereof is reduced to zero,

(H) to the Class BF Certificates, until the Certificate Principal Balance thereof is reduced to zero, and

(I) any remainder as part of the Fixed Rate Loan Group Excess Cashflow to be allocated as described under “—*Overcollateralization Provisions*” below.

(2) For each Distribution Date on or after the Fixed Rate Stepdown Date and so long as a Fixed Rate Trigger Event is not in effect from the Principal Distribution Amount for Loan Group 1, sequentially:

(A) in an amount up to the Class AF Principal Distribution Amount, to the Class AF Certificates in the order and priorities set forth in clause (3) below, until the Certificate Principal Balances thereof are reduced to zero,

(B) to the Class MF-1 Certificates, the Class MF-1 Principal Distribution Amount until the Certificate Principal Balance thereof is reduced to zero,

(C) to the Class MF-2 Certificates, the Class MF-2 Principal Distribution Amount until the Certificate Principal Balance thereof is reduced to zero,

(D) to the Class MF-3 Certificates, the Class MF-3 Principal Distribution Amount until the Certificate Principal Balance thereof is reduced to zero,

(E) to the Class MF-4 Certificates, the Class MF-4 Principal Distribution Amount until the Certificate Principal Balance thereof is reduced to zero,

(F) to the Class MF-5 Certificates, the Class MF-5 Principal Distribution Amount until the Certificate Principal Balance thereof is reduced to zero,

(G) to the Class BF Certificates, the Class BF Principal Distribution Amount until the Certificate Principal Balance thereof is reduced to zero, and

(H) any remainder as part of the Fixed Rate Loan Group Excess Cashflow to be allocated as described under “—*Overcollateralization Provisions*” below.

(3) On each Distribution Date on which any principal amounts are to be distributed to the Class AF Certificates pursuant to clauses (1)(B) or (2)(A) above, such amounts will be distributed to the Class AF Certificates in the following order of priority:

(A) the NAS Principal Distribution Amount to the Class AF-6 Certificates, until the Certificate Principal Balance thereof is reduced to zero,

(B) sequentially, to the Class AF-1, Class AF-2, Class AF-3, Class AF-4 and Class AF-5 Certificates, in that order, in each case until the Certificate Principal Balance thereof is reduced to zero, and

(C) to the Class AF-6 Certificates without regard to the NAS Principal Distribution Amount, until the Certificate Principal Balance thereof is reduced to zero.

Notwithstanding the foregoing order of priority, on any Distribution Date on which the aggregate Certificate Principal Balance of the Class AF Certificates is greater than the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 1, any Principal Distribution Amount for Loan Group 1 that is to be distributed to the Class AF Certificates will be distributed pro rata, based on the Certificate Principal Balances thereof, in each case until the Certificate Principal Balance thereof is reduced to zero, and not as described above.

Distributions of Principal Distribution Amount for Loan Group 2 and Loan Group 3. On each Distribution Date, the Principal Distribution Amount for such Distribution Date for Loan Group 2 and Loan Group 3 is required to be distributed as follows until such Principal Distribution Amount has been fully distributed (with the Principal Remittance Amount being applied first and the Extra Principal Distribution Amount being applied thereafter):

(1) For each Distribution Date prior to the Adjustable Rate Stepdown Date or on which an Adjustable Rate Trigger Event is in effect, sequentially:

(A) concurrently:

(i) from the Principal Distribution Amount for Loan Group 2, sequentially:

(a) to the Guarantor, the amount of any Class 1-AV-1 Guaranty Fee and any Class 1-AV-1 Guarantor Reimbursement Amount not paid as set forth in “—*Distributions of Interest Funds for Loan Group 2 and Loan Group 3*” above,

(b) to the Class 1-AV-1 Certificates, until the Certificate Principal Balance thereof is reduced to zero, and

(c) to each class of Class 2-AV Certificates (after the distribution of the Principal Distribution Amount from Loan Group 3 as provided in clause (1)(A)(ii)(a) below), in the order and priorities set forth in clause (3) below, until the Certificate Principal Balances thereof are reduced to zero,

(ii) from the Principal Distribution Amount for Loan Group 3, sequentially:

(a) to each class of Class 2-AV Certificates, in the order and priorities set forth in clause (3) below, until the Certificate Principal Balances thereof are reduced to zero, and

(b) to the Class 1-AV-1 Certificates (after the distribution of the Principal Distribution Amount from Loan Group 2 as provided in clause (1)(A)(i)(b) above), until the Certificate Principal Balance thereof is reduced to zero,

(B) from the remaining Principal Distribution Amounts for Loan Group 2 and Loan Group 3, sequentially:

(i) to the Class MV-1 Certificates, until the Certificate Principal Balance thereof is reduced to zero,

(ii) to the Class MV-2 Certificates, until the Certificate Principal Balance thereof is reduced to zero,

(iii) to the Class MV-3 Certificates, until the Certificate Principal Balance thereof is reduced to zero,

(iv) to the Class MV-4 Certificates, until the Certificate Principal Balance thereof is reduced to zero,

(v) to the Class MV-5 Certificates, until the Certificate Principal Balance thereof is reduced to zero,

(vi) to the Class MV-6 Certificates, until the Certificate Principal Balance thereof is reduced to zero,

(vii) to the Class MV-7 Certificates, until the Certificate Principal Balance thereof is reduced to zero,

(viii) to the Class MV-8 Certificates, until the Certificate Principal Balance thereof is reduced to zero,

(ix) to the Class BV Certificates, until the Certificate Principal Balance thereof is reduced to zero, and

(x) any remainder as part of the Adjustable Rate Loan Group Excess Cashflow to be allocated as described under “—*Overcollateralization Provisions*” below.

(2) For each Distribution Date on or after the Adjustable Rate Stepdown Date and so long as an Adjustable Rate Trigger Event is not in effect, sequentially:

(A) concurrently:

(i) from the Principal Distribution Amount for Loan Group 2 in an amount up to the Class 1-AV-1 Principal Distribution Amount, sequentially:

(a) to the Guarantor, the amount of any Class 1-AV-1 Guaranty Fee and any Class 1-AV-1 Guarantor Reimbursement Amount not paid as set forth in “—*Distributions of Interest Funds for Loan Group 2 and Loan Group 3*” above,

(b) to the Class 1-AV-1 Certificates until the Certificate Principal Balance thereof is reduced to zero, and

(c) to each class of Class 2-AV Certificates in an amount up to the Class 2-AV Principal Distribution Amount (after the distribution of the Principal Distribution Amount from Loan Group 3 as provided in clause (2)(A)(ii)(a) below), in the order and priorities set forth in clause (3) below, until the Certificate Principal Balances thereof are reduced to zero, and

(ii) from the Principal Distribution Amount for Loan Group 3 in an amount up to the Class 2-AV Principal Distribution Amount, sequentially:

(a) to each class of Class 2-AV Certificates, in the order and priorities set forth in clause (3) below, until the Certificate Principal Balances thereof are reduced to zero, and

(b) to the Class 1-AV-1 Certificates in an amount up to the Class 1-AV-1 Principal Distribution Amount (after the distribution of the Principal Distribution Amount

from Loan Group 2 as provided in clause (2)(A)(i)(b) above) until the Certificate Principal Balance thereof is reduced to zero,

(B) from the remaining Principal Distribution Amounts for Loan Group 2 and Loan Group 3, sequentially:

(i) to the Class MV-1 Certificates, the Class MV-1 Principal Distribution Amount until the Certificate Principal Balance thereof is reduced to zero,

(ii) to the Class MV-2 Certificates, the Class MV-2 Principal Distribution Amount until the Certificate Principal Balance thereof is reduced to zero,

(iii) to the Class MV-3 Certificates, the Class MV-3 Principal Distribution Amount until the Certificate Principal Balance thereof is reduced to zero,

(iv) to the Class MV-4 Certificates, the Class MV-4 Principal Distribution Amount until the Certificate Principal Balance thereof is reduced to zero,

(v) to the Class MV-5 Certificates, the Class MV-5 Principal Distribution Amount until the Certificate Principal Balance thereof is reduced to zero,

(vi) to the Class MV-6 Certificates, the Class MV-6 Principal Distribution Amount until the Certificate Principal Balance thereof is reduced to zero,

(vii) to the Class MV-7 Certificates, the Class MV-7 Principal Distribution Amount until the Certificate Principal Balance thereof is reduced to zero,

(viii) to the Class MV-8 Certificates, the Class MV-8 Principal Distribution Amount until the Certificate Principal Balance thereof is reduced to zero,

(ix) to the Class BV Certificates, the Class BV Principal Distribution Amount until the Certificate Principal Balance thereof is reduced to zero, and

(x) any remainder as part of the Adjustable Rate Loan Group Excess Cashflow to be allocated as described under “—*Overcollateralization Provisions*” below.

(3) On each Distribution Date on which any principal amounts are to be distributed to the Class 2-AV Certificates pursuant to clauses (1)(A) or (2)(A) above, such amounts will be distributed pro rata (based on (x) the Certificate Principal Balance of the Class 2-AV-4 Certificates and (y) the aggregate Certificate Principal Balance of the Class 2-AV-1, Class 2-AV-2 and Class 2-AV-3 Certificates), concurrently, to:

(A) to the Class 2-AV-4 Certificates, until the Certificate Principal Balance thereof is reduced to zero, and

(B) sequentially, to the Class 2-AV-1, Class 2-AV-2 and Class 2-AV-3 Certificates, in that order, in each case until the Certificate Principal Balance thereof is reduced to zero.

Notwithstanding the foregoing order of priority, on any Distribution Date on which (x) the aggregate Certificate Principal Balance of the Class AV Certificates is greater than the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 2 and Loan Group 3 and (y) the aggregate Certificate Principal Balance of the Class 2-AV Certificates is greater than the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 3, any Principal Distribution Amount for Loan Group 3 that is to be distributed to the Class 2-AV Certificates will

be distributed pro rata, based on the Certificate Principal Balances thereof, in each case until the Certificate Principal Balance thereof is reduced to zero, and not as described above.

“Principal Distribution Amount” with respect to each Distribution Date and a Loan Group is the sum of:

- (1) the Principal Remittance Amount for such Loan Group for such Distribution Date, and
- (2) the Extra Principal Distribution Amount for such Loan Group for such Distribution Date.

“Class AF Principal Distribution Amount” for any Distribution Date will equal the excess of:

- (1) the aggregate Certificate Principal Balance of the Class AF Certificates immediately prior to such Distribution Date, over
- (2) the lesser of (i) 68.20% of the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 1 for such Distribution Date and (ii) the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 1 for such Distribution Date minus the Fixed Rate OC Floor.

“Class MF-1 Principal Distribution Amount” for any Distribution Date will equal the excess of:

- (1) the sum of:
 - (a) the aggregate Certificate Principal Balance of the Class AF Certificates (after taking into account distribution of the Class AF Principal Distribution Amount for such Distribution Date), and
 - (b) the Certificate Principal Balance of the Class MF-1 Certificates immediately prior to such Distribution Date, over
- (2) the lesser of (x) 77.90% of the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 1 for such Distribution Date and (y) the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 1 for such Distribution Date minus the Fixed Rate OC Floor;

provided, however, that if the Class MF-1 Certificates are the only class of Fixed Rate Subordinate Certificates outstanding on such Distribution Date, they will be entitled to receive the entire remaining Principal Distribution Amount for Loan Group 1 until the Certificate Principal Balance thereof is reduced to zero.

“Class MF-2 Principal Distribution Amount” for any Distribution Date will equal the excess of:

- (1) of the sum of:
 - (a) the aggregate Certificate Principal Balance of the Class AF Certificates (after taking into account distribution of the Class AF Principal Distribution Amount for such Distribution Date),
 - (b) the Certificate Principal Balance of the Class MF-1 Certificates (after taking into account distribution of the Class MF-1 Principal Distribution Amount for such Distribution Date) and
 - (c) the Certificate Principal Balance of the Class MF-2 Certificates immediately prior to such Distribution Date over

(2) the lesser of (x) 86.20% of the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 1 for such Distribution Date and (y) the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 1 for such Distribution Date minus the Fixed Rate OC Floor;

provided, however, that if the Class MF-2 Certificates are the only class of Fixed Rate Subordinate Certificates outstanding on such Distribution Date, they will be entitled to receive the entire remaining Principal Distribution Amount for Loan Group 1 until the Certificate Principal Balance thereof is reduced to zero.

“Class MF-3 Principal Distribution Amount” for any Distribution Date will equal the excess of:

(1) the sum of:

(a) the aggregate Certificate Principal Balance of the Class AF Certificates (after taking into account distribution of the Class AF Principal Distribution Amount for such Distribution Date),

(b) the Certificate Principal Balance of the Class MF-1 Certificates (after taking into account distribution of the Class MF-1 Principal Distribution Amount for such Distribution Date),

(c) the Certificate Principal Balance of the Class MF-2 Certificates (after taking into account distribution of the Class MF-2 Principal Distribution Amount for such Distribution Date) and

(d) the Certificate Principal Balance of the Class MF-3 Certificates immediately prior to such Distribution Date over

(2) the lesser of (x) 88.40% of the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 1 for such Distribution Date and (y) the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 1 for such Distribution Date minus the Fixed Rate OC Floor;

provided, however, that if the Class MF-3 Certificates are the only class of Fixed Rate Subordinate Certificates outstanding on such Distribution Date, they will be entitled to receive the entire remaining Principal Distribution Amount for Loan Group 1 until the Certificate Principal Balance thereof is reduced to zero.

“Class MF-4 Principal Distribution Amount” for any Distribution Date will equal the excess of:

(1) the sum of:

(a) the aggregate Certificate Principal Balance of the Class AF Certificates (after taking into account distribution of the Class AF Principal Distribution Amount for such Distribution Date),

(b) the Certificate Principal Balance of the Class MF-1 Certificates (after taking into account distribution of the Class MF-1 Principal Distribution Amount for such Distribution Date),

(c) the Certificate Principal Balance of the Class MF-2 Certificates (after taking into account distribution of the Class MF-2 Principal Distribution Amount for such Distribution Date),

(d) the Certificate Principal Balance of the Class MF-3 Certificates (after taking into account distribution of the Class MF-3 Principal Distribution Amount for such Distribution Date), and

(e) the Certificate Principal Balance of the Class MF-4 Certificates immediately prior to such Distribution Date over

(2) the lesser of (x) 90.40% of the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 1 for such Distribution Date and (y) the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 1 for such Distribution Date minus the Fixed Rate OC Floor;

provided, however, that if the Class MF-4 Certificates are the only class of Fixed Rate Subordinate Certificates outstanding on such Distribution Date, they will be entitled to receive the entire remaining Principal Distribution Amount for Loan Group 1 until the Certificate Principal Balance thereof is reduced to zero.

“Class MF-5 Principal Distribution Amount” for any Distribution Date will equal the excess of:

(1) the sum of:

(a) the aggregate Certificate Principal Balance of the Class AF Certificates (after taking into account distribution of the Class AF Principal Distribution Amount for such Distribution Date),

(b) the Certificate Principal Balance of the Class MF-1 Certificates (after taking into account distribution of the Class MF-1 Principal Distribution Amount for such Distribution Date),

(c) the Certificate Principal Balance of the Class MF-2 Certificates (after taking into account distribution of the Class MF-2 Principal Distribution Amount for such Distribution Date),

(d) the Certificate Principal Balance of the Class MF-3 Certificates (after taking into account distribution of the Class MF-3 Principal Distribution Amount for such Distribution Date),

(e) the Certificate Principal Balance of the Class MF-4 Certificates (after taking into account distribution of the Class MF-4 Principal Distribution Amount for such Distribution Date), and

(f) the Certificate Principal Balance of the Class MF-5 Certificates immediately prior to such Distribution Date over

(2) the lesser of (x) 92.40% of the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 1 for such Distribution Date and (y) the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 1 for such Distribution Date minus the Fixed Rate OC Floor;

provided, however, that if the Class MF-5 Certificates are the only class of Fixed Rate Subordinate Certificates outstanding on such Distribution Date, they will be entitled to receive the entire remaining Principal Distribution Amount for Loan Group 1 until the Certificate Principal Balance thereof is reduced to zero.

“Class BF Principal Distribution Amount” for any Distribution Date will equal the excess of:

(1) the sum of:

(a) the aggregate Certificate Principal Balance of the Class AF Certificates (after taking into account distribution of the Class AF Principal Distribution Amount for such Distribution Date),

(b) the Certificate Principal Balance of the Class MF-1 Certificates (after taking into account distribution of the Class MF-1 Principal Distribution Amount for such Distribution Date),

(c) the Certificate Principal Balance of the Class MF-2 Certificates (after taking into account distribution of the Class MF-2 Principal Distribution Amount for such Distribution Date),

(d) the Certificate Principal Balance of the Class MF-3 Certificates (after taking into account distribution of the Class MF-3 Principal Distribution Amount for such Distribution Date),

(e) the Certificate Principal Balance of the Class MF-4 Certificates (after taking into account distribution of the Class MF-4 Principal Distribution Amount for such Distribution Date),

(f) the Certificate Principal Balance of the Class MF-5 Certificates (after taking into account distribution of the Class MF-5 Principal Distribution Amount for such Distribution Date), and

(g) the Certificate Principal Balance of the Class BF Certificates immediately prior to such Distribution Date over

(2) the lesser of (x) 94.40% of the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 1 for such Distribution Date and (y) the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 1 for such Distribution Date minus the Fixed Rate OC Floor;

provided, however, that if the Class BF Certificates are the only class of Fixed Rate Subordinate Certificates outstanding on such Distribution Date, they will be entitled to receive the entire remaining Principal Distribution Amount for Loan Group 1 until the Certificate Principal Balance thereof is reduced to zero.

“Class 1-AV-1 Principal Distribution Amount” for any Distribution Date, will equal the excess of:

(1) the Certificate Principal Balance of the Class 1-AV-1 Certificates immediately prior to such Distribution Date, over

(2) the lesser of (x) 59.00% of the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 2 for such Distribution Date and (y) the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 2 for such Distribution Date minus 0.50% of the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 2 as of the Cut-off Date.

“Class 2-AV Principal Distribution Amount” for any Distribution Date, will equal the excess of:

(1) the aggregate Certificate Principal Balance of the Class 2-AV Certificates immediately prior to such Distribution Date, over

(2) the lesser of (x) 59.00% of the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 3 for such Distribution Date and (y) the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 3 for such Distribution Date minus 0.50% of the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 3 as of the Cut-off Date.

“Class MV-1 Principal Distribution Amount” for any Distribution Date will equal the excess of:

(1) the sum of:

(a) the aggregate Certificate Principal Balance of the Class AV Certificates (after taking into account distributions to the Class AV Certificates pursuant to clause (2)(A) under “—*Distributions of Principal Distribution Amount for Loan Group 2 and Loan Group 3*” above for such Distribution Date), and

(b) the Certificate Principal Balance of the Class MV-1 Certificates immediately prior to such Distribution Date, over

(2) the lesser of (x) 66.00% of the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 2 and Loan Group 3 for such Distribution Date and (y) the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 2 and Loan Group 3 for such Distribution Date minus the Adjustable Rate OC Floor;

provided, however, that if the Class MV-1 Certificates are the only class of Adjustable Rate Subordinate Certificates outstanding on such Distribution Date, they will be entitled to receive the entire remaining Principal Distribution Amount for Loan Group 2 and Loan Group 3 until the Certificate Principal Balance thereof is reduced to zero.

“Class MV-2 Principal Distribution Amount” for any Distribution Date will equal the excess of:

(1) of the sum of:

(a) the aggregate Certificate Principal Balance of the Class AV Certificates (after taking into account distributions to the Class AV Certificates pursuant to clause (2)(A) under “—*Distributions of Principal Distribution Amount for Loan Group 2 and Loan Group 3*” above for such Distribution Date),

(b) the Certificate Principal Balance of the Class MV-1 Certificates (after taking into account distribution of the Class MV-1 Principal Distribution Amount for such Distribution Date) and

(c) the Certificate Principal Balance of the Class MV-2 Certificates immediately prior to such Distribution Date over

(2) the lesser of (x) 72.30% of the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 2 and Loan Group 3 for such Distribution Date and (y) the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 2 and Loan Group 3 for such Distribution Date minus the Adjustable Rate OC Floor;

provided, however, that if the Class MV-2 Certificates are the only class of Adjustable Rate Subordinate Certificates outstanding on such Distribution Date, they will be entitled to receive the entire remaining Principal Distribution Amount for Loan Group 2 and Loan Group 3 until the Certificate Principal Balance thereof is reduced to zero.

“Class MV-3 Principal Distribution Amount” for any Distribution Date will equal the excess of:

(1) the sum of:

(a) the aggregate Certificate Principal Balance of the Class AV Certificates (after taking into account distributions to the Class AV Certificates pursuant to clause (2)(A) under “—*Distributions of Principal Distribution Amount for Loan Group 2 and Loan Group 3*” above for such Distribution Date),

(b) the Certificate Principal Balance of the Class MV-1 Certificates (after taking into account distribution of the Class MV-1 Principal Distribution Amount for such Distribution Date),

(c) the Certificate Principal Balance of the Class MV-2 Certificates (after taking into account distribution of the Class MV-2 Principal Distribution Amount for such Distribution Date) and

(d) the Certificate Principal Balance of the Class MV-3 Certificates immediately prior to such Distribution Date over

(2) the lesser of (x) 76.30% of the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 2 and Loan Group 3 for such Distribution Date and (y) the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 2 and Loan Group 3 for such Distribution Date minus the Adjustable Rate OC Floor;

provided, however, that if the Class MV-3 Certificates are the only class of Adjustable Rate Subordinate Certificates outstanding on such Distribution Date, they will be entitled to receive the entire remaining Principal Distribution Amount for Loan Group 2 and Loan Group 3 until the Certificate Principal Balance thereof is reduced to zero.

“Class MV-4 Principal Distribution Amount” for any Distribution Date will equal the excess of:

(1) the sum of:

(a) the aggregate Certificate Principal Balance of the Class AV Certificates (after taking into account distributions to the Class AV Certificates pursuant to clause (2)(A) under “—*Distributions of Principal Distribution Amount for Loan Group 2 and Loan Group 3*” above for such Distribution Date),

(b) the Certificate Principal Balance of the Class MV-1 Certificates (after taking into account distribution of the Class MV-1 Principal Distribution Amount for such Distribution Date),

(c) the Certificate Principal Balance of the Class MV-2 Certificates (after taking into account distribution of the Class MV-2 Principal Distribution Amount for such Distribution Date),

(d) the Certificate Principal Balance of the Class MV-3 Certificates (after taking into account distribution of the Class MV-3 Principal Distribution Amount for such Distribution Date), and

(e) the Certificate Principal Balance of the Class MV-4 Certificates immediately prior to such Distribution Date over

(2) the lesser of (x) 79.50% of the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 2 and Loan Group 3 for such Distribution Date and (y) the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 2 and Loan Group 3 for such Distribution Date minus the Adjustable Rate OC Floor;

provided, however, that if the Class MV-4 Certificates are the only class of Adjustable Rate Subordinate Certificates outstanding on such Distribution Date, they will be entitled to receive the entire remaining Principal Distribution Amount for Loan Group 2 and Loan Group 3 until the Certificate Principal Balance thereof is reduced to zero.

“Class MV-5 Principal Distribution Amount” for any Distribution Date will equal the excess of:

(1) the sum of:

(a) the aggregate Certificate Principal Balance of the Class AV Certificates (after taking into account distributions to the Class AV Certificates pursuant to clause (2)(A) under “—*Distributions of Principal Distribution Amount for Loan Group 2 and Loan Group 3*” above for such Distribution Date),

(b) the Certificate Principal Balance of the Class MV-1 Certificates (after taking into account distribution of the Class MV-1 Principal Distribution Amount for such Distribution Date),

(c) the Certificate Principal Balance of the Class MV-2 Certificates (after taking into account distribution of the Class MV-2 Principal Distribution Amount for such Distribution Date),

(d) the Certificate Principal Balance of the Class MV-3 Certificates (after taking into account distribution of the Class MV-3 Principal Distribution Amount for such Distribution Date),

(e) the Certificate Principal Balance of the Class MV-4 Certificates (after taking into account distribution of the Class MV-4 Principal Distribution Amount for such Distribution Date), and

(f) the Certificate Principal Balance of the Class MV-5 Certificates immediately prior to such Distribution Date over

(2) the lesser of (x) 83.20% of the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 2 and Loan Group 3 for such Distribution Date and (y) the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 2 and Loan Group 3 for such Distribution Date minus the Adjustable Rate OC Floor;

provided, however, that if the Class MV-5 Certificates are the only class of Adjustable Rate Subordinate Certificates outstanding on such Distribution Date, they will be entitled to receive the entire remaining Principal Distribution Amount for Loan Group 2 and Loan Group 3 until the Certificate Principal Balance thereof is reduced to zero.

“Class MV-6 Principal Distribution Amount” for any Distribution Date will equal the excess of:

(1) the sum of:

(a) the aggregate Certificate Principal Balance of the Class AV Certificates (after taking into account distributions to the Class AV Certificates pursuant to clause (2)(A) under “—*Distributions of Principal Distribution Amount for Loan Group 2 and Loan Group 3*” above for such Distribution Date),

(b) the Certificate Principal Balance of the Class MV-1 Certificates (after taking into account distribution of the Class MV-1 Principal Distribution Amount for such Distribution Date),

(c) the Certificate Principal Balance of the Class MV-2 Certificates (after taking into account distribution of the Class MV-2 Principal Distribution Amount for such Distribution Date),

(d) the Certificate Principal Balance of the Class MV-3 Certificates (after taking into account distribution of the Class MV-3 Principal Distribution Amount for such Distribution Date),

(e) the Certificate Principal Balance of the Class MV-4 Certificates (after taking into account distribution of the Class MV-4 Principal Distribution Amount for such Distribution Date),

(f) the Certificate Principal Balance of the Class MV-5 Certificates (after taking into account distribution of the Class MV-5 Principal Distribution Amount for such Distribution Date), and

(g) the Certificate Principal Balance of the Class MV-6 Certificates immediately prior to such Distribution Date over

(2) the lesser of (x) 86.40% of the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 2 and Loan Group 3 for such Distribution Date and (y) the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 2 and Loan Group 3 for such Distribution Date minus the Adjustable Rate OC Floor;

provided, however, that if the Class MV-6 Certificates are the only class of Adjustable Rate Subordinate Certificates outstanding on such Distribution Date, they will be entitled to receive the entire remaining Principal Distribution Amount for Loan Group 2 and Loan Group 3 until the Certificate Principal Balance thereof is reduced to zero.

“Class MV-7 Principal Distribution Amount” for any Distribution Date will equal the excess of:

(1) the sum of:

(a) the aggregate Certificate Principal Balance of the Class AV Certificates (after taking into account distributions to the Class AV Certificates pursuant to clause (2)(A) under “—*Distributions of Principal Distribution Amount for Loan Group 2 and Loan Group 3*” above for such Distribution Date),

(b) the Certificate Principal Balance of the Class MV-1 Certificates (after taking into account distribution of the Class MV-1 Principal Distribution Amount for such Distribution Date),

(c) the Certificate Principal Balance of the Class MV-2 Certificates (after taking into account distribution of the Class MV-2 Principal Distribution Amount for such Distribution Date),

(d) the Certificate Principal Balance of the Class MV-3 Certificates (after taking into account distribution of the Class MV-3 Principal Distribution Amount for such Distribution Date),

(e) the Certificate Principal Balance of the Class MV-4 Certificates (after taking into account distribution of the Class MV-4 Principal Distribution Amount for such Distribution Date),

(f) the Certificate Principal Balance of the Class MV-5 Certificates (after taking into account distribution of the Class MV-5 Principal Distribution Amount for such Distribution Date),

(g) the Certificate Principal Balance of the Class MV-6 Certificates (after taking into account distribution of the Class MV-6 Principal Distribution Amount for such Distribution Date), and

(h) the Certificate Principal Balance of the Class MV-7 Certificates immediately prior to such Distribution Date over

(2) the lesser of (x) 89.00% of the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 2 and Loan Group 3 for such Distribution Date and (y) the aggregate Stated Principal

Balance of the Mortgage Loans in Loan Group 2 and Loan Group 3 for such Distribution Date minus the Adjustable Rate OC Floor;

provided, however, that if the Class MV-7 Certificates are the only class of Adjustable Rate Subordinate Certificates outstanding on such Distribution Date, they will be entitled to receive the entire remaining Principal Distribution Amount for Loan Group 2 and Loan Group 3 until the Certificate Principal Balance thereof is reduced to zero.

“Class MV-8 Principal Distribution Amount” for any Distribution Date will equal the excess of:

(1) the sum of:

(a) the aggregate Certificate Principal Balance of the Class AV Certificates (after taking into account distributions to the Class AV Certificates pursuant to clause (2)(A) under “—*Distributions of Principal Distribution Amount for Loan Group 2 and Loan Group 3*” above for such Distribution Date),

(b) the Certificate Principal Balance of the Class MV-1 Certificates (after taking into account distribution of the Class MV-1 Principal Distribution Amount for such Distribution Date),

(c) the Certificate Principal Balance of the Class MV-2 Certificates (after taking into account distribution of the Class MV-2 Principal Distribution Amount for such Distribution Date),

(d) the Certificate Principal Balance of the Class MV-3 Certificates (after taking into account distribution of the Class MV-3 Principal Distribution Amount for such Distribution Date),

(e) the Certificate Principal Balance of the Class MV-4 Certificates (after taking into account distribution of the Class MV-4 Principal Distribution Amount for such Distribution Date),

(f) the Certificate Principal Balance of the Class MV-5 Certificates (after taking into account distribution of the Class MV-5 Principal Distribution Amount for such Distribution Date),

(g) the Certificate Principal Balance of the Class MV-6 Certificates (after taking into account distribution of the Class MV-6 Principal Distribution Amount for such Distribution Date),

(h) the Certificate Principal Balance of the Class MV-7 Certificates (after taking into account distribution of the Class MV-7 Principal Distribution Amount for such Distribution Date), and

(i) the Certificate Principal Balance of the Class MV-8 Certificates immediately prior to such Distribution Date over

(2) the lesser of (x) 91.80% of the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 2 and Loan Group 3 for such Distribution Date and (y) the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 2 and Loan Group 3 for such Distribution Date minus the Adjustable Rate OC Floor;

provided, however, that if the Class MV-8 Certificates are the only class of Adjustable Rate Subordinate Certificates outstanding on such Distribution Date, they will be entitled to receive the entire remaining

Principal Distribution Amount for Loan Group 2 and Loan Group 3 until the Certificate Principal Balance thereof is reduced to zero.

“Class BV Principal Distribution Amount” for any Distribution Date will equal the excess of:

- (1) the sum of:
 - (a) the aggregate Certificate Principal Balance of the Class AV Certificates (after taking into account distributions to the Class AV Certificates pursuant to clause (2)(A) under “—*Distributions of Principal Distribution Amount for Loan Group 2 and Loan Group 3*” above for such Distribution Date),
 - (b) the Certificate Principal Balance of the Class MV-1 Certificates (after taking into account distribution of the Class MV-1 Principal Distribution Amount for such Distribution Date),
 - (c) the Certificate Principal Balance of the Class MV-2 Certificates (after taking into account distribution of the Class MV-2 Principal Distribution Amount for such Distribution Date),
 - (d) the Certificate Principal Balance of the Class MV-3 Certificates (after taking into account distribution of the Class MV-3 Principal Distribution Amount for such Distribution Date) and
 - (e) the Certificate Principal Balance of the Class MV-4 Certificates (after taking into account distribution of the Class MV-4 Principal Distribution Amount for such Distribution Date),
 - (f) the Certificate Principal Balance of the Class MV-5 Certificates (after taking into account distribution of the Class MV-5 Principal Distribution Amount for such Distribution Date),
 - (g) the Certificate Principal Balance of the Class MV-6 Certificates (after taking into account distribution of the Class MV-6 Principal Distribution Amount for such Distribution Date),
 - (h) the Certificate Principal Balance of the Class MV-7 Certificates (after taking into account distribution of the Class MV-7 Principal Distribution Amount for such Distribution Date),
 - (i) the Certificate Principal Balance of the Class MV-8 Certificates (after taking into account distribution of the Class MV-8 Principal Distribution Amount for such Distribution Date), and
 - (j) the Certificate Principal Balance of the Class BV Certificates immediately prior to such Distribution Date over
- (2) the lesser of (x) 93.80% of the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 2 and Loan Group 3 for such Distribution Date and (y) the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 2 and Loan Group 3 for such Distribution Date minus the Adjustable Rate OC Floor;

provided, however, that if the Class BV Certificates are the only class of Adjustable Rate Subordinate Certificates outstanding on such Distribution Date, they will be entitled to receive the entire remaining

Principal Distribution Amount for Loan Group 2 and Loan Group 3 until the Certificate Principal Balance thereof is reduced to zero.

“Extra Principal Distribution Amount” with respect to any Distribution Date and (A) Loan Group 1, is the lesser of (1) the Fixed Rate Overcollateralization Deficiency Amount and (2) the sum of the Fixed Rate Loan Group Excess Cashflow and the Credit Comeback Excess Amount available for payment thereof in the priority set forth in this information circular and (B) Loan Group 2 and Loan Group 3, is the lesser of (1) the Adjustable Rate Overcollateralization Deficiency Amount and (2) the Adjustable Rate Loan Group Excess Cashflow available for payment thereof in the priority set forth in this information circular.

“NAS Principal Distribution Amount” for any Distribution Date, is the product of:

(1) a fraction, the numerator of which is the Certificate Principal Balance of the Class AF-6 Certificates and the denominator of which is the aggregate Certificate Principal Balance of the Class AF Certificates, in each case immediately prior to such Distribution Date,

(2) any amounts to be distributed to the Class AF Certificates on such Distribution Date pursuant to clause (1)(B) or (2)(A) under “—*Distributions of Principal Distribution Amount for Loan Group 1*” above and

(3) the applicable percentage for such Distribution Date set forth in the following table:

Distribution Date	Percentage
October 2004 — September 2007	0%
October 2007 — September 2009	45%
October 2009 — September 2010	80%
October 2010 — September 2011	100%
October 2011 and thereafter	300%

“Fixed Rate OC Floor” means an amount equal to 0.50% of the aggregate Cut-off Date Principal Balance of the Mortgage Loans in Loan Group 1.

“Fixed Rate Overcollateralization Deficiency Amount” with respect to any Distribution Date equals the amount, if any, by which the Fixed Rate Overcollateralization Target Amount exceeds the Fixed Rate Overcollateralized Amount on such Distribution Date (after giving effect to distributions in respect of the Principal Remittance Amount for Loan Group 1 on such Distribution Date).

“Fixed Rate Overcollateralization Target Amount” means with respect to any Distribution Date (a) prior to the Fixed Rate Stepdown Date, an amount equal to 2.80% of the aggregate Cut-off Date Principal Balance of the Mortgage Loans in Loan Group 1 and (b) on or after the Fixed Rate Stepdown Date, the greater of (i) an amount equal to 5.60% of the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 1 for the current Distribution Date and (ii) the Fixed Rate OC Floor; provided, however, that if a Fixed Rate Trigger Event is in effect on any Distribution Date, the Fixed Rate Overcollateralization Target Amount will be the Fixed Rate Overcollateralization Target Amount as in effect for the prior Distribution Date.

“Fixed Rate Overcollateralized Amount” for any Distribution Date is the amount, if any, by which (x) the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 1 for such Distribution Date exceeds (y) the aggregate Certificate Principal Balance of the Class AF Certificates and the Fixed Rate Subordinate Certificates as of such Distribution Date (after giving effect to distributions of the Principal Remittance Amount from Loan Group 1 to be made on such Distribution Date).

“**Fixed Rate Stepdown Date**” is the earlier to occur of:

- (1) the Distribution Date on which the aggregate Certificate Principal Balance of the Class AF Certificates is reduced to zero, and
- (2) the later to occur of (x) the Distribution Date in October 2007 and (y) the first Distribution Date on which the aggregate Certificate Principal Balance of the Class AF Certificates (after calculating anticipated distributions on such Distribution Date) is less than or equal to 68.20% of the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 1 for such Distribution Date.

A “**Fixed Rate Trigger Event**” with respect to any Distribution Date on or after the Fixed Rate Stepdown Date consists of either a Fixed Rate Delinquency Trigger Event with respect to that Distribution Date or a Fixed Rate Cumulative Loss Trigger Event with respect to that Distribution Date.

A “**Fixed Rate Delinquency Trigger Event**” with respect to any Distribution Date on or after the Fixed Rate Stepdown Date exists if the Rolling Sixty-Day Delinquency Rate for the outstanding Mortgage Loans in Loan Group 1 equals or exceeds the product of 40.00% and the Fixed Rate Senior Enhancement Percentage for such Distribution Date.

The “**Fixed Rate Senior Enhancement Percentage**” with respect to any Distribution Date on or after the Fixed Rate Stepdown Date is equal to a fraction (expressed as a percentage):

- (1) the numerator of which is the excess of:
 - (a) the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 1 for the preceding Distribution Date over
 - (b) (i) before the Certificate Principal Balances of the Class AF Certificates have been reduced to zero, the sum of the Certificate Principal Balances of the Class AF Certificates, or (ii) after such time, the Certificate Principal Balance of the most senior class of Fixed Rate Subordinate Certificates outstanding, as of the preceding Master Servicer Advance Date, and
- (2) the denominator of which is the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 1 for the preceding Distribution Date.

A “**Fixed Rate Cumulative Loss Trigger Event**” with respect to any Distribution Date on or after the Fixed Rate Stepdown Date occurs if (x) the aggregate amount of Realized Losses on the Mortgage Loans in Loan Group 1 from (and including) the Cut-off Date for each such Mortgage Loan to (and including) the last day of the related Due Period (reduced by the aggregate amount of any Subsequent Recoveries related to Loan Group 1 received through the last day of that Due Period) exceeds (y) the applicable percentage, for such Distribution Date, of the aggregate Cut-off Date Principal Balance of the Mortgage Loans in Loan Group 1 as set forth below:

<u>Distribution Date</u>	<u>Percentage</u>
October 2007 — September 2008.....	1.75% with respect to October 2007, plus an additional 1/12th of 0.50% for each month thereafter until September 2008
October 2008 — September 2009.....	2.25% with respect to October 2008, plus an additional 1/12th of 0.25% for each month thereafter until September 2009
October 2009 — September 2010.....	2.50% with respect to October 2009, plus an additional 1/12th of 0.25% for each month thereafter until September 2010
October 2010 and thereafter.....	2.75%

“Adjustable Rate OC Floor” means an amount equal to 0.50% of the aggregate Cut-off Date Principal Balance of the Mortgage Loans in Loan Group 2 and Loan Group 3.

“Adjustable Rate Overcollateralization Deficiency Amount” with respect to any Distribution Date equals the amount, if any, by which the Adjustable Rate Overcollateralization Target Amount exceeds the Adjustable Rate Overcollateralized Amount on such Distribution Date (after giving effect to distributions in respect of the Principal Remittance Amount for Loan Group 2 and Loan Group 3 on such Distribution Date).

“Adjustable Rate Overcollateralization Target Amount” means with respect to any Distribution Date (a) prior to the Distribution Date in January 2005, zero, (b) on or after the Distribution Date in January 2005 but prior to the Adjustable Rate Stepdown Date, an amount equal to 3.10% of the aggregate Cut-off Date Principal Balance of the Mortgage Loans in Loan Group 2 and Loan Group 3 and (c) on or after the Adjustable Rate Stepdown Date, the greater of (i) an amount equal to 6.20% of the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 2 and Loan Group 3 for the current Distribution Date and (ii) the Adjustable Rate OC Floor; provided, however, that if an Adjustable Rate Trigger Event is in effect on any Distribution Date, the Adjustable Rate Overcollateralization Target Amount will be the Adjustable Rate Overcollateralization Target Amount as in effect for the prior Distribution Date.

“Adjustable Rate Overcollateralized Amount” for any Distribution Date is the amount, if any, by which (x) the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 2 and Loan Group 3 for such Distribution Date exceeds (y) the sum of the aggregate Certificate Principal Balance of the Class AV Certificates and the Adjustable Rate Subordinate Certificates as of such Distribution Date (after giving effect to distributions of the Principal Remittance Amount for Loan Group 2 and Loan Group 3 to be made on such Distribution Date).

“Adjustable Rate Stepdown Date” is the earlier to occur of:

- (1) the Distribution Date on which the aggregate Certificate Principal Balance of the Class AV Certificates is reduced to zero, and
- (2) the later to occur of (x) the Distribution Date in October 2007 and (y) the first Distribution Date on which the aggregate Certificate Principal Balance of the Class AV Certificates (after calculating anticipated distributions on such Distribution Date) is less than or equal to 59.00% of the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 2 and Loan Group 3 for such Distribution Date.

An **“Adjustable Rate Trigger Event”** with respect to any Distribution Date on or after the Adjustable Rate Stepdown Date consists of either an Adjustable Rate Delinquency Trigger Event with respect to that Distribution Date or an Adjustable Rate Cumulative Loss Trigger Event with respect to that Distribution Date.

An **“Adjustable Rate Delinquency Trigger Event”** with respect to any Distribution Date on or after the Adjustable Rate Stepdown Date exists if the Rolling Sixty-Day Delinquency Rate for the outstanding Mortgage Loans in Loan Group 2 and Loan Group 3 equals or exceeds the product of 40.00% and the Adjustable Rate Senior Enhancement Percentage for such Distribution Date.

The **“Adjustable Rate Senior Enhancement Percentage”** with respect to any Distribution Date on or after the Adjustable Rate Stepdown Date is equal to a fraction (expressed as a percentage):

- (1) the numerator of which is the excess of:
 - (a) the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 2 and Loan Group 3 for the preceding Distribution Date over
 - (b) (i) before the Certificate Principal Balances of the Class AV Certificates have been reduced to zero, the sum of the Certificate Principal Balances of the Class AV Certificates, or

(ii) after such time, the Certificate Principal Balance of the most senior class of Adjustable Rate Subordinate Certificates outstanding, as of the preceding Master Servicer Advance Date, and

(2) the denominator of which is the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 2 and Loan Group 3 for the preceding Distribution Date.

An “**Adjustable Rate Cumulative Loss Trigger Event**” with respect to any Distribution Date on or after the Adjustable Rate Stepdown Date occurs if (x) the aggregate amount of Realized Losses on the Mortgage Loans in Loan Group 2 and Loan Group 3 from (and including) the Cut-off Date for each such Mortgage Loan to (and including) the last day of the related Due Period (reduced by the aggregate amount of any Subsequent Recoveries related to Loan Group 2 or Loan Group 3 received through the last day of that Due Period) exceeds (y) the applicable percentage, for such Distribution Date, of the aggregate Cut-off Date Principal Balance of the Mortgage Loans in Loan Group 2 and Loan Group 3, as set forth below:

<u>Distribution Date</u>	<u>Percentage</u>
October 2007 — September 2008.....	3.75% with respect to October 2007, plus an additional 1/12th of 2.00% for each month thereafter until September 2008
October 2008 — September 2009.....	5.75% with respect to October 2008, plus an additional 1/12th of 1.50% for each month thereafter until September 2009
October 2009 — September 2010.....	7.25% with respect to October 2009, plus an additional 1/12th of 0.25% for each month thereafter until September 2010
October 2010 and thereafter.....	7.50%

“**Unpaid Realized Loss Amount**” means for any class of Subordinate Certificates, (x) the portion of the aggregate Applied Realized Loss Amount previously allocated to that class remaining unpaid from prior Distribution Dates minus (y) any increase in the Certificate Principal Balance of that class due to the allocation of Subsequent Recoveries to the Certificate Principal Balance of that class.

The “**Rolling Sixty-Day Delinquency Rate**,” with respect to any Distribution Date on or after the related Stepdown Date and any Loan Group, is the average of the Sixty-Day Delinquency Rates for such Loan Group and such Distribution Date and the two immediately preceding Distribution Dates.

The “**Sixty-Day Delinquency Rate**,” with respect to any Distribution Date on or after the related Stepdown Date and any Loan Group, is a fraction, expressed as a percentage, the numerator of which is the aggregate Stated Principal Balance for such Distribution Date of all Mortgage Loans in such Loan Group 60 or more days delinquent as of the close of business on the last day of the calendar month preceding such Distribution Date (including Mortgage Loans in foreclosure, bankruptcy and REO Properties) and the denominator of which is the aggregate Stated Principal Balance for such Distribution Date of all Mortgage Loans in such Loan Group.

A “**Realized Loss**” with respect to any defaulted Mortgage Loan is the excess of the Stated Principal Balance of such defaulted Mortgage Loan over the Liquidation Proceeds allocated to principal that have been received with respect to such Mortgage Loan on or at any time prior to the last day of the related Due Period during which such Mortgage Loan is liquidated.

Residual Certificates. The Class A-R Certificates will remain outstanding for so long as the Trust Fund will exist, whether or not they are receiving current distributions of principal or interest. In addition to distributions of interest and principal as described above, on each Distribution Date, the holders of the Class A-R Certificates, as provided in the Pooling and Servicing Agreement, will be entitled to receive any available funds remaining after payment of interest and principal on the Senior Certificates and on the Subordinate Certificates and payments to the Guarantor (each as described above) and distributions to the Class CF and Class CV Certificates (as provided in the Pooling and Servicing Agreement). It is not anticipated that there will be any significant amounts remaining for distribution to the Class A-R Certificates.

Overcollateralization Provisions

The weighted average Adjusted Net Mortgage Rate for each group or groups of Mortgage Loans is generally expected to be higher than the weighted average of the Pass-Through Rates on the related classes of Certificates. As a result, interest collections on the Mortgage Loans are expected to be generated in excess of the amount of interest payable to the holders of the related Certificates and the related fees and expenses payable by the Trust Fund. Beginning with the Distribution Date in October 2004 with respect to the Mortgage Loans in Loan Group 1 and the Distribution Date in January 2005 with respect to the Mortgage Loans in Loan Group 2 and Loan Group 3, any interest payments received in respect of the Mortgage Loans in a Loan Group or Loan Groups in excess of the amount that is needed to pay interest on the related Certificates and the trust expenses related to that Loan Group (including in the case of Loan Group 2 and the Class 1-AV-1 Certificates, the Class 1-AV-1 Guaranty Fee) will be used to reduce the total Certificate Principal Balance of the related Certificates, until the required level of overcollateralization has been achieved. The excess cashflow, if any, will be applied on such Distribution Date as a payment of principal on the related class or classes of Certificates then entitled to receive distributions in respect of principal, but only to the limited extent hereafter described.

Fixed Rate Loan Group Excess Cashflow

The “**Fixed Rate Loan Group Excess Cashflow**” with respect to any Distribution Date is the sum of the amounts remaining as set forth in (i) clause (2)(g) in “*Distributions—Distributions of Interest—Distributions of Interest Funds for Loan Group 1*” for such Distribution Date and (ii) clauses (1)(I) or (2)(H), as applicable, in “*Distributions—Distributions of Principal Distribution Amount for Loan Group 1*” for such Distribution Date.

With respect to any Distribution Date, any Fixed Rate Loan Group Excess Cashflow and, in the case of clauses 1, 3, 5, 7, 9, 11 and 13 below, any amounts in the Credit Comeback Excess Account available for such Distribution Date (“**Credit Comeback Excess Cashflow**”), will be paid to the classes of Certificates in the following order of priority, in each case first to the extent of the remaining Credit Comeback Excess Cashflow, if applicable, and second to the extent of the remaining Fixed Rate Loan Group Excess Cashflow:

1. to the holders of the class or classes of Class AF Certificates and Fixed Rate Subordinate Certificates then entitled to receive distributions in respect of principal, in an amount equal to the Extra Principal Distribution Amount for Loan Group 1, payable to such holders as part of the Principal Distribution Amount as described under “*Distributions—Distributions of Principal Distribution Amount for Loan Group 1*” above; provided, however, that Credit Comeback Excess Cashflow (if any) will only be distributed pursuant to this clause, (x) on or after the Distribution Date in November 2004 and (y) if the Fixed Rate Overcollateralization Target Amount has at any previous time been met;
2. to the holders of the Class MF-1 Certificates, in an amount equal to any Interest Carry Forward Amount for such class;
3. to the holders of the Class MF-1 Certificates, in an amount equal to the Unpaid Realized Loss Amount for such class;
4. to the holders of the Class MF-2 Certificates, in an amount equal to any Interest Carry Forward Amount for such class;
5. to the holders of the Class MF-2 Certificates, in an amount equal to the Unpaid Realized Loss Amount for such class;
6. to the holders of the Class MF-3 Certificates, in an amount equal to any Interest Carry Forward Amount for such class;
7. to the holders of the Class MF-3 Certificates, in an amount equal to the Unpaid Realized Loss Amount for such class;

8. to the holders of the Class MF-4 Certificates, in an amount equal to any Interest Carry Forward Amount for such class;
9. to the holders of the Class MF-4 Certificates, in an amount equal to the Unpaid Realized Loss Amount for such class;
10. to the holders of the Class MF-5 Certificates, in an amount equal to any Interest Carry Forward Amount for such class;
11. to the holders of the Class MF-5 Certificates, in an amount equal to the Unpaid Realized Loss Amount for such class;
12. to the holders of the Class BF Certificates, in an amount equal to any Interest Carry Forward Amount for such class;
13. to the holders of the Class BF Certificates, in an amount equal to the Unpaid Realized Loss Amount for such class;
14. to each class of Class AF Certificates and Fixed Rate Subordinate Certificates (in the case of the Class AF-1 Certificates after application of amounts received under the Class AF-1 Corridor Contract to cover Net Rate Carryover), pro rata based on the Certificate Principal Balances thereof, to the extent needed to pay any unpaid Net Rate Carryover for each such class; and then any Fixed Rate Loan Group Excess Cashflow remaining after such allocation to pay Net Rate Carryover based on the Certificate Principal Balances of the Certificates will be distributed to each class of Class AF Certificates and Fixed Rate Subordinate Certificates with respect to which there remains any unpaid Net Rate Carryover, pro rata, based on the amount of such unpaid Net Rate Carryover;
15. on or after the Distribution Date in February 2005, if the Adjustable Rate Overcollateralization Target Amount has at any previous time been met, to the holders of the class or classes of Class AV Certificates and Adjustable Rate Subordinate Certificates then entitled to receive distributions in respect of principal, payable to such holders as part of the Principal Distribution Amount as described under “—Distributions—Distributions of Principal Distribution Amount for Loan Group 2 and Loan Group 3” above, in an amount equal to the Extra Principal Distribution Amount for Loan Group 2 and Loan Group 3 not covered by the Adjustable Rate Loan Group Excess Cashflow;
16. to the holders of the Class MV-1 Certificates, in an amount equal to the Unpaid Realized Loss Amount for the Class MV-1 Certificates remaining undistributed after application of the Adjustable Rate Loan Group Excess Cashflow;
17. to the holders of the Class MV-2 Certificates, in an amount equal to the Unpaid Realized Loss Amount for the Class MV-2 Certificates remaining undistributed after application of the Adjustable Rate Loan Group Excess Cashflow;
18. to the holders of the Class MV-3 Certificates, in an amount equal to the Unpaid Realized Loss Amount for the Class MV-3 Certificates remaining undistributed after application of the Adjustable Rate Loan Group Excess Cashflow;
19. to the holders of the Class MV-4 Certificates, in an amount equal to the Unpaid Realized Loss Amount for the Class MV-4 Certificates remaining undistributed after application of the Adjustable Rate Loan Group Excess Cashflow;

20. to the holders of the Class MV-5 Certificates, in an amount equal to the Unpaid Realized Loss Amount for the Class MV-5 Certificates remaining undistributed after application of the Adjustable Rate Loan Group Excess Cashflow;
21. to the holders of the Class MV-6 Certificates, in an amount equal to the Unpaid Realized Loss Amount for the Class MV-6 Certificates remaining undistributed after application of the Adjustable Rate Loan Group Excess Cashflow;
22. to the holders of the Class MV-7 Certificates, in an amount equal to the Unpaid Realized Loss Amount for the Class MV-7 Certificates remaining undistributed after application of the Adjustable Rate Loan Group Excess Cashflow;
23. to the holders of the Class MV-8 Certificates, in an amount equal to the Unpaid Realized Loss Amount for the Class MV-8 Certificates remaining undistributed after application of the Adjustable Rate Loan Group Excess Cashflow;
24. to the holders of the Class BV Certificates, in an amount equal to the Unpaid Realized Loss Amount for the Class BV Certificates remaining undistributed after application of the Adjustable Rate Loan Group Excess Cashflow;
25. to the Carryover Reserve Fund, in an amount equal to the Required Secondary Carryover Reserve Fund Deposit (after giving effect to other deposits and withdrawals therefrom on such Distribution Date without regard to any excess Corridor Contract proceeds); and
26. to fund distributions to the holders of the Class CF and Class A-R Certificates, in each case in the amounts specified in the Pooling and Servicing Agreement.

Adjustable Rate Loan Group Excess Cashflow

The “**Adjustable Rate Loan Group Excess Cashflow**” with respect to any Distribution Date is the sum of the amounts remaining as set forth in (i) clause (3)(j) in “*Distributions—Distributions of Interest—Distributions of Interest Funds for Loan Group 2 and Loan Group 3*” and (ii) clauses (1)(B)(x) or (2)(B)(x), as applicable, in “*Distributions—Distributions of Principal Distribution Amount for Loan Group 2 and Loan Group 3*.”

With respect to any Distribution Date, any Adjustable Rate Loan Group Excess Cashflow will be paid to the classes of Certificates in the following order of priority, in each case to the extent of the remaining Adjustable Rate Loan Group Excess Cashflow:

1. to the holders of the class or classes of Class AV Certificates and Adjustable Rate Subordinate Certificates then entitled to receive distributions in respect of principal, in an aggregate amount equal to the Extra Principal Distribution Amount for Loan Group 2 and Loan Group 3, payable to such holders of each such class as part of the Principal Distribution Amount as described under “*—Distributions—Distributions of Principal Distribution Amount for Loan Group 2 and Loan Group 3*” above;
2. to the holders of the Class MV-1 Certificates, in an amount equal to any Interest Carry Forward Amount for such class;
3. to the holders of the Class MV-1 Certificates, in an amount equal to the Unpaid Realized Loss Amount for such class;
4. to the holders of the Class MV-2 Certificates, in an amount equal to any Interest Carry Forward Amount for such class;

5. to the holders of the Class MV-2 Certificates, in an amount equal to the Unpaid Realized Loss Amount for such class;
6. to the holders of the Class MV-3 Certificates, in an amount equal to any Interest Carry Forward Amount for such class;
7. to the holders of the Class MV-3 Certificates, in an amount equal to the Unpaid Realized Loss Amount for such class;
8. to the holders of the Class MV-4 Certificates, in an amount equal to any Interest Carry Forward Amount for such class;
9. to the holders of the Class MV-4 Certificates, in an amount equal to the Unpaid Realized Loss Amount for such class;
10. to the holders of the Class MV-5 Certificates, in an amount equal to any Interest Carry Forward Amount for such class;
11. to the holders of the Class MV-5 Certificates, in an amount equal to the Unpaid Realized Loss Amount for such class;
12. to the holders of the Class MV-6 Certificates, in an amount equal to any Interest Carry Forward Amount for such class;
13. to the holders of the Class MV-6 Certificates, in an amount equal to the Unpaid Realized Loss Amount for such class;
14. to the holders of the Class MV-7 Certificates, in an amount equal to any Interest Carry Forward Amount for such class;
15. to the holders of the Class MV-7 Certificates, in an amount equal to the Unpaid Realized Loss Amount for such class;
16. to the holders of the Class MV-8 Certificates, in an amount equal to any Interest Carry Forward Amount for such class;
17. to the holders of the Class MV-8 Certificates, in an amount equal to the Unpaid Realized Loss Amount for such class;
18. to the holders of the Class BV Certificates, in an amount equal to any Interest Carry Forward Amount for such class;
19. to the holders of the Class BV Certificates, in an amount equal to the Unpaid Realized Loss Amount for such class;
20. to each class of Class AV Certificates and Adjustable Rate Subordinate Certificates (in each case after application of amounts received under the applicable Corridor Contract to cover Net Rate Carryover), pro rata based on the Certificate Principal Balances thereof, to the extent needed to pay any Net Rate Carryover for each such class remaining after application of amounts under the applicable Corridor Contract; provided that any Adjustable Rate Loan Group Excess Cashflow remaining after such allocation to pay Net Rate Carryover based on the Certificate Principal Balances of the Certificates will be distributed to each class of Class AV Certificates and Adjustable Rate Subordinate Certificates with respect to which there remains any unpaid Net Rate Carryover (after the distribution based on Certificate Principal Balances), pro rata, based on the amount of such unpaid Net Rate Carryover;

21. on or after the Distribution Date in November 2004, if the Fixed Rate Overcollateralization Target Amount has at any previous time been met, to the holders of the class or classes of Class AF Certificates and Fixed Rate Subordinate Certificates then entitled to receive distributions in respect of principal, payable to such holders as part of the Principal Distribution Amount as described under “—*Distributions—Distributions of Principal Distribution Amount for Loan Group 1*” above, in an amount equal to the Extra Principal Distribution Amount for Loan Group 1 not covered by the Fixed Rate Loan Group Excess Cashflow or Credit Comeback Excess Cashflow;
22. to the holders of the Class MF-1 Certificates, in an amount equal to the Unpaid Realized Loss Amount for the Class MF-1 Certificates remaining undistributed after application of the Fixed Rate Loan Group Excess Cashflow and Credit Comeback Excess Cashflow;
23. to the holders of the Class MF-2 Certificates, in an amount equal to the Unpaid Realized Loss Amount for the Class MF-2 Certificates remaining undistributed after application of the Fixed Rate Loan Group Excess Cashflow and Credit Comeback Excess Cashflow;
24. to the holders of the Class MF-3 Certificates, in an amount equal to the Unpaid Realized Loss Amount for the Class MF-3 Certificates remaining undistributed after application of the Fixed Rate Loan Group Excess Cashflow and Credit Comeback Excess Cashflow;
25. to the holders of the Class MF-4 Certificates, in an amount equal to the Unpaid Realized Loss Amount for the Class MF-4 Certificates remaining undistributed after application of the Fixed Rate Loan Group Excess Cashflow and Credit Comeback Excess Cashflow;
26. to the holders of the Class MF-5 Certificates, in an amount equal to the Unpaid Realized Loss Amount for the Class MF-5 Certificates remaining undistributed after application of the Fixed Rate Loan Group Excess Cashflow and Credit Comeback Excess Cashflow;
27. to the holders of the Class BF Certificates, in an amount equal to the Unpaid Realized Loss Amount for the Class BF Certificates remaining undistributed after application of the Fixed Rate Loan Group Excess Cashflow and Credit Comeback Excess Cashflow;
28. to the Carryover Reserve Fund, in an amount equal to the Required Secondary Carryover Reserve Fund Deposit (after giving effect to other deposits and withdrawals therefrom on such Distribution Date without regard to any excess Corridor Contract proceeds); and
29. to fund distributions to the holders of the Class CV and Class A-R Certificates, in each case in the amounts specified in the Pooling and Servicing Agreement.

The Corridor Contracts

Countrywide Home Loans has entered into four interest rate corridor transactions with Bank of America, N.A. (the “**Corridor Contract Counterparty**”), each as evidenced by a Confirmation between Countrywide Home Loans and the Corridor Contract Counterparty (respectively, the “**Class AF-1 Corridor Contract**,” the “**Class I-AV-1 Corridor Contract**,” the “**Class 2-AV Corridor Contract**,” and the “**Adjustable Rate Subordinate Corridor Contract**,” together the “**Corridor Contracts**” and each, a “**Corridor Contract**”). Pursuant to each Corridor Contract, the terms of an ISDA Master Agreement were incorporated into the Confirmation of the Corridor Contract, as if the ISDA Master Agreement had been executed by Countrywide Home Loans and the Corridor Contract Counterparty on the date that each Corridor Contract was executed. Each Corridor Contract is subject to certain ISDA definitions. On the Closing Date, Countrywide Home Loans will assign to the Trustee, on behalf of the Trust Fund, Countrywide Home Loans’s rights under each Corridor Contract.

On or prior to the applicable Corridor Contract Termination Date, amounts (if any) received by the Trustee for the benefit of the Trust Fund in respect of the Corridor Contracts will be used to pay Net Rate Carryover on the

related class or classes of Certificates as described above under “*Distributions—Distributions of Funds from the Corridor Contracts.*” Amounts received on the Corridor Contracts will not be available to pay Net Rate Carryover on any class of Certificates other than the related class or classes of Certificates. On any Distribution Date, after application of any amounts received under the Corridor Contracts to pay Net Rate Carryover, any remaining amounts will be distributed as described above under “*Distributions—Distributions of Funds from the Corridor Contracts*” and will not thereafter be available for payments of Net Rate Carryover for any class of Certificates, unless such remaining amounts are received in connection with an early termination of the related Corridor Contract in which case such amounts will be held by the Trustee until the applicable Corridor Contract Termination Date for distribution as described above under “*Distributions—Distributions of Funds from the Corridor Contracts.*”

With respect to each Corridor Contract and any Distribution Date on or prior to the applicable Corridor Contract Termination Date, the amount payable by the Corridor Contract Counterparty under a Corridor Contract that will be available to cover Net Rate Carryover on the related class or classes of Certificates as described in this information circular will equal the product of:

- (i) the excess (if any) of (x) the lesser of (A) One-Month LIBOR (as determined by the Corridor Contract Counterparty) and (B) the applicable Corridor Contract Ceiling Rate for such Distribution Date over (y) the applicable Corridor Contract Strike Rate for such Distribution Date,
- (ii) the applicable Corridor Contract Notional Balance for such Distribution Date,
- (iii) the actual number of days in the related Accrual Period, divided by 360, and
- (iv) 100.

The “*Class AF-1 Corridor Contract Notional Balance,*” the “*Class AF-1 Corridor Contract Strike Rate*” and the “*Class AF-1 Corridor Contract Ceiling Rate*” are as described in the following table:

Month of Distribution Date	Class AF-1 Corridor Contract Notional Balances (\$)	Class AF-1 Corridor Contract Strike Rates	Class AF-1 Corridor Contract Ceiling Rates	Month of Distribution Date	Class AF-1 Corridor Contract Notional Balances (\$)	Class AF-1 Corridor Contract Strike Rates	Class AF-1 Corridor Contract Ceiling Rates
October 2004	2,164,870.00	7.23300%	9.00000%	October 2005	1,087,025.80	6.47800%	9.00000%
November 2004	2,119,344.04	6.30000%	9.00000%	November 2005	975,427.33	6.26900%	9.00000%
December 2004	2,071,486.66	6.51000%	9.00000%	December 2005	865,798.96	6.47800%	9.00000%
January 2005	2,012,511.11	6.30000%	9.00000%	January 2006	758,102.70	6.26900%	9.00000%
February 2005	1,942,451.57	6.30000%	9.00000%	February 2006	652,301.26	6.26900%	9.00000%
March 2005	1,861,398.69	6.97500%	9.00000%	March 2006	548,358.03	6.94100%	9.00000%
April 2005	1,769,500.78	6.30000%	9.00000%	April 2006	446,237.10	6.26900%	9.00000%
May 2005	1,666,979.61	6.51000%	9.00000%	May 2006	345,903.24	6.47800%	9.00000%
June 2005	1,554,105.59	6.30000%	9.00000%	June 2006	247,321.84	6.26900%	9.00000%
July 2005	1,434,172.36	6.51000%	9.00000%	July 2006	150,458.95	6.47800%	9.00000%
August 2005	1,316,348.42	6.29100%	9.00000%	August 2006	55,281.27	6.26000%	9.00000%
September 2005 ...	1,200,633.08	6.26900%	9.00000%				

The “*Class 1-AV-1 Corridor Contract Notional Balance*,” the “*Class 1-AV-1 Corridor Contract Strike Rate*” and the “*Class 1-AV-1 Corridor Contract Ceiling Rate*” are as described in the following table:

Month of Distribution Date	Class 1-AV-1 Corridor Contract Notional Balances (\$)	Class 1-AV-1 Corridor Contract Strike Rates	Class 1-AV-1 Corridor Contract Ceiling Rates	Month of Distribution Date	Class 1-AV-1 Corridor Contract Notional Balances (\$)	Class 1-AV-1 Corridor Contract Strike Rates	Class 1-AV-1 Corridor Contract Ceiling Rates
October 2004	8,260,000.00	7.07965%	8.10555%	January 2007	3,927,808.66	6.35892%	9.12302%
November 2004	8,205,194.96	6.13390%	8.12419%	February 2007	3,504,028.04	6.47051%	9.10957%
December 2004	8,137,852.27	6.34671%	8.12000%	March 2007	3,136,538.02	7.21077%	9.09361%
January 2005	8,058,030.63	6.13392%	8.12420%	April 2007	2,975,230.96	6.48892%	9.10873%
February 2005	7,965,835.64	6.13393%	8.12420%	May 2007	2,819,136.28	6.71360%	9.10401%
March 2005	7,861,420.28	6.81817%	8.11072%	June 2007	2,668,060.58	6.48902%	9.10872%
April 2005	7,744,985.56	6.13428%	8.12419%	July 2007	2,521,843.82	6.71532%	9.10250%
May 2005	7,616,779.60	6.34710%	8.12000%	August 2007	2,380,332.41	6.55980%	9.01066%
June 2005	7,477,097.75	6.13430%	8.12419%	September 2007 ...	2,243,441.09	7.96294%	9.00687%
July 2005	7,326,282.30	6.34713%	8.12000%	October 2007	2,111,362.49	8.23687%	9.99870%
August 2005	7,164,751.63	6.13433%	8.12420%	November 2007	2,111,362.49	7.96315%	10.00677%
September 2005 ...	6,994,527.87	6.13451%	8.12420%	December 2007	2,099,207.20	8.23696%	9.99860%
October 2005	6,827,515.72	6.34741%	8.12000%	January 2008	2,029,900.01	7.96415%	10.00518%
November 2005	6,663,656.61	6.13456%	8.12419%	February 2008	1,962,821.81	8.01062%	9.90308%
December 2005	6,502,891.33	6.34734%	8.12000%	March 2008	1,897,925.59	9.89355%	9.89355%
January 2006	6,345,161.95	6.13449%	8.12419%	April 2008	1,835,413.54	9.23925%	9.89752%
February 2006	6,190,411.60	6.13445%	8.12419%	May 2008	1,774,903.51	9.55557%	9.88571%
March 2006	6,038,584.51	6.81870%	8.11071%	June 2008	1,716,331.56	9.23927%	9.89740%
April 2006	5,889,626.12	6.13472%	8.12419%	July 2008	1,659,635.85	9.55636%	9.88497%
May 2006	5,743,482.61	6.34751%	8.12000%	August 2008	1,604,756.67	9.27772%	9.85547%
June 2006	5,600,101.11	6.13465%	8.12420%	September 2008 ...	1,551,645.82	10.11756%	10.11756%
July 2006	5,459,429.86	6.35221%	8.11980%	October 2008	1,500,436.16	10.46317%	10.46317%
August 2006	5,321,415.66	6.35688%	8.12365%	November 2008	1,450,862.11	10.11759%	10.46461%
September 2006 ...	5,186,045.10	6.36693%	8.12364%	December 2008	1,402,871.57	10.46318%	10.46318%
October 2006	5,052,383.23	6.58743%	9.11945%	January 2009	1,356,414.13	10.11804%	10.46458%
November 2006	4,876,684.44	6.35758%	9.12368%	February 2009	1,311,441.00	10.13998%	10.46817%
December 2006	4,385,538.14	6.57785%	9.11947%				

The “*Class 2-AV Corridor Contract Notional Balance*,” the “*Class 2-AV Corridor Contract Strike Rate*” and the “*Class 2-AV Corridor Contract Ceiling Rate*” are as described in the following table:

Month of Distribution Date	Class 2-AV Corridor Contract Notional Balances (\$)	Class 2-AV Corridor Contract Strike Rates	Class 2-AV Corridor Contract Ceiling Rates	Month of Distribution Date	Class 2-AV Corridor Contract Notional Balances (\$)	Class 2-AV Corridor Contract Strike Rates	Class 2-AV Corridor Contract Ceiling Rates
October 2004	7,103,600.00	7.39369%	8.25000%	January 2007	3,415,956.93	6.69492%	9.24898%
November 2004	7,057,168.91	6.40731%	8.25000%	February 2007	3,058,798.58	6.82721%	9.24565%
December 2004	7,000,839.38	6.62913%	8.25000%	March 2007	2,747,374.00	7.62272%	9.24441%
January 2005	6,933,768.11	6.40713%	8.25000%	April 2007	2,614,809.37	6.86166%	9.24495%
February 2005	6,856,041.83	6.40716%	8.25000%	May 2007	2,486,601.80	7.09935%	9.24478%
March 2005	6,767,788.22	7.12104%	8.25000%	June 2007	2,362,527.46	6.86251%	9.24421%
April 2005	6,669,176.62	6.40762%	8.25000%	July 2007	2,242,453.58	7.10405%	9.23993%
May 2005	6,560,417.16	6.62944%	8.25000%	August 2007	2,126,252.37	6.96198%	9.15025%
June 2005	6,441,762.61	6.40742%	8.25000%	September 2007 ...	2,013,822.53	8.35928%	9.13551%
July 2005	6,313,531.92	6.62924%	8.25000%	October 2007	1,905,057.38	8.64663%	10.13129%
August 2005	6,176,123.90	6.40736%	8.25000%	November 2007	1,905,057.38	8.35983%	10.13498%
September 2005 ...	6,031,120.92	6.40795%	8.25000%	December 2007	1,894,577.45	8.64713%	10.13056%
October 2005	5,888,843.48	6.62982%	8.25000%	January 2008	1,834,821.34	8.36283%	10.13059%
November 2005	5,749,244.80	6.40783%	8.25000%	February 2008	1,776,986.06	8.41900%	10.02297%
December 2005	5,612,274.84	6.62970%	8.25000%	March 2008	1,721,031.42	10.27285%	10.27285%
January 2006	5,477,884.52	6.40771%	8.25000%	April 2008	1,667,115.91	9.59415%	10.00547%
February 2006	5,346,025.64	6.40777%	8.25000%	May 2008	1,614,926.17	9.92238%	9.99710%
March 2006	5,216,651.05	7.12176%	8.25000%	June 2008	1,564,407.10	9.59445%	10.00537%
April 2006	5,089,714.81	6.40830%	8.25000%	July 2008	1,515,505.37	9.92477%	9.99572%
May 2006	4,965,170.77	6.63018%	8.25000%	August 2008	1,468,169.77	9.64212%	9.96393%
June 2006	4,842,974.21	6.41030%	8.25000%	September 2008 ...	1,422,358.81	10.56028%	10.56028%
July 2006	4,723,037.16	6.64399%	8.25000%	October 2008	1,378,176.55	10.92075%	10.92075%
August 2006	4,605,293.29	6.66821%	8.25000%	November 2008	1,335,404.92	10.56047%	10.69764%
September 2006 ...	4,489,086.67	6.70124%	8.24992%	December 2008	1,293,998.99	10.92099%	10.92099%
October 2006	4,373,111.21	6.93236%	9.24992%	January 2009	1,253,915.28	10.56181%	10.69711%
November 2006	4,225,349.88	6.68982%	9.24992%	February 2009	1,215,111.82	10.58736%	10.69727%
December 2006	3,803,387.24	6.92165%	9.24955%				

The “*Adjustable Rate Subordinate Corridor Contract Notional Balance*,” the “*Adjustable Rate Subordinate Corridor Contract Strike Rate*” and the “*Adjustable Rate Subordinate Corridor Contract Ceiling Rate*” are as described in the following table:

Month of Distribution Date	Adjustable Rate Subordinate Corridor Contract Notional Balances (\$)	Adjustable Rate Subordinate Corridor Contract Strike Rates	Adjustable Rate Subordinate Corridor Contract Ceiling Rates	Month of Distribution Date	Adjustable Rate Subordinate Corridor Contract Notional Balances (\$)	Adjustable Rate Subordinate Corridor Contract Strike Rates	Adjustable Rate Subordinate Corridor Contract Ceiling Rates
October 2004	3,236,400.00	7.30251%	8.25000%	January 2007	3,236,400.00	6.58187%	9.24975%
November 2004	3,236,400.00	6.32796%	8.25000%	February 2007	3,236,400.00	6.70303%	9.24126%
December 2004	3,236,400.00	6.54718%	8.25002%	March 2007	3,236,400.00	7.47607%	9.23984%
January 2005	3,236,400.00	6.32788%	8.25004%	April 2007	3,236,400.00	6.72885%	9.24106%
February 2005	3,236,400.00	6.32789%	8.25006%	May 2007	3,236,400.00	6.96180%	9.24101%
March 2005	3,236,400.00	7.03308%	8.25009%	June 2007	3,236,400.00	6.72929%	9.24119%
April 2005	3,236,400.00	6.32829%	8.25010%	July 2007	3,236,400.00	6.96490%	9.23849%
May 2005	3,236,400.00	6.54752%	8.25012%	August 2007	3,236,400.00	6.81333%	9.14574%
June 2005	3,236,400.00	6.32820%	8.25013%	September 2007 ...	3,236,400.00	8.21377%	9.13718%
July 2005	3,236,400.00	6.54743%	8.25015%	October 2007	3,236,400.00	8.49616%	10.13345%
August 2005	3,236,400.00	6.32818%	8.25017%	November 2007	3,003,298.03	8.21413%	10.13740%
September 2005 ...	3,236,400.00	6.32855%	8.25019%	December 2007	2,800,338.53	8.49641%	10.13364%
October 2005	3,236,400.00	6.54785%	8.25021%	January 2008	2,711,072.92	8.21602%	10.13499%
November 2005	3,236,400.00	6.32852%	8.25022%	February 2008	2,624,686.95	8.26695%	10.03071%
December 2005	3,236,400.00	6.54775%	8.25024%	March 2008	2,541,124.02	9.25000%	9.25000%
January 2006	3,236,400.00	6.32843%	8.25026%	April 2008	2,460,656.89	9.25000%	9.79838%
February 2006	3,236,400.00	6.32843%	8.25027%	May 2008	2,382,777.27	9.50000%	9.71664%
March 2006	3,236,400.00	7.03367%	8.25032%	June 2008	2,307,402.64	9.47095%	10.01938%
April 2006	3,236,400.00	6.32882%	8.25031%	July 2008	2,234,453.14	9.50000%	9.71444%
May 2006	3,236,400.00	6.54806%	8.25034%	August 2008	2,163,851.99	9.50000%	9.96452%
June 2006	3,236,400.00	6.32971%	8.25036%	September 2008 ...	2,095,539.18	9.50000%	9.50000%
July 2006	3,236,400.00	6.55698%	8.25030%	October 2008	2,029,705.56	9.50000%	9.50000%
August 2006	3,236,400.00	6.56843%	8.25019%	November 2008	1,965,987.70	9.50000%	9.75462%
September 2006 ...	3,236,400.00	6.58910%	8.25023%	December 2008	1,904,318.34	9.50000%	9.50000%
October 2006	3,236,400.00	6.81676%	9.25027%	January 2009	1,844,632.37	9.50000%	9.75386%
November 2006	3,236,400.00	6.57879%	9.25029%	February 2009	1,786,866.99	9.50000%	9.73259%
December 2006	3,236,400.00	6.80665%	9.25015%				

The Class AF-1 Corridor Contract Notional Balance, the Class 1-AV-1 Corridor Contract Notional Balance, the Class 2-AV Corridor Contract Notional Balance and the Adjustable Rate Subordinate Corridor Contract Notional Balance are each also referred to as a “**Corridor Contract Notional Balance**.” The Class AF-1 Corridor Contract Strike Rate, the Class 1-AV-1 Corridor Contract Strike Rate, the Class 2-AV Corridor Contract Strike Rate and the Adjustable Rate Subordinate Corridor Contract Strike Rate are each also referred to as a “**Corridor Contract Strike Rate**.” The Class AF-1 Corridor Contract Ceiling Rate, the Class 1-AV-1 Corridor Contract Ceiling Rate, the Class 2-AV Corridor Contract Ceiling Rate and the Adjustable Rate Subordinate Corridor Contract Ceiling Rate are each also referred to as a “**Corridor Contract Ceiling Rate**.”

The Class AF-1 Corridor Contract is scheduled to remain in effect until the Distribution Date in August 2006 (the “**Class AF-1 Corridor Contract Termination Date**”). The Class 1-AV-1 Corridor Contract is scheduled to remain in effect until the Distribution Date in February 2009 (the “**Class 1-AV-1 Corridor Contract Termination Date**”). The Class 2-AV Corridor Contract is scheduled to remain in effect until the Distribution Date in February 2009 (the “**Class 2-AV Corridor Contract Termination Date**”). The Adjustable Rate Subordinate Corridor Contract is scheduled to remain in effect until the Distribution Date in February 2009 (the “**Adjustable Rate Subordinate Corridor Contract Termination Date**”). The Class AF-1 Corridor Contract Termination Date, the Class 1-AV-1 Corridor Contract Termination Date, the Class 2-AV Corridor Contract Termination Date and the Adjustable Rate Subordinate Corridor Contract Termination Date are each also referred to as a “**Corridor Contract Termination Date**.” Each Corridor Contract will be subject to early termination only in limited circumstances. Such circumstances generally include certain insolvency or bankruptcy events in relation to the Corridor Contract Counterparty or the Trust Fund, the failure by the Corridor Contract Counterparty (three business days after notice of such failure is received by the Corridor Contract Counterparty) to make a payment due under such Corridor Contract, the failure by the Corridor Contract Counterparty or the Trustee (30 days after notice of such failure is received) to perform any other agreement made by it under such Corridor Contract and such Corridor Contract becoming illegal or subject to certain kinds of taxation.

If any Corridor Contract is terminated, the Corridor Contract Counterparty may owe a termination payment to the Trustee, payable in a lump sum to be held by the Trustee until the applicable Corridor Contract Termination Date to pay any Net Rate Carryover on the related class or classes of Certificates. However, if such termination occurs, there can be no assurance that any such termination payment will be owing to the Trustee.

Moody’s Investors Service, Inc. currently rates Bank of America’s long-term certificates of deposit as “Aa1” and short-term certificates of deposit as “P-1.” Standard & Poor’s Ratings Services rates the Bank of America’s long-term certificates of deposit as “AA-” and its short-term certificates of deposit as “A-1+.” Fitch, Inc. rates long-term certificates of deposit of Bank of America as “AA” and short-term certificates of deposit as “F1+.”

The Certificates do not represent an obligation of the Corridor Contract Counterparty. The holders of the Certificates are not parties to or beneficiaries under any Corridor Contract and will not have any right to proceed directly against the Corridor Contract Counterparty in respect of its obligations under any Corridor Contract.

Fannie Mae Guaranty

On each Distribution Date, the Guarantor will be entitled to receive the 1-AV-1 Guaranty Fee, payable primarily from interest collections on the Mortgage Loans in Loan Group 2 with respect to such Distribution Date. The Guarantor, in consideration of the payment of the Class 1-AV-1 Guaranty Fee, will guarantee the timely payment of interest due on the Class 1-AV-1 Certificates, subject to the limitations described below, and certain principal payments, including the ultimate payment of principal, on the Class 1-AV-1 Certificates as further described below (the “**Guaranty**”). On each applicable Distribution Date, a draw will be made on the Guaranty equal to the sum of the Class 1-AV-1 Guaranteed Interest Distribution Amount, if any, and the Class 1-AV-1 Guaranteed Principal Distribution Amount, if any. The Guaranty will not cover any Net Rate Carryover with respect to the Class 1-AV-1 Certificates, although it will cover (i) Compensating Interest to the extent required to be paid by the Master Servicer and payable in respect of the Class 1-AV-1 Certificates (“**Unpaid Compensating Interest**”), and (ii) the reduction in interest paid on the Class 1-AV-1 Certificates attributable to the application of the Servicemembers Civil Relief Act (the “**Relief Act**”) (such reduction in Current Interest payable on the Class 1-AV-1 Certificates a “**Relief Act Reduction**”).

In addition to the Class 1-AV-1 Guaranty Fee, the Guarantor will be entitled to the Class 1-AV-1 Guarantor Reimbursement Amount relating to all Class 1-AV-1 Guaranteed Interest Distribution Amounts and Class 1-AV-1 Guaranteed Principal Distribution Amounts paid by it. The Class 1-AV-1 Guaranty Fee and Class 1-AV-1 Guarantor Reimbursement Amounts will be paid prior to any other distributions from Interest Funds and the Principal Distribution Amount for Loan Group 2.

The “***Class 1-AV-1 Guaranty Fee***” for any Distribution Date is the fee payable to the Guarantor in respect of its services as guarantor that accrues at the Class 1-AV-1 Guaranty Fee Rate for the Class 1-AV-1 Certificates on a balance equal to the Certificate Principal Balance of the Class 1-AV-1 Certificates immediately prior to such Distribution Date.

The “***Class 1-AV-1 Guaranty Fee Rate***” is a rate per annum specified in a side letter of the Guarantor addressed to the Trustee, the Depositor, Countrywide Home Loans and the Master Servicer.

The “***Class 1-AV-1 Guarantor Reimbursement Amount***” is sum of all amounts paid by the Guarantor in respect of the Class 1-AV-1 Guaranty on all prior Distribution Dates to the extent not previously reimbursed.

The “***Class 1-AV-1 Guaranteed Interest Distribution Amount***” for any Distribution Date and the Class 1-AV-1 Certificates is the amount, if any, by which (i) the sum of (x) the Current Interest payable on the Class 1-AV-1 Certificates for such Distribution Date, minus the amount by which Prepayment Interest Shortfalls would reduce the amount of Current Interest paid on the Class 1-AV-1 Certificates for such Distribution Date plus (y) any Unpaid Compensating Interest and Relief Act Reduction for such Distribution Date, exceeds (ii) the amount of interest actually paid to the holders of the Class 1-AV-1 Certificates on such Distribution Date (after giving effect to the application of payments of Compensating Interest on such Distribution Date, but prior to giving effect to any Guarantor Payment on such Distribution Date and without giving effect to the payment of any related Net Rate Carryover).

The “***Class 1-AV-1 Guaranteed Principal Distribution Amount***” with respect to any Distribution Date and the Class 1-AV-1 Certificates is the sum of (a) the amount, if any, by which (i) the Certificate Principal Balance of the Class 1-AV-1 Certificates (after giving effect to the application of payments of principal on the Guaranteed Certificates but prior to giving effect to any Guarantor Payment on such Distribution Date) exceeds (ii) the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 2 for such Distribution Date plus (b) the remaining Certificate Principal Balance of the Class 1-AV-1 Certificates on the Distribution Date in January 2035 (after giving effect to all other payments thereon for such Distribution Date).

A “***Guarantor Payment***” is any payment made by the Guarantor in respect of a Class 1-AV-1 Guaranteed Interest Distribution Amount or a Class 1-AV-1 Guaranteed Principal Distribution Amount.

Calculation of One-Month LIBOR

On the second LIBOR Business Day preceding the commencement of each Accrual Period for the Adjustable Rate Certificates (each such date, an “***Interest Determination Date***”), the Trustee will determine the London interbank offered rate for one-month United States dollar deposits (“***One-Month LIBOR***”) for such Accrual Period on the basis of such rate as it appears on Telerate Screen Page 3750, as of 11:00 a.m. (London time) on such Interest Determination Date. If such rate does not appear on such page (or such other page as may replace that page on that service, or if such service is no longer offered, such other service for displaying LIBOR or comparable rates as may be reasonably selected by the Trustee), One-Month LIBOR for the applicable Accrual Period will be the Reference Bank Rate as defined in this information circular. If no such quotations can be obtained and no Reference Bank Rate is available, One-Month LIBOR will be the One-Month LIBOR applicable to the preceding Accrual Period. The “***Reference Bank Rate***” with respect to any Accrual Period, means the arithmetic mean (rounded upwards, if necessary, to the nearest whole multiple of 0.03125%) of the offered rates for United States dollar deposits for one month that are quoted by the Reference Banks as of 11:00 a.m., New York City time, on the related Interest Determination Date to prime banks in the London interbank market for a period of one month in amounts approximately equal to the aggregate Certificate Principal Balance of all the Adjustable Rate Certificates for such Accrual Period, provided that at least two such Reference Banks provide such rate. If fewer than two offered rates appear, the Reference Bank Rate will be the arithmetic mean (rounded upwards, if necessary, to the nearest whole

multiple of 0.03125%) of the rates quoted by one or more major banks in New York City, selected by the Trustee, as of 11:00 a.m., New York City time, on such date for loans in U.S. dollars to leading European banks for a period of one month in amounts approximately equal to the aggregate Certificate Principal Balance of all the Adjustable Rate Certificates for such Accrual Period. As used in this section, “**LIBOR Business Day**” means a day on which banks are open for dealing in foreign currency and exchange in London and New York City; and “**Reference Banks**” means leading banks selected by the Trustee and engaged in transactions in Eurodollar deposits in the international Eurocurrency market:

- (1) with an established place of business in London,
- (2) which have been designated as such by the Trustee and
- (3) which are not controlling, controlled by, or under common control with, the Depositor, Countrywide Home Loans, the Master Servicer or any successor Master Servicer.

The establishment of One-Month LIBOR on each Interest Determination Date by the Trustee and the Trustee’s calculation of the rate of interest applicable to the Adjustable Rate Certificates for the related Accrual Period will (in the absence of manifest error) be final and binding.

Carryover Reserve Fund

The Pooling and Servicing Agreement establishes an account (the “**Carryover Reserve Fund**”), which is held in trust by the Trustee on behalf of the holders of the interest-bearing certificates. On the Closing Date, Countrywide Home Loans will deposit \$10,000 in the Carryover Reserve Fund. The Carryover Reserve Fund will not be an asset of any REMIC.

On each Distribution Date, the Trustee will deposit in the Carryover Reserve Fund amounts received in respect of the Corridor Contracts. On each Distribution Date, such amounts received in respect of each applicable Corridor Contract will be distributed to the related Adjustable Rate Certificates, to pay any Net Rate Carryover on such Certificates as described under “—*Distributions—Distributions of Interest—Distributions of Funds from the Corridor Contracts*” above.

On each Distribution Date, to the extent that Fixed Rate Loan Group Excess Cashflow is available as described under “—*Overcollateralization Provisions—Fixed Rate Loan Group Excess Cashflow*” above or Adjustable Rate Loan Group Excess Cashflow is available as described under “—*Overcollateralization Provisions—Adjustable Rate Loan Group Excess Cashflow*” above, the Trustee will deposit in the Carryover Reserve Fund the amount needed to pay any Net Rate Carryover as described under “—*Overcollateralization Provisions*” above.

On each Distribution Date, to the extent that Fixed Rate Loan Group Excess Cashflow is available as described under “—*Overcollateralization Provisions—Fixed Rate Loan Group Excess Cashflow*” above or Adjustable Rate Loan Group Excess Cashflow is available as described under “—*Overcollateralization Provisions—Adjustable Rate Loan Group Excess Cashflow*” above, the Trustee will deposit in the Carryover Reserve Fund an amount equal to the excess, if any, of (i) \$10,000 over (ii) the amount of funds on deposit in the Carryover Reserve Fund following all other deposits to, and withdrawals from, the Carryover Reserve Fund on such Distribution Date (the “**Required Secondary Carryover Reserve Fund Deposit**”).

Credit Comeback Excess Account

The Pooling and Servicing Agreement establishes a reserve account (the “**Credit Comeback Excess Account**”), which is held in trust by the Trustee on behalf of the holders of the Fixed Rate Certificates. The Credit Comeback Excess Account will not be an asset of any REMIC.

On each Distribution Date, the Trustee will deposit in the Credit Comeback Excess Account all Credit Comeback Excess Amounts received during the related Due Period. On each Distribution Date, all such Credit Comeback Excess Amounts received during such period will be distributed to the Fixed Rate Certificates to restore

overcollateralization and to cover any Unpaid Realized Loss Amounts as described under “—*Overcollateralization Provisions—Fixed Rate Loan Group Excess Cashflow*.” Any Credit Comeback Excess Amounts remaining after the application of such amounts as described under “—*Overcollateralization Provisions—Fixed Rate Loan Group Excess Cashflow*” will be distributed to the Class CF Certificates and will not be available thereafter.

Applied Realized Loss Amounts

If on any Distribution Date, after giving effect to the distributions described above, the aggregate Certificate Principal Balance of the Class AF and Fixed Rate Subordinate Certificates exceeds the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 1, the amount of such excess will be applied to reduce the Certificate Principal Balances of the Class BF, Class MF-5, Class MF-4, Class MF-3, Class MF-2 and Class MF-1 Certificates, in that order, in each case until the Certificate Principal Balance of such class has been reduced to zero.

If on any Distribution Date, after giving effect to the distributions described above, the aggregate Certificate Principal Balance of the Class AV Certificates and Adjustable Rate Subordinate Certificates exceeds the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group 2 and Loan Group 3, the amount of such excess will be applied to reduce the Certificate Principal Balances of the Class BV, Class MV-8, Class MV-7, Class MV-6, Class MV-5, Class MV-4, Class MV-3, Class MV-2 and Class MV-1 Certificates, in that order, in each case until the Certificate Principal Balance of such class has been reduced to zero. Any such reduction described in this paragraph or the immediately preceding paragraph is an “***Applied Realized Loss Amount***.”

Interest on any class of Certificates, the Certificate Principal Balance of which has been reduced through the application of Applied Realized Loss Amounts as described above, will accrue for the related class of Certificates on the Certificate Principal Balance as so reduced unless the Certificate Principal Balance is subsequently increased due to the allocation of Subsequent Recoveries to the Certificate Principal Balance of such class as described in the definition of “Certificate Principal Balance” above.

Amendment

The Pooling and Servicing Agreement may be amended by the Depositor, the Master Servicer, the Sellers, the Guarantor, the Trustee and the Co-Trustee, with the consent of the NIM Insurer, but without the consent of any of the Certificateholders,

- (a) to cure any ambiguity;
- (b) to correct any defective provision in the Pooling and Servicing Agreement or to supplement any provision in the Pooling and Servicing Agreement that may be inconsistent with any other provision in it;
- (c) to modify, alter, amend, add or to rescind any of the terms or provisions contained in the Pooling and Servicing Agreement to comply with any rules or regulations promulgated by the Securities and Exchange Commission from time to time; or
- (d) to make any other revisions with respect to matters or questions arising under the Pooling and Servicing Agreement which are not inconsistent with the provisions in it;

provided, however, that such action will not adversely affect in any material respect the interests of any Certificateholder. Any amendment described in clauses (a), (b), (c) and (d) above, made solely to conform the Pooling and Servicing Agreement to this information circular will be deemed not to materially and adversely affect the interests of Certificateholders. In addition, an amendment will be deemed not to adversely affect in any material respect the interests of the Certificateholders if the Trustee receives a letter from each Rating Agency stating that such amendment will not result in the downgrading or withdrawal of the respective ratings then assigned to the rated Certificates.

In addition, any of the forgoing amendments that affect Fannie Mae shall not be effective unless consented to by Fannie Mae.

The Pooling and Servicing Agreement may be amended by the Depositor, the Master Servicer, the Sellers, the Guarantor, the Trustee, the Co-Trustee and the holders of a majority in interest of each class of Certificates affected thereby for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Pooling and Servicing Agreement or of modifying in any manner the rights of the Certificateholders; provided, however, that no such amendment may:

- (1) reduce in any manner the amount of, or delay the timing of, payments required to be distributed on any Certificate without the consent of the holder of such Certificate,
- (2) adversely affect in any material respect the interests of the holders of any class of Certificates in a manner other than as set forth in clause (1) above, without the consent of the holders of Certificates of such class evidencing 66% of the Certificate Principal Balance for such class,
- (3) reduce the aforesaid percentage of aggregate outstanding principal amounts of Certificates of each class, the holders of which are required to consent to any such amendment, without the consent of the holders of all Certificates of such class, or
- (4) adversely affect in any material respects the interests of the Guarantor without its consent.

Optional Termination

The Master Servicer will have the right to purchase all remaining Mortgage Loans and REO Properties in the Trust Fund and thereby effect early retirement of all the Certificates, on any Distribution Date on or after the first Distribution Date on which the aggregate Stated Principal Balance of the Mortgage Loans and REO Properties in the Trust Fund is less than or equal to 10% of the Cut-off Date Pool Principal Balance (the "Optional Termination Date"). In the event such option is exercised by the Master Servicer, the purchase will be made at a price equal to the sum of:

- (1) 100% of the Stated Principal Balance of each Mortgage Loan in the Trust Fund (other than in respect of REO Property) plus accrued interest thereon at the applicable Net Mortgage Rate, and
- (2) the appraised value of any REO Property (up to the Stated Principal Balance of the related Mortgage Loan) in the Trust Fund;

provided, however, that (i) unless the NIM Insurer otherwise consents, the purchase price will in no event be less than an amount that would result in a final distribution on any NIM Insurer guaranteed notes that is sufficient (x) to pay such notes in full and (y) to pay any amounts due and payable to the NIM Insurer pursuant to the indenture related to such notes and (ii) the purchase price will in no event be less than the amount required to pay the Guarantor any amounts due and payable to the Guarantor pursuant to the Pooling and Servicing Agreement.

The NIM Insurer may also have the right to purchase all remaining Mortgage Loans and REO Properties in the Trust Fund.

Proceeds from a purchase will be distributed to the Certificateholders in the priority described above. The proceeds from any such distribution may not be sufficient to distribute the full amount to which each class of Certificates is entitled if the purchase price is based in part on the appraised value of any REO Property and such appraised value is less than the Stated Principal Balance of the related Mortgage Loan. Any purchase of the Mortgage Loans and REO Properties will result in an early retirement of the Certificates.

Optional Purchase of Defaulted Loans

As to any Mortgage Loan which is delinquent in payment by 150 days or more, the Master Servicer may, at its option but subject to certain conditions specified in the Pooling and Servicing Agreement, purchase such Mortgage Loan at a price equal to 100% of the Stated Principal Balance thereof plus accrued interest thereon at the applicable Mortgage Rate (less the Servicing Fee Rate) from the date through which interest was last paid by the related mortgagor or advanced to the first day of the month in which such amount is to be distributed to Certificateholders.

Optional Purchase of Defaulted Loans by the Guarantor After Retirement of the Class BV Certificates

After the Certificate Principal Balance of the Class BV Certificates has been reduced to zero, the Guarantor may, at its option but subject to certain conditions specified in the Pooling and Servicing Agreement, purchase any Mortgage Loan in Loan Group 2 which is delinquent in payment by 90 days or more, at a price equal to 100% of the Stated Principal Balance thereof plus accrued interest thereon at the applicable Mortgage Rate, from the date through which interest was last paid by the related mortgagor or advanced to the first day of the month in which such amount is to be distributed to Certificateholders. In addition, after the Certificate Principal Balance of the Class BV Certificates has been reduced to zero, the Guarantor may direct the Master Servicer to appoint a special servicer for the Mortgage Loans in Loan Group 2 which are delinquent in payment by 90 days or more.

Events of Default

Events of Default will consist of:

- (1) any failure by the Master Servicer to deposit in the Certificate Account or the Distribution Account the required amounts or remit to the Trustee any payment (including an Advance required to be made under the terms of the Pooling and Servicing Agreement) which continues unremedied for five calendar days (or in the case of an Advance, one Business Day) after written notice of such failure shall have been given to the Master Servicer by the Trustee, the NIM Insurer, the Guarantor or the Depositor, or to the Trustee, the NIM Insurer and the Master Servicer by the Guarantor or the holders of Certificates evidencing not less than 25% of the Voting Rights evidenced by the Certificates,
- (2) any failure by the Master Servicer to observe or perform in any material respect any other of its covenants or agreements, or any breach of a representation or warranty made by the Master Servicer, in the Pooling and Servicing Agreement, which in each case continues unremedied for 60 days after the giving of written notice of such failure to the Master Servicer by the Trustee, the NIM Insurer or the Depositor, or to the Trustee by the Guarantor or the holders of Certificates evidencing not less than 25% of the Voting Rights evidenced by the Certificates,
- (3) a decree or order of a court or agency or supervisory authority having jurisdiction in the premises for the appointment of a receiver or liquidator in any insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings, or for the winding-up or liquidation of its affairs, shall have been entered against the Master Servicer and such decree or order shall have remained in force undischarged or unstayed for a period of 60 consecutive days,
- (4) the Master Servicer shall consent to the appointment of a receiver or liquidator in any insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings of or relating to the Master Servicer or all or substantially all of the property of the Master Servicer,
- (5) the Master Servicer shall admit in writing its inability to pay its debts generally as they become due, file a petition to take advantage of, or commence a voluntary case under, any applicable insolvency or reorganization statute, make an assignment for the benefit of its creditors, or voluntarily suspend payment of its obligations, or

(6) the Master Servicer shall fail to reimburse, in full, the Trustee not later than 6:00 p.m. (New York time) on the Business Day following the related Distribution Date for any Advance made by the Trustee together with accrued and unpaid interest.

As of any date of determination:

- holders of the Class PF, Class PV, Class CF, Class CV and Class A-R Certificates will each be allocated 1% of all Voting Rights (for a total of 5% of the voting rights), and
- holders of the other classes of Certificates will be allocated the remaining Voting Rights in proportion to their respective outstanding Certificate Principal Balances.

On any date on which any Class 1-AV-1 Certificates are outstanding or any amounts are owed to the Guarantor under the Pooling and Servicing Agreement, the Guarantor will have all voting rights of the Class 1-AV-1 Certificates.

Rights upon Event of Default

So long as an Event of Default under the Pooling and Servicing Agreement remains unremedied, subject to the rights of the NIM Insurer, the Trustee shall, but only upon (i) the receipt of instructions from the holders of Certificates having not less than 25% of the Voting Rights evidenced by the Certificates (subject to the consent of the Guarantor) or (ii) the direction of the Guarantor, terminate all of the rights and obligations of the Master Servicer under the Pooling and Servicing Agreement and in and to the Mortgage Loans, whereupon the Trustee will succeed to all of the responsibilities and duties of the Master Servicer under the Pooling and Servicing Agreement, including the obligation to make Advances. No assurance can be given that termination of the rights and obligations of the Master Servicer under the Pooling and Servicing Agreement would not adversely affect the servicing of the Mortgage Loans, including the delinquency experience of the Mortgage Loans.

No Certificateholder, solely by virtue of such holder's status as a Certificateholder, will have any right under the Pooling and Servicing Agreement to institute any proceeding with respect thereto, unless such holder previously has given to the Trustee written notice of the continuation of an Event of Default and unless the holders of Certificates having not less than 25% of the Voting Rights evidenced by the Certificates have made a written request to the Trustee to institute such proceeding in its own name as Trustee thereunder and have offered to the Trustee reasonable indemnity and the Trustee for 60 days has neglected or refused to institute any such proceeding and in such case such rights shall be subject to the rights of the NIM Insurer.

The Trustee

The Bank of New York will be the Trustee under the Pooling and Servicing Agreement. The Depositor and Countrywide Home Loans may maintain other banking relationships in the ordinary course of business with the Trustee. The Class 1-AV-1 Certificates may be surrendered at the Corporate Trust Office of the Trustee located at 101 Barclay Street, New York, New York 10286, Attention: Corporate Trust MBS Administration or at such other addresses as the Trustee may designate from time to time.

Co-Trustee

BNY Western Trust Company, a subsidiary of The Bank of New York Company, Inc. will be the Co-Trustee under the Pooling and Servicing Agreement. The Depositor and Countrywide Home Loans may maintain other banking relationships in the ordinary course of business with the Co-Trustee.

Rights of the NIM Insurer Under the Pooling and Servicing Agreement

After the Closing Date, a separate trust or trusts may be established to issue net interest margin securities secured by all or a portion of the Class PF, Class PV, Class CF and Class CV Certificates. Those net interest margin securities may or may not have the benefit of a financial guaranty insurance policy. The insurer or insurers (the

“**NIM Insurer**”) that would issue a policy will be a third party beneficiary of the Pooling and Servicing Agreement and, subject to certain conditions specified in the Pooling and Servicing Agreement, will have a number of rights including the following:

- the right to consent to the Master Servicer’s exercise of its discretion to waive assumption fees, late payment or other charges in connection with a Mortgage Loan or to arrange for the extension of due dates for payments due on a mortgage note for no more than 270 days, if the waivers or extensions relate to more than 5% of the Mortgage Loans;
- the right to direct the Trustee to terminate all of the rights and obligations of the Master Servicer under the Pooling and Servicing Agreement relating to the Trust Fund and the assets of the Trust Fund following the occurrence of an event of default under the Pooling and Servicing Agreement;
- the right to approve or reject the appointment of any successor servicer other than the Trustee, if the Master Servicer is required to be replaced and the Trustee is unwilling or unable to act as successor servicer; and
- the right to consent to any amendment to the Pooling and Servicing Agreement.

You should note the rights that the NIM Insurer would have and carefully evaluate its potential impact on your investment.

CERTAIN LEGAL ASPECTS OF THE MORTGAGE LOANS

The following discussion contains summaries, which are general in nature, of certain legal matters relating to the Mortgage Loans. Because such legal aspects are governed primarily by applicable state law (which laws may differ substantially), the descriptions do not, except as expressly provided below, reflect the laws of any particular state, nor encompass the laws of all states in which the security for the Mortgage Loans is situated. The descriptions are qualified in their entirety by reference to the applicable federal laws and the appropriate laws of the states in which loans may be originated.

Due-On-Sale Clauses

Generally, each Mortgage Loan contains a due-on-sale clause which will generally provide that if the mortgagor sells, transfers or conveys the Mortgaged Property, the loan may be accelerated by the lender. Court decisions and legislative actions have placed substantial restriction on the right of lenders to enforce such clauses in many states. For instance, the California Supreme Court in August 1978 held that due-on-sale clauses were generally unenforceable. However, the Garn-St Germain Depository Institutions Act of 1982 (the “**Garn-St Germain Act**”), subject to certain exceptions, preempts state constitutional, statutory and case law prohibiting the enforcement of due-on-sale clauses. As a result, due-on-sale clauses have become generally enforceable except in those states whose legislatures exercised their authority to regulate the enforceability of such clauses with respect to mortgage loans that were originated by lenders other than national banks, federal savings institutions and federal credit unions. Also, the Garn-St Germain Act does “encourage” lenders to permit assumption of loans at the original rate of interest or at some other rate less than the average of the original rate and the market rate.

As to mortgage loans secured by an owner-occupied residence, the Garn-St Germain Act sets forth nine specific instances in which a lender covered by the act may not exercise its rights under a due-on-sale clause, notwithstanding the fact that a transfer of the mortgaged property may have occurred. The inability to enforce a due-on-sale clause may result in transfer of the related mortgaged property to an uncreditworthy person, which could increase the likelihood of default or may result in a mortgage loan bearing an interest rate below the current market rate being assumed by a new home buyer, which may affect the average life of the mortgage loans and the number of mortgage loans which may extend to maturity.

In addition, under federal bankruptcy law, due-on-sale clauses may not be enforceable in bankruptcy proceedings and may, under certain circumstances, be eliminated in any modified mortgage resulting from such bankruptcy proceeding.

Enforceability of Prepayment and Late Payment Fees

Forms of notes, mortgages and deeds of trust used by lenders may contain provisions obligating the borrower to pay a late charge if payments are not timely made, and in some circumstances may provide for prepayment fees or penalties if the obligation is paid prior to maturity. In certain states, there are or may be specific limitations upon the late charges which a lender may collect from a borrower for delinquent payments. Certain states also limit the amounts that a lender may collect from a borrower as an additional charge if the loan is prepaid. Under certain state laws, prepayment charges may not be imposed after a certain period of time following the origination of mortgage loans with respect to prepayments on loans secured by liens encumbering owner-occupied residential properties. Late charges and prepayment fees are typically retained by servicers as additional servicing compensation.

Anti-Deficiency Legislation and Other Limitations On Lenders

Certain states have imposed statutory and judicial restrictions that limit the remedies of a beneficiary under a deed of trust or a mortgagee under a mortgage. In some states, including California, statutes and case law limit the right of the beneficiary or mortgagee to obtain a deficiency judgment against borrowers financing the purchase of their residence or following sale under a deed of trust or certain other foreclosure proceedings. A deficiency judgment is a personal judgment against the borrower equal in most cases to the difference between the amount due to the lender and the fair market value of the real property at the time of the foreclosure sale. In certain states, including California, if a lender simultaneously originates a loan secured by a senior lien on a particular property and a loan secured by a junior lien on the same property, such a lender as the holder of the junior lien may be precluded from obtaining a deficiency judgment with respect to the excess of the aggregate amount owed under both such loans over the proceeds of any sale under a deed of trust or other foreclosure proceedings. As a result of these prohibitions, it is anticipated that in most instances the Master Servicer will utilize the non-judicial foreclosure remedy and will not seek deficiency judgments against defaulting borrowers.

Some state statutes require the beneficiary or mortgagee to exhaust the security afforded under a deed of trust or mortgage by foreclosure in an attempt to satisfy the full debt before bringing a personal action against the borrower. In certain other states, the lender has the option of bringing a personal action against the borrower on the debt without first exhausting such security; however, in some of these states, the lender, following judgment on such personal action, may be deemed to have elected a remedy and may be precluded from exercising remedies with respect to the security. Consequently, the practical effect of the election requirement, when applicable, is that lenders will usually proceed first against the security rather than bringing a personal action against the borrower. In some states, exceptions to the anti-deficiency statutes are provided for in certain instances where the value of the lender's security has been impaired by acts or omissions of the borrower, for example, in the event of waste of the property. Finally, other statutory provisions limit any deficiency judgment against the former borrower following a foreclosure sale to the excess of the outstanding debt over the fair market value of the property at the time of the public sale. The purpose of these statutes is generally to prevent a beneficiary or a mortgagee from obtaining a large deficiency judgment against the former borrower as a result of low or no bids at the foreclosure sale.

Generally, Article 9 of the Uniform Commercial Code (the “UCC”) governs foreclosure on cooperative shares and the related proprietary lease or occupancy agreement. Sections 9-615 or 9-626 of the UCC may prohibit a deficiency award unless the creditor establishes that the sale of the collateral (which, in the case of a cooperative loan, would be the shares of the cooperative and the related proprietary lease or occupancy agreement) was conducted in a commercially reasonable manner.

In addition to anti-deficiency and related legislation, numerous other federal and state statutory provisions, including the federal bankruptcy laws, and state laws affording relief to debtors, may interfere with or affect the ability of the secured mortgage lender to realize upon its security. For example, in a proceeding under the federal Bankruptcy Code, a lender may not foreclose on a mortgaged property without the permission of the bankruptcy court. The rehabilitation plan proposed by the debtor may provide, if the mortgaged property is not the debtor's principal residence and the court determines that the value of the mortgaged property is less than the principal balance of the mortgage loan, for the reduction of the secured indebtedness to the value of the mortgaged property as of the date of the commencement of the bankruptcy, rendering the lender a general unsecured creditor for the

difference, and also may reduce the monthly payments due under such mortgage loan, change the rate of interest and alter the mortgage loan repayment schedule. The effect of any such proceedings under the federal Bankruptcy Code, including but not limited to any automatic stay, could result in delays in receiving payments on the Mortgage Loans and possible reductions in the aggregate amount of such payments.

The federal tax laws provide priority to certain tax liens over the lien of a mortgage or secured party.

Servicemembers Civil Relief Act

Generally, under the terms of the Servicemembers Civil Relief Act (the “**Relief Act**”), a borrower who enters military service after the origination of such borrower’s loan (including a borrower who is a member of the National Guard or is in reserve status at the time of the origination of the loan and is later called to active duty) may not be charged interest above an annual rate of 6% during the period of such borrower’s active duty status, unless a court orders otherwise upon application of the lender. It is possible that such interest rate limitation could have an effect, for an indeterminate period of time, on the ability of the Master Servicer to collect full amounts of interest on certain of the loans. The Relief Act also permits the extension of a loan’s maturity and the re- adjustment of its payment schedule beyond the completion of military service. Thus, in the event that a Mortgage Loan that is subject to the Relief Act goes into default, there may be delays and losses on the Mortgage Loan occasioned by the inability to realize upon the Mortgaged Property in a timely fashion.

Consumer Protection Laws

Numerous federal and state consumer protection laws impose substantive requirements upon mortgage lenders in connection with the origination, servicing and enforcement of mortgage loans. These laws include the federal Truth-in-Lending Act and Regulation Z promulgated thereunder, Real Estate Settlement Procedures Act and Regulation B promulgated thereunder, Equal Credit Opportunity Act, Fair Credit Billing Act, Fair Credit Reporting Act and related statutes and regulations. In particular, Regulation Z, requires certain disclosures to the borrowers regarding the terms of the loans; the Equal Credit Opportunity Act and Regulation B promulgated thereunder prohibit discrimination on the basis of age, race, color, sex, religion, marital status, national origin, receipt of public assistance or the exercise of any right under the Consumer Credit Protection Act, in the extension of credit; the Fair Credit Reporting Act regulates the use and reporting of information related to the borrower’s credit experience. Certain provisions of these laws impose specific statutory liabilities upon lenders who fail to comply therewith. In addition, violations of such laws may limit the ability of the lenders to collect all or part of the principal of or interest on the loans and could subject the lenders and in some cases their assignees to damages and administrative enforcement.

YIELD, PREPAYMENT AND MATURITY CONSIDERATIONS

General

The weighted average life of, and the yield to maturity on, the Class 1-AV-1 Certificates generally will be directly related to the rate of payment of principal (including prepayments) of the Mortgage Loans in Loan Group 2. The actual rate of principal prepayments on mortgage loans is influenced by a variety of economic, tax, geographic, demographic, social, legal and other factors and has fluctuated considerably in recent years. In addition, the rate of principal prepayments may differ among pools of mortgage loans at any time because of specific factors relating to the mortgage loans in the particular pool, including, among other things, the age of the mortgage loans, the geographic locations of the properties securing the loans, the extent of the mortgagor’s equity in such properties, and changes in the mortgagors’ housing needs, job transfers and employment status. Furthermore, as described under “*The Mortgage Pool — Assignment of the Mortgage Loans*” with respect to up to 50% of the Mortgage Loans (the “**Delay Delivery Mortgage Loans**”), the Depositor may deliver the related Trustee Mortgage Files after the Closing Date. Should a Seller fail to deliver to the Depositor or other designee of the Depositor all or a portion of any such Trustee Mortgage Files relating to Mortgage Loans sold by it, or, at the Depositor’s direction, to the Co-Trustee within the time periods described under “*The Mortgage Pool — Assignment of the Mortgage Loans*,” Countrywide Home Loans will be required to use its best efforts to deliver a Substitute Mortgage Loan for the related Delay

Delivery Mortgage Loan or repurchase the related Delay Delivery Mortgage Loan. Any repurchases pursuant to this provision would also have the effect of accelerating the rate of prepayments on the Mortgage Loans. In addition, no less than approximately 78.10%, 69.09% and 71.65% of the Mortgage Loans in the Statistical Calculation Pool in respect of Loan Group 1, Loan Group 2 and Loan Group 3, respectively, in each case by principal balance of the Mortgage Loans in the Statistical Calculation Pool in respect of the related Loan Group, require the payment of a prepayment charge in connection with certain prepayments, generally no later than the first five years in the case of the Mortgage Loans in Loan Group 1 or two or three years in the case of the Mortgage Loans in Loan Group 2 and Loan Group 3, in each case following origination of the related Mortgage Loan. These penalties, if enforced by the Master Servicer, may affect the rate of prepayments on the Mortgage Loans.

The timing of changes in the rate of prepayments may significantly affect the actual yield to investors who purchase the Class 1-AV-1 Certificates at prices other than par, even if the average rate of principal prepayments is consistent with the expectations of investors. In general, the earlier the payment of principal of the Mortgage Loans the greater the effect on an investor's yield to maturity. As a result, the effect on an investor's yield of principal prepayments occurring at a rate higher (or lower) than the rate anticipated by the investor during the period immediately following the issuance of the Class 1-AV-1 Certificates may not be offset by a subsequent like reduction (or increase) in the rate of principal prepayments. Investors must make their own decisions as to the appropriate prepayment assumptions to be used in deciding whether to purchase any of the Class 1-AV-1 Certificates. The Depositor does not make any representations or warranties as to the rate of prepayment or the factors to be considered in connection with such determinations.

Prepayments and Yields for the Class 1-AV-1 Certificates

The extent to which the yield to maturity of the Class 1-AV-1 Certificates may vary from the anticipated yield will depend upon the degree to which it is purchased at a discount or premium and, correspondingly, the degree to which the timing of payments thereon is sensitive to prepayments, liquidations and purchases of the Mortgage Loans in the related Loan Group. In particular, in the case of an Class 1-AV-1 Certificate purchased at a discount, an investor should consider the risk that a slower than anticipated rate of principal payments, liquidations and purchases of the applicable Mortgage Loans could result in an actual yield to such investor that is lower than the anticipated yield and, in the case of an Class 1-AV-1 Certificate purchased at a premium, the risk that a faster than anticipated rate of principal payments, liquidations and purchases of such Mortgage Loans could result in an actual yield to such investor that is lower than the anticipated yield.

Adjustable rate mortgage loans may be subject to a greater rate of principal prepayments in a declining interest rate environment. For example, if prevailing interest rates fall significantly, adjustable rate mortgage loans could be subject to higher prepayment rates than if prevailing interest rates remain constant because the availability of fixed rate mortgage loans at lower interest rates may encourage mortgagors to refinance their adjustable rate mortgage loans to a lower fixed interest rate. Prepayments on the Two-Year Hybrid and Three-Year Hybrid Mortgage Loans may differ as they approach their respective initial Adjustment Dates. No assurance can be given as to the level of prepayment that the Adjustable Rate Mortgage Loans will experience.

Although the Mortgage Rates on the Adjustable Rate Mortgage Loans are subject to adjustment, such Mortgage Rates adjust less frequently than the Pass-Through Rates on the Class 1-AV-1 Certificates and the Adjustable Rate Subordinate Certificates and adjust by reference to the Mortgage Index. Changes in One-Month LIBOR may not correlate with changes in the Mortgage Index and also may not correlate with prevailing interest rates. It is possible that an increased level of One-Month LIBOR could occur simultaneously with a lower level of prevailing interest rates which would be expected to result in faster prepayments, thereby reducing the weighted average lives of the Class 1-AV-1 Certificates. The Mortgage Rate applicable to all or substantially all of the Adjustable Rate Mortgage Loans and any Adjustment Date will be based on the Mortgage Index value most recently announced generally as of a date 45 days prior to such Adjustment Date. Thus, if the Mortgage Index value with respect to an Adjustable Rate Mortgage Loan rises, the lag in time before the corresponding Mortgage Rate increases will, all other things being equal, slow the upward adjustment of the applicable Net Rate Cap. In addition, it is expected that a substantial portion of the Adjustable Rate Mortgage Loans will have Mortgage Rates which will not adjust for a substantial period of time after origination. See *"The Mortgage Pool"* in this information circular.

The Corridor Contracts will be assigned to the Trust Fund and are intended to provide the Class AF-1 Certificates, Class 1-AV-1 Certificates, Class 2-AV Certificates and the Adjustable Rate Subordinate Certificates some protection against any Net Rate Carryover. However, payments under the each Corridor Contract are based on their respective Corridor Contract Notional Balances and not on the actual Stated Principal Balances of the Mortgage Loans. Therefore, the Corridor Contracts may not provide sufficient funds to cover such Net Rate Carryover. In addition, payments under the Corridor Contracts are limited to a corridor of specified rates, which is substantially higher than the rate of One-Month LIBOR as of the date of this information circular and are only available to the Certificates to the extent described under “*Description of the Certificates — The Corridor Contracts*” above.

Although amounts received on the Corridor Contracts will be available to pay Net Rate Carryover on the related Certificates to the extent described under “*Description of the Certificates — Distributions — Distributions of Interest—Distributions of Funds from the Corridor Contracts*” above, on or prior to their respective Corridor Contract Termination Dates, there is no assurance that funds will be available or sufficient to pay such amounts.

Last Scheduled Distribution Date

Assuming that, among other things, (1) no prepayments are received on the Mortgage Loans and (2) scheduled monthly payments of principal of and interest on each of the Mortgage Loans are timely received, the Distribution Date (the “**Last Scheduled Distribution Date**”) that occurs six months following the distribution date on which the Certificate Principal Balance of the Class 1-AV-1 Certificates would be reduced to zero is January 2035.

The actual final Distribution Date of Class 1-AV-1 Certificates could occur significantly earlier than its Last Scheduled Distribution Date because:

(1) prepayments are likely to occur which will be applied to the payment of the Certificate Principal Balance thereof, and

(2) the Master Servicer may purchase all the Mortgage Loans in the Trust Fund when the aggregate Stated Principal Balance of the Mortgage Loans and REO Properties in the Trust Fund is less than or equal to 10% of the Cut-off Date Pool Principal Balance.

Prepayments on mortgage loans are commonly measured relative to a prepayment model or standard. The prepayment models used in this information circular (“**Prepayment Models**”) are based on an assumed rate of prepayment each month of the then unpaid principal balance of a pool of mortgage loans similar to the Mortgage Loans in each Loan Group. For the Fixed Rate Mortgage Loans, the Prepayment Model used in this information circular (the “**Fixed Rate Prepayment Vector**” or “**FRPV**”) is a prepayment assumption which represents an assumed rate of prepayment each month relative to the then outstanding principal balance of a pool of mortgage loans for the life of such mortgage loans. For example, a 100% FRPV assumes a constant prepayment rate (“**CPR**”) of 2.0% per annum of the then outstanding principal balance of the Fixed Rate Mortgage Loans in the first month of the life of such Mortgage Loans and an additional 2.0% per annum (i.e., 1/10 of the final per annum rate) in each month thereafter up to and including the tenth month. Beginning in the eleventh month and in each month thereafter during the life of such Fixed Rate Mortgage Loans, a 100% FRPV assumes a CPR of 20% per annum. For the Adjustable Rate Mortgage Loans, the Prepayment Model used in this information circular (“**Adjustable Rate Prepayment Vector**” or “**ARPV**”) is a prepayment assumption which represents an assumed rate of the prepayment each month relative to the then outstanding principal balance of a pool of mortgage loans for the life of the mortgage loans. 100% ARPV assumes 4% CPR in month 1, an additional 1/11th of 16% CPR for each month thereafter, increasing to 20% CPR in month 12 and remaining constant at 20% CPR until month 26, increasing to and remaining constant at 60% CPR from month 27 until month 30 and decreasing to and remaining constant at 32% from month 31 and thereafter; provided, however, the prepayment rate will not exceed 85% CPR in any period for any given percentage of ARPV. As used in the tables, 100% of the Prepayment Model means 100% FRPV and 100% ARPV.

There is no assurance, however, that prepayments on the Mortgage Loans will conform to any level of the Prepayment Model, and no representation is made that the Mortgage Loans will prepay at the prepayment rates

shown or any other prepayment rate. The rate of principal payments on mortgage loans is influenced by a variety of economic, geographic, social and other factors, including the level of interest rates. Other factors affecting prepayment of mortgage loans include changes in obligors' housing needs, job transfers and unemployment. In the case of mortgage loans in general, if prevailing interest rates fall significantly below the interest rates on such mortgage loans, the mortgage loans are likely to be subject to higher prepayment rates than if prevailing interest rates remain at or above the rates borne by such mortgage loans. Conversely, if prevailing interest rates rise above the interest on such mortgage loans, the rate of prepayment would be expected to decrease.

The following tables have been prepared on the basis of the following assumptions (collectively, the “*Modeling Assumptions*”):

- (1) the Mortgage Loans prepay at the indicated percentage of the related Prepayment Model,
- (2) distributions on the Class 1-AV-1 Certificates are received, in cash, on the 25th day of each month, commencing in October 2004, in accordance with the payment priorities defined in this information circular,
- (3) no defaults or delinquencies in, or modifications, waivers or amendments respecting, the payment by the mortgagors of principal and interest on the Mortgage Loans occur,
- (4) Scheduled Payments are assumed to be received on the first day of each month commencing in October 2004, and prepayments represent payment in full of individual Mortgage Loans and are assumed to be received on the last day of each month, commencing in September 2004, and include 30 days' interest thereon,
- (5) the level of six-month LIBOR remains constant at 1.980% per annum, and the level of One-Month LIBOR remains constant at 1.625% per annum.
- (6) the Pass-Through Margin for the Class 1-AV-1 Certificates remains constant at the rates applicable on or prior to the Optional Termination Date and the Pass-Through Margin for such Certificates is adjusted accordingly on any Distribution Date after the Optional Termination Date,
- (7) the Closing Date for the Certificates is September 28, 2004,
- (8) the Mortgage Rate for each Adjustable Rate Mortgage Loan is adjusted on its next Adjustment Date (and on subsequent Adjustment Dates, if necessary) to equal the sum of
 - (a) the assumed level of the Mortgage Index, and
 - (b) the respective Gross Margin (such sum being subject to the applicable periodic adjustment caps and floors and the applicable lifetime adjustment caps and floors),
- (9) except as indicated with respect to the weighted average lives, the optional termination is exercised on the Optional Termination Date,
- (10) the scheduled monthly payment for each Mortgage Loan, except for the interest-only Mortgage Loans during their respective interest-only periods, is calculated based on its principal balance, mortgage rate and remaining amortization term to maturity so that each Mortgage Loan will amortize in amounts sufficient to repay the remaining principal balance of such Mortgage Loan by its remaining term to maturity (except in the case of balloon loans), as indicated in the table below,
- (11) any Mortgage Loan with a remaining interest-only term greater than zero does not amortize during the remaining interest-only term, and at the end of the remaining interest-only term, any such Mortgage Loan will amortize in amounts sufficient to repay the current balance of any Mortgage Loan

over the remaining term to maturity calculated at the expiration of the remaining interest-only term based on the applicable amortization method,

(12) scheduled monthly payments on each Adjustable Rate Mortgage Loan will be adjusted in the month immediately following each related interest adjustment date (as necessary) for such Mortgage Loan to equal the fully amortizing payment described above,

(13) the scheduled amortization for all Mortgage Loans is based upon their respective gross interest rates and the interest rate on each Fixed Rate Credit Comeback Loan will be deemed to be reduced by 0.375% on the Due Date following the end of each of the first four annual periods after the origination date, irrespective of whether the borrower qualifies for the reduction by having a good payment history, and

(14) each Loan Group consists of Mortgage Loans having the approximate characteristics described below:

Loan Group 1 Mortgage Loans

Principal Balance(\$)	Adjusted Net Mortgage Rate (%) (2)	Gross Mortgage Rate (%) (1)	Remaining Amortization Term (months)	Remaining Term to Maturity (months)	Original Interest-Only Term (months)	Age (months)	Credit Comeback Feature	Amortization Method
76,571.41	7.988354	8.497354	117	117	N/A	3	No	Level
51,785.27	8.991000	9.500000	119	119	N/A	1	No	Level
322,889.68	5.646647	6.155647	179	179	N/A	1	No	Level
73,199.35	5.991000	6.500000	180	180	N/A	0	No	Level
731,432.18	6.478541	6.987541	178	178	N/A	2	No	Level
1,224,509.40	7.055023	7.564023	179	179	N/A	1	No	Level
106,910.87	6.981000	7.490000	178	178	N/A	2	No	Level
59,856.67	5.741000	6.250000	177	177	N/A	3	No	Level
200,219.15	6.309918	6.818918	180	180	N/A	0	No	Level
68,846.10	6.941000	7.450000	177	177	N/A	2	No	Level
33,136.40	8.491000	9.000000	180	180	N/A	0	No	Level
14,638,465.05	7.024978	7.533978	179	179	N/A	1	No	Level
235,133.06	5.481000	5.990000	179	179	N/A	1	No	Level
343,776.54	6.707848	7.216848	180	180	N/A	0	No	Level
600,382.59	6.543807	7.052807	179	179	N/A	1	No	Level
6,855,671.68	6.750251	7.259251	178	178	N/A	1	No	Level
12,403,536.51	6.747995	7.256995	179	179	N/A	1	No	Level
142,798.67	9.991000	10.500000	179	179	N/A	1	Yes	Level
1,457,956.28	8.421759	8.930759	178	178	N/A	1	Yes	Level
251,303.26	7.920369	8.429369	179	179	N/A	1	Yes	Level
1,130,965.10	7.728210	8.237210	179	179	N/A	1	Yes	Level
799,669.74	7.619588	8.128588	179	179	N/A	1	No	Level
589,375.61	8.345074	8.854074	179	179	N/A	1	No	Level
997,807.96	8.032021	8.541021	239	239	N/A	1	No	Level
92,278.97	6.491000	7.000000	237	237	N/A	3	No	Level
1,401,356.99	6.885435	7.394435	238	238	N/A	2	No	Level
311,819.15	7.910994	8.419994	238	238	N/A	2	No	Level
178,046.25	6.991000	7.500000	238	238	N/A	2	No	Level
73,158.32	6.991000	7.500000	237	237	N/A	3	No	Level
61,591.20	9.141000	9.650000	238	238	N/A	1	No	Level
103,895.28	6.561000	7.070000	239	239	N/A	1	No	Level
306,251.21	6.736644	7.245644	237	237	N/A	2	No	Level
1,041,992.00	7.420648	7.929648	358	358	N/A	1	Yes	Level
5,429,212.41	7.714294	8.223294	359	359	N/A	1	Yes	Level
830,489.05	7.155377	7.664377	359	359	N/A	1	Yes	Level
701,862.46	7.618991	8.127991	359	359	N/A	1	Yes	Level
14,846,484.75	5.858342	6.367342	358	358	N/A	2	Yes	Level
27,003,189.31	6.857504	7.366504	359	359	N/A	1	Yes	Level
727,728.30	7.357139	7.866139	357	357	N/A	2	No	Level
102,830.06	7.831766	8.340766	359	359	N/A	1	No	Level
122,118.36	6.741000	7.250000	358	358	N/A	2	No	Level
4,586,780.43	7.137103	7.646103	358	358	N/A	1	No	Level

Principal Balance(\$)	Adjusted Net Mortgage Rate (%) (2)	Gross Mortgage Rate (%) (1)	Remaining Amortization Term (months)	Remaining Term to Maturity (months)	Original Interest- Only Term (months)	Age (months)	Credit Comeback Feature	Amortization Method
3,239,916.63	7.162012	7.671012	359	359	N/A	1	No	Level
245,236.67	8.182285	8.691285	358	358	N/A	2	No	Level
1,234,647.63	6.205772	6.714772	358	358	N/A	2	No	Level
1,035,679.47	6.874615	7.383615	358	358	N/A	1	No	Level
561,629.00	6.897922	7.406922	359	359	N/A	1	No	Level
234,474.56	8.230826	8.739826	359	359	N/A	1	No	Level
12,104,015.21	6.366030	6.875030	359	359	N/A	1	No	Level
1,150,075.90	6.884818	7.393818	358	358	N/A	2	No	Level
88,004.72	9.491000	10.000000	348	348	N/A	2	No	Level
139,359.56	7.366000	7.875000	357	357	N/A	2	Yes	Level
627,269.12	7.273912	7.782912	356	356	N/A	4	No	Level
250,333.01	7.535337	8.044337	358	358	N/A	2	No	Level
542,314.49	7.831064	8.340064	358	358	N/A	1	Yes	Level
113,190,047.59	6.716436	7.225436	359	359	N/A	1	No	Level
22,649,113.02	6.590964	7.099964	359	359	N/A	1	No	Level
10,271,263.40	6.508987	7.017987	359	359	N/A	1	No	Level
309,876.66	5.091000	5.600000	358	358	N/A	2	No	Level
116,880,474.51	6.361267	6.870267	358	358	N/A	2	No	Level
207,845,320.13	6.339693	6.848693	359	359	N/A	1	No	Level
241,149.74	6.741000	7.250000	300	358	60	2	No	Level
402,060.80	6.791000	7.300000	300	359	60	1	No	Level
621,749.95	6.037696	6.546696	300	358	60	2	No	Level
176,264.84	6.526433	7.035433	300	358	60	2	No	Level
158,568.95	7.967203	8.476203	300	358	60	2	No	Level
178,520.20	7.116000	7.625000	300	359	60	1	No	Level
135,321.35	6.591000	7.100000	300	358	60	2	No	Level
102,705.50	5.991000	6.500000	300	359	60	1	No	Level
4,196,806.65	6.165396	6.674396	300	359	60	1	No	Level
308,977.86	7.661142	8.170142	300	360	60	0	No	Level
1,443,862.36	5.933250	6.442250	300	358	60	2	No	Level
11,962,340.97	6.105821	6.614821	300	358	60	2	No	Level
11,389,960.31	6.108049	6.617049	300	359	60	1	No	Level
244,869.44	7.431581	7.940581	359	359	N/A	1	No	Level
90,831.88	6.366000	6.875000	359	359	N/A	1	No	Level
4,776,755.89	6.621822	7.130822	358	358	N/A	2	No	Level
9,159,048.86	6.481340	6.990340	359	359	N/A	1	No	Level
119,940.66	5.991000	6.500000	358	358	N/A	2	No	Level
167,709.60	7.161168	7.670168	356	176	N/A	4	No	Balloon
56,361.53	9.991000	10.500000	359	179	N/A	1	No	Balloon
110,859.21	6.741000	7.250000	358	178	N/A	2	No	Balloon
38,999.14	9.331000	9.840000	358	178	N/A	2	No	Balloon
100.00 (3)	0.000000	0.000000	1	1	N/A	0	N/A	N/A

- (1) In the above table, the Gross Mortgage Rate percentages that include Fixed Rate Credit Comeback Loans have been calculated without subtracting any Credit Comeback Excess Amounts. However, for purposes of actual payments to be made on the Certificates, including the calculation of each applicable Net Rate Cap as well as other Mortgage Rate calculations, the Gross Mortgage Rate for each Fixed Rate Credit Comeback Loan will be deemed to be reduced by 0.375% on the Due Date following the end of each of the first four annual periods after the origination date, irrespective of whether the borrower qualifies for the reduction by having a good payment history.
- (2) In the above table, the Adjusted Net Mortgage Rate percentages that include Fixed Rate Credit Comeback Loans have been calculated without subtracting any Credit Comeback Excess Amounts. However, for purposes of actual payments to be made on the Certificates, including the calculation of each applicable Net Rate Cap as well as other Mortgage Rate calculations, the Gross Mortgage Rate for each Fixed Rate Credit Comeback Loan will be deemed to be reduced by 0.375% on the Due Date following the end of each of the first four annual periods after the origination date, irrespective of whether the borrower qualifies for the reduction by having a good payment history.
- (3) Cash Deposit

Loan Group 2 Mortgage Loans

Principal Balance (\$)	Adjusted Net Mortgage Rate (%) (2)	Gross Mortgage Rate (%) (1)	Remaining Amortization Term (months)	Remaining Term to Maturity (months)	Original Interest- Only Term (months)	Age (months)	Initial Periodic Cap (%)	Subsequent Periodic Cap (%)	Gross Margin (%)	Life Cap (%)	Life Floor (%)	Months to Next Rate Adjustment	Reset Frequency (months)
221,647.95	5.611282	6.120282	359	359	N/A	1	1.000000	1.000000	7.064859	13.120282	6.120282	5	6
125,692.76	5.366000	5.875000	360	360	N/A	0	1.000000	1.000000	8.000000	12.875000	5.875000	6	6
1,112,301.45	6.524144	7.033144	336	359	24	1	1.909961	1.297670	6.817965	14.033144	7.033144	23	6
541,858.27	6.990867	7.499867	336	358	24	2	2.393319	1.381043	6.499867	14.261953	7.499867	22	6
20,572,211.71	6.045702	6.554702	336	358	24	2	2.084770	1.303944	5.892654	13.446094	6.514759	22	6
2,685,289.11	6.084091	6.593091	336	358	24	2	2.135039	1.262716	6.339741	13.290749	6.593091	22	6
206,801.47	7.295538	7.804538	336	357	24	3	1.500000	1.500000	7.804538	14.804538	7.804538	21	6
275,020.06	5.866000	6.375000	336	358	24	2	1.500000	1.500000	6.375000	13.375000	6.375000	22	6
151,261.03	7.566000	8.075000	336	359	24	1	1.500000	1.500000	7.075000	15.075000	8.075000	23	6
875,381.98	6.109576	6.618576	336	357	24	3	2.707717	1.181370	6.327515	13.618576	6.534633	21	6
365,776.67	5.922393	6.431393	336	358	24	2	1.500000	1.500000	5.931393	13.431393	6.431393	22	6
164,195.57	5.741000	6.250000	336	358	24	2	1.500000	1.500000	6.250000	13.250000	6.250000	22	6
388,882.03	6.393196	6.902196	336	358	24	2	3.000000	1.000000	6.522196	13.902196	6.902196	22	6
690,181.74	6.229528	6.738528	336	358	24	2	2.493812	1.168729	6.425036	13.738528	6.738528	22	6
295,756.57	5.910518	6.419518	336	358	24	2	2.163102	1.278966	5.972567	13.419518	6.419518	22	6
1,379,877.75	6.228316	6.737316	336	358	24	2	2.644983	1.149107	6.308192	13.737316	6.626327	22	6
116,814.77	6.991000	7.500000	336	358	24	2	3.000000	1.000000	6.895000	14.500000	7.500000	22	6
9,933,434.87	7.035184	7.544184	358	358	N/A	2	2.355824	1.227528	6.842806	14.143645	7.502749	22	6
1,757,113.28	6.690442	7.199442	358	358	N/A	2	2.418578	1.302737	6.737962	13.687628	7.059152	22	6
394,253.43	5.946453	6.455453	357	357	N/A	3	3.000000	1.500000	5.455453	13.455453	6.455453	21	6
50,017,205.32	6.470589	6.979589	358	358	N/A	2	2.125989	1.363770	6.218836	13.723899	6.912005	22	6
6,008,763.85	6.400992	6.909992	358	358	N/A	2	2.224639	1.304224	6.449295	13.482321	6.840953	22	6
127,458.96	7.616000	8.125000	358	358	N/A	2	3.000000	1.000000	4.375000	14.125000	8.125000	22	6
246,320.52	6.079315	6.588315	359	359	N/A	1	1.500000	1.500000	5.802989	13.588315	6.588315	23	6
459,367.93	6.297577	6.806577	358	358	N/A	2	3.000000	1.000000	6.681153	12.806577	6.806577	22	6
89,229.25	7.491000	8.000000	358	358	N/A	2	1.500000	1.500000	8.000000	15.000000	8.000000	22	6
272,888.95	7.061034	7.570034	357	357	N/A	3	3.000000	1.000000	7.234906	13.570034	7.570034	21	6
129,460.36	6.591000	7.100000	357	357	N/A	3	3.000000	1.000000	5.900000	14.100000	7.100000	21	6
2,153,150.74	6.423067	6.932067	359	359	N/A	1	1.748787	1.417071	6.227213	13.855880	6.835488	23	6
558,221.13	6.718596	7.227596	359	359	N/A	1	3.000000	1.172599	6.858854	13.727325	7.227596	23	6
91,979.95	6.481000	6.990000	358	358	N/A	2	3.000000	1.500000	6.490000	13.990000	6.990000	22	6
1,372,793.56	6.614191	7.123191	358	358	N/A	2	2.795820	1.015938	6.330042	13.240053	6.465438	22	6
250,268.42	6.507558	7.016558	358	358	N/A	2	3.000000	1.000000	6.636558	14.016558	7.016558	22	6
1,907,983.77	7.392745	7.901745	358	358	N/A	2	2.315155	1.347298	7.040405	14.693137	7.764690	22	6
2,317,232.95	6.895406	7.404406	358	358	N/A	2	2.385752	1.143440	7.326499	13.786251	7.404406	22	6
529,034.80	6.705744	7.214744	358	358	N/A	2	1.715758	1.284242	6.944940	13.783229	7.214744	22	6
1,924,908.05	6.207069	6.716069	358	358	N/A	2	2.157399	1.409114	6.101026	13.716069	6.716069	22	6
850,913.33	6.779762	7.288762	359	359	N/A	1	2.333383	1.293956	7.078363	13.733174	7.288762	23	6
22,404,207.49	6.934530	7.443530	324	359	36	1	1.610222	1.463259	6.686444	14.359691	7.443530	35	6
116,883.53	6.241000	6.750000	324	359	36	1	1.500000	1.500000	6.750000	13.750000	6.750000	35	6
2,663,122.40	6.316299	6.825299	324	359	36	1	1.672331	1.442556	5.876934	13.710411	6.825299	35	6
2,545,124.17	6.455405	6.964405	324	359	36	1	1.747739	1.441058	6.050109	13.846521	6.964405	35	6
83,819,700.46	6.298380	6.807380	324	359	36	1	1.726783	1.432261	6.055221	13.687368	6.790688	35	6

Principal Balance (\$)	Adjusted Net Mortgage Rate (%) (2)	Gross Mortgage Rate (%) (1)	Remaining Amortization Term (months)	Remaining Term to Maturity (months)	Original Interest-Only Term (months)	Age (months)	Initial Periodic Cap (%)	Subsequent Periodic Cap (%)	Gross Margin (%)	Life Cap (%)	Life Floor (%)	Months to Next Rate Adjustment	Reset Frequency (months)
80,443.37	7.491000	8.000000	324	358	36	2	1.500000	1.500000	7.250000	15.000000	8.000000	34	6
127,626.50	6.991000	7.500000	324	358	36	2	1.500000	1.500000	7.500000	14.500000	7.500000	34	6
144,488.67	6.491000	7.000000	324	358	36	2	1.500000	1.500000	7.000000	14.000000	7.000000	34	6
244,037.33	6.866000	7.375000	324	358	36	2	3.000000	1.000000	7.375000	13.375000	7.375000	34	6
1,665,388.79	6.752818	7.261818	324	359	36	1	1.500000	1.500000	6.033062	14.261818	7.261818	35	6
336,469.86	6.489276	6.998276	324	359	36	1	2.172414	1.275862	6.550000	13.550000	6.998276	35	6
334,149.37	6.586486	7.095486	324	359	36	1	2.118056	1.293981	6.683449	14.095486	7.095486	35	6
3,064,412.32	6.578479	7.087479	324	359	36	1	1.590868	1.469711	6.313287	14.026901	7.087479	35	6
1,899,228.39	6.730465	7.239465	324	359	36	1	3.000000	1.000000	7.239465	13.239465	7.239465	35	6
390,356.60	6.477295	6.986295	324	358	36	2	2.054822	1.315059	5.986295	13.986295	6.986295	34	6
3,818,974.13	6.284797	6.793797	324	358	36	2	2.096986	1.301005	6.102445	13.658703	6.793797	34	6
275,619,185.63	7.089687	7.598687	359	359	N/A	1	1.569163	1.471387	6.731574	14.546126	7.591207	35	6
107,734.00	5.591000	6.100000	358	358	N/A	2	1.500000	1.500000	6.100000	13.100000	6.100000	34	6
8,624,978.52	6.720910	7.229910	359	359	N/A	1	1.837932	1.434278	6.457911	14.098466	7.219960	35	6
20,077,829.44	6.675321	7.184321	359	359	N/A	1	1.601908	1.457560	6.462254	14.099440	7.179511	35	6
365,039,106.75	6.582110	7.091110	359	359	N/A	1	1.693917	1.444582	6.304674	13.972763	7.075527	35	6
296,155.53	6.490296	6.999296	359	359	N/A	1	1.500000	1.500000	6.451283	13.999296	6.999296	35	6
1,898,069.69	7.649022	8.158022	359	359	N/A	1	1.735373	1.393868	7.211822	14.945757	8.140932	35	6
2,012,084.37	7.101970	7.610970	358	358	N/A	2	2.614765	1.000000	7.436547	13.610970	7.610970	34	6
413,774.81	6.414058	6.923058	358	358	N/A	2	2.484204	1.000000	6.719086	12.923058	6.923058	34	6
102,844.45	5.866000	6.375000	357	357	N/A	3	1.500000	1.500000	5.375000	13.375000	6.375000	33	6
53,411.16	6.441000	6.950000	358	358	N/A	2	3.000000	1.000000	6.950000	12.950000	6.950000	34	6
237,841.37	6.897420	7.406420	359	359	N/A	1	1.697666	1.302334	7.208754	14.011089	7.406420	35	6
174,912.49	6.741000	7.250000	357	357	N/A	3	3.000000	1.000000	7.250000	13.250000	7.250000	33	6
123,347.56	6.891000	7.400000	357	357	N/A	3	2.000000	1.000000	6.900000	13.400000	7.400000	33	6
1,534,101.54	6.661978	7.170978	358	358	N/A	2	3.000000	1.000000	7.277902	13.170978	7.170978	34	6
15,976,859.90	6.685373	7.194373	359	359	N/A	1	1.571380	1.473309	6.346703	14.146787	7.157346	35	6
348,036.65	7.213812	7.722812	359	359	N/A	1	2.333839	1.222054	7.166920	14.166920	7.722812	35	6
2,591,933.06	6.748704	7.257704	358	358	N/A	2	2.554696	1.134482	6.908623	13.526667	7.257704	34	6
175,207.41	7.481000	7.990000	359	359	N/A	1	3.000000	1.000000	7.000000	13.990000	7.990000	35	6
433,876.09	6.965425	7.474425	358	358	N/A	2	2.372126	1.000000	7.160488	13.474425	7.474425	34	6
195,342.38	7.481000	7.990000	358	358	N/A	2	3.000000	1.000000	7.740000	13.990000	7.990000	34	6
1,789,173.62	6.382912	6.891912	358	358	N/A	2	2.110395	1.132824	6.594800	13.222315	6.793788	34	6
285,762.72	6.961383	7.470383	359	359	N/A	1	2.423149	1.192284	6.978152	14.138277	7.470383	35	6
696,652.70	6.620397	7.129397	359	359	N/A	1	1.356045	1.356045	6.776055	13.841487	7.129397	35	6
34,088,813.15	7.248427	7.757427	359	359	N/A	1	1.632823	1.445362	6.750523	14.686793	7.737472	35	6
119,030.02	7.091000	7.600000	358	358	N/A	2	1.500000	1.500000	7.600000	14.600000	7.600000	34	6
2,041,376.80	7.144197	7.653197	358	358	N/A	2	1.859969	1.380010	7.124482	14.413218	7.635930	34	6
865,193.25	6.071125	6.580125	359	359	N/A	1	1.852007	1.301499	6.254542	13.183123	6.580125	35	6
28,650,618.69	6.757261	7.266261	359	359	N/A	1	1.730366	1.417207	6.574089	14.105109	7.255469	35	6
211,198.56	5.381939	5.890939	358	358	N/A	2	2.086409	1.304530	5.890939	12.500000	5.890939	34	6

Loan Group 3 Mortgage Loans

Principal Balance (\$)	Adjusted Net Mortgage Rate (%) (2)	Gross Mortgage Rate (%) (1)	Remaining Amortization Term (months)	Remaining Term to Maturity (months)	Original Interest- Only Term (months)	Age (months)	Initial Periodic Cap (%)	Subsequent Periodic Cap (%)	Gross Margin (%)	Life Cap (%)	Life Floor (%)	Months to Next Rate Adjustment	Reset Frequency (months)
347,201.38	5.866000	6.375000	359	359	N/A	1	1.000000	1.000000	6.375000	13.375000	6.375000	5	6
1,157,660.79	7.304201	7.813201	336	358	24	2	1.872470	1.308300	7.235637	14.610570	7.813201	22	6
365,204.37	5.986027	6.495027	336	358	24	2	2.035092	1.321636	5.794678	13.495027	6.495027	22	6
365,505.85	5.481000	5.990000	336	357	24	3	2.000000	1.000000	5.000000	12.990000	5.990000	21	6
10,732,397.42	5.977364	6.486364	336	359	24	1	1.973088	1.323730	5.745045	13.354841	6.486364	23	6
1,782,289.52	7.332996	7.841996	336	358	24	2	1.989174	1.336942	7.441068	14.678207	7.841996	22	6
170,460.16	7.791000	8.300000	336	358	24	2	1.500000	1.500000	8.300000	15.300000	8.300000	22	6
558,296.11	6.004445	6.513445	336	357	24	3	3.000000	1.000000	6.084420	13.513445	6.513445	21	6
62,206.66	6.241000	6.750000	336	357	24	3	3.000000	1.000000	6.500000	13.750000	6.750000	21	6
427,453.60	6.279618	6.788618	336	358	24	2	1.707317	1.430894	6.305203	13.788618	6.788618	22	6
127,888.56	6.491000	7.000000	336	359	24	1	3.000000	1.000000	7.000000	13.000000	7.000000	23	6
112,945.06	7.716000	8.225000	336	360	24	0	1.500000	1.500000	7.225000	15.225000	8.225000	24	6
6,346,427.55	7.863202	8.372202	358	358	N/A	2	2.227770	1.246901	8.112300	14.771877	8.524960	22	6
1,156,797.47	6.862522	7.371522	358	358	N/A	2	2.394913	1.294926	7.131308	13.625954	7.506303	22	6
321,032.45	7.719578	8.228578	359	359	N/A	1	3.000000	1.500000	7.978578	14.228578	8.228578	23	6
23,048,029.50	6.514585	7.023585	359	359	N/A	1	2.155881	1.340199	6.502650	13.713672	7.065237	22	6
2,677,453.84	6.886202	7.395202	358	358	N/A	2	2.688699	1.079439	7.416516	13.554079	7.663606	22	6
68,002.56	6.491000	7.000000	358	358	N/A	2	1.500000	1.500000	6.000000	14.000000	7.000000	22	6
491,352.54	8.039790	8.548790	357	357	N/A	3	2.651500	1.645674	8.277217	15.548790	8.548790	21	6
111,694.27	8.541000	9.050000	358	358	N/A	2	3.000000	1.000000	8.550000	15.050000	8.550000	22	6
342,425.53	5.987030	6.496030	358	358	N/A	2	2.126121	1.291293	6.017798	13.078616	6.600384	22	6
635,365.42	6.168052	6.677052	358	358	N/A	2	3.000000	1.000000	7.127397	12.855657	6.677052	22	6
158,054.60	9.591000	10.100000	359	359	N/A	1	3.000000	1.000000	10.100000	16.100000	10.100000	23	6
569,957.60	7.594918	8.103918	358	358	N/A	2	2.126161	1.106578	7.668930	14.549813	7.901669	22	6
653,881.52	8.458701	8.967701	356	356	N/A	4	3.000000	1.382141	8.797442	15.789073	8.967701	20	6
1,890,350.97	7.239075	7.748075	358	358	N/A	2	2.543041	1.224450	7.536483	14.470176	7.710493	22	6
672,412.47	7.131469	7.640469	359	359	N/A	1	2.427550	1.080773	7.504948	13.802015	7.640469	23	6
825,688.11	6.707062	7.216062	359	359	N/A	1	1.996557	1.334481	7.216062	13.885023	7.216062	23	6
199,853.66	6.991000	7.500000	358	358	N/A	2	2.000000	1.000000	8.500000	13.500000	8.500000	22	6
1,265,626.27	6.457336	6.966336	358	358	N/A	2	2.267402	1.120783	7.028167	13.509498	7.285973	22	6
546,982.47	7.070494	7.579494	358	358	N/A	2	2.642233	1.119256	7.484308	13.818006	7.579494	22	6
18,678,295.54	6.947220	7.456220	324	359	36	1	1.707264	1.436843	6.781286	14.329906	7.451629	35	6
1,656,860.57	7.067223	7.576223	324	359	36	1	1.500000	1.500000	6.812190	14.576223	7.576223	35	6
4,192,103.31	6.233326	6.742326	324	359	36	1	1.665027	1.444991	6.335546	13.632308	6.742326	35	6
48,475,073.63	6.162173	6.671173	324	359	36	1	1.658306	1.457353	5.950789	13.586750	6.671173	35	6
71,068.51	9.241000	9.750000	324	359	36	1	1.500000	1.500000	8.750000	16.750000	9.750000	35	6
102,931.90	7.741000	8.250000	324	357	36	3	1.500000	1.500000	8.250000	15.250000	8.250000	33	6
117,288.54	7.361000	7.870000	324	357	36	3	1.500000	1.500000	7.490000	14.870000	7.870000	33	6
607,905.06	8.250040	8.759040	324	358	36	2	1.500000	1.500000	7.914463	15.759040	8.759040	34	6
703,665.09	6.686333	7.195333	324	358	36	2	2.014718	1.328427	7.195333	13.852188	7.195333	34	6
1,107,047.46	6.572646	7.081646	324	358	36	2	2.548898	1.150367	6.327498	13.705991	6.964868	34	6
2,594,014.39	6.756023	7.265023	324	359	36	1	1.500000	1.500000	6.437489	14.265023	7.265023	35	6
1,470,805.31	6.911898	7.420898	324	358	36	2	2.736045	1.087985	7.420898	13.596868	7.420898	34	6
3,225,282.54	6.186600	6.695600	324	359	36	1	2.103648	1.298784	6.213640	13.393753	6.695600	35	6

Principal Balance (\$)	Adjusted Net Mortgage Rate (%) (2)	Gross Mortgage Rate (%) (1)	Remaining Amortization Term (months)	Remaining Term to Maturity (months)	Original Interest-Only Term (months)	Age (months)	Initial Periodic Cap (%)	Subsequent Periodic Cap (%)	Gross Margin (%)	Life Cap (%)	Life Floor (%)	Months to Next Rate Adjustment	Reset Frequency (months)
88,497,955.35	7.139922	7.648922	359	359	N/A	1	1.626827	1.463423	7.039359	14.556064	7.631885	35	6
4,427,407.92	6.795760	7.304760	359	359	N/A	1	1.722375	1.425875	6.534360	14.156510	7.304760	35	6
3,785,701.39	6.629626	7.138626	359	359	N/A	1	1.757673	1.414109	7.028254	13.966844	7.122625	35	6
128,193,211.00	6.539055	7.048055	359	359	N/A	1	1.737638	1.424403	6.374523	13.905204	7.035782	35	6
151,949.31	7.991000	8.500000	359	359	N/A	1	3.000000	1.500000	5.000000	15.500000	5.000000	35	6
685,341.92	8.135676	8.644676	359	359	N/A	1	1.550135	1.449865	7.369596	15.544405	8.644676	35	6
383,390.23	8.391590	8.900590	357	357	N/A	3	2.859891	1.000000	8.294232	15.291975	8.900590	33	6
62,478.90	8.041000	8.550000	358	358	N/A	2	2.000000	1.000000	8.050000	14.550000	8.550000	34	6
51,369.29	7.866000	8.375000	358	358	N/A	2	1.500000	1.500000	8.375000	15.375000	8.375000	34	6
1,011,653.62	7.197852	7.706852	358	358	N/A	2	3.000000	1.000000	7.735862	13.706852	7.706852	34	6
5,834,444.02	6.707055	7.216055	359	359	N/A	1	1.604455	1.465182	7.326577	14.146418	7.216055	35	6
1,638,534.78	7.322762	7.831762	359	359	N/A	1	2.210083	1.247076	7.862592	14.325914	7.831762	35	6
118,796.90	8.333566	8.842566	354	354	N/A	6	2.649262	1.000000	8.342566	14.842566	8.842566	30	6
87,457.69	7.481000	7.990000	358	358	N/A	2	3.000000	1.000000	7.000000	13.990000	7.000000	34	6
1,521,653.67	5.887316	6.396316	358	358	N/A	2	2.189966	1.270011	5.936339	12.936339	5.936339	34	6
286,167.35	7.700643	8.209643	359	359	N/A	1	2.137003	1.500000	8.039776	15.209643	8.209643	35	6
14,646,543.69	7.376227	7.885227	359	359	N/A	1	1.840538	1.385074	7.304420	14.654676	7.880628	35	6
56,658.77	8.491000	9.000000	359	359	N/A	1	3.000000	1.000000	9.000000	15.000000	9.000000	35	6
852,490.21	7.149209	7.658209	358	358	N/A	2	1.950004	1.349999	7.481472	14.358206	7.845710	34	6
597,571.28	8.069287	8.578287	358	358	N/A	2	1.500000	1.500000	8.578287	15.578287	8.578287	34	6
9,838,198.10	6.751820	7.260820	359	359	N/A	1	1.834855	1.382241	6.974546	14.036778	7.250067	35	6
77,784.48	6.741000	7.250000	359	359	N/A	1	3.000000	1.000000	7.250000	13.250000	7.250000	35	6
108,777.01	5.503012	6.012012	358	358	N/A	2	1.000000	1.000000	7.132012	13.012012	6.012012	4	6
232,977.33	4.791000	5.300000	359	359	N/A	1	1.000000	1.000000	6.195000	12.300000	5.300000	5	6
993,891.36	6.473168	6.982168	336	358	24	2	2.515330	1.161557	6.716843	13.982168	6.982168	22	6
297,417.23	6.116000	6.625000	336	357	24	3	1.500000	1.500000	5.625000	13.625000	6.625000	21	6
9,062,991.63	6.222659	6.731659	336	358	24	2	2.130643	1.267098	6.004651	13.454983	6.620902	22	6
823,019.18	5.924706	6.433706	336	358	24	2	2.129177	1.161212	5.936173	13.433706	6.433706	22	6
596,073.70	6.691000	7.200000	336	359	24	1	1.500000	1.500000	6.200000	14.200000	7.200000	23	6
181,238.62	5.991000	6.500000	336	358	24	2	1.500000	1.500000	12.000000	13.500000	6.500000	22	6
194,029.33	6.037898	6.546898	336	358	24	2	3.000000	1.000000	6.166898	13.546898	6.546898	22	6
70,813.63	5.741000	6.250000	336	357	24	3	3.000000	1.000000	6.090000	13.250000	6.250000	21	6
372,479.67	7.114669	7.623669	336	359	24	1	1.500000	1.500000	7.623669	14.623669	7.623669	23	6
8,027,241.28	7.937890	8.446890	358	358	N/A	2	2.276013	1.259250	8.221553	15.194501	8.349434	22	6
2,224,794.60	7.129547	7.638547	357	357	N/A	3	2.476610	1.144412	7.259831	13.801204	7.570114	21	6
25,021,533.14	6.846107	7.355107	358	358	N/A	2	2.290071	1.331184	6.826427	14.034203	7.345164	22	6
3,058,686.28	7.736479	8.245479	358	358	N/A	2	2.408589	1.051502	8.138427	14.379670	8.257512	22	6
83,128.05	9.241000	9.750000	358	358	N/A	2	3.000000	3.000000	9.750000	16.750000	9.750000	22	6
279,162.05	8.026150	8.535150	358	358	N/A	2	2.023595	1.325468	8.447884	15.186086	8.535150	22	6
93,647.34	7.741000	8.250000	357	357	N/A	3	3.000000	1.000000	7.750000	14.250000	8.250000	21	6
454,707.76	8.187420	8.696420	358	358	N/A	2	1.594287	1.057113	8.398634	15.507847	8.884993	22	6
209,911.73	8.327076	8.836076	359	359	N/A	1	3.000000	1.000000	8.895029	15.058500	8.836076	23	6
265,204.28	7.641000	8.150000	358	358	N/A	2	3.000000	1.000000	8.150000	14.150000	8.150000	22	6
145,171.39	6.991000	7.500000	358	358	N/A	2	2.000000	1.000000	8.500000	13.500000	8.500000	22	6
183,875.77	6.481000	6.990000	359	359	N/A	1	3.000000	1.000000	6.740000	13.990000	6.990000	23	6
306,600.03	7.860325	8.369325	358	358	N/A	2	3.000000	1.000000	8.111696	15.047295	8.369325	22	6

Principal Balance (\$)	Adjusted Net Mortgage Rate (%) (2)	Gross Mortgage Rate (%) (1)	Remaining Amortization Term (months)	Remaining Term to Maturity (months)	Original Interest- Only Term (months)	Age (months)	Initial Periodic Cap (%)	Subsequent Periodic Cap (%)	Gross Margin (%)	Life Cap (%)	Life Floor (%)	Months to Next Rate Adjustment	Reset Frequency (months)
2,143,583.81	7.098360	7.607360	358	358	N/A	2	2.380887	1.265873	7.189841	14.682207	7.661852	22	6
1,479,110.49	7.740799	8.249799	356	356	N/A	4	2.479353	1.143948	8.173839	14.692936	8.249799	22	6
171,581.42	6.741000	7.250000	360	360	N/A	0	1.500000	1.500000	6.250000	14.250000	7.250000	24	6
1,997,975.49	7.325904	7.834904	358	358	N/A	2	2.442984	1.072032	7.835166	14.114621	8.176315	22	6
901,981.75	6.869610	7.378610	358	358	N/A	2	2.145333	1.284889	7.215867	13.948388	7.378610	22	6
19,296,056.03	7.242213	7.751213	324	359	36	1	1.673221	1.446319	7.261247	14.643851	7.744235	35	6
307,508.17	8.991000	9.500000	324	358	36	2	1.500000	1.500000	9.500000	16.500000	9.500000	34	6
3,778,122.94	7.005649	7.514649	324	359	36	1	1.500000	1.500000	6.652879	14.514649	7.514649	35	6
2,840,998.71	6.557915	7.066915	324	359	36	1	1.550702	1.483099	6.318895	14.066915	7.066915	35	6
54,019,395.68	6.240552	6.749552	324	359	36	1	1.696519	1.443248	5.980087	13.638197	6.749562	35	6
82,320.84	8.241000	8.750000	324	360	36	0	1.500000	1.500000	7.375000	15.750000	8.750000	35	6
108,875.95	8.741000	9.250000	324	357	36	3	3.000000	1.000000	8.250000	16.250000	9.250000	33	6
1,880,739.09	6.653961	7.162961	324	359	36	1	1.500000	1.500000	6.953514	14.162961	7.162961	35	6
240,766.33	5.791000	6.300000	324	359	36	1	1.500000	1.500000	6.300000	13.300000	6.300000	35	6
185,531.70	6.616000	7.125000	324	355	36	5	3.000000	1.000000	6.125000	13.125000	7.125000	31	6
818,871.06	6.485838	6.994838	324	358	36	2	3.000000	1.000000	5.899714	13.804589	6.709464	34	6
2,288,262.67	6.799719	7.308719	324	359	36	1	1.790123	1.403292	6.814790	14.115304	7.308719	35	6
565,269.77	7.455571	7.964571	324	358	36	2	2.755716	1.081428	7.801715	14.127427	7.964571	34	6
89,225.17	5.490000	5.999000	324	357	36	3	1.500000	1.500000	5.250000	12.999000	5.999000	33	6
2,238,504.84	5.896973	6.405973	324	358	36	2	1.808672	1.397109	5.414771	13.405973	6.405973	34	6
100,803,123.96	7.521399	8.030399	359	359	N/A	1	1.590989	1.461224	7.381872	14.960156	8.023363	35	6
4,142,222.40	6.628356	7.137356	359	359	N/A	1	1.820023	1.363856	6.450288	13.865068	7.128507	35	6
6,927,921.82	7.017196	7.526196	359	359	N/A	1	1.891944	1.430096	6.881539	14.400098	7.466725	35	6
142,367,497.46	6.859062	7.368062	359	359	N/A	1	1.786961	1.424077	6.718682	14.202099	7.355152	35	6
1,517,248.84	8.307212	8.816212	359	359	N/A	1	1.514657	1.447679	8.024071	15.711570	8.816212	35	6
259,528.15	7.638020	8.147020	358	358	N/A	2	3.000000	1.000000	7.897020	14.147020	8.147020	34	6
106,060.79	8.941000	9.450000	357	357	N/A	3	2.000000	1.000000	8.950000	15.450000	9.450000	33	6
202,708.95	9.131014	9.640014	357	357	N/A	3	3.000000	1.000000	9.784451	15.640014	9.073324	33	6
150,337.98	9.241000	9.750000	358	358	N/A	2	1.500000	1.500000	9.750000	16.750000	9.750000	34	6
36,430.24	8.641000	9.150000	358	358	N/A	2	3.000000	1.000000	8.500000	15.150000	9.150000	34	6
994,523.39	7.147877	7.656877	358	358	N/A	2	2.836532	1.000000	7.397398	13.656877	7.681397	34	6
11,752,948.29	6.494300	7.003300	359	359	N/A	1	1.532175	1.489275	7.693191	13.981850	7.005016	35	6
3,198,257.23	7.729094	8.238094	358	358	N/A	2	2.163711	1.269265	8.327980	14.776625	8.304005	34	6
480,089.95	7.364237	7.873237	358	358	N/A	2	2.279819	1.000000	7.513146	13.873237	7.873237	34	6
1,290,146.68	7.227131	7.736131	358	358	N/A	2	2.385203	1.204932	7.482042	14.246758	7.715711	34	6
278,127.43	7.969403	8.478403	359	359	N/A	1	1.500000	1.500000	7.956805	15.478403	8.478403	35	6
268,720.60	7.853865	8.362865	359	359	N/A	1	1.860821	1.379726	7.603923	15.122318	8.362865	35	6
18,282,021.54	7.471589	7.980589	359	359	N/A	1	1.770349	1.401346	7.333454	14.792239	7.986848	35	6
101,133.90	7.741000	8.250000	358	358	N/A	2	1.500000	1.500000	8.250000	15.250000	8.250000	34	6
853,213.32	6.611439	7.120439	359	359	N/A	1	2.054157	1.315281	7.033349	13.751000	7.120439	35	6
13,115,997.24	7.578310	8.087310	359	359	N/A	1	1.909523	1.344252	7.451746	14.848842	8.072395	35	6
149,685.54	8.291000	8.800000	359	359	N/A	1	3.000000	1.000000	8.800000	14.800000	8.800000	35	6

**Percent of the Initial Certificate Principal Balance
at the Respective Percentages of the Prepayment Model(1)**

Distribution Date	Class 1-AV-1				
	50%	75%	100%	125%	150%
Initial Percentage.....	100%	100%	100%	100%	100%
September 25, 2005.....	87	83	79	75	71
September 25, 2006.....	75	66	57	49	41
September 25, 2007.....	54	37	22	9	0
September 25, 2008.....	40	27	19	9	0
September 25, 2009.....	32	21	13	7	0
September 25, 2010.....	27	15	8	0	0
September 25, 2011.....	22	12	6	0	0
September 25, 2012.....	18	9	0	0	0
September 25, 2013.....	15	6	0	0	0
September 25, 2014.....	12	0	0	0	0
September 25, 2015.....	10	0	0	0	0
September 25, 2016.....	8	0	0	0	0
September 25, 2017.....	7	0	0	0	0
September 25, 2018.....	6	0	0	0	0
September 25, 2019.....	0	0	0	0	0
Weighted Average Life (in years)(2).....	4.63	3.29	2.54	1.98	1.59
Weighted Average Life (in years)(2)(3).....	4.85	3.44	2.65	2.06	1.59

- (1) All numbers are rounded to the nearest whole percentage.
- (2) The weighted average life of each Certificate is determined by:
- (a) multiplying the amount of each principal payment by the number of years from the date of issuance to the related Distribution Date,
 - (b) adding the results, and
 - (c) dividing the sum by the initial respective Certificate Principal Balance for such class of Certificates.
- (3) To maturity.

USE OF PROCEEDS

The Depositor will apply the net proceeds of the sale of the of the Class AV and Class AF Certificates and the Fixed Rate and Adjustable Rate Subordinate Certificates against the purchase price of the Mortgage Loans.

MATERIAL FEDERAL INCOME TAX CONSEQUENCES

The following is a general discussion that summarizes the material federal income tax consequences of the ownership and disposition of the Regular Certificates (as defined below) and is based on the Internal Revenue Code of 1986, as amended (the “**Code**”), the Treasury Regulations promulgated and proposed thereunder (the “**Regulations**”), judicial decisions and published administrative rulings and pronouncements of the Internal Revenue Service (the “**IRS**”), all as in effect on the date hereof. Legislative, judicial or administrative changes or interpretations hereafter enacted or promulgated could alter or modify the analysis and conclusions set forth below, possibly on a retroactive basis. This discussion represents the opinion of tax counsel subject to the qualifications set forth in this information circular. This discussion does not purport to address the federal income tax consequences either to special classes of taxpayers (such as S corporations, banks, thrifts, other financial institutions, insurance companies, mutual funds, small business investment companies, real estate investment trusts, regulated investment companies, broker-dealers, tax-exempt organizations and persons that hold the Certificates as part of a straddle, hedging or conversion transaction) or to a person or entity holding an interest in a holder (e.g., as a stockholder,

partner, or holder of an interest as a beneficiary). This discussion assumes that the Regular Certificates will be held as capital assets as defined in Section 1221 of the Code. The discussion is generally limited to initial purchasers of the Regular Certificates. No information is provided in this offering circular with respect to any foreign, state or local tax consequences of the ownership and disposition of the Regular Certificates or any federal alternative minimum tax or estate and gift tax considerations. Except as discussed in sections entitled “—Non-U.S. Persons,” the following discussion applies only to U.S. Persons (defined below).

Prospective investors are urged to consult their own tax advisors with regard to the federal tax consequences of purchasing, holding and disposing of the Regular Certificates in their own particular circumstances, as well as the tax consequences arising under the federal alternative minimum tax and estate and gift tax laws and the laws of any state, foreign country or other jurisdiction to which they may be subject.

U.S. Person. For purposes of this discussion, the term “**U.S. Person**” means a holder of a Regular Certificate that is a citizen or resident of the United States, a corporation (or other entity treated as a corporation for federal income tax purposes) organized in or under the laws of the United States, any state thereof or the District of Columbia, an estate, the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source or a trust with respect to which a court in the U.S. is able to exercise primary authority over its administration and one or more U.S. persons have the authority to control all of its substantial decisions. A “**Non-U.S. Person**” means a holder other than a U.S. Person and persons subject to rules applicable to former citizens and residents of the United States. If a partnership holds Regular Certificates, the federal income tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership. Partners of a partnership holding Regular Certificates should consult their tax advisors.

In General

For federal income tax purposes, the Trust Fund (exclusive of the Corridor Contracts, the Credit Comeback Excess Account and the Carryover Reserve Fund) will consist of one or more REMICs in a tiered structure. The highest REMIC will be referred to as the “**Master REMIC**,” and each REMIC below the Master REMIC (if any) will be referred to as an “**underlying REMIC**.” Each underlying REMIC (if any) will issue multiple classes of uncertificated, regular interests (the “**underlying REMIC Regular Interests**”) that will be held by another REMIC above it in the tiered structure. The assets of the lowest underlying REMICs (or the Master REMIC if there are no underlying REMICs) will consist of the Mortgage Loans and any other assets designated in the Pooling and Servicing Agreement. The Master REMIC will issue the Class AV and Class AF Certificates and the Fixed Rate and Adjustable Rate Subordinate Certificates (the “**Regular Certificates**”), which will be designated as the regular interests in the Master REMIC. The Class A-R Certificates (also, the “**Residual Certificates**”) will represent the beneficial ownership of the residual interest in each underlying REMIC (if any) and the residual interest in the Master REMIC. The assets of the Master REMIC will consist of the underlying REMIC Regular Interests (or, if there are no underlying REMICs, the Mortgage Loans and any other assets designated in the Pooling and Servicing Agreement). Aggregate distributions on the underlying REMIC Regular Interests held by the Master REMIC (if any) will equal the aggregate distributions on the Regular Certificates issued by the Master REMIC.

All classes of the Regular Certificates will be treated as representing interests in a REMIC regular interest (the “**REMIC Regular Interest Component**”) and the entitlement to receive payments of Net Rate Carryover (the “**Net Rate Carryover Component**”). Holders of the Regular Certificates must allocate the purchase price for their Regular Certificates between the REMIC Regular Interest Component and the Net Rate Carryover Component.

Upon the issuance of the Certificates, Sidley Austin Brown & Wood LLP (“**Tax Counsel**”), will deliver its opinion concluding, assuming compliance with the Pooling and Servicing Agreement, for federal income tax purposes, that each REMIC created under the Pooling and Servicing Agreement will qualify as a REMIC within the meaning of Section 860D of the Code, and that the Regular Certificates will represent regular interests in a REMIC. Moreover, Tax Counsel will deliver an opinion concluding that the interests of the holders of the Regular Certificates with respect to Net Rate Carryover will represent, for federal income tax purposes, contractual rights coupled with regular interests within the meaning of Treasury regulations §1.860G-2(i).

Taxation of the REMIC Regular Interest Components of the Regular Certificate

In General. The REMIC Regular Interest Component of a Regular Certificate, will be treated as a debt instrument issued by the Master REMIC for federal income tax purposes. Income on the REMIC Regular Interest Components must be reported under an accrual method of accounting. Under an accrual method of accounting, interest income may be required to be included in a holder's gross income in advance of the holder's actual receipt of that interest income.

Original Issue Discount. The REMIC Regular Interest Components may also be issued with original issue discount ("**OID**"). Generally, OID, if any, will equal the difference between the "stated redemption price at maturity" of a REMIC Regular Interest Component and its "issue price." If a Regular Interest Component is issued with OID, the holder will be required to include the OID in gross income for federal income tax purposes as it accrues, in accordance with a constant yield method based on the semi-annual (or more frequent) compounding of interest rather than in accordance with receipt of the interest payments. The following discussion is based on the Treasury regulations addressing OID (the "**OID Regulations**"), the Code and the legislative history accompanying enactment of the Code (the "**Legislative History**"). Holders of Regular Certificates should be aware that the OID Regulations do not adequately address certain issues relevant to prepayable securities, such as the REMIC Regular Interest Components.

Rules governing OID are set forth in Sections 1271 through 1273 and 1275 of the Code. These rules require that the amount and rate of accrual of OID be calculated based on the prepayment assumption and the anticipated reinvestment rate, if any, relating to the REMIC Regular Interest Components and prescribe a method for adjusting the amount and rate of accrual of the discount where the actual prepayment rate differs from the prepayment assumption.

Under the Code, the prepayment assumption must be determined in the manner prescribed by regulations, which regulations have not yet been issued. The Legislative History provides, however, that Congress intended the regulations to require that the prepayment assumption be the prepayment assumption that is used in determining the initial offering price of the REMIC Regular Interest Components. For purposes of determining the amount and rate of accrual of OID and market discount (discussed later), the trust fund intends to assume that there will be prepayments on the Mortgage Loans at a rate equal to 100% of the Prepayment Model (the "**Prepayment Assumption**"). No representation is made regarding whether the Mortgage Loans will prepay at the foregoing rate or at any other rate. Computing accruals of OID in this manner may (depending on the actual rate of prepayments during the accrual period) result in the accrual of negative amounts of OID on the certificates issued with OID in an accrual period. Holders will be entitled to offset negative accruals of OID only against future OID accrual on their certificates..

The IRS issued final regulations (the "**Contingent Regulations**") in June 1996 governing the calculation of OID on instruments having contingent interest payments. The Contingent Regulations specifically do not apply for purposes of calculating OID on debt instruments subject to Code Section 1272(a)(6), such as the REMIC Regular Interest Components. Additionally, the OID Regulations do not contain provisions specifically interpreting Code Section 1272(a)(6). The trustee intends to base its computations on Code Section 1272(a)(6) and the OID Regulations as described in this information circular. However, because no regulatory guidance currently exists under Code Section 1272(a)(6), there can be no assurance that this methodology represents the correct manner of calculating OID.

In general, each REMIC Regular Interest Component will be treated as a single installment obligation issued with an amount of OID equal to the excess of its "stated redemption price at maturity" over its issue price. The issue price of a REMIC Regular Interest Component is the first price at which a substantial amount of REMIC Regular Interest Components are first sold to the public (excluding bond houses, brokers, underwriters or wholesalers). The issue price of a REMIC Regular Interest Component (which is computed based on the amount of the purchase price of the Regular Certificate allocable to the REMIC Regular Interest Component) includes the amount, if any, paid for interest accruing before the issue date of the REMIC Regular Interest Component. The stated redemption price at maturity of a REMIC Regular Interest Component includes the original principal amount of the REMIC Regular Interest Component, but generally will not include distributions of interest that constitute "qualified stated interest." Qualified stated interest generally means interest unconditionally payable at intervals of

one year or less at a single fixed rate or qualified variable rate (as described below) during the entire term of the REMIC Regular Interest Component.

Under the de minimis rule, OID on a REMIC Regular Interest Component will be considered to be zero if it is less than 0.25% of the stated redemption price at maturity of the REMIC Regular Interest Component multiplied by the weighted average maturity of the REMIC Regular Interest Component. The weighted average maturity of a REMIC Regular Interest Component is the sum of the weighted maturity of each payment of the REMIC Regular Interest Component's stated redemption price. The weighted maturity of each stated redemption price payment is (i) the number of complete years from the issue date until the payment is made, multiplied by (ii) a fraction, the numerator of which is the amount of the payment and the denominator of which is the REMIC Regular Interest Component's total stated redemption price. Although currently unclear, it appears that the schedule of these distributions should be determined in accordance with the Prepayment Assumption. Holders generally must report de minimis OID pro rata as principal payments are received, and income will be capital gain if the REMIC Regular Interest Component is held as a capital asset. However, holders may elect to accrue all de minimis OID as well as market discount under a constant yield method.

Generally, the holder of a REMIC Regular Interest Component must include in gross income the "daily portions," as determined below, of the OID that accrues on the REMIC Regular Interest Component for each day the Certificateholder holds the REMIC Regular Interest Component, including the purchase date but excluding the disposition date. The daily portions of OID are determined by allocating to each day in an accrual period the ratable portion of OID allocable to the accrual period. Accrual periods may be of any length and may vary in length over the term of the REMIC Regular Interest Components, provided that each accrual period (i) is no longer than one year, (ii) begins or ends on a distribution date (except for the first accrual period which begins on the issue date) and (iii) begins on the day after the preceding accrual period ends. In the case of a full accrual period, the OID accrued during the accrual period will be determined by adding:

- The present value at the end of the accrual period (determined by using as a discount factor the original yield to maturity of the REMIC Regular Interest Components as calculated under the Prepayment Assumption) of all remaining payments to be received on the REMIC Regular Interest Components under the Prepayment Assumption and
- any payments included in the stated redemption price at maturity received during the same accrual period, and
- subtracting from that total the adjusted issue price of the REMIC Regular Interest Components at the beginning of the same accrual period.

The adjusted issue price of a REMIC Regular Interest Component at the beginning of the first accrual period is its issue price; the adjusted issue price of a REMIC Regular Interest Component at the beginning of a subsequent accrual period is the adjusted issue price at the beginning of the immediately preceding accrual period plus the amount of OID allocable to that accrual period and reduced by the amount of any payment other than a payment of qualified stated interest made at the end of or during that accrual period. The OID accrued during an accrual period will then be divided by the number of days in the period to determine the daily portion of OID for each day in the accrual period. The calculation of OID under the method described above will cause the accrual of OID to either increase or decrease (but never below zero) in a given accrual period to reflect the fact that prepayments are occurring faster or slower than under the Prepayment Assumption. With respect to an initial accrual period shorter than a full accrual period, the daily portions of OID may be determined according to an appropriate allocation under any reasonable method.

Effects of Defaults and Delinquencies. Holders will be required to report income with respect to the REMIC Regular Interest Component without giving effect to delays and reductions in distributions attributable to a default or delinquency on the loans, except possibly to the extent that it can be established that such amounts are uncollectible. As a result, the amount of income (including OID) reported by a holder of such a security in any period could significantly exceed the amount of cash distributed to such holder in that period. The holder will eventually be allowed a loss (or will be allowed to report a lesser amount of income) to the extent that the aggregate

amount of distributions on the securities is reduced as a result of a loan default. However, the timing and character of these losses or reductions in income are uncertain and, accordingly, holders of securities should consult their tax advisors on this point.

The depositor may adjust the accrual of OID on in a manner that it believes to be appropriate, to take account of realized losses on the loans, although the OID Regulations do not provide for such adjustments. If the IRS were to require that OID be accrued without such adjustments, the rate of accrual of OID for could increase.

Variable Rate Debt. In the case of a REMIC Regular Interest Component bearing interest at a rate that varies directly, or according to a fixed formula, (for example, LIBOR plus a margin), it appears that the present value of all payments remaining to be made on the REMIC Regular Interest Component should be calculated as if the interest index remained at its value as of the issue date of the REMIC Regular Interest Component. Because the proper method of adjusting accruals of OID on a variable rate instrument is uncertain, holders of the REMIC Regular Interest Components should consult their federal income tax advisers regarding this aspect of the REMIC Regular Interest Components.

Market Discount. A purchaser of a Regular Certificate may also be subject to the market discount provisions of Code Sections 1276 through 1278. Under these provisions and the OID Regulations, “market discount” equals the excess, if any, of a REMIC Regular Interest Component’s stated principal amount or, in the case of a REMIC Regular Interest Component with OID, the adjusted issue price (determined for this purpose as if the purchaser had purchased the REMIC Regular Interest Component from an original holder) over the price for the REMIC Regular Interest Component paid by the purchaser. A holder that purchases a REMIC Regular Interest Component at a market discount will recognize income upon receipt of each distribution representing stated redemption price. In particular, under Section 1276 of the Code a holder generally will be required to allocate each principal distribution first to accrued market discount not previously included in income, and to recognize ordinary income to that extent. A holder may elect to include market discount in income currently as it accrues rather than including it on a deferred basis in accordance with the foregoing. If made, the election will apply to all market discount bonds acquired by the electing holder on or after the first day of the first taxable year to which the election applies.

Market discount with respect to a REMIC Regular Interest Component will be considered to be zero if it is less than 0.25% of the REMIC Regular Interest Component’s stated redemption price at maturity multiplied by the REMIC Regular Interest Component’s weighted average maturity remaining after the date of purchase. If market discount on a REMIC Regular Interest Component is considered to be zero under this rule, the actual amount of market discount must be allocated to the remaining principal payments on the REMIC Regular Interest Component, and gain equal to the allocated amount will be recognized when the corresponding principal payment is made. Treasury regulations implementing the market discount rules have not yet been issued. Investors should consult their tax advisors regarding the application of these rules and the advisability of making any of the elections allowed under Code Sections 1276 through 1278.

The Code provides that any principal payment (whether a scheduled payment or a prepayment) or any gain on disposition of a market discount bond shall be treated as ordinary income to the extent that it does not exceed the accrued market discount at the time of the payment or disposition. The amount of accrued market discount for purposes of determining the tax treatment of subsequent principal payments or dispositions of the market discount bond is to be reduced by the amount so treated as ordinary income.

The Code also grants authority to the Treasury Department to issue regulations providing for the computation of accrued market discount on debt instruments, the principal of which is payable in more than one installment. Until regulations are issued by the Treasury, rules described in the Legislative History will apply. Under those rules, the holder of a REMIC Regular Interest Component with market discount may elect to accrue market discount either on the basis of a constant yield rate or according to one of the following methods:

- For REMIC Regular Interest Components issued with OID, the amount of market discount that accrues during a period is equal to the product of the total remaining market discount and a fraction, the numerator

of which is the OID accruing during the period and the denominator of which is the total remaining OID at the beginning of the period.

- For REMIC Regular Interest Components issued without OID, the amount of market discount that accrues during a period is equal to the product of the total remaining market discount and a fraction, the numerator of which is the amount of stated interest paid during the accrual period and the denominator of which is the total amount of stated interest remaining to be paid at the beginning of the period.

For purposes of calculating market discount under any of the above methods in the case of instruments (such as the REMIC Regular Interest Components) that provide for payments that may be accelerated due to prepayments of other obligations securing the instruments, the same Prepayment Assumption applicable to calculating the accrual of OID will apply.

A holder of a REMIC Regular Interest Component that acquires the REMIC Regular Interest Component at a market discount also may be required to defer, until the maturity date of the REMIC Regular Interest Component or its earlier disposition in a taxable transaction, the deduction of a portion of the amount of interest that the holder paid or accrued during the taxable year on indebtedness incurred or maintained to purchase or carry the REMIC Regular Interest Component in excess of the aggregate amount of interest (including OID) includible in the holder's gross income for the taxable year with respect to the REMIC Regular Interest Component. The amount of the net interest expense deferred in a taxable year may not exceed the amount of market discount accrued on the REMIC Regular Interest Component for the days during the taxable year on which the holder held the REMIC Regular Interest Component and, in general, would be deductible when the market discount is includible in income. The amount of any remaining deferred deduction is to be taken into account in the taxable year in which the REMIC Regular Interest Component matures or is disposed of in a taxable transaction. In the case of a disposition in which gain or loss is not recognized in whole or in part, any remaining deferred deduction will be allowed to the extent of gain recognized on the disposition. This deferral rule does not apply if the holder of the REMIC Regular Interest Component elects to include the market discount in income currently as it accrues on all market discount obligations acquired by the holder in that taxable year or thereafter.

Acquisition Premium. A subsequent purchaser of a REMIC Regular Interest Component issued with OID who purchases the REMIC Regular Interest Component at a cost less than the remaining stated redemption price at maturity will also be required to include in gross income the sum of the daily portions of OID on that REMIC Regular Interest Component. In computing the daily portions of OID for a subsequent purchaser of a REMIC Regular Interest Component (as well as an initial purchaser that purchases at a price higher than the adjusted issue price but less than the stated redemption price at maturity), however, the daily portion for any day is reduced by the amount that would be the daily portion for the day (computed in accordance with the rules set forth above) multiplied by a fraction, the numerator of which is:

- the excess of the cost of the REMIC Regular Interest Component to the purchaser over
- the adjusted issue price of the REMIC Regular Interest Component, which is the issue price of the REMIC Regular Interest Component plus the aggregate amount of OID that would have been includible in the gross income of an original holder of the REMIC Regular Interest Component (who purchased the REMIC Regular Interest Component at its issue price), less any prior payments included in the stated redemption price at maturity,

And the denominator of which is:

- the sum of the daily portions for the REMIC Regular Interest Component for all days beginning after the purchase date and ending on the maturity date computed under the Prepayment Assumption.

A holder who pays an acquisition premium instead may elect to accrue OID by treating the purchase as a purchase at original issue.

Bond Premium. If the holder of any Regular Certificate acquires the REMIC Regular Interest Component of the Regular Certificate at a premium (that is, at a cost greater than its stated redemption price at maturity), then the holder may elect to amortize the premium as an offset to interest income on the REMIC Regular Interest Component (and not as a separate deduction item), using a constant yield method. Although no regulations addressing the computation of premium accrual on securities similar to the securities have been issued, the legislative history accompanying enactment of the Internal Revenue Code of 1986 indicates that premium is to be accrued in the same manner as market discount. Accordingly, it appears that the accrual of premium on the REMIC Regular Interest Component will be calculated using the prepayment assumption used in pricing the REMIC Regular Interest Component. If a holder elects to amortize premium on the REMIC Regular Interest Component, the election will apply to all taxable debt instruments held by the holder at the beginning of the taxable year in which the election is made. The election will also apply to all taxable debt instruments acquired thereafter by the holder, and will be irrevocable without the consent of the IRS.

The Treasury has issued regulations (the “Final Bond Premium Regulations”) dealing with amortizable bond premium. These regulations specifically do not apply to prepayable debt instruments subject to Code Section 1272(a)(6) such as the securities. Absent further guidance from the IRS, the trustee intends to account for amortizable bond premium in the manner described above.

Holders that acquire the REMIC Regular Interest Components of their Regular Certificates at a premium, are encouraged to consult their tax advisors regarding the election to amortize premium, the method to be employed and the possible application of the Final Bond Premium Regulations.

Election to Treat All Interest as OID. The OID Regulations permit the holder of a REMIC Regular Interest Component to elect to accrue all interest, discount (including de minimis market or original issue discount) and premium in income as interest, based on a constant yield method. If this election is made with respect to a REMIC Regular Interest Component having market discount, then the holder is deemed to have made an election to include market discount in income currently with respect to all other market discount debt instruments that the holder acquires during the year of the election and thereafter. Similarly, a holder that makes this election for a REMIC Regular Interest Component that is acquired at a premium is deemed to have made an election to amortize bond premium with respect to all premium debt instruments that the holder owns and acquires. The election to accrue interest, discount and premium on a constant yield method with respect to a REMIC Regular Interest Component (and other affected debt) cannot be revoked without the consent of the IRS.

Treatment of Realized Losses. Although not entirely clear, it appears that holders of Regular Certificates that are corporations should in general be allowed to deduct as an ordinary loss any loss sustained during the taxable year on account of a REMIC Regular Interest Component becoming wholly or partially worthless, and that, in general, holders of Regular Certificates that are not corporations should be allowed to deduct as a short-term capital loss any loss sustained during the taxable year on account of a REMIC Regular Interest Component becoming wholly worthless. Although the matter is unclear, non-corporate holders of Regular Certificates may be allowed a bad debt deduction at the time that the principal balance of the REMIC Regular Interest Component is reduced to reflect realized losses resulting from any liquidated mortgage loans. The IRS, however, could take the position that non-corporate holders will be allowed a bad debt deduction to reflect realized losses only after all mortgage loans remaining in the related trust fund have been liquidated or the Regular Certificates have been otherwise retired. Potential holders of the Regular Certificates are urged to consult their tax advisors regarding the appropriate timing, amount and character of any loss sustained, including any loss resulting from the failure to recover previously accrued interest or discount income.

Non-U.S. Persons. Generally, payments of interest (including any payment with respect to accrued OID) on the REMIC Regular Interest Component to a Regular Certificateholder who is not a U.S. Person and is not engaged in a trade or business within the United States will not be subject to federal withholding tax if the non-U.S. Person provides the REMIC or other person who is otherwise required to withhold U.S. tax with respect to the REMIC Regular Interest Component with an appropriate statement (on Form W-8BEN or other similar form), signed under penalties of perjury, certifying that the beneficial owner of the Regular Certificate is a foreign person and providing that non-U.S. person’s name and address. If the holder of a Regular Certificateholder is not exempt from withholding, then distributions of interest, including distributions in respect of accrued OID may be subject to a 30% withholding tax, subject to reduction under any applicable tax income treaty.

Further, it appears that a Regular Certificate would not be included in the estate of a non-resident alien individual and would not be subject to United States estate taxes. However, Certificateholders who are non-resident alien individuals are encouraged to consult their tax advisors concerning this question.

Taxation of the Net Rate Carryover Components of the Regular Certificates

In General. The following discussions assume that the rights and obligations of the holders of the Regular Certificates and Class CF and Class CV Certificates with respect to Net Rate Carryover will be treated as rights and obligations under a notional principal contract rather than as a partnership for federal income tax purposes. If these rights and obligations were treated as representing an entity taxable as a partnership for federal income tax purposes, then there could be different tax timing consequences to all such Certificateholders and different withholding tax consequences on payments to Certificateholders who are non-U.S. Persons. Prospective investors in the Regular Certificates should consult their tax advisors regarding their appropriate tax treatment.

The Rights of the Regular Certificates With Respect to Net Rate Carryover. For tax information reporting purposes, the Trustee (1) will treat the Net Rate Carryover rights of the Regular Certificates as rights to receive payments under a notional principal contract (specifically, an interest rate cap contract) and (2) anticipates assuming that these rights will have an insubstantial value relative to the value of the REMIC Regular Interest Components of the Regular Certificates. The IRS could, however, successfully argue that the Net Rate Carryover Component of the Regular Certificates has a greater value. Similarly, the Trustee could determine that the Net Rate Carryover Component of one or more classes of the Regular Certificates has a greater value. In either case, the REMIC Regular Interest Component of the Regular Certificates could be viewed as having been issued with either an additional amount of OID (which could cause the total amount of discount to exceed a statutorily defined de minimis amount) or with less premium (which would reduce the amount of premium available to be used as an offset against interest income). In addition, the Net Rate Carryover Component could be viewed as having been purchased at a higher cost. These changes could affect the timing and amount of income and deductions on the REMIC Regular Interest Component and Net Rate Carryover Component.

The portion of the overall purchase price of a Regular Certificate attributable to the Net Rate Carryover Component must be amortized over the life of the Certificate, taking into account the declining balance of the related REMIC Regular Interest Component. Treasury regulations concerning notional principal contracts provide alternative methods for amortizing the purchase price of an interest rate cap contract. Under one method — the level yield constant interest method — the price paid for an interest rate cap agreement is amortized over the life of the cap as though it were the principal amount of a loan bearing interest at a reasonable rate. Holders are urged to consult their tax advisors concerning the methods that can be employed to amortize the portion of the purchase price paid for the Net Rate Carryover Component of such a Certificate.

Any payments received by a holder of a Regular Certificate as Net Rate Carryover will be treated as periodic payments received under a notional principal contract. For any taxable year, to the extent the sum of the periodic payments received exceeds the amortization of the purchase price of the Net Rate Carryover Component, such excess will be ordinary income. Conversely, to the extent the amortization of the purchase price exceeds the periodic payments, such excess will be allowable as an ordinary deduction. In the case of an individual, such deduction will be subject to the 2-percent floor imposed on miscellaneous itemized deductions under section 67 of the Code and may be subject to the overall limitation on itemized deductions imposed under section 68 of the Code. In addition, miscellaneous itemized deductions are not allowed for purposes of computing the alternative minimum tax.

Non-U.S. Persons. In the case of a Non-U.S. Person, the source of any income on the Net Rate Carryover Component will ordinarily be the Non-U.S. Person's residence as determined under Section 988(a)(3)(B)(i) of the Code.

Dispositions of Regular Certificates

Upon the sale, exchange, or other disposition of a Regular Certificate, the Regular Certificateholder must allocate the amount realized between the REMIC Regular Interest Component and the Net Rate Carryover Component based on the relative fair market values of those components at the time of sale. Assuming that the

Regular Certificates are held as “capital assets” within the meaning of Section 1221 of the Code, any gain or loss on the disposition of the Net Rate Carryover Component should result in capital gain or loss and any gain or loss on the disposition of the REMIC Regular Interest Component should result in capital gain or loss. Gain with respect to the REMIC Regular Interest Component, however, will be treated as ordinary income, to the extent it does not exceed the excess (if any) of:

- (1) the amount that would have been includible in the holder’s gross income with respect to the REMIC Regular Interest Component had income thereon accrued at a rate equal to 110% of the applicable federal rate as defined in section 1274(d) of the Code determined as of the date of purchase of the Certificate

over
- (2) the amount actually included in such holder’s income.

Non-U.S. Persons. Generally, a Non-U.S. Person will not be subject to federal income taxes on any amount which constitutes capital gain upon the sale, exchange or other disposition of a Regular Certificate, unless the Non-U.S. Person is an individual who is present in the United States for 183 days or more in the taxable year of the disposition and the gain is derived from sources within the United States. Certain other exceptions may be applicable, and a Non-U.S. Person should consult its tax advisor in this regard.

Tax Treatment For Certain Purposes

The REMIC Regular Interest Components of the Regular Certificates will represent “real estate assets” under Section 856(c)(5)(B) of the Code and qualifying assets under Section 7701(a)(19)(C) of the Code in the same proportion or greater that the assets of the Trust Fund will be so treated, and income on the REMIC Regular Interest Components of the Regular Certificates will represent “interest on obligations secured by mortgages on real property or on interests in real property” under Section 856(c) (3) (B) of the Code in the same proportion or greater that the income on the assets of the Trust Fund will be so treated. The Net Rate Carryover Component of the Regular Certificates will not qualify as assets described in Section 7701(a)(19)(C) of the Code or as real estate assets under Section 856(c)(5)(B) of the Code. In addition, because of the Net Rate Carryover Components, holders of the Regular Certificates should consult with their tax advisors before resecuritizing those Certificates in a REMIC.

Integration

Under certain specific conditions, debt instruments and interests in notional principal contracts may be integrated, for federal income tax purposes, into a single “synthetic” debt instrument. Regular Certificateholders should consult their tax advisors concerning the possibility and consequences of integrating their interests in the REMIC Regular Interest Components and their positions with respect to Net Rate Carryover.

The Carryover Reserve Fund

The Class CF and Class CV Certificateholders will be taxable on the earnings of the Carryover Reserve Fund whether those earnings are distributed directly to the Class CF and Class CV Certificateholders or paid to the Regular Certificateholders and taxable to such certificateholders as part of Net Rate Carryover.

Information Reporting and Backup Withholding

Within a reasonable time after the end of each calendar year, each person who held a Regular Certificate at any time during the year, will be furnished with any information deemed appropriate to assist the holder in preparing the holder’s federal income tax returns, or to enable the holder to make the information available to beneficial owners or financial intermediaries that hold the Regular Certificates on behalf of beneficial owners. If a holder, beneficial owner, financial intermediary or other recipient of a payment on behalf of a beneficial owner fails to supply a certified taxpayer identification number or if the Secretary of the Treasury determines that the person has not reported all interest and dividend income required to be shown on its federal income tax return, backup

withholding may be required with respect to any payments. Any amounts deducted and withheld from a distribution to a recipient would be allowed as a credit against a recipient's federal income tax liability providing the requisite information is supplied to the IRS.

Taxation of the REMIC

General. Although a REMIC is a separate entity for federal income tax purposes, a REMIC is not generally subject to entity-level tax. Rather, the taxable income or net loss of a REMIC is taken into account by the holders of residual interests. As described above, the regular interests are generally taxable as debt of the REMIC.

Prohibited Transactions and Contributions Tax. A REMIC will be subject to a 100% tax on any net income derived from a "prohibited transaction." For this purpose, net income will be calculated without taking into account any losses from prohibited transactions or any deductions attributable to any prohibited transaction that resulted in a loss. In general, prohibited transactions include:

- subject to limited exceptions, the sale or other disposition of any qualified mortgage transferred to the REMIC;
- subject to a limited exception, the sale or other disposition of a cash flow investment;
- the receipt of any income from assets not permitted to be held by the REMIC pursuant to the Code; or
- the receipt of any fees or other compensation for services rendered by the REMIC.

It is anticipated that no REMIC will engage in any prohibited transactions in which it would recognize a material amount of net income. The holders of the residual interests will generally be responsible for the payment of any such taxes imposed on the REMIC. To the extent not paid by such holders or otherwise, however, such taxes will be paid out of the trust fund and will be allocated pro rata to all outstanding classes of securities of the REMIC.

OTHER TAXES

No representations are made regarding the tax consequences of the purchase, ownership or disposition of the Certificates under any state, local or foreign tax law.

All investors should consult their tax advisors regarding the federal, state, local or foreign tax consequences of purchasing, owning or disposing of the Certificates.

LEGAL MATTERS

The validity of the Certificates, including certain federal income tax consequences with respect thereto, will be passed upon for the Depositor by Sidley Austin Brown & Wood LLP, New York, New York.

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THE STATISTICAL CALCULATION POOL

The following information sets forth in tabular format certain information, as of the Statistical Calculation Date, about the Mortgage Loans included in the Statistical Calculation Pool in respect of Loan Group 1, Loan Group 2, Loan Group 3 and Loan Group 2 and Loan Group 3 as a whole. Other than with respect to rates of interest, percentages are approximate and are stated by that portion of the Statistical Calculation Date Pool Principal Balance representing Loan Group 1, Loan Group 2, Loan Group 3 or the aggregate of Loan Group 2 and Loan Group 3. The sum of the columns below may not equal the total indicated due to rounding. In addition, each weighted average credit bureau risk score set forth below has been calculated without regard to any Mortgage Loan for which the credit bureau risk score is unknown.

LOAN GROUP 1

MORTGAGE LOAN PROGRAMS FOR THE GROUP 1 MORTGAGE LOANS IN THE STATISTICAL CALCULATION POOL

Loan Program	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to- Value Ratio
Fixed 10-Year	3	\$ 147,971	0.02%	\$ 49,324	8.902%	117.54	580	46.4%
Fixed 15-Year	388	45,290,487	6.14	116,728	7.384	178.71	604	72.1
Fixed 15-Year – Credit Comeback	38	3,438,861	0.47	90,496	8.701	178.64	585	70.6
Fixed 20-Year	32	4,065,047	0.55	127,033	7.824	238.20	616	78.6
Fixed 30-Year	3,245	590,064,183	79.98	181,838	6.978	358.66	623	73.9
Fixed 30-Year – Credit Comeback	278	58,257,179	7.90	209,558	7.204	358.51	636	69.1
Fixed 30-Year – Interest Only	148	36,104,060	4.89	243,946	6.663	358.42	648	78.1
Fixed 30/15 Year – Balloon...	5	431,070	0.06	86,214	8.198	177.46	612	72.0
Total/Avg./Wtd. Avg.	<u>4,137</u>	<u>\$ 737,798,858</u>	<u>100.00%</u>	<u>\$ 178,342</u>	<u>7.019%</u>	<u>345.94</u>	<u>624</u>	<u>73.7%</u>

ORIGINAL TERM TO STATED MATURITY FOR THE GROUP 1 MORTGAGE LOANS IN THE STATISTICAL CALCULATION POOL

Original Term (months)	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to- Value Ratio
Fixed 120	3	\$ 147,971	0.02%	\$ 49,324	8.902%	117.54	580	46.4%
Fixed 180	431	49,160,418	6.66	114,061	7.483	178.69	602	72.0
Fixed 240	32	4,065,047	0.55	127,033	7.824	238.20	616	78.6
Fixed 360	3,671	684,425,422	92.77	186,441	6.980	358.64	625	73.8
Total/Avg./Wtd. Avg.	<u>4,137</u>	<u>\$ 737,798,858</u>	<u>100.00%</u>	<u>\$ 178,342</u>	<u>7.019%</u>	<u>345.94</u>	<u>624</u>	<u>73.7%</u>

**MORTGAGE LOAN PRINCIPAL BALANCES FOR THE GROUP 1 MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL**

Range of Mortgage Loan Principal Balances	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to- Value Ratio
\$ 0.01 – \$ 25,000.00	3	\$ 51,312	0.01%	\$ 17,104	11.253%	132.27	555	63.0%
\$ 25,000.01 – \$ 50,000.00	84	3,678,350	0.50	43,790	9.180	279.08	595	63.9
\$ 50,000.01 – \$ 75,000.00	408	25,890,892	3.51	63,458	8.211	303.93	607	71.2
\$ 75,000.01 – \$ 100,000.00....	563	49,871,880	6.76	88,582	7.583	333.76	611	73.8
\$100,000.01 – \$150,000.00 ...	981	122,732,699	16.63	125,110	7.355	335.67	613	74.2
\$150,000.01 – \$200,000.00 ...	743	129,534,034	17.56	174,339	7.064	348.12	616	73.0
\$200,000.01 – \$250,000.00 ...	498	111,901,837	15.17	224,702	6.834	352.78	623	73.9
\$250,000.01 – \$300,000.00 ...	354	97,294,739	13.19	274,844	6.759	353.05	627	74.4
\$300,000.01 – \$350,000.00 ...	215	69,751,028	9.45	324,423	6.764	352.50	633	75.3
\$350,000.01 – \$400,000.00 ...	137	51,484,727	6.98	375,801	6.694	358.70	632	74.1
\$400,000.01 – \$450,000.00 ...	65	27,654,570	3.75	425,455	6.623	355.51	647	76.0
\$450,000.01 – \$500,000.00 ...	51	24,691,114	3.35	484,139	6.612	337.57	642	71.0
\$500,000.01 – \$550,000.00 ...	6	3,136,905	0.43	522,817	6.895	359.18	642	76.7
\$550,000.01 – \$600,000.00 ...	6	3,457,580	0.47	576,263	6.532	358.35	707	63.3
\$600,000.01 – \$650,000.00 ...	11	6,867,136	0.93	624,285	6.475	358.54	650	74.3
\$650,000.01 – \$700,000.00 ...	5	3,387,302	0.46	677,460	6.287	358.60	660	66.9
\$750,000.01 – \$800,000.00 ...	1	770,000	0.10	770,000	6.375	360.00	629	70.0
\$800,000.01 – \$850,000.00 ...	1	812,275	0.11	812,275	6.500	358.00	655	75.0
\$900,000.01 or Greater.....	5	4,830,477	0.65	966,095	6.306	358.81	694	56.8
Total/Avg./Wtd. Avg.	<u>4,137</u>	<u>\$ 737,798,858</u>	<u>100.00%</u>	<u>\$ 178,342</u>	<u>7.019%</u>	<u>345.94</u>	<u>624</u>	<u>73.7%</u>

**CURRENT MORTGAGE RATES FOR THE GROUP 1 MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL**

Range of Current Mortgage Rates (%)	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to- Value Ratio
5.001 – 5.500.....	24	\$ 8,133,119	1.10%	\$ 338,880	5.478%	342.35	728	60.1%
5.501 – 6.000	223	57,125,067	7.74	256,166	5.918	352.97	670	68.2
6.001 – 6.500	850	192,493,147	26.09	226,463	6.354	352.13	639	71.5
6.501 – 7.000	1,068	205,628,034	27.87	192,536	6.828	347.29	619	73.4
7.001 – 7.500	670	113,573,070	15.39	169,512	7.333	345.39	613	76.4
7.501 – 8.000	582	83,057,989	11.26	142,711	7.800	340.28	606	75.5
8.001 – 8.500	277	35,784,698	4.85	129,187	8.325	335.85	597	79.5
8.501 – 9.000	214	23,497,522	3.18	109,802	8.796	329.78	588	79.5
9.001 – 9.500	84	7,699,506	1.04	91,661	9.325	327.58	566	78.2
9.501 – 10.000.....	58	4,729,439	0.64	81,542	9.816	319.80	570	80.0
10.001 – 10.500	36	3,065,130	0.42	85,143	10.352	290.36	568	76.9
10.501 – 11.000	26	1,697,335	0.23	65,282	10.807	299.56	571	74.3
11.001 – 11.500	15	844,954	0.11	56,330	11.332	283.46	574	73.5
11.501 – 12.000	4	175,475	0.02	43,869	11.771	299.13	546	79.2
12.001 – 12.500	4	208,072	0.03	52,018	12.205	358.64	550	78.1
12.501 – 13.000	1	33,600	0.00	33,600	12.750	360.00	N/A	80.0
13.001 – 13.500	1	52,700	0.01	52,700	13.250	360.00	584	85.0
Total/Avg./Wtd. Avg.	<u>4,137</u>	<u>\$ 737,798,858</u>	<u>100.00%</u>	<u>\$ 178,342</u>	<u>7.019%</u>	<u>345.94</u>	<u>624</u>	<u>73.7%</u>

**REMAINING TERMS TO STATED MATURITY FOR THE GROUP 1 MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL**

Range of Remaining Terms (months)	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to- Value Ratio
1 – 120	5	\$ 177,629	0.02%	\$ 35,526	9.264%	114.30	572	50.2%
121 – 180	429	49,130,760	6.66	114,524	7.481	178.74	603	72.0
181 – 300	34	4,416,475	0.60	129,896	7.764	242.82	626	78.6
301 – 360	3,669	684,073,994	92.72	186,447	6.980	358.67	625	73.8
Total/Avg./Wtd. Avg.	<u>4,137</u>	<u>\$ 737,798,858</u>	<u>100.00%</u>	<u>\$ 178,342</u>	<u>7.019%</u>	<u>345.94</u>	<u>624</u>	<u>73.7%</u>

**LOAN-TO-VALUE RATIOS FOR THE GROUP 1 MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL**

Range of Loan-to-Value Ratios (%)	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to- Value Ratio
50.00 or Less.....	305	\$ 43,876,205	5.95%	\$ 143,856	6.836%	339.07	617	40.9%
50.01 – 55.00	126	22,043,276	2.99	174,947	6.718	344.62	625	52.8
55.01 – 60.00	216	40,540,831	5.49	187,689	6.786	347.21	614	57.8
60.01 – 65.00	293	58,269,002	7.90	198,870	6.806	342.21	611	63.2
65.01 – 70.00	390	75,577,465	10.24	193,788	6.872	346.59	603	68.1
70.01 – 75.00	474	89,360,430	12.11	188,524	6.912	347.36	614	73.4
75.01 – 80.00	1,425	248,587,005	33.69	174,447	6.988	347.77	631	79.3
80.01 – 85.00	421	73,240,780	9.93	173,969	7.285	345.18	624	83.8
85.01 – 90.00	387	71,799,101	9.73	185,527	7.418	346.90	642	89.2
90.01 – 95.00	57	8,963,765	1.21	157,259	8.123	333.88	642	93.8
95.01 – 100.00	43	5,540,997	0.75	128,860	8.229	337.94	670	99.4
Total/Avg./Wtd. Avg.	<u>4,137</u>	<u>\$ 737,798,858</u>	<u>100.00%</u>	<u>\$ 178,342</u>	<u>7.019%</u>	<u>345.94</u>	<u>624</u>	<u>73.7%</u>

**STATE DISTRIBUTION OF THE MORTGAGED PROPERTIES FOR THE GROUP 1 MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL**

State	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to- Value Ratio
Alabama.....	44	\$ 4,594,192	0.62%	\$ 104,413	7.961%	325.69	606	76.5%
Alaska.....	4	800,817	0.11	200,204	7.303	358.19	617	84.3
Arizona.....	66	9,597,024	1.30	145,409	7.071	342.32	631	78.2
Arkansas.....	9	828,459	0.11	92,051	8.395	323.95	628	81.9
California.....	1,245	300,288,582	40.70	241,196	6.652	351.86	632	70.1
Colorado.....	46	7,587,136	1.03	164,938	6.950	351.13	641	79.6
Connecticut.....	40	7,852,336	1.06	196,308	7.183	351.57	620	72.6
Delaware.....	11	1,672,466	0.23	152,042	7.111	342.67	615	77.8
District of Columbia.....	2	162,241	0.02	81,120	7.250	281.59	570	49.9
Florida.....	386	54,460,121	7.38	141,088	7.255	342.54	616	75.7
Georgia.....	77	9,656,675	1.31	125,411	7.710	328.18	613	79.4
Hawaii.....	44	11,932,484	1.62	271,193	7.111	357.23	617	74.3
Idaho.....	19	2,145,462	0.29	112,919	7.481	359.13	619	77.2
Illinois.....	54	8,331,154	1.13	154,281	7.219	332.88	625	78.0
Indiana.....	43	3,969,483	0.54	92,314	7.496	322.78	618	82.4
Iowa.....	8	1,157,026	0.16	144,628	7.066	348.77	625	82.4
Kansas.....	15	1,415,376	0.19	94,358	8.745	299.22	594	81.8
Kentucky.....	26	2,519,825	0.34	96,916	7.624	322.71	610	83.4
Louisiana.....	41	4,469,051	0.61	109,001	7.901	320.91	603	78.7
Maine.....	16	2,351,744	0.32	146,984	6.925	344.07	612	72.1
Maryland.....	92	18,050,555	2.45	196,202	7.162	348.75	619	75.1
Massachusetts.....	84	17,423,124	2.36	207,418	6.919	354.84	611	67.2
Michigan.....	40	4,024,723	0.55	100,618	7.615	332.60	603	74.8
Minnesota.....	28	5,266,476	0.71	188,088	7.357	342.24	638	76.4
Mississippi.....	19	2,005,506	0.27	105,553	7.815	331.55	603	79.8
Missouri.....	80	9,045,362	1.23	113,067	7.280	315.47	623	78.6
Montana.....	5	854,831	0.12	170,966	7.030	357.87	615	78.4
Nebraska.....	8	1,078,878	0.15	134,860	7.037	299.56	652	81.2
Nevada.....	105	20,220,097	2.74	192,572	7.005	348.55	607	75.3
New Hampshire.....	40	7,427,580	1.01	185,690	6.874	341.24	610	75.2
New Jersey.....	88	18,189,943	2.47	206,704	7.427	338.01	617	75.6
New Mexico.....	15	1,535,127	0.21	102,342	8.052	315.31	603	76.7
New York.....	204	48,223,003	6.54	236,387	7.082	352.70	613	71.6
North Carolina.....	54	6,303,533	0.85	116,732	7.892	332.62	616	79.9
North Dakota.....	1	64,956	0.01	64,956	8.000	359.00	642	78.3
Ohio.....	60	5,807,397	0.79	96,790	7.899	342.02	607	80.2
Oklahoma.....	35	3,231,404	0.44	92,326	8.027	335.55	638	83.5
Oregon.....	62	10,162,045	1.38	163,904	6.918	350.35	643	80.3
Pennsylvania.....	95	13,531,573	1.83	142,438	7.258	334.82	620	76.9
Rhode Island.....	12	2,485,645	0.34	207,137	7.390	358.79	623	71.1
South Carolina.....	21	2,397,568	0.32	114,170	7.983	339.71	598	76.7
Tennessee.....	58	6,470,119	0.88	111,554	7.530	321.07	612	79.0
Texas.....	448	49,335,591	6.69	110,124	7.569	329.60	615	78.2
Utah.....	35	5,010,078	0.68	143,145	7.318	345.66	638	80.5
Vermont.....	5	606,745	0.08	121,349	8.018	327.79	635	65.7
Virginia.....	95	17,015,846	2.31	179,114	7.111	344.67	613	75.0
Washington.....	120	22,330,279	3.03	186,086	6.856	357.30	640	78.0
West Virginia.....	6	465,119	0.06	77,520	7.504	359.08	589	75.1
Wisconsin.....	21	2,838,174	0.38	135,151	7.010	324.39	624	75.4
Wyoming.....	5	605,924	0.08	121,185	7.653	358.78	617	83.0
Total/Avg./Wtd. Avg.	<u>4,137</u>	<u>\$ 737,798,858</u>	<u>100.00%</u>	<u>\$ 178,342</u>	<u>7.019%</u>	<u>345.94</u>	<u>624</u>	<u>73.7%</u>

**CREDIT BUREAU RISK SCORES ⁽¹⁾ FOR THE GROUP 1 MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL**

Range of Credit Bureau Risk Scores	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to-Value Ratio
Unknown	1	\$ 33,600	0.00%	\$ 33,600	12.750%	360.00		80.0%
801 – 820	4	658,443	0.09	164,611	6.396	358.57	806	60.1
781 – 800	20	5,164,919	0.70	258,246	6.041	358.12	789	65.9
761 – 780	29	6,938,695	0.94	239,265	6.229	356.41	768	68.2
741 – 760	55	13,243,477	1.79	240,790	6.493	353.03	748	71.3
721 – 740	96	19,939,740	2.70	207,706	6.519	353.86	730	74.6
701 – 720	116	23,236,444	3.15	200,314	6.609	350.39	709	77.8
681 – 700	225	47,395,583	6.42	210,647	6.663	350.92	689	74.0
661 – 680	335	65,976,124	8.94	196,944	6.684	352.45	670	76.0
641 – 660	513	93,642,230	12.69	182,538	6.876	345.92	650	77.0
621 – 640	545	95,925,053	13.00	176,009	6.958	346.12	630	75.1
601 – 620	593	106,538,971	14.44	179,661	7.061	345.52	610	74.8
581 – 600	499	84,550,444	11.46	169,440	7.169	344.41	591	73.4
561 – 580	383	66,023,900	8.95	172,386	7.311	342.66	571	71.7
541 – 560	347	53,443,974	7.24	154,017	7.425	343.08	550	69.7
521 – 540	230	34,417,408	4.66	149,641	7.643	333.81	531	66.9
501 – 520	141	20,088,571	2.72	142,472	7.745	336.40	511	66.3
500 or Less.....	5	581,281	0.08	116,256	9.230	291.01	500	65.6
Total/Avg./Wtd. Avg.	<u>4,137</u>	<u>\$ 737,798,858</u>	<u>100.00%</u>	<u>\$ 178,342</u>	<u>7.019%</u>	<u>345.94</u>	<u>624</u>	<u>73.7%</u>

(1) The Credit Bureau Risk Scores referenced in this table with respect to substantially all of the Mortgage Loans in Loan Group 1 were obtained by the respective originators from one or more credit reporting agencies, and were determined at the time of origination.

**PREPAYMENT PENALTY PERIOD FOR THE GROUP 1 MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL**

Prepayment Penalty Period (months)	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to-Value Ratio
0.....	1,010	\$ 161,543,124	21.90%	\$ 159,944	7.308%	336.87	616	74.6%
6.....	1	271,064	0.04	271,064	5.990	179.00	701	80.0
12	201	45,005,393	6.10	223,907	7.098	354.40	622	70.2
24	78	15,872,902	2.15	203,499	7.055	347.39	622	74.4
33	1	357,229	0.05	357,229	5.600	358.00	636	66.3
36	1,101	194,790,238	26.40	176,921	6.884	347.41	645	74.0
60	1,745	319,958,908	43.37	183,358	6.944	348.48	615	73.4
Total/Avg./Wtd. Avg.	<u>4,137</u>	<u>\$ 737,798,858</u>	<u>100.00%</u>	<u>\$ 178,342</u>	<u>7.019%</u>	<u>345.94</u>	<u>624</u>	<u>73.7%</u>

**TYPES OF MORTGAGED PROPERTIES FOR THE GROUP 1 MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL**

Property Type	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to- Value Ratio
Single-Family Residence	3,353	\$ 586,113,034	79.44%	\$ 174,803	7.018%	344.99	622	73.6%
Planned Unit Development	488	96,638,957	13.10	198,031	6.966	347.16	626	75.3
Low Rise Condominium	171	28,596,417	3.88	167,231	7.083	353.14	638	74.2
Two Family Home	84	18,446,285	2.50	219,599	7.142	354.40	629	69.5
Three Family Home	16	3,673,350	0.50	229,584	7.088	352.72	599	60.8
Four Family Home	10	2,819,939	0.38	281,994	6.788	359.05	662	64.7
High Rise Condominium	8	1,086,253	0.15	135,782	7.108	358.87	684	75.7
Manufactured Housing ⁽¹⁾	7	424,623	0.06	60,660	10.757	337.04	638	68.4
Total/Avg./Wtd. Avg.	<u>4,137</u>	<u>\$ 737,798,858</u>	<u>100.00%</u>	<u>\$ 178,342</u>	<u>7.019%</u>	<u>345.94</u>	<u>624</u>	<u>73.7%</u>

(1) Treated as real property.

**OCCUPANCY TYPES FOR THE GROUP 1 MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL⁽¹⁾**

Occupancy Type	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to- Value Ratio
Owner Occupied.....	4,027	\$ 722,969,778	97.99%	\$ 179,531	7.014%	345.94	623	73.7%
Investment Property	83	10,405,377	1.41	125,366	7.300	342.91	661	69.2
Second Home	27	4,423,703	0.60	163,841	7.133	352.95	634	71.4
Total/Avg./Wtd. Avg.	<u>4,137</u>	<u>\$ 737,798,858</u>	<u>100.00%</u>	<u>\$ 178,342</u>	<u>7.019%</u>	<u>345.94</u>	<u>624</u>	<u>73.7%</u>

(1) Based on representations by the Mortgagors at the time of origination of the related Mortgage Loans.

**LOAN PURPOSES FOR THE GROUP 1 MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL**

Loan Purpose	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to- Value Ratio
Refinance – Cash Out	3,040	\$ 553,860,708	75.07%	\$ 182,191	7.008%	344.51	616	72.0%
Purchase.....	695	116,145,129	15.74	167,115	7.166	355.90	652	80.4
Refinance – Rate/Term.....	402	67,793,021	9.19	168,639	6.856	340.47	639	75.9
Total/Avg./Wtd. Avg.	<u>4,137</u>	<u>\$ 737,798,858</u>	<u>100.00%</u>	<u>\$ 178,342</u>	<u>7.019%</u>	<u>345.94</u>	<u>624</u>	<u>73.7%</u>

**CREDIT GRADE CATEGORIES FOR THE GROUP 1 MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL**

<u>Credit Grade Category</u>	<u>Number of Mortgage Loans</u>	<u>Aggregate Principal Balance Outstanding</u>	<u>Percent of Aggregate Principal Balance Outstanding</u>	<u>Average Current Principal Balance</u>	<u>Weighted Average Gross Mortgage Rate</u>	<u>Weighted Average Remaining Term (months)</u>	<u>Weighted Average Credit Bureau Risk Score</u>	<u>Weighted Average Loan-to- Value Ratio</u>
A.....	3,258	\$ 590,593,378	80.05%	\$ 181,275	6.961%	347.60	633	74.8%
A-	261	46,720,607	6.33	179,006	7.169	336.92	593	71.7
B.....	371	61,571,349	8.35	165,961	7.177	340.46	587	69.3
C.....	183	29,559,713	4.01	161,528	7.466	341.47	575	65.4
C-.....	56	8,013,308	1.09	143,095	7.481	335.86	590	70.5
D.....	8	1,340,503	0.18	167,563	7.343	337.21	600	62.9
Total/Avg./Wtd. Avg.	<u>4,137</u>	<u>\$ 737,798,858</u>	<u>100.00%</u>	<u>\$ 178,342</u>	<u>7.019%</u>	<u>345.94</u>	<u>624</u>	<u>73.7%</u>

**LOAN DOCUMENTATION TYPE FOR THE GROUP 1 MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL**

<u>Documentation Type</u>	<u>Number of Mortgage Loans</u>	<u>Aggregate Principal Balance Outstanding</u>	<u>Percent of Aggregate Principal Balance Outstanding</u>	<u>Average Current Principal Balance</u>	<u>Weighted Average Gross Mortgage Rate</u>	<u>Weighted Average Remaining Term (months)</u>	<u>Weighted Average Credit Bureau Risk Score</u>	<u>Weighted Average Loan-to- Value Ratio</u>
Full Documentation.....	3,005	\$ 524,922,504	71.15%	\$ 174,683	6.992%	345.56	620	74.3%
Stated Income	1,132	212,876,354	28.85	188,053	7.086	346.85	631	72.0
Total/Avg./Wtd. Avg.	<u>4,137</u>	<u>\$ 737,798,858</u>	<u>100.00%</u>	<u>\$ 178,342</u>	<u>7.019%</u>	<u>345.94</u>	<u>624</u>	<u>73.7%</u>

ADJUSTABLE RATE MORTGAGE LOANS

MORTGAGE LOAN PROGRAMS FOR THE ADJUSTABLE RATE MORTGAGE LOANS IN THE STATISTICAL CALCULATION POOL

Loan Program	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to-Value Ratio
30-Year 6-month LIBOR.....	7	\$ 1,189,867	0.06%	\$ 169,981	5.983%	358.97	590	86.7%
2/28 6-month LIBOR.....	1,179	196,175,665	9.15	166,392	7.331	358.22	611	80.4
2/28 6-month LIBOR – Interest Only	333	67,181,988	3.13	201,748	6.696	358.26	605	81.2
3/27 6-month LIBOR.....	9,488	1,539,497,121	71.81	162,257	7.402	358.83	599	80.0
3/27 6-month LIBOR – Interest Only	1,539	339,666,777	15.84	220,706	6.974	358.91	604	82.4
Total/Avg./Wtd. Avg.	<u>12,546</u>	<u>\$ 2,143,711,418</u>	<u>100.00%</u>	<u>\$ 170,868</u>	<u>7.305%</u>	<u>358.77</u>	<u>601</u>	<u>80.4%</u>

ORIGINAL TERM TO STATED MATURITY FOR THE ADJUSTABLE RATE MORTGAGE LOANS IN THE STATISTICAL CALCULATION POOL

Original Term (months)	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to-Value Ratio
ARM 360.....	12,546	\$ 2,143,711,418	100.00%	\$ 170,868	7.305%	358.77	601	80.4%
Total/Avg./Wtd. Avg.	<u>12,546</u>	<u>\$ 2,143,711,418</u>	<u>100.00%</u>	<u>\$ 170,868</u>	<u>7.305%</u>	<u>358.77</u>	<u>601</u>	<u>80.4%</u>

MORTGAGE LOAN PRINCIPAL BALANCES FOR THE ADJUSTABLE RATE MORTGAGE LOANS IN THE STATISTICAL CALCULATION POOL

Range of Mortgage Loan Principal Balances	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to-Value Ratio
\$0.01 – \$25,000.00.....	2	\$ 46,897	0.00%	\$ 23,448	10.622%	359.00	559	80.3%
\$25,000.01 – \$50,000.00	124	5,499,857	0.26	44,354	9.034	358.67	584	73.0
\$50,000.01 – \$75,000.00	897	57,649,690	2.69	64,269	8.296	358.65	604	78.6
\$75,000.01 – \$100,000.00	1,734	154,197,133	7.19	88,926	7.728	358.76	603	80.3
\$100,000.01 – \$150,000.00 ...	3,673	457,288,014	21.33	124,500	7.536	358.77	601	80.9
\$150,000.01 – \$200,000.00 ...	2,487	431,309,971	20.12	173,426	7.286	358.75	601	80.4
\$200,000.01 – \$250,000.00 ...	1,490	333,140,902	15.54	223,584	7.154	358.78	600	80.0
\$250,000.01 – \$300,000.00 ...	962	263,819,551	12.31	274,241	7.084	358.77	598	80.4
\$300,000.01 – \$350,000.00 ...	554	179,432,440	8.37	323,885	7.050	358.77	601	81.1
\$350,000.01 – \$400,000.00 ...	340	127,119,862	5.93	373,882	7.038	358.80	601	81.2
\$400,000.01 – \$450,000.00 ...	128	54,205,427	2.53	423,480	7.039	358.91	602	83.0
\$450,000.01 – \$500,000.00 ...	107	51,378,611	2.40	480,174	6.996	358.96	593	78.0
\$500,000.01 – \$550,000.00 ...	20	10,556,099	0.49	527,805	7.016	358.70	615	80.5
\$550,000.01 – \$600,000.00 ...	16	9,282,017	0.43	580,126	6.861	358.75	603	75.4
\$600,000.01 – \$650,000.00 ...	3	1,885,940	0.09	628,647	7.163	359.34	600	76.6
\$650,000.01 – \$700,000.00 ...	1	680,000	0.03	680,000	7.625	359.00	599	69.4
\$700,000.01 – \$750,000.00 ...	5	3,662,301	0.17	732,460	6.871	359.18	619	66.0
\$800,000.01 – \$850,000.00 ...	2	1,677,762	0.08	838,881	6.745	359.00	625	70.0
\$850,000.01 – \$900,000.00 ...	1	878,946	0.04	878,946	5.875	358.00	630	60.8
Total/Avg./Wtd. Avg.	<u>12,546</u>	<u>\$ 2,143,711,418</u>	<u>100.00%</u>	<u>\$ 170,868</u>	<u>7.305%</u>	<u>358.77</u>	<u>601</u>	<u>80.4%</u>

**CURRENT MORTGAGE RATES FOR THE ADJUSTABLE RATE MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL**

Range of Current Mortgage Rates (%)	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to-Value Ratio
4.001 – 4.500	1	\$ 207,200	0.01%	\$ 207,200	4.250%	358.00	633	80.0%
4.501 – 5.000	24	5,955,614	0.28	248,151	4.885	358.49	662	77.5
5.001 – 5.500	144	31,340,642	1.46	217,643	5.376	358.47	644	76.3
5.501 – 6.000	862	190,014,167	8.86	220,434	5.878	358.74	625	76.9
6.001 – 6.500	1,695	329,525,874	15.37	194,411	6.342	358.77	619	77.6
6.501 – 7.000	2,469	448,209,160	20.91	181,535	6.821	358.76	610	78.7
7.001 – 7.500	2,170	366,791,114	17.11	169,028	7.325	358.78	599	80.3
7.501 – 8.000	1,969	320,325,173	14.94	162,684	7.811	358.78	591	82.1
8.001 – 8.500	1,196	182,046,365	8.49	152,213	8.319	358.79	577	83.9
8.501 – 9.000	960	139,196,031	6.49	144,996	8.798	358.82	573	85.4
9.001 – 9.500	445	60,443,698	2.82	135,829	9.305	358.85	566	86.5
9.501 – 10.000	347	44,397,372	2.07	127,946	9.787	358.75	565	85.4
10.001 – 10.500	104	11,512,285	0.54	110,695	10.322	359.01	557	87.1
10.501 – 11.000	87	8,118,713	0.38	93,319	10.804	358.90	559	84.6
11.001 – 11.500	34	2,697,419	0.13	79,336	11.282	358.78	569	86.0
11.501 – 12.000	27	2,259,153	0.11	83,672	11.870	358.68	568	87.8
12.001 – 12.500	10	570,111	0.03	57,011	12.252	359.45	556	77.4
12.501 – 13.000	1	50,987	0.00	50,987	12.625	359.00	532	82.4
13.001 – 13.500	1	50,340	0.00	50,340	13.500	359.00	634	95.0
Total/Avg./Wtd. Avg.	<u>12,546</u>	<u>\$ 2,143,711,418</u>	<u>100.00%</u>	<u>\$ 170,868</u>	<u>7.305%</u>	<u>358.77</u>	<u>601</u>	<u>80.4%</u>

**REMAINING TERMS TO STATED MATURITY FOR THE ADJUSTABLE RATE MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL**

Range of Remaining Terms (months)	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to-Value Ratio
181 – 300	1	\$ 58,797	0.00%	\$ 58,797	9.950%	281.00	567	55.4%
301 – 360	12,545	2,143,652,621	100.00	170,877	7.305	358.77	601	80.4
Total/Avg./Wtd. Avg.	<u>12,546</u>	<u>\$ 2,143,711,418</u>	<u>100.00%</u>	<u>\$ 170,868</u>	<u>7.305%</u>	<u>358.77</u>	<u>601</u>	<u>80.4%</u>

**LOAN-TO-VALUE RATIOS FOR THE ADJUSTABLE RATE MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL**

Range of Loan-to-Value Ratios (%)	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to-Value Ratio
50.00 or Less.....	273	\$ 39,706,490	1.85%	\$ 145,445	7.109%	358.76	578	41.2%
50.01 – 55.00	146	24,007,292	1.12	164,434	6.983	358.69	574	52.8
55.01 – 60.00	225	39,503,052	1.84	175,569	7.198	358.84	568	57.9
60.01 – 65.00	354	67,316,155	3.14	190,159	7.217	358.82	564	63.4
65.01 – 70.00	677	118,228,910	5.52	174,636	7.107	358.87	574	68.6
70.01 – 75.00	857	158,615,262	7.40	185,082	7.204	358.87	569	73.8
75.01 – 80.00	5,487	889,716,086	41.50	162,150	6.933	358.75	621	79.7
80.01 – 85.00	1,371	249,026,756	11.62	181,639	7.600	358.80	582	84.3
85.01 – 90.00	2,096	389,765,238	18.18	185,957	7.649	358.76	601	89.6
90.01 – 95.00	510	90,597,412	4.23	177,642	8.191	358.76	599	94.6
95.01 – 100.00	550	77,228,766	3.60	140,416	8.696	358.55	607	99.8
Total/Avg./Wtd. Avg.	<u>12,546</u>	<u>\$ 2,143,711,418</u>	<u>100.00%</u>	<u>\$ 170,868</u>	<u>7.305%</u>	<u>358.77</u>	<u>601</u>	<u>80.4%</u>

**STATE DISTRIBUTION OF THE MORTGAGED PROPERTIES FOR THE ADJUSTABLE RATE MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL**

State	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to- Value Ratio
Alabama.....	117	\$ 14,204,964	0.66%	\$ 121,410	7.951%	358.76	594	83.0%
Alaska.....	3	591,173	0.03	197,058	7.909	358.61	628	88.3
Arizona.....	402	56,497,166	2.64	140,540	7.098	358.61	609	82.3
Arkansas.....	38	4,192,482	0.20	110,328	8.300	358.79	582	86.5
California.....	2,285	556,980,392	25.98	243,755	6.802	358.80	601	77.9
Colorado.....	292	49,720,872	2.32	170,277	6.929	358.78	606	81.8
Connecticut.....	221	38,463,445	1.79	174,043	7.566	358.89	592	78.9
Delaware.....	29	4,453,785	0.21	153,579	7.531	358.71	579	81.1
District of Columbia.....	21	4,783,965	0.22	227,808	7.598	358.39	580	73.8
Florida.....	1,065	157,713,495	7.36	148,088	7.415	358.78	604	82.6
Georgia.....	529	76,117,183	3.55	143,889	7.845	358.78	598	84.7
Hawaii.....	43	11,870,095	0.55	276,049	6.693	358.79	618	78.5
Idaho.....	71	9,715,989	0.45	136,845	7.163	359.17	605	82.4
Illinois.....	566	87,454,558	4.08	154,513	7.739	358.87	606	80.8
Indiana.....	206	21,775,715	1.02	105,707	7.793	358.72	605	84.3
Iowa.....	50	4,907,020	0.23	98,140	7.894	358.99	597	81.8
Kansas.....	58	6,760,940	0.32	116,568	8.469	359.07	599	87.9
Kentucky.....	96	12,533,800	0.58	130,560	7.504	358.65	599	82.9
Louisiana.....	114	13,997,451	0.65	122,785	7.960	358.83	598	84.5
Maine.....	30	4,148,313	0.19	138,277	8.287	358.77	568	81.1
Maryland.....	396	78,519,108	3.66	198,281	7.484	358.70	596	79.7
Massachusetts.....	301	66,404,612	3.10	220,613	7.340	358.89	594	76.9
Michigan.....	549	70,808,913	3.30	128,978	7.820	358.66	596	82.9
Minnesota.....	218	37,538,767	1.75	172,196	7.493	358.88	608	82.8
Mississippi.....	72	7,961,631	0.37	110,578	7.998	358.86	586	86.9
Missouri.....	320	36,489,802	1.70	114,031	7.870	358.80	601	83.4
Montana.....	15	1,872,207	0.09	124,814	7.150	359.10	585	81.8
Nebraska.....	33	3,516,709	0.16	106,567	7.877	358.73	600	84.6
Nevada.....	324	63,761,193	2.97	196,794	7.130	358.61	604	79.4
New Hampshire.....	126	22,603,442	1.05	179,392	7.157	358.93	606	78.8
New Jersey.....	374	77,610,963	3.62	207,516	7.731	358.82	587	77.0
New Mexico.....	43	5,525,694	0.26	128,505	7.896	358.54	612	83.3
New York.....	346	82,483,117	3.85	238,391	7.279	358.93	588	75.4
North Carolina.....	214	29,582,711	1.38	138,237	7.940	358.74	593	86.7
North Dakota.....	4	423,357	0.02	105,839	7.641	359.18	604	85.5
Ohio.....	265	29,625,827	1.38	111,796	7.549	358.76	605	83.2
Oklahoma.....	87	8,125,975	0.38	93,402	7.878	358.85	594	83.7
Oregon.....	149	23,306,422	1.09	156,419	6.943	358.59	610	82.2
Pennsylvania.....	259	36,234,979	1.69	139,903	7.591	358.70	595	81.9
Rhode Island.....	48	9,021,010	0.42	187,938	7.413	358.97	590	75.2
South Carolina.....	84	10,763,067	0.50	128,132	7.854	358.66	594	84.2
South Dakota.....	14	1,420,890	0.07	101,492	7.870	358.38	624	82.0
Tennessee.....	238	28,791,622	1.34	120,973	7.644	358.71	608	86.9
Texas.....	761	91,331,556	4.26	120,015	7.491	358.65	613	82.5
Utah.....	145	20,155,216	0.94	139,001	6.950	358.75	621	82.8
Vermont.....	10	1,189,014	0.06	118,901	7.454	359.06	595	77.0
Virginia.....	425	83,904,206	3.91	197,422	7.266	358.64	596	81.0
Washington.....	307	54,206,430	2.53	176,568	6.918	358.65	612	81.2
West Virginia.....	33	4,552,981	0.21	137,969	8.257	359.09	569	82.9
Wisconsin.....	135	17,077,864	0.80	126,503	7.982	358.77	595	81.5
Wyoming.....	15	2,019,331	0.09	134,622	7.266	358.78	615	84.4
Total/Avg./Wtd. Avg.	<u>12,546</u>	<u>\$ 2,143,711,418</u>	<u>100.00%</u>	<u>\$ 170,868</u>	<u>7.305%</u>	<u>358.77</u>	<u>601</u>	<u>80.4%</u>

**CREDIT BUREAU RISK SCORES⁽¹⁾ FOR THE ADJUSTABLE RATE MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL**

Range of Credit Bureau Risk Scores	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to-Value Ratio
Unknown	9	\$ 987,225	0.05%	\$ 109,692	8.054%	359.02		76.3%
801 – 820	1	440,582	0.02	440,582	6.250	359.00	801	90.0
781 – 800	12	2,012,985	0.09	167,749	6.345	358.56	787	80.7
761 – 780	47	7,993,129	0.37	170,067	6.548	358.53	770	77.4
741 – 760	87	16,381,250	0.76	188,290	6.479	358.51	750	80.0
721 – 740	144	23,755,854	1.11	164,971	6.595	358.84	729	78.9
701 – 720	259	43,566,203	2.03	168,209	6.739	358.68	710	80.2
681 – 700	413	66,962,495	3.12	162,137	6.748	358.66	690	80.1
661 – 680	701	110,635,944	5.16	157,826	6.766	358.66	670	79.8
641 – 660	898	138,359,051	6.45	154,075	6.905	358.74	650	79.9
621 – 640	1,571	280,023,183	13.06	178,245	7.019	358.76	630	83.1
601 – 620	2,019	358,279,887	16.71	177,454	7.175	358.76	610	83.7
581 – 600	2,042	352,761,917	16.46	172,753	7.359	358.77	591	82.4
561 – 580	1,343	235,892,119	11.00	175,646	7.463	358.78	571	80.1
541 – 560	1,283	216,345,296	10.09	168,625	7.789	358.86	550	77.7
521 – 540	1,041	176,761,682	8.25	169,800	7.862	358.84	531	75.5
501 – 520	635	105,296,500	4.91	165,821	8.012	358.82	511	72.7
500 or Less.....	41	7,256,116	0.34	176,978	8.327	358.94	496	74.4
Total/Avg./Wtd. Avg.	12,546	\$ 2,143,711,418	100.00%	\$ 170,868	7.305%	358.77	601	80.4%

(1) The Credit Bureau Risk Scores referenced in this table with respect to substantially all of the Adjustable Rate Mortgage Loans were obtained by the respective originators from one or more credit reporting agencies, and were determined at the time of origination.

**PREPAYMENT PENALTY PERIOD FOR THE ADJUSTABLE RATE MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL**

Prepayment Penalty Period (months)	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to-Value Ratio
0	3,756	\$ 637,485,738	29.74%	\$ 169,725	7.696%	358.88	596	79.6%
6	3	608,754	0.03	202,918	8.186	358.22	612	85.7
12	450	98,110,984	4.58	218,024	7.251	358.71	599	78.8
13	3	879,432	0.04	293,144	6.233	357.00	603	83.5
21	2	369,509	0.02	184,755	8.229	359.00	629	94.7
24	1,302	235,483,247	10.98	180,863	7.035	358.43	607	79.8
36	7,011	1,168,066,389	54.49	166,605	7.150	358.79	602	81.1
60	19	2,707,364	0.13	142,493	7.358	358.65	617	79.6
Total/Avg./Wtd. Avg.	12,546	\$ 2,143,711,418	100.00%	\$ 170,868	7.305%	358.77	601	80.4%

**GROSS MARGINS FOR THE ADJUSTABLE RATE MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL⁽¹⁾**

Range of Gross Margins (%)	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to-Value Ratio
1.000 or Less.....	3	\$ 796,234	0.04%	\$ 265,411	6.945%	359.00	548	74.2%
2.001 – 3.000	5	1,042,494	0.05	208,499	6.246	358.84	704	72.8
3.001 – 4.000	25	5,804,913	0.27	232,197	5.764	358.42	647	76.0
4.001 – 5.000	605	132,342,075	6.17	218,747	5.900	358.84	624	75.8
5.001 – 6.000	3,460	629,844,130	29.38	182,036	6.717	358.84	613	77.7
6.001 – 7.000	4,090	692,693,375	32.31	169,363	7.299	358.74	603	80.6
7.001 – 8.000	2,899	466,542,827	21.76	160,932	7.910	358.74	587	83.3
8.001 – 9.000	1,138	173,968,982	8.12	152,873	8.452	358.74	572	84.0
9.001 – 10.000	278	35,816,370	1.67	128,836	9.411	358.65	572	87.8
10.001 – 11.000	36	4,254,544	0.20	118,182	10.218	358.72	559	86.1
11.001 – 12.000	7	605,474	0.03	86,496	9.072	358.23	580	79.0
Total/Avg./Wtd. Avg.	12,546	\$ 2,143,711,418	100.00%	\$ 170,868	7.305%	358.77	601	80.4%

(1) The weighted average Gross Margin for the Adjustable Rate Mortgage Loans in the Statistical Calculation Pool as of the Cut-off Date was approximately 6.610%.

**NEXT ADJUSTMENT DATE FOR THE ADJUSTABLE RATE MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL⁽¹⁾**

Next Adjustment Date	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to-Value Ratio
December 2004.....	1	\$ 59,804	0.00%	\$ 59,804	5.550%	357.00	645	40.1%
January 2005.....	1	63,084	0.00	63,084	6.450	358.00	652	80.0
February 2005.....	5	979,526	0.05	195,905	6.234	354.32	591	87.6
March 2005.....	1	146,250	0.01	146,250	5.875	360.00	525	90.0
July 2005	1	234,335	0.01	234,335	6.250	346.00	754	80.0
October 2005	1	134,439	0.01	134,439	9.500	350.00	556	80.0
December 2005.....	1	59,162	0.00	59,162	8.750	351.00	592	100.0
February 2006.....	3	306,220	0.01	102,073	8.753	353.00	558	88.4
March 2006.....	4	1,098,646	0.05	274,662	7.332	354.00	559	67.2
April 2006.....	14	2,057,363	0.10	146,955	6.769	355.02	610	80.3
May 2006.....	37	6,276,773	0.29	169,643	6.842	356.08	618	81.3
June 2006.....	239	41,209,888	1.92	172,426	6.909	357.02	614	81.7
July 2006	574	100,773,151	4.70	175,563	7.166	358.03	610	81.0
August 2006.....	539	91,976,352	4.29	170,643	7.325	359.01	609	80.1
September 2006	97	19,126,615	0.89	197,182	7.091	360.00	604	78.5
November 2006.....	1	86,815	0.00	86,815	7.375	350.00	522	70.0
December 2006.....	1	88,777	0.00	88,777	10.000	352.00	512	70.0
January 2007.....	1	133,277	0.01	133,277	11.750	352.00	606	100.0
March 2007.....	1	62,157	0.00	62,157	8.250	354.00	556	80.0
April 2007.....	5	824,053	0.04	164,811	6.538	355.30	575	76.8
May 2007.....	49	7,436,911	0.35	151,774	6.867	356.05	616	82.3
June 2007.....	314	47,469,468	2.21	151,177	7.069	357.05	617	82.1
July 2007	2,904	493,798,654	23.03	170,041	7.310	358.01	602	80.9
August 2007.....	5,904	1,008,759,446	47.06	170,860	7.363	359.00	598	80.2
September 2007	1,848	320,550,250	14.95	173,458	7.276	360.00	597	79.8
Total/Avg./Wtd. Avg.	12,546	\$ 2,143,711,418	100.00%	\$ 170,868	7.305%	358.77	601	80.4%

(1) The weighted average next adjustment date for the Adjustable Rate Mortgage Loans in the Statistical Calculation Pool as of the Cut-off Date is June 2007.

**MAXIMUM MORTGAGE RATES FOR THE ADJUSTABLE RATE MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL⁽¹⁾**

Range of Maximum Mortgage Rates (%)	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to- Value Ratio
10.001 – 10.500	2	\$ 322,011	0.02%	\$ 161,005	4.651%	357.64	652	80.0%
10.501 – 11.000	12	2,366,538	0.11	197,211	5.462	357.91	691	80.0
11.001 – 11.500	35	6,876,880	0.32	196,482	5.907	357.69	646	78.6
11.501 – 12.000	136	27,908,239	1.30	205,208	5.723	358.14	661	78.4
12.001 – 12.500	332	63,139,141	2.95	190,178	5.915	358.21	642	77.4
12.501 – 13.000	1,078	223,644,821	10.43	207,463	6.122	358.66	621	77.4
13.001 – 13.500	1,815	347,411,352	16.21	191,411	6.505	358.77	614	78.2
13.501 – 14.000	2,446	441,652,267	20.60	180,561	6.935	358.78	606	79.0
14.001 – 14.500	2,020	339,566,493	15.84	168,102	7.409	358.84	595	80.4
14.501 – 15.000	1,802	288,691,834	13.47	160,206	7.877	358.84	590	82.2
15.001 – 15.500	1,067	161,202,229	7.52	151,080	8.376	358.86	577	83.8
15.501 – 16.000	857	125,407,200	5.85	146,333	8.849	358.88	573	85.2
16.001 – 16.500	389	52,664,838	2.46	135,385	9.328	358.92	566	86.2
16.501 – 17.000	305	39,072,007	1.82	128,105	9.808	358.80	566	85.4
17.001 – 17.500	94	10,547,331	0.49	112,206	10.312	359.00	554	86.1
17.501 – 18.000	83	7,610,230	0.36	91,690	10.624	358.84	562	84.3
18.001 – 18.500	34	2,697,419	0.13	79,336	11.282	358.78	569	86.0
18.501 – 19.000	27	2,259,153	0.11	83,672	11.870	358.68	568	87.8
19.001 – 19.500	10	570,111	0.03	57,011	12.252	359.45	556	77.4
Greater than 19.500	2	101,327	0.00	50,664	13.060	359.00	583	88.7
Total/Avg./Wtd. Avg.	<u>12,546</u>	<u>\$ 2,143,711,418</u>	<u>100.00%</u>	<u>\$ 170,868</u>	<u>7.305%</u>	<u>358.77</u>	<u>601</u>	<u>80.4%</u>

(1) The weighted average Maximum Mortgage Rate for the Adjustable Rate Mortgage Loans in the Statistical Calculation Pool as of the Cut-off Date was approximately 14.163%.

**INITIAL PERIODIC RATE CAP FOR THE ADJUSTABLE RATE MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL⁽¹⁾**

Initial Periodic Rate Cap (%)	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to- Value Ratio
1.000	117	\$ 16,507,340	0.77%	\$ 141,088	7.536%	358.41	599	82.8%
1.500	10,029	1,738,260,286	81.09	173,323	7.309	358.93	599	80.1
1.600	1	100,632	0.00	100,632	6.925	358.00	621	80.0
1.950	1	127,925	0.01	127,925	8.650	359.00	611	80.0
2.000	209	32,786,981	1.53	156,876	7.279	357.85	612	83.9
2.750	1	164,336	0.01	164,336	7.125	358.00	580	84.9
2.910	1	139,347	0.01	139,347	8.990	358.00	555	90.0
2.975	1	87,866	0.00	87,866	7.375	358.00	562	80.0
3.000	2,176	353,551,314	16.49	162,478	7.274	358.10	610	81.4
3.125	1	122,320	0.01	122,320	8.375	357.00	604	95.0
3.250	1	116,681	0.01	116,681	6.500	357.00	624	90.0
5.000	1	310,575	0.01	310,575	5.900	356.00	665	80.0
6.000	4	859,161	0.04	214,790	7.670	357.86	587	87.1
6.250	1	133,873	0.01	133,873	6.250	359.00	569	76.6
7.000	2	442,784	0.02	221,392	6.653	357.30	575	77.0
Total/Avg./Wtd. Avg.	<u>12,546</u>	<u>\$ 2,143,711,418</u>	<u>100.00%</u>	<u>\$ 170,868</u>	<u>7.305%</u>	<u>358.77</u>	<u>601</u>	<u>80.4%</u>

(1) The weighted average Initial Periodic Rate Cap for the Adjustable Rate Mortgage Loans in the Statistical Calculation Pool as of the Cut-off Date was approximately 1.755%.

**SUBSEQUENT PERIODIC RATE CAP FOR THE ADJUSTABLE RATE MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL⁽¹⁾**

Subsequent Periodic Rate Cap (%)	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to- Value Ratio
1.000	2,151	\$ 345,219,204	16.10%	\$ 160,492	7.307%	358.10	608	82.0%
1.250	2	224,499	0.01	112,249	7.574	358.32	624	80.0
1.500	10,375	1,794,509,783	83.71	172,965	7.305	358.90	599	80.1
2.000	7	1,798,628	0.08	256,947	7.143	358.34	646	81.9
3.000	11	1,959,304	0.09	178,119	7.302	357.88	601	66.0
Total/Avg./Wtd. Avg.	<u>12,546</u>	<u>\$ 2,143,711,418</u>	<u>100.00%</u>	<u>\$ 170,868</u>	<u>7.305%</u>	<u>358.77</u>	<u>601</u>	<u>80.4%</u>

(1) The weighted average Subsequent Periodic Rate Cap for the Adjustable Rate Mortgage Loans in the Statistical Calculation Pool as of the Cut-off Date was approximately 1.421%.

**MINIMUM MORTGAGE RATES FOR THE ADJUSTABLE RATE MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL⁽¹⁾**

Range of Minimum Mortgage Rates (%)	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to- Value Ratio
1.000 or Less.....	2	\$ 499,954	0.02%	\$ 249,977	7.249%	357.33	597	84.9%
1.001 – 2.000	1	267,731	0.01	267,731	6.000	357.00	627	80.0
2.001 – 3.000	3	771,830	0.04	257,277	5.962	358.75	732	80.0
3.001 – 4.000	1	307,687	0.01	307,687	5.900	359.00	727	79.0
4.001 – 5.000	33	7,937,250	0.37	240,523	5.230	358.39	652	78.4
5.001 – 6.000	1,037	227,181,841	10.60	219,076	5.844	358.69	627	76.7
6.001 – 7.000	4,161	774,867,375	36.15	186,221	6.628	358.77	614	78.3
7.001 – 8.000	4,111	682,893,171	31.86	166,114	7.556	358.78	595	81.1
8.001 – 9.000	2,149	320,107,406	14.93	148,956	8.520	358.80	575	84.4
9.001 – 10.000	786	103,630,518	4.83	131,845	9.501	358.81	566	86.1
Greater than 10.000	262	25,246,655	1.18	96,361	10.756	358.93	561	86.2
Total/Avg./Wtd. Avg.	<u>12,546</u>	<u>\$ 2,143,711,418</u>	<u>100.00%</u>	<u>\$ 170,868</u>	<u>7.305%</u>	<u>358.77</u>	<u>601</u>	<u>80.4%</u>

(1) The weighted average Minimum Mortgage Rate for the Adjustable Rate Mortgage Loans in the Statistical Calculation Pool as of the Cut-off Date was approximately 7.292%.

**TYPES OF MORTGAGED PROPERTIES FOR THE ADJUSTABLE RATE MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL**

Property Type	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to- Value Ratio
Single Family Residence.....	9,790	\$ 1,627,802,439	75.93%	\$ 166,272	7.323%	358.78	599	80.3%
Planned Unit Development	1,673	321,874,349	15.01	192,394	7.198	358.68	605	81.8
Low-Rise Condominium	755	129,692,888	6.05	171,779	7.236	358.81	614	80.0
Two Family Home	218	44,183,866	2.06	202,678	7.470	358.90	606	76.9
Three Family Home	45	9,390,200	0.44	208,671	7.346	358.81	604	71.3
High-Rise Condominium	31	5,511,900	0.26	177,803	7.570	358.72	599	82.7
Four Family Home	19	3,848,396	0.18	202,547	7.824	359.02	623	76.8
Manufactured Housing (1).....	15	1,407,382	0.07	93,825	9.347	358.86	592	68.3
Total/Avg./Wtd. Avg.	<u>12,546</u>	<u>\$ 2,143,711,418</u>	<u>100.00%</u>	<u>\$ 170,868</u>	<u>7.305%</u>	<u>358.77</u>	<u>601</u>	<u>80.4%</u>

(1) Treated as real property.

**OCCUPANCY TYPES FOR THE ADJUSTABLE RATE MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL⁽¹⁾**

Occupancy Type	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to- Value Ratio
Owner Occupied.....	12,290	\$ 2,109,118,272	98.39%	\$ 171,613	7.299%	358.77	601	80.5%
Investment Property	190	24,593,572	1.15	129,440	7.673	358.72	627	76.1
Secondary Residence	66	9,999,573	0.47	151,509	7.602	358.56	582	77.4
Total/Avg./Wtd. Avg.	<u>12,546</u>	<u>\$ 2,143,711,418</u>	<u>100.00%</u>	<u>\$ 170,868</u>	<u>7.305%</u>	<u>358.77</u>	<u>601</u>	<u>80.4%</u>

(1) Based on representations by the Mortgageors at the time of origination of the related Mortgage Loans.

**LOAN PURPOSES FOR THE ADJUSTABLE RATE MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL**

Loan Purpose	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to- Value Ratio
Refinance – Cash Out	6,260	\$ 1,133,328,893	52.87%	\$ 181,043	7.361%	358.82	582	78.1%
Purchase.....	5,663	911,982,762	42.54	161,042	7.244	358.72	625	83.2
Refinance – Rate/Term)	623	98,399,763	4.59	157,945	7.229	358.73	595	82.1
Total/Avg./Wtd. Avg.	<u>12,546</u>	<u>\$ 2,143,711,418</u>	<u>100.00%</u>	<u>\$ 170,868</u>	<u>7.305%</u>	<u>358.77</u>	<u>601</u>	<u>80.4%</u>

**CREDIT GRADE CATEGORIES FOR THE ADJUSTABLE RATE MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL**

Credit Grade Category	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to- Value Ratio
A.....	10,067	\$ 1,718,438,387	80.16%	\$ 170,700	7.229%	358.74	609	81.9%
A-.....	720	127,800,528	5.96	177,501	7.552	358.85	572	79.2
B.....	941	158,298,633	7.38	168,224	7.532	358.88	565	75.2
C.....	606	103,191,554	4.81	170,283	7.732	358.91	560	70.8
C-.....	127	21,713,470	1.01	170,972	7.763	359.01	575	69.8
D.....	85	14,268,846	0.67	167,869	7.904	359.05	542	62.9
Total/Avg./Wtd. Avg.	<u>12,546</u>	<u>\$ 2,143,711,418</u>	<u>100.00%</u>	<u>\$ 170,868</u>	<u>7.305%</u>	<u>358.77</u>	<u>601</u>	<u>80.4%</u>

**RANGE OF MONTHS TO NEXT ADJUSTABLE DATE FOR THE ADJUSTABLE RATE MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL**

Range of Months to Next Adjustable Date	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to- Value Ratio
0 – 6	8	\$ 1,248,664	0.06%	\$ 156,083	6.170%	355.30	589	85.2%
7 – 12.....	1	234,335	0.01	234,335	6.250	346.00	754	80.0
13 – 18.....	9	1,598,467	0.07	177,607	7.839	353.36	559	73.6
19 – 24.....	1,501	261,466,054	12.20	174,195	7.165	358.29	610	80.6
25 – 31.....	8	948,766	0.04	118,596	7.858	353.77	561	77.2
32 – 37.....	11,019	1,878,215,132	87.62	170,452	7.324	358.85	599	80.4
Total/Avg./Wtd. Avg.	<u>12,546</u>	<u>\$ 2,143,711,418</u>	<u>100.00%</u>	<u>\$ 170,868</u>	<u>7.305%</u>	<u>358.77</u>	<u>601</u>	<u>80.4%</u>

**LOAN DOCUMENTATION TYPE FOR THE ADJUSTABLE RATE MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL**

Documentation Type	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to- Value Ratio
Full Documentation.....	8,866	\$ 1,482,207,094	69.14%	\$ 167,179	7.284%	358.79	590	80.8%
Stated Income	3,680	661,504,325	30.86	179,757	7.352	358.72	624	79.5
Total/Avg./Wtd. Avg.	<u>12,546</u>	<u>\$ 2,143,711,418</u>	<u>100.00%</u>	<u>\$ 170,868</u>	<u>7.305%</u>	<u>358.77</u>	<u>601</u>	<u>80.4%</u>

LOAN GROUP 2

MORTGAGE LOAN PROGRAMS FOR THE GROUP 2 MORTGAGE LOANS IN THE STATISTICAL CALCULATION POOL

Loan Program	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to-Value Ratio
30 Year 6-Month LIBOR	3	\$ 404,149	0.03%	\$ 134,716	6.032%	359.36	570	91.7%
2/28 6-Month LIBOR	557	\$94,703,763	8.14	170,025	7.084	358.21	616	78.6
2/28 6-Month LIBOR – Interest Only	190	\$34,698,979	2.98	182,626	6.626	358.12	603	79.5
3/27 6-Month LIBOR	5,593	\$889,866,080	76.48	159,104	7.322	358.80	595	78.7
3/27 6-Month LIBOR – Interest Only	726	\$143,878,508	12.37	198,180	6.950	358.75	602	82.0
Total/Avg./Wtd. Avg.	<u>7,069</u>	<u>\$ 1,163,551,479</u>	<u>100.00%</u>	<u>\$ 164,599</u>	<u>7.236%</u>	<u>358.73</u>	<u>598</u>	<u>79.2%</u>

ORIGINAL TERM TO STATED MATURITY FOR THE GROUP 2 MORTGAGE LOANS IN THE STATISTICAL CALCULATION POOL

Original Term (months)	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to-Value Ratio
ARM 360	7,069	\$ 1,163,551,479	100.00%	\$ 164,599	7.236%	358.73	598	79.2%
Total/Avg./Wtd. Avg.	<u>7,069</u>	<u>\$ 1,163,551,479</u>	<u>100.00%</u>	<u>\$ 164,599</u>	<u>7.236%</u>	<u>358.73</u>	<u>598</u>	<u>79.2%</u>

MORTGAGE LOAN PRINCIPAL BALANCES FOR THE GROUP 2 MORTGAGE LOANS IN THE STATISTICAL CALCULATION POOL

Range of Mortgage Loan Principal Balances	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to-Value Ratio
\$ 0.01 – \$ 25,000.00	1	\$ 22,042	0.00%	\$ 22,042	11.125%	359.00	519	75.0%
\$ 25,000.01 – \$ 50,000.00	53	2,343,112	0.20	44,210	8.933	358.74	582	68.2
\$ 50,000.01 – \$ 75,000.00	436	28,428,413	2.44	65,203	8.272	358.76	599	75.5
\$ 75,000.01 – \$100,000.00 ...	886	79,229,683	6.81	89,424	7.630	358.72	600	77.9
\$100,000.01 – \$150,000.00 ...	2,113	264,475,406	22.73	125,166	7.435	358.74	598	79.4
\$150,000.01 – \$200,000.00 ...	1,578	273,956,533	23.54	173,610	7.200	358.71	598	79.0
\$200,000.01 – \$250,000.00 ...	987	220,682,811	18.97	223,589	7.066	358.74	596	78.6
\$250,000.01 – \$300,000.00 ...	689	189,336,994	16.27	274,800	7.041	358.74	596	80.1
\$300,000.01 – \$350,000.00 ...	301	95,307,432	8.19	316,636	6.891	358.67	602	80.6
\$350,000.01 – \$400,000.00 ...	18	6,773,211	0.58	376,289	7.263	358.84	614	80.6
\$400,000.01 – \$450,000.00 ...	6	2,496,390	0.21	416,065	7.243	359.17	598	79.1
\$450,000.01 – \$500,000.00 ...	1	499,453	0.04	499,453	5.500	359.00	745	80.0
Total/Avg./Wtd. Avg.	<u>7,069</u>	<u>\$ 1,163,551,479</u>	<u>100.00%</u>	<u>\$ 164,599</u>	<u>7.236%</u>	<u>358.73</u>	<u>598</u>	<u>79.2%</u>

**CURRENT MORTGAGE RATES FOR THE GROUP 2 MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL**

Range of Current Mortgage Rates (%)	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to-Value Ratio
4.501 – 5.000	17	\$ 3,997,785	0.34%	\$ 235,164	4.878%	358.42	661	76.4%
5.001 – 5.500	90	17,616,686	1.51	195,741	5.376	358.23	648	74.3
5.501 – 6.000	508	100,198,975	8.61	197,242	5.892	358.61	626	75.5
6.001 – 6.500	996	182,598,495	15.69	183,332	6.346	358.70	617	77.1
6.501 – 7.000	1,480	257,682,077	22.15	174,110	6.827	358.69	607	77.7
7.001 – 7.500	1,308	213,426,703	18.34	163,170	7.340	358.71	593	79.6
7.501 – 8.000	1,253	193,999,573	16.67	154,828	7.826	358.76	584	81.5
8.001 – 8.500	610	92,143,782	7.92	151,055	8.330	358.88	569	82.7
8.501 – 9.000	430	60,164,031	5.17	139,916	8.810	358.92	567	83.3
9.001 – 9.500	133	16,868,493	1.45	126,831	9.347	358.86	557	81.7
9.501 – 10.000	108	12,333,101	1.06	114,195	9.808	358.96	556	79.0
10.001 – 10.500	51	5,646,030	0.49	110,706	10.360	358.91	546	84.4
10.501 – 11.000	39	3,563,793	0.31	91,379	10.818	359.03	555	80.6
11.001 – 11.500	23	1,757,267	0.15	76,403	11.307	358.80	555	82.6
11.501 – 12.000	16	1,150,389	0.10	71,899	11.835	358.81	546	82.4
12.001 – 12.500	6	353,311	0.03	58,885	12.293	359.58	546	73.9
12.501 – 13.000	1	50,987	0.00	50,987	12.625	359.00	532	82.4
Total/Avg./Wtd. Avg.	<u>7,069</u>	<u>\$ 1,163,551,479</u>	<u>100.00%</u>	<u>\$ 164,599</u>	<u>7.236%</u>	<u>358.73</u>	<u>598</u>	<u>79.2%</u>

**REMAINING TERMS TO STATED MATURITY FOR THE GROUP 2 MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL**

Range of Remaining Terms (months)	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to-Value Ratio
301 – 360	7,069	\$ 1,163,551,479	100.00%	\$ 164,599	7.236%	358.73	598	79.2%
Total/Avg./Wtd. Avg.	<u>7,069</u>	<u>\$ 1,163,551,479</u>	<u>100.00%</u>	<u>\$ 164,599</u>	<u>7.236%</u>	<u>358.73</u>	<u>598</u>	<u>79.2</u>

**LOAN-TO-VALUE RATIOS FOR THE GROUP 2 MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL**

Range of Loan-to-Value Ratios (%)	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to-Value Ratio
50.00 or Less.....	210	\$ 27,551,638	2.37%	\$ 131,198	7.061%	358.89	575	40.7%
50.01 – 55.00	113	17,977,924	1.55	159,097	6.951	358.64	574	52.8
55.01 – 60.00	169	28,108,665	2.42	166,323	7.175	358.94	566	58.0
60.01 – 65.00	279	47,306,611	4.07	169,558	7.187	358.86	562	63.4
65.01 – 70.00	488	79,829,848	6.86	163,586	7.056	358.86	573	68.5
70.01 – 75.00	621	104,975,910	9.02	169,043	7.137	358.87	569	73.7
75.01 – 80.00	2,559	414,724,555	35.64	162,065	6.923	358.58	621	79.6
80.01 – 85.00	876	145,807,413	12.53	166,447	7.501	358.82	584	84.2
85.01 – 90.00	1,420	240,913,229	20.70	169,657	7.589	358.75	602	89.5
90.01 – 95.00	326	54,711,632	4.70	167,827	8.038	358.75	599	94.6
95.01 – 100.00	8	1,644,053	0.14	205,507	7.599	358.37	631	97.6
Total/Avg./Wtd. Avg.	<u>7,069</u>	<u>\$ 1,163,551,479</u>	<u>100.00%</u>	<u>\$ 164,599</u>	<u>7.236%</u>	<u>358.73</u>	<u>598</u>	<u>79.2%</u>

**STATE DISTRIBUTION OF THE MORTGAGED PROPERTIES FOR THE GROUP 2 MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL**

State	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to- Value Ratio
Alabama.....	61	\$ 7,384,462	0.63%	\$ 121,057	7.822%	358.66	590	82.2%
Alaska.....	2	361,378	0.03	180,689	6.580	359.00	675	80.8
Arizona.....	236	33,311,732	2.86	141,151	7.120	358.56	607	82.4
Arkansas.....	19	2,402,033	0.21	126,423	7.915	358.88	585	84.2
California.....	1,395	296,694,501	25.50	212,684	6.780	358.72	598	76.1
Colorado.....	172	29,032,479	2.50	168,793	7.050	358.66	600	82.9
Connecticut.....	130	21,677,043	1.86	166,746	7.627	358.79	590	80.0
Delaware.....	19	2,836,632	0.24	149,296	7.220	358.67	578	77.7
District of Columbia.....	12	2,307,115	0.20	192,260	7.461	358.49	592	77.8
Florida.....	647	94,102,354	8.09	145,444	7.292	358.77	602	81.9
Georgia.....	260	34,621,987	2.98	133,161	7.673	358.72	600	83.5
Hawaii.....	33	9,168,464	0.79	277,832	6.740	358.73	614	78.3
Idaho.....	36	4,845,905	0.42	134,608	7.191	359.13	601	82.6
Illinois.....	290	44,515,459	3.83	153,502	7.569	358.84	602	78.5
Indiana.....	96	10,309,019	0.89	107,386	7.714	358.73	601	82.6
Iowa.....	30	2,770,570	0.24	92,352	8.001	358.98	590	80.7
Kansas.....	27	2,780,773	0.24	102,992	7.935	359.09	603	82.9
Kentucky.....	49	6,663,611	0.57	135,992	7.446	358.68	595	82.0
Louisiana.....	51	5,786,956	0.50	113,470	7.897	358.94	592	81.9
Maine.....	18	2,466,500	0.21	137,028	7.981	358.89	554	77.3
Maryland.....	242	43,374,774	3.73	179,235	7.455	358.70	593	79.7
Massachusetts.....	170	34,200,381	2.94	201,179	7.343	358.79	596	76.5
Michigan.....	255	33,853,917	2.91	132,760	7.668	358.66	597	82.1
Minnesota.....	123	20,004,121	1.72	162,635	7.381	358.82	611	82.3
Mississippi.....	37	4,280,199	0.37	115,681	7.789	358.68	577	85.7
Missouri.....	138	16,329,373	1.40	118,329	7.502	358.66	604	82.5
Montana.....	11	1,483,548	0.13	134,868	7.089	358.91	578	82.4
Nebraska.....	14	1,591,923	0.14	113,709	8.238	358.95	583	85.5
Nevada.....	219	40,782,349	3.50	186,221	7.115	358.67	601	78.2
New Hampshire.....	76	13,642,432	1.17	179,506	7.211	358.94	598	78.6
New Jersey.....	275	53,481,026	4.60	194,476	7.694	358.85	585	76.4
New Mexico.....	22	2,692,420	0.23	122,383	7.664	358.64	609	81.6
New York.....	242	53,076,082	4.56	219,323	7.225	358.86	581	73.9
North Carolina.....	104	14,378,053	1.24	138,251	7.717	358.69	588	84.0
North Dakota.....	1	170,876	0.01	170,876	7.600	359.00	597	89.5
Ohio.....	120	13,793,165	1.19	114,943	7.687	358.68	595	83.6
Oklahoma.....	37	3,536,607	0.30	95,584	7.934	358.70	581	82.0
Oregon.....	76	11,530,027	0.99	151,711	6.919	358.50	605	81.6
Pennsylvania.....	151	20,335,149	1.75	134,670	7.550	358.70	588	80.4
Rhode Island.....	40	7,421,133	0.64	185,528	7.326	358.93	581	73.5
South Carolina.....	47	5,749,410	0.49	122,328	7.570	358.68	598	82.7
South Dakota.....	9	871,287	0.07	96,810	7.546	358.11	657	82.6
Tennessee.....	92	11,183,879	0.96	121,564	7.459	358.69	604	85.0
Texas.....	379	44,516,926	3.83	117,459	7.429	358.53	610	81.5
Utah.....	75	10,172,413	0.87	135,632	7.086	358.56	623	82.3
Vermont.....	9	1,069,014	0.09	118,779	7.561	358.95	603	78.3
Virginia.....	256	45,570,538	3.92	178,010	7.221	358.64	589	79.3
Washington.....	174	28,418,970	2.44	163,327	6.836	358.59	616	80.2
West Virginia.....	21	2,652,680	0.23	126,318	7.720	359.22	569	81.1
Wisconsin.....	63	8,161,145	0.70	129,542	7.701	358.74	602	82.0
Wyoming.....	8	1,188,691	0.10	148,586	7.401	358.99	603	84.9
Total/Avg./Wtd. Avg.	<u>7,069</u>	<u>\$ 1,163,551,479</u>	<u>100.00%</u>	<u>\$ 164,599</u>	<u>7.236%</u>	<u>358.73</u>	<u>598</u>	<u>79.2%</u>

**CREDIT BUREAU RISK SCORES ⁽¹⁾ FOR THE GROUP 2 MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL**

Range of Credit Bureau Risk Scores	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to-Value Ratio
781 – 800	11	\$ 1,817,065	0.16%	\$ 165,188	6.241%	358.41	787	80.8%
761 – 780	39	5,965,475	0.51	152,961	6.659	358.67	770	81.2
741 – 760	60	10,304,714	0.89	171,745	6.523	358.77	750	79.0
721 – 740	115	17,949,241	1.54	156,080	6.674	358.79	729	79.5
701 – 720	195	32,319,014	2.78	165,739	6.687	358.61	710	80.1
681 – 700	322	49,834,650	4.28	154,766	6.726	358.62	690	79.7
661 – 680	294	45,576,662	3.92	155,023	6.688	358.45	670	79.6
641 – 660	361	56,783,865	4.88	157,296	6.829	358.59	650	79.8
621 – 640	748	126,814,060	10.90	169,538	6.951	358.64	630	82.3
601 – 620	976	171,884,148	14.77	176,111	7.061	358.70	610	82.5
581 – 600	1,036	172,440,452	14.82	166,448	7.276	358.68	590	81.1
561 – 580	875	141,743,397	12.18	161,992	7.347	358.78	570	78.7
541 – 560	878	142,611,253	12.26	162,427	7.654	358.89	550	77.0
521 – 540	700	112,971,803	9.71	161,388	7.674	358.84	531	74.0
501 – 520	435	70,360,165	6.05	161,748	7.882	358.86	511	72.6
500 or Less.....	24	4,175,514	0.36	173,980	7.877	358.84	498	73.3
Total/Avg./Wtd. Avg.	<u>7,069</u>	<u>\$ 1,163,551,479</u>	<u>100.00%</u>	<u>\$ 164,599</u>	<u>7.236%</u>	<u>358.73</u>	<u>598</u>	<u>79.2%</u>

(1) The Credit Bureau Risk Scores referenced in this table with respect to substantially all of the Mortgage Loans in Loan Group 2 were obtained by the respective originators from one or more credit reporting agencies, and were determined at the time of origination.

**PREPAYMENT PENALTY PERIOD FOR THE GROUP 2 MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL**

Prepayment Penalty Period (months)	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to-Value Ratio
0	2,214	\$ 359,617,843	30.91%	\$ 162,429	7.584%	358.85	591	78.3%
6	2	261,354	0.02	130,677	6.438	358.52	646	79.9
12	231	46,049,649	3.96	199,349	7.193	358.66	598	77.7
13	2	458,734	0.04	229,367	6.455	357.00	586	79.7
24	699	123,338,985	10.60	176,451	6.946	358.37	606	78.2
36	3,914	632,828,114	54.39	161,683	7.099	358.73	600	80.0
60	7	996,800	0.09	142,400	6.902	358.07	642	75.6
Total/Avg./Wtd. Avg.	<u>7,069</u>	<u>\$ 1,163,551,479</u>	<u>100.00%</u>	<u>\$ 164,599</u>	<u>7.236%</u>	<u>358.73</u>	<u>598</u>	<u>79.2%</u>

**GROSS MARGINS FOR THE ADJUSTABLE RATE GROUP 2 MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL⁽¹⁾**

Range of Gross Margins (%)	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to-Value Ratio
1.000 or Less.....	2	\$ 452,977	0.04%	\$ 226,488	6.335%	359.00	584	82.0%
2.001 – 3.000	4	443,106	0.04	110,776	6.747	358.63	640	63.0
3.001 – 4.000	17	3,772,109	0.32	221,889	5.854	358.34	663	76.0
4.001 – 5.000	338	65,146,818	5.60	192,742	5.983	358.71	623	73.0
5.001 – 6.000	2,043	352,299,615	30.28	172,442	6.748	358.76	608	76.4
6.001 – 7.000	2,724	439,163,561	37.74	161,220	7.347	358.70	597	80.3
7.001 – 8.000	1,941	302,273,293	25.98	155,731	7.932	358.73	581	82.0
Total/Avg./Wtd. Avg.	<u>7,069</u>	<u>\$ 1,163,551,479</u>	<u>100.00%</u>	<u>\$ 164,599</u>	<u>7.236%</u>	<u>358.73</u>	<u>598</u>	<u>79.2%</u>

(1) The weighted average Gross Margin for the Adjustable Rate Group 2 Mortgage Loans in the Statistical Calculation Pool as of the Cut-off Date was approximately 6.449%.

**NEXT ADJUSTMENT DATE FOR THE ADJUSTABLE RATE GROUP 2 MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL⁽¹⁾**

Next Adjustment Date	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to-Value Ratio
February 2005.....	2	\$ 257,899	0.02%	\$ 128,949	6.120%	359.00	595	92.6%
March 2005.....	1	146,250	0.01	146,250	5.875	360.00	525	90.0
April 2006.....	6	924,986	0.08	154,164	6.383	355.00	643	74.7
May 2006.....	20	3,116,189	0.27	155,809	6.924	356.08	609	78.7
June 2006.....	140	24,818,366	2.13	177,274	6.788	357.00	610	80.3
July 2006.....	306	51,913,893	4.46	169,653	6.892	358.00	617	79.4
August 2006.....	231	40,018,819	3.44	173,242	7.134	359.01	613	77.6
September 2006.....	43	8,564,578	0.74	199,176	7.140	360.00	590	76.7
November 2006.....	1	86,815	0.01	86,815	7.375	350.00	522	70.0
April 2007.....	3	502,936	0.04	167,645	6.235	355.49	564	75.5
May 2007.....	34	5,484,138	0.47	161,298	6.723	356.03	626	81.2
June 2007.....	184	28,730,458	2.47	156,144	6.744	357.04	623	79.8
July 2007.....	1,823	299,923,145	25.78	164,522	7.204	358.01	599	79.9
August 2007.....	3,277	538,704,431	46.30	164,390	7.333	359.00	594	79.1
September 2007.....	998	160,358,576	13.78	160,680	7.302	360.00	589	78.1
Total/Avg./Wtd. Avg.	<u>7,069</u>	<u>\$ 1,163,551,479</u>	<u>100.00%</u>	<u>\$ 164,599</u>	<u>7.236%</u>	<u>358.73</u>	<u>598</u>	<u>79.2%</u>

(1) The weighted average next adjustment date for the Adjustable Rate Group 2 Mortgage Loans in the Statistical Calculation Pool as of the Cut-off Date is June 2007.

**MAXIMUM MORTGAGE RATES FOR THE ADJUSTABLE RATE GROUP 2 MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL⁽¹⁾**

Range of Maximum Mortgage Rates (%)	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to- Value Ratio
10.001 – 10.500	1	\$ 114,811	0.01%	\$ 114,811	5.375%	357.00	687	80.0%
10.501 – 11.000	8	1,653,967	0.14	206,746	5.544	358.03	689	80.0
11.001 – 11.500	22	4,113,722	0.35	186,987	5.680	357.72	661	77.4
11.501 – 12.000	87	16,757,553	1.44	192,616	5.689	357.93	658	76.9
12.001 – 12.500	190	33,139,721	2.85	174,420	5.913	358.06	641	77.0
12.501 – 13.000	632	118,793,670	10.21	187,965	6.154	358.56	621	76.4
13.001 – 13.500	1,080	196,684,899	16.90	182,116	6.517	358.70	613	77.6
13.501 – 14.000	1,453	251,896,736	21.65	173,363	6.937	358.72	602	78.0
14.001 – 14.500	1,145	186,078,078	15.99	162,514	7.370	358.80	590	79.4
14.501 – 15.000	1,092	168,769,652	14.50	154,551	7.838	358.83	584	81.5
15.001 – 15.500	567	85,880,297	7.38	151,464	8.335	358.91	570	82.6
15.501 – 16.000	415	57,837,358	4.97	139,367	8.807	358.94	567	83.3
16.001 – 16.500	132	16,711,238	1.44	126,600	9.347	358.88	557	81.7
16.501 – 17.000	108	12,333,101	1.06	114,195	9.808	358.96	556	79.0
17.001 – 17.500	51	5,646,030	0.49	110,706	10.360	358.91	546	84.4
17.501 – 18.000	40	3,828,691	0.33	95,717	10.584	358.89	564	81.2
18.001 – 18.500	23	1,757,267	0.15	76,403	11.307	358.80	555	82.6
18.501 – 19.000	16	1,150,389	0.10	71,899	11.835	358.81	546	82.4
19.001 – 19.500	6	353,311	0.03	58,885	12.293	359.58	546	73.9
Greater than 19.500	1	50,987	0.00	50,987	12.625	359.00	532	82.4
Total/Avg./Wtd. Avg.	<u>7,069</u>	<u>\$ 1,163,551,479</u>	<u>100.00%</u>	<u>\$ 164,599</u>	<u>7.236%</u>	<u>358.73</u>	<u>598</u>	<u>79.2%</u>

(1) The weighted average Maximum Mortgage Rate for the Adjustable Rate Group 2 Mortgage Loans in the Statistical Calculation Pool as of the Cut-off Date was approximately 14.113%.

**INITIAL PERIODIC RATE CAP FOR THE ADJUSTABLE RATE GROUP 2 MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL⁽¹⁾**

Initial Periodic Rate Cap (%)	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to- Value Ratio
1.000	70	\$ 10,258,045	0.88%	\$ 146,543	7.449%	358.28	598	81.5%
1.500	5,862	969,382,944	83.31	165,367	7.284	358.87	594	79.0
1.600	1	100,632	0.01	100,632	6.925	358.00	621	80.0
2.000	76	12,812,581	1.10	168,587	6.973	357.76	610	80.5
2.975	1	87,866	0.01	87,866	7.375	358.00	562	80.0
3.000	1,053	169,749,469	14.59	161,206	6.976	358.00	616	80.0
3.250	1	116,681	0.01	116,681	6.500	357.00	624	90.0
5.000	1	310,575	0.03	310,575	5.900	356.00	665	80.0
6.000	2	286,814	0.02	143,407	6.929	357.57	663	86.5
6.250	1	133,873	0.01	133,873	6.250	359.00	569	76.6
7.000	1	312,000	0.03	312,000	5.250	357.00	602	80.0
Total/Avg./Wtd. Avg.	<u>7,069</u>	<u>\$ 1,163,551,479</u>	<u>100.00%</u>	<u>\$ 164,599</u>	<u>7.236%</u>	<u>358.73</u>	<u>598</u>	<u>79.2%</u>

(1) The weighted average Initial Periodic Rate Cap for the Adjustable Rate Group 2 Mortgage Loans in the Statistical Calculation Pool as of the Cut-off Date was approximately 1.724%.

**SUBSEQUENT PERIODIC RATE CAP FOR THE ADJUSTABLE RATE GROUP 2 MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL⁽¹⁾**

Subsequent Periodic Rate Cap (%)	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to-Value Ratio
1.000.....	1,009	\$ 163,256,509	14.03%	\$ 161,800	7.016%	358.02	614	80.4%
1.500.....	6,052	999,014,884	85.86	165,072	7.272	358.84	595	79.0
2.000.....	4	587,663	0.05	146,916	7.336	357.79	645	79.4
3.000.....	4	692,423	0.06	173,106	6.760	357.85	586	70.0
Total/Avg./Wtd. Avg.	7,069	\$ 1,163,551,479	100.00%	\$ 164,599	7.236%	358.73	598	79.2%

(1) The weighted average Subsequent Periodic Rate Cap for the Adjustable Rate Group 2 Mortgage Loans in the Statistical Calculation Pool as of the Cut-off Date was approximately 1.431%.

**MINIMUM MORTGAGE RATES FOR THE ADJUSTABLE RATE GROUP 2 MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL⁽¹⁾**

Range of Minimum Mortgage Rates (%)	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to-Value Ratio
1.000 or Less.....	1	\$ 163,231	0.01%	\$ 163,231	6.990%	358.00	598	74.3%
1.001 – 2.000.....	1	267,731	0.02	267,731	6.000	357.00	627	80.0
2.001 – 3.000.....	1	64,542	0.01	64,542	6.033	356.00	701	80.0
3.001 – 4.000.....	1	307,687	0.03	307,687	5.900	359.00	727	79.0
4.001 – 5.000.....	21	4,793,231	0.41	228,249	5.016	358.39	658	76.0
5.001 – 6.000.....	626	122,942,327	10.57	196,393	5.855	358.53	629	75.5
6.001 – 7.000.....	2,481	440,422,098	37.85	177,518	6.641	358.70	611	77.5
7.001 – 8.000.....	2,537	403,504,247	34.68	159,048	7.580	358.74	588	80.5
8.001 – 9.000.....	1,024	149,522,938	12.85	146,018	8.522	358.90	568	83.0
9.001 – 10.000.....	240	29,041,669	2.50	121,007	9.540	358.90	557	80.6
10.001 or Greater.....	136	12,521,778	1.08	92,072	10.823	358.94	550	82.5
Total/Avg./Wtd. Avg.	7,069	\$ 1,163,551,479	100.00%	\$ 164,599	7.236%	358.73	598	79.2%

(1) The weighted average Minimum Mortgage Rate for the Adjustable Rate Group 2 Mortgage Loans in the Statistical Calculation Pool as of the Cut-off Date was approximately 7.218%.

**TYPES OF MORTGAGED PROPERTIES FOR THE GROUP 2 MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL**

Property Type	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to-Value Ratio
Single-Family Residence	5,516	\$ 888,960,203	76.40%	\$ 161,160	7.246%	358.74	595	79.0%
Planned Unit Development	884	156,447,607	13.45	176,977	7.137	358.61	604	80.9
Low Rise Condominium	445	73,837,131	6.35	165,926	7.194	358.76	610	79.1
Two Family Home	154	30,687,104	2.64	199,267	7.465	358.87	600	75.3
Three Family Home	34	6,770,413	0.58	199,130	7.321	358.73	615	73.6
Four Family Home	17	3,486,130	0.30	205,066	7.818	358.98	624	77.1
High Rise Condominium.....	19	3,362,892	0.29	176,994	7.055	358.54	617	80.8
Total/Avg./Wtd. Avg.	7,069	\$ 1,163,551,479	100.00%	\$ 164,599	7.236%	358.73	598	79.2%

**OCCUPANCY TYPES FOR THE GROUP 2 MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL⁽¹⁾**

Occupancy Type	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to-Value Ratio
Owner Occupied.....	6,894	\$ 1,141,087,209	98.07%	\$ 165,519	7.230%	358.73	597	79.2%
Investment Property	134	17,061,843	1.47	127,327	7.531	358.67	634	77.1
Second Home	41	5,402,427	0.46	131,767	7.523	358.68	578	73.8
Total/Avg./Wtd. Avg.	<u>7,069</u>	<u>\$ 1,163,551,479</u>	<u>100.00%</u>	<u>\$ 164,599</u>	<u>7.236%</u>	<u>358.73</u>	<u>598</u>	<u>79.2%</u>

(1) Based on representations by the Mortgagors at the time of origination of the related Mortgage Loans.

**LOAN PURPOSES FOR THE GROUP 2 MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL**

Loan Purpose	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to-Value Ratio
Refinance – Cash Out	4,251	\$ 718,865,803	61.78%	\$ 169,105	7.281%	358.82	580	77.1%
Purchase.....	2,440	387,461,211	33.30	158,796	7.169	358.56	631	82.6
Refinance – Rate/Term.....	378	57,224,464	4.92	151,387	7.112	358.71	596	81.9
Total/Avg./Wtd. Avg.	<u>7,069</u>	<u>\$ 1,163,551,479</u>	<u>100.00%</u>	<u>\$ 164,599</u>	<u>7.236%</u>	<u>358.73</u>	<u>598</u>	<u>79.2%</u>

**CREDIT GRADE CATEGORIES FOR THE GROUP 2 MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL**

Credit Grade Category	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to-Value Ratio
A.....	5,351	\$ 887,940,085	76.31%	\$ 165,939	7.163%	358.67	608	80.8%
A-	487	78,980,405	6.79	162,177	7.417	358.84	572	78.6
B.....	669	106,225,365	9.13	158,782	7.387	358.91	565	74.8
C.....	406	66,484,513	5.71	163,755	7.522	358.93	559	69.9
C-.....	87	13,723,629	1.18	157,743	7.623	359.02	569	66.5
D.....	69	10,197,481	0.88	147,790	8.171	358.96	542	62.0
Total/Avg./Wtd. Avg.	<u>7,069</u>	<u>\$ 1,163,551,479</u>	<u>100.00%</u>	<u>\$ 164,599</u>	<u>7.236%</u>	<u>358.73</u>	<u>598</u>	<u>79.2%</u>

**RANGE OF MONTHS TO NEXT ADJUSTABLE DATE FOR THE ADJUSTABLE RATE GROUP 2 MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL**

Range of Months to Next Adjustable Date	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to- Value Ratio
0 – 6.....	3	\$ 404,149	0.03%	\$ 134,716	6.032%	359.36	570	91.7%
19 – 24.....	747	129,402,741	11.12	173,230	6.961	358.19	613	78.8
25 – 31.....	3	343,438	0.03	114,479	6.513	353.74	528	68.3
32 – 37.....	6,316	1,033,401,150	88.81	163,616	7.271	358.80	596	79.2
Total/Avg./Wtd. Avg.	<u>7,069</u>	<u>\$ 1,163,551,479</u>	<u>100.00%</u>	<u>\$ 164,599</u>	<u>7.236%</u>	<u>358.73</u>	<u>598</u>	<u>79.2%</u>

**LOAN DOCUMENTATION TYPE FOR THE GROUP 2 MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL**

Documentation Type	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to- Value Ratio
Full Documentation.....	4,882	\$ 785,834,504	67.54%	\$ 160,966	7.213%	358.75	585	79.2%
Stated Income	2,187	377,716,975	32.46	172,710	7.283	358.68	623	79.0
Total/Avg./Wtd. Avg.	<u>7,069</u>	<u>\$ 1,163,551,479</u>	<u>100.00%</u>	<u>\$ 164,599</u>	<u>7.236%</u>	<u>358.73</u>	<u>598</u>	<u>79.2%</u>

LOAN GROUP 3

MORTGAGE LOAN PROGRAMS FOR THE GROUP 3 MORTGAGE LOANS IN THE STATISTICAL CALCULATION POOL

Loan Program	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to- Value Ratio
30 Year 6-Month LIBOR	4	\$ 785,718	0.08%	\$ 196,430	5.958%	358.77	601	84.1%
2/28 6-Month LIBOR	622	101,471,902	10.35	163,138	7.562	358.23	607	82.1
2/28 6-Month LIBOR – Interest Only	143	32,483,009	3.31	227,154	6.770	358.41	607	83.0
3/27 6-Month LIBOR	3,895	649,631,041	66.28	166,786	7.511	358.87	604	81.6
3/27 6-Month LIBOR – Interest Only	813	195,788,269	19.98	240,822	6.992	359.04	604	82.7
Total/Avg./Wtd. Avg.	<u>5,477</u>	<u>\$ 980,159,939</u>	<u>100.00%</u>	<u>\$ 178,959</u>	<u>7.387%</u>	<u>358.82</u>	<u>604</u>	<u>81.9%</u>

ORIGINAL TERM TO STATED MATURITY FOR THE GROUP 3 MORTGAGE LOANS IN THE STATISTICAL CALCULATION POOL

Original Term (months)	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to- Value Ratio
ARM 360	5,477	\$ 980,159,939	100.00%	\$ 178,959	7.387%	358.82	604	81.9%
Total/Avg./Wtd. Avg.	<u>5,477</u>	<u>\$ 980,159,939</u>	<u>100.00%</u>	<u>\$ 178,959</u>	<u>7.387%</u>	<u>358.82</u>	<u>604</u>	<u>81.9%</u>

**MORTGAGE LOAN PRINCIPAL BALANCES FOR THE GROUP 3 MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL**

Range of Mortgage Loan Principal Balances	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to- Value Ratio
\$ 0.01 – \$ 25,000.00	1	\$ 24,854	0.00%	\$ 24,854	10.175%	359.00	594	85.0%
\$ 25,000.01 – \$ 50,000.00	71	3,156,745	0.32	44,461	9.109	358.62	587	76.6
\$ 50,000.01 – \$ 75,000.00	461	29,221,277	2.98	63,387	8.320	358.54	608	81.7
\$ 75,000.01 – \$100,000.00 ...	848	74,967,450	7.65	88,405	7.830	358.80	605	82.9
\$100,000.01 – \$150,000.00 ...	1,560	192,812,608	19.67	123,598	7.675	358.81	607	82.8
\$150,000.01 – \$200,000.00 ...	909	157,353,438	16.05	173,106	7.435	358.81	608	83.0
\$200,000.01 – \$250,000.00 ...	503	112,458,091	11.47	223,575	7.326	358.85	609	82.6
\$250,000.01 – \$300,000.00 ...	273	74,482,557	7.60	272,830	7.192	358.85	602	81.3
\$300,000.01 – \$350,000.00 ...	253	84,125,008	8.58	332,510	7.230	358.87	600	81.7
\$350,000.01 – \$400,000.00 ...	322	120,346,651	12.28	373,747	7.025	358.79	601	81.2
\$400,000.01 – \$450,000.00 ...	122	51,709,037	5.28	423,845	7.029	358.89	602	83.2
\$450,000.01 – \$500,000.00 ...	106	50,879,158	5.19	479,992	7.010	358.95	591	78.0
\$500,000.01 – \$550,000.00 ...	20	10,556,099	1.08	527,805	7.016	358.70	615	80.5
\$550,000.01 – \$600,000.00 ...	16	9,282,017	0.95	580,126	6.861	358.75	603	75.4
\$600,000.01 – \$650,000.00 ...	3	1,885,940	0.19	628,647	7.163	359.34	600	76.6
\$650,000.01 – \$700,000.00 ...	1	680,000	0.07	680,000	7.625	359.00	599	69.4
\$700,000.01 – \$750,000.00 ...	5	3,662,301	0.37	732,460	6.871	359.18	619	66.0
\$800,000.01 – \$850,000.00 ...	2	1,677,762	0.17	838,881	6.745	359.00	625	70.0
\$850,000.01 – \$900,000.00 ...	1	878,946	0.09	878,946	5.875	358.00	630	60.8
Total/Avg./Wtd. Avg.	<u>5,477</u>	<u>\$ 980,159,939</u>	<u>100.00%</u>	<u>\$ 178,959</u>	<u>7.387%</u>	<u>358.82</u>	<u>604</u>	<u>81.9%</u>

**CURRENT MORTGAGE RATES FOR THE GROUP 3 MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL**

Range of Current Mortgage Rates (%)	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to- Value Ratio
4.001 – 4.500.....	1	\$ 207,200	0.02%	\$ 207,200	4.250%	358.00	633	80.0%
4.501 – 5.000.....	7	1,957,830	0.20	279,690	4.898	358.64	664	79.9
5.001 – 5.500.....	54	13,723,955	1.40	254,147	5.375	358.77	640	78.8
5.501 – 6.000.....	354	89,815,192	9.16	253,715	5.862	358.89	624	78.3
6.001 – 6.500.....	699	146,927,380	14.99	210,197	6.338	358.85	620	78.2
6.501 – 7.000.....	989	190,527,082	19.44	192,646	6.812	358.85	615	79.9
7.001 – 7.500.....	862	153,364,411	15.65	177,917	7.305	358.88	606	81.3
7.501 – 8.000.....	716	126,325,600	12.89	176,432	7.788	358.81	603	83.0
8.001 – 8.500.....	586	89,902,583	9.17	153,417	8.308	358.69	586	85.0
8.501 – 9.000.....	530	79,032,000	8.06	149,117	8.790	358.75	577	87.0
9.001 – 9.500.....	312	43,575,205	4.45	139,664	9.289	358.85	569	88.3
9.501 – 10.000.....	239	32,064,271	3.27	134,160	9.779	358.68	568	87.8
10.001 – 10.500.....	53	5,866,255	0.60	110,684	10.286	359.10	568	89.8
10.501 – 11.000.....	48	4,554,920	0.46	94,894	10.793	358.79	562	87.8
11.001 – 11.500.....	11	940,151	0.10	85,468	11.236	358.75	596	92.4
11.501 – 12.000.....	11	1,108,765	0.11	100,797	11.905	358.54	590	93.3
12.001 – 12.500.....	4	216,800	0.02	54,200	12.184	359.24	571	83.1
13.001 – 13.500.....	1	50,340	0.01	50,340	13.500	359.00	634	95.0
Total/Avg./Wtd. Avg.	<u>5,477</u>	<u>\$ 980,159,939</u>	<u>100.00%</u>	<u>\$ 178,959</u>	<u>7.387%</u>	<u>358.82</u>	<u>604</u>	<u>81.9%</u>

**REMAINING TERMS TO STATED MATURITY FOR THE GROUP 3 MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL**

Range of Remaining Terms (months)	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to- Value Ratio
181 – 300	1	\$ 58,797	0.01%	\$ 58,797	9.950%	281.00	567	55.4%
301 – 360	5,476	980,101,142	99.99	178,981	7.387	358.83	604	81.9
Total/Avg./Wtd. Avg.	<u>5,477</u>	<u>\$ 980,159,939</u>	<u>100.00%</u>	<u>\$ 178,959</u>	<u>7.387%</u>	<u>358.82</u>	<u>604</u>	<u>81.9%</u>

**LOAN-TO-VALUE RATIOS FOR THE GROUP 3 MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL**

Range of Loan-to-Value Ratios (%)	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to- Value Ratio
50.00 or Less.....	63	\$ 12,154,852	1.24%	\$ 192,934	7.218%	358.49	586	42.4%
50.01 – 55.00	33	6,029,367	0.62	182,708	7.077	358.84	573	52.6
55.01 – 60.00	56	11,394,387	1.16	203,471	7.253	358.57	571	57.6
60.01 – 65.00	75	20,009,544	2.04	266,794	7.290	358.75	567	63.3
65.01 – 70.00	189	38,399,062	3.92	203,170	7.214	358.88	575	68.8
70.01 – 75.00	236	53,639,352	5.47	227,285	7.336	358.88	570	73.8
75.01 – 80.00	2,928	474,991,530	48.46	162,224	6.943	358.90	621	79.9
80.01 – 85.00	495	103,219,343	10.53	208,524	7.739	358.78	579	84.5
85.01 – 90.00	676	148,852,008	15.19	220,195	7.746	358.78	600	89.6
90.01 – 95.00	184	35,885,780	3.66	195,031	8.424	358.79	598	94.7
95.01 – 100.00	542	75,584,713	7.71	139,455	8.720	358.56	606	99.9
Total/Avg./Wtd. Avg.	<u>5,477</u>	<u>\$ 980,159,939</u>	<u>100.00%</u>	<u>\$ 178,959</u>	<u>7.387%</u>	<u>358.82</u>	<u>604</u>	<u>81.9%</u>

**STATE DISTRIBUTION OF THE MORTGAGED PROPERTIES FOR THE GROUP 3 MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL**

State	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to- Value Ratio
Alabama.....	56	\$ 6,820,501	0.70%	\$ 121,795	8.090%	358.86	600	83.9%
Alaska.....	1	229,796	0.02	229,796	10.000	358.00	556	100.0
Arizona.....	166	23,185,434	2.37	139,671	7.067	358.68	612	82.1
Arkansas.....	19	1,790,448	0.18	94,234	8.817	358.66	578	89.5
California.....	890	260,285,891	26.56	292,456	6.827	358.89	604	79.9
Colorado.....	120	20,688,393	2.11	172,403	6.759	358.95	613	80.2
Connecticut.....	91	16,786,402	1.71	184,466	7.487	359.01	596	77.4
Delaware.....	10	1,617,153	0.16	161,715	8.078	358.77	579	87.1
District of Columbia.....	9	2,476,850	0.25	275,206	7.725	358.29	569	70.0
Florida.....	418	63,611,141	6.49	152,180	7.598	358.80	608	83.7
Georgia.....	269	41,495,196	4.23	154,257	7.989	358.83	596	85.8
Hawaii.....	10	2,701,631	0.28	270,163	6.532	359.00	630	78.9
Idaho.....	35	4,870,084	0.50	139,145	7.134	359.20	609	82.2
Illinois.....	276	42,939,099	4.38	155,576	7.915	358.89	611	83.2
Indiana.....	110	11,466,696	1.17	104,243	7.864	358.71	609	85.8
Iowa.....	20	2,136,449	0.22	106,822	7.755	359.00	605	83.1
Kansas.....	31	3,980,166	0.41	128,392	8.843	359.05	595	91.5
Kentucky.....	47	5,870,189	0.60	124,898	7.569	358.61	605	84.0
Louisiana.....	63	8,210,495	0.84	130,325	8.004	358.76	601	86.3
Maine.....	12	1,681,813	0.17	140,151	8.736	358.60	588	86.6
Maryland.....	154	35,144,334	3.59	228,210	7.519	358.70	600	79.6
Massachusetts.....	131	32,204,232	3.29	245,834	7.338	358.99	591	77.3
Michigan.....	294	36,954,997	3.77	125,697	7.959	358.66	595	83.6
Minnesota.....	95	17,534,646	1.79	184,575	7.620	358.95	605	83.4
Mississippi.....	35	3,681,432	0.38	105,184	8.242	359.08	596	88.4
Missouri.....	182	20,160,429	2.06	110,772	8.169	358.91	599	84.1
Montana.....	4	388,659	0.04	97,165	7.384	359.80	613	79.4
Nebraska.....	19	1,924,786	0.20	101,305	7.578	358.55	614	83.9
Nevada.....	105	22,978,844	2.34	218,846	7.157	358.49	609	81.5
New Hampshire.....	50	8,961,010	0.91	179,220	7.076	358.91	619	79.1
New Jersey.....	99	24,129,937	2.46	243,737	7.814	358.76	594	78.4
New Mexico.....	21	2,833,274	0.29	134,918	8.117	358.43	614	84.9
New York.....	104	29,407,036	3.00	282,760	7.375	359.05	600	78.2
North Carolina.....	110	15,204,659	1.55	138,224	8.150	358.79	598	89.4
North Dakota.....	3	252,481	0.03	84,160	7.669	359.30	609	82.8
Ohio.....	145	15,832,662	1.62	109,191	7.429	358.83	614	82.9
Oklahoma.....	50	4,589,368	0.47	91,787	7.836	358.97	604	84.9
Oregon.....	73	11,776,396	1.20	161,320	6.966	358.67	614	82.9
Pennsylvania.....	108	15,899,830	1.62	147,221	7.643	358.70	605	83.8
Rhode Island.....	8	1,599,877	0.16	199,985	7.819	359.16	631	83.5
South Carolina.....	37	5,013,657	0.51	135,504	8.181	358.63	589	85.9
South Dakota.....	5	549,604	0.06	109,921	8.385	358.79	573	81.0
Tennessee.....	146	17,607,743	1.80	120,601	7.762	358.73	611	88.0
Texas.....	382	46,814,630	4.78	122,551	7.549	358.78	616	83.5
Utah.....	70	9,982,803	1.02	142,611	6.811	358.95	618	83.2
Vermont.....	1	120,000	0.01	120,000	6.500	360.00	516	64.9
Virginia.....	169	38,333,667	3.91	226,826	7.318	358.65	604	82.9
Washington.....	133	25,787,460	2.63	193,891	7.008	358.72	607	82.4
West Virginia.....	12	1,900,302	0.19	158,358	9.008	358.92	570	85.3
Wisconsin.....	72	8,916,719	0.91	123,843	8.239	358.79	589	81.0
Wyoming.....	7	830,640	0.08	118,663	7.074	358.48	632	83.7
Total/Avg./Wtd. Avg.	<u>5,477</u>	<u>\$ 980,159,939</u>	<u>100.00%</u>	<u>\$ 178,959</u>	<u>7.387%</u>	<u>358.82</u>	<u>604</u>	<u>81.9%</u>

**CREDIT BUREAU RISK SCORES ⁽¹⁾ FOR THE GROUP 3 MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL**

Range of Credit Bureau Risk Scores	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to-Value Ratio
Unknown	9	\$ 987,225	0.10%	\$ 109,692	8.054%	359.02		76.3%
801 – 820	1	440,582	0.04	440,582	6.250	359.00	801	90.0
781 – 800	1	195,920	0.02	195,920	7.300	360.00	788	80.0
761 – 780	8	2,027,654	0.21	253,457	6.222	358.13	769	66.1
741 – 760	27	6,076,536	0.62	225,057	6.405	358.05	750	81.7
721 – 740	29	5,806,613	0.59	200,228	6.353	358.99	730	77.1
701 – 720	64	11,247,189	1.15	175,737	6.890	358.88	710	80.2
681 – 700	91	17,127,845	1.75	188,218	6.812	358.79	690	81.3
661 – 680	407	65,059,281	6.64	159,851	6.821	358.80	670	80.0
641 – 660	537	81,575,186	8.32	151,909	6.958	358.85	650	79.9
621 – 640	823	153,209,123	15.63	186,159	7.076	358.85	630	83.7
601 – 620	1,043	186,395,738	19.02	178,711	7.279	358.82	610	84.8
581 – 600	1,006	180,321,466	18.40	179,246	7.438	358.85	591	83.8
561 – 580	468	94,148,722	9.61	201,172	7.638	358.79	571	82.1
541 – 560	405	73,734,042	7.52	182,059	8.049	358.81	550	79.1
521 – 540	341	63,789,879	6.51	187,067	8.196	358.86	531	78.2
501 – 520	200	34,936,334	3.56	174,682	8.274	358.75	512	72.8
500 or Less.....	17	3,080,602	0.31	181,212	8.936	359.06	494	75.8
Total/Avg./Wtd. Avg.	<u>5,477</u>	<u>\$ 980,159,939</u>	<u>100.00%</u>	<u>\$ 178,959</u>	<u>7.387%</u>	<u>358.82</u>	<u>604</u>	<u>81.9%</u>

(1) The Credit Bureau Risk Scores referenced in this table with respect to substantially all of the Mortgage Loans in Loan Group 3 were obtained by the respective originators from one or more credit reporting agencies, and were determined at the time of origination.

**PREPAYMENT PENALTY PERIOD FOR THE GROUP 3 MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL**

Prepayment Penalty Period (months)	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to-Value Ratio
0.....	1,542	\$ 277,867,895	28.35%	\$ 180,200	7.842%	358.91	602	81.4%
6.....	1	347,400	0.04	347,400	9.500	358.00	586	90.0
12	219	52,061,336	5.31	237,723	7.302	358.75	600	79.8
13	1	420,698	0.04	420,698	5.990	357.00	621	87.7
21	2	369,509	0.04	184,755	8.229	359.00	629	94.7
24	603	112,144,261	11.44	185,977	7.133	358.50	609	81.6
36	3,097	535,238,275	54.61	172,825	7.211	358.86	605	82.4
60	12	1,710,564	0.17	142,547	7.624	358.98	602	81.9
Total/Avg./Wtd. Avg.	<u>5,477</u>	<u>\$ 980,159,939</u>	<u>100.00%</u>	<u>\$ 178,959</u>	<u>7.387%</u>	<u>358.82</u>	<u>604</u>	<u>81.9%</u>

**GROSS MARGINS FOR THE ADJUSTABLE RATE GROUP 3 MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL⁽¹⁾**

Range of Gross Margins (%)	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to-Value Ratio
1.000 or Less.....	1	\$ 343,258	0.04%	\$ 343,258	7.750%	359.00	501	64.0%
2.001 – 3.000	1	599,388	0.06	599,388	5.875	359.00	751	80.0
3.001 – 4.000	8	2,032,804	0.21	254,101	5.596	358.58	616	75.9
4.001 – 5.000	267	67,195,257	6.86	251,668	5.820	358.97	626	78.5
5.001 – 6.000	1,417	277,544,515	28.32	195,868	6.677	358.94	619	79.2
6.001 – 7.000	1,366	253,529,814	25.87	185,600	7.215	358.80	613	81.1
7.001 – 8.000	958	164,269,534	16.76	171,471	7.870	358.74	598	85.7
8.001 – 9.000	1,138	173,968,982	17.75	152,873	8.452	358.74	572	84.0
9.001 – 10.000	278	35,816,370	3.65	128,836	9.411	358.65	572	87.8
10.001 – 11.000	36	4,254,544	0.43	118,182	10.218	358.72	559	86.1
11.001 – 12.000	7	605,474	0.06	86,496	9.072	358.23	580	79.0
Total/Avg./Wtd. Avg.	5,477	\$ 980,159,939	100.00%	\$ 178,959	7.387%	358.82	604	81.9%

(1) The weighted average Gross Margin for the Adjustable Rate Group 3 Mortgage Loans in the Statistical Calculation Pool as of the Cut-off Date was approximately 6.801%.

**NEXT ADJUSTMENT DATE FOR THE ADJUSTABLE RATE GROUP 3 MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL⁽¹⁾**

Next Adjustment Date	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to-Value Ratio
December 2004.....	1	\$ 59,804	0.01%	\$ 59,804	5.550%	357.00	645	40.1%
January 2005.....	1	63,084	0.01	63,084	6.450	358.00	652	80.0
February 2005.....	3	721,627	0.07	240,542	6.274	352.64	590	85.7
July 2005	1	234,335	0.02	234,335	6.250	346.00	754	80.0
October 2005	1	134,439	0.01	134,439	9.500	350.00	556	80.0
December 2005	1	59,162	0.01	59,162	8.750	351.00	592	100.0
February 2006.....	3	306,220	0.03	102,073	8.753	353.00	558	88.4
March 2006.....	4	1,098,646	0.11	274,662	7.332	354.00	559	67.2
April 2006.....	8	1,132,378	0.12	141,547	7.084	355.04	584	84.9
May 2006.....	17	3,160,584	0.32	185,917	6.761	356.09	628	83.8
June 2006.....	99	16,391,523	1.67	165,571	7.092	357.04	620	83.8
July 2006	268	48,859,258	4.98	182,311	7.457	358.07	602	82.7
August 2006.....	308	51,957,534	5.30	168,693	7.473	359.01	607	82.1
September 2006	54	10,562,037	1.08	195,593	7.052	360.00	616	79.9
December 2006.....	1	88,777	0.01	88,777	10.000	352.00	512	70.0
January 2007.....	1	133,277	0.01	133,277	11.750	352.00	606	100.0
March 2007.....	1	62,157	0.01	62,157	8.250	354.00	556	80.0
April 2007	2	321,117	0.03	160,559	7.012	355.00	592	78.7
May 2007	15	1,952,773	0.20	130,185	7.272	356.12	590	85.3
June 2007.....	130	18,739,010	1.91	144,146	7.567	357.05	608	85.5
July 2007	1,081	193,875,508	19.78	179,348	7.475	358.01	606	82.6
August 2007.....	2,627	470,055,015	47.96	178,932	7.396	359.00	603	81.5
September 2007	850	160,191,674	16.34	188,461	7.250	360.00	605	81.4
Total/Avg./Wtd. Avg.	5,477	\$ 980,159,939	100.00%	\$ 178,959	7.387%	358.82	604	81.9%

(1) The weighted average next adjustment date for the Adjustable Rate Group 3 Mortgage Loans in the Statistical Calculation Pool as of the Cut-off Date is June 2007.

**MAXIMUM MORTGAGE RATES FOR THE ADJUSTABLE RATE GROUP 3 MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL⁽¹⁾**

Range of Maximum Mortgage Rates (%)	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to- Value Ratio
10.001 – 10.500	1	\$ 207,200	0.02%	\$ 207,200	4.250%	358.00	633	80.0%
10.501 – 11.000	4	712,571	0.07	178,143	5.270	357.65	694	80.0
11.001 – 11.500	13	2,763,157	0.28	212,551	6.244	357.65	622	80.4
11.501 – 12.000	49	11,150,685	1.14	227,565	5.776	358.45	664	80.6
12.001 – 12.500	142	29,999,420	3.06	211,264	5.918	358.39	643	77.9
12.501 – 13.000	446	104,851,150	10.70	235,092	6.086	358.77	620	78.4
13.001 – 13.500	735	150,726,453	15.38	205,070	6.488	358.86	616	79.2
13.501 – 14.000	993	189,755,531	19.36	191,093	6.933	358.86	611	80.4
14.001 – 14.500	875	153,488,415	15.66	175,415	7.455	358.88	602	81.7
14.501 – 15.000	710	119,922,182	12.23	168,904	7.931	358.86	599	83.4
15.001 – 15.500	500	75,321,931	7.68	150,644	8.422	358.81	586	85.2
15.501 – 16.000	442	67,569,842	6.89	152,873	8.884	358.83	578	86.9
16.001 – 16.500	257	35,953,600	3.67	139,897	9.319	358.94	570	88.4
16.501 – 17.000	197	26,738,906	2.73	135,730	9.808	358.72	570	88.4
17.001 – 17.500	43	4,901,301	0.50	113,984	10.256	359.09	563	88.2
17.501 – 18.000	43	3,781,538	0.39	87,943	10.663	358.80	559	87.4
18.001 – 18.500	11	940,151	0.10	85,468	11.236	358.75	596	92.4
18.501 – 19.000	11	1,108,765	0.11	100,797	11.905	358.54	590	93.3
19.001 – 19.500	4	216,800	0.02	54,200	12.184	359.24	571	83.1
Greater than 19.500	1	50,340	0.01	50,340	13.500	359.00	634	95.0
Total/Avg./Wtd. Avg.	5,477	\$ 980,159,939	100.00%	\$ 178,959	7.387%	358.82	604	81.9%

(1) The weighted average Maximum Mortgage Rate for the Adjustable Rate Group 3 Mortgage Loans in the Statistical Calculation Pool as of the Cut-off Date was approximately 14.222%.

**INITIAL PERIODIC RATE CAP FOR THE ADJUSTABLE RATE GROUP 3 MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL⁽¹⁾**

Initial Periodic Rate Cap (%)	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to- Value Ratio
1.000	47	\$ 6,249,295	0.64%	\$ 132,964	7.680%	358.63	601	85.0%
1.500	4,167	768,877,342	78.44	184,516	7.342	359.00	604	81.6
1.950	1	127,925	0.01	127,925	8.650	359.00	611	80.0
2.000	133	19,974,400	2.04	150,183	7.475	357.91	613	86.0
2.750	1	164,336	0.02	164,336	7.125	358.00	580	84.9
2.910	1	139,347	0.01	139,347	8.990	358.00	555	90.0
3.000	1,123	183,801,845	18.75	163,670	7.550	358.20	604	82.6
3.125	1	122,320	0.01	122,320	8.375	357.00	604	95.0
6.000	2	572,346	0.06	286,173	8.041	358.00	549	87.3
7.000	1	130,784	0.01	130,784	10.000	358.00	509	70.0
Total/Avg./Wtd. Avg.	5,477	\$ 980,159,939	100.00%	\$ 178,959	7.387%	358.82	604	81.9%

(1) The weighted average Initial Periodic Rate Cap for the Adjustable Rate Group 3 Mortgage Loans in the Statistical Calculation Pool as of the Cut-off Date was approximately 1.792%.

**SUBSEQUENT PERIODIC RATE CAP FOR THE ADJUSTABLE RATE GROUP 3 MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL⁽¹⁾**

Subsequent Periodic Rate Cap (%)	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to-Value Ratio
1.000	1,142	\$ 181,962,696	18.56%	\$ 159,337	7.568%	358.17	603	83.4%
1.25	2	224,499	0.02	112,249	7.574	358.32	624	80.0
1.500	4,323	795,494,899	81.16	184,015	7.346	358.97	604	81.6
2.000	3	1,210,965	0.12	403,655	7.049	358.60	646	83.1
3.000	7	1,266,881	0.13	180,983	7.599	357.90	609	63.9
Total/Avg./Wtd. Avg.	<u>5,477</u>	<u>\$ 980,159,939</u>	<u>100.00%</u>	<u>\$ 178,959</u>	<u>7.387%</u>	<u>358.82</u>	<u>604</u>	<u>81.9%</u>

(1) The weighted average Subsequent Periodic Rate Cap for the Adjustable Rate Group 3 Mortgage Loans in Loan Group 3 as of the Cut-off Date was approximately 1.410%.

**MINIMUM MORTGAGE RATES FOR THE ADJUSTABLE RATE GROUP 3 MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL⁽¹⁾**

Range of Minimum Mortgage Rates (%)	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to-Value Ratio
1.000 or Less.....	1	\$ 336,724	0.03%	\$ 336,724	7.375%	357.00	597	90.0%
2.001 – 3.000	2	707,289	0.07	353,644	5.955	359.00	735	80.0
4.001 – 5.000	12	3,144,019	0.32	262,002	5.557	358.39	643	82.0
5.001 – 6.000	411	104,239,514	10.63	253,624	5.830	358.88	624	78.2
6.001 – 7.000	1,680	334,445,277	34.12	199,075	6.610	358.86	618	79.3
7.001 – 8.000	1,574	279,388,923	28.50	177,502	7.521	358.85	605	82.0
8.001 – 9.000	1,125	170,584,468	17.40	151,631	8.518	358.71	582	85.7
9.001 – 10.000	546	74,588,849	7.61	136,610	9.486	358.77	569	88.2
10.001 or Greater	126	12,724,877	1.30	100,991	10.690	358.92	571	89.9
Total/Avg./Wtd. Avg.	<u>5,477</u>	<u>\$ 980,159,939</u>	<u>100.00%</u>	<u>\$ 178,959</u>	<u>7.387%</u>	<u>358.82</u>	<u>604</u>	<u>81.9%</u>

(1) The weighted average Minimum Mortgage Rate for the Adjustable Rate Group 3 Mortgage Loans in the Statistical Calculation Pool as of the Cut-off Date was approximately 7.380%.

**TYPES OF MORTGAGED PROPERTIES FOR THE GROUP 3 MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL**

Property Type	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to-Value Ratio
Single-Family Residence	4,274	\$ 738,842,236	75.38%	\$ 172,869	7.415%	358.83	603	81.9%
Planned Unit Development	789	165,426,741	16.88	209,666	7.255	358.75	606	82.6
Low Rise Condominium	310	55,855,757	5.70	180,180	7.290	358.88	619	81.3
Two Family Home	64	13,496,762	1.38	210,887	7.480	358.96	620	80.6
Three Family Home	11	2,619,788	0.27	238,163	7.412	359.03	576	65.4
High Rise Condominium.....	12	2,149,008	0.22	179,084	8.376	359.00	571	85.6
Manufactured Housing ⁽¹⁾	15	1,407,382	0.14	93,825	9.347	358.86	592	68.3
Four Family Home	2	362,266	0.04	181,133	7.887	359.46	610	73.9
Total/Avg./Wtd. Avg.	<u>5,477</u>	<u>\$ 980,159,939</u>	<u>100.00%</u>	<u>\$ 178,959</u>	<u>7.387%</u>	<u>358.82</u>	<u>604</u>	<u>81.9%</u>

(1) Treated as real property.

**OCCUPANCY TYPES FOR THE GROUP 3 MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL⁽¹⁾**

Occupancy Type	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to- Value Ratio
Owner Occupied.....	5,396	\$ 968,031,063	98.76%	\$ 179,398	7.381%	358.83	604	82.0%
Investment Property	56	7,531,730	0.77	134,495	7.995	358.83	609	73.7
Second Home	25	4,597,146	0.47	183,886	7.694	358.41	586	81.7
Total/Avg./Wtd. Avg.	<u>5,477</u>	<u>\$ 980,159,939</u>	<u>100.00%</u>	<u>\$ 178,959</u>	<u>7.387%</u>	<u>358.82</u>	<u>604</u>	<u>81.9%</u>

(1) Based on representations by the Mortgagors at the time of origination of the related Mortgage Loans.

**LOAN PURPOSES FOR THE GROUP 3 MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL**

Loan Purpose	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to- Value Ratio
Purchase.....	3,223	\$ 524,521,551	53.51%	\$ 162,743	7.299%	358.84	621	83.6%
Refinance – Cash Out	2,009	414,463,090	42.29	206,303	7.498	358.81	584	79.8
Refinance – Rate/Term.....	245	41,175,299	4.20	168,062	7.391	358.77	593	82.4
Total/Avg./Wtd. Avg.	<u>5,477</u>	<u>\$ 980,159,939</u>	<u>100.00%</u>	<u>\$ 178,959</u>	<u>7.387%</u>	<u>358.82</u>	<u>604</u>	<u>81.9%</u>

**CREDIT GRADE CATEGORIES FOR THE GROUP 3 MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL**

Credit Grade Category	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to- Value Ratio
A.....	4,716	\$ 830,498,302	84.73%	\$ 176,102	7.299%	358.82	611	83.0%
A-	233	48,820,123	4.98	209,528	7.771	358.86	572	80.0
B.....	272	52,073,268	5.31	191,446	7.830	358.83	566	75.8
C.....	200	36,707,041	3.75	183,535	8.112	358.87	562	72.3
C-.....	40	7,989,841	0.82	199,746	8.005	358.99	586	75.5
D.....	16	4,071,365	0.42	254,460	7.237	359.29	543	65.1
Total/Avg./Wtd. Avg.	<u>5,477</u>	<u>\$ 980,159,939</u>	<u>100.00%</u>	<u>\$ 178,959</u>	<u>7.387%</u>	<u>358.82</u>	<u>604</u>	<u>81.9%</u>

**RANGE OF MONTHS TO NEXT ADJUSTABLE DATE FOR THE ADJUSTABLE RATE GROUP 3 MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL**

Range of Months to Next Adjustable Date	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to- Value Ratio
0 – 6	5	\$ 844,516	0.09%	\$ 168,903	6.236%	353.35	598	82.1%
7 – 12	1	234,335	0.02	234,335	6.250	346.00	754	80.0
13 – 18	9	1,598,467	0.16	177,607	7.839	353.36	559	73.6
19 – 24	754	132,063,313	13.47	175,150	7.365	358.39	607	82.4
25 – 31	5	605,328	0.06	121,066	8.621	353.80	580	82.2
32 – 37	4,703	844,813,982	86.19	179,633	7.390	358.91	604	81.9
Total/Avg./Wtd. Avg.	<u>5,477</u>	<u>\$ 980,159,939</u>	<u>100.00%</u>	<u>\$ 178,959</u>	<u>7.387%</u>	<u>358.82</u>	<u>604</u>	<u>81.9%</u>

**LOAN DOCUMENTATION TYPE FOR THE GROUP 3 MORTGAGE LOANS
IN THE STATISTICAL CALCULATION POOL**

Documentation Type	Number of Mortgage Loans	Aggregate Principal Balance Outstanding	Percent of Aggregate Principal Balance Outstanding	Average Current Principal Balance	Weighted Average Gross Mortgage Rate	Weighted Average Remaining Term (months)	Weighted Average Credit Bureau Risk Score	Weighted Average Loan-to- Value Ratio
Full Documentation.....	3,984	\$ 696,372,590	71.05%	\$ 174,792	7.364%	358.84	596	82.6%
Stated Income	1,493	283,787,350	28.95	190,079	7.444	358.78	625	80.2
Total/Avg./Wtd. Avg.	<u>5,477</u>	<u>\$ 980,159,939</u>	<u>100.00%</u>	<u>\$ 178,959</u>	<u>7.387%</u>	<u>358.82</u>	<u>604</u>	<u>81.9%</u>

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\$826,000,000
(Approximate)

CWABS Asset-Backed Certificates Trust 2004-7
Issuer

Class 1-AV-1 Certificates

CWABS, INC.
Depositor



Seller

Countrywide Home Loans Servicing LP
Master Servicer

INFORMATION CIRCULAR

You should rely only on the information contained or incorporated by reference in this information circular. We have not authorized anyone to provide you with different information.

August 30, 2004

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\$826,000,000
(Approximate)



**Guaranteed Grantor Trust
Pass-Through Certificates
Fannie Mae Grantor Trust 2004-T6**

PROSPECTUS

**Countrywide Securities Corporation
(Lead Manager)**

**Banc of America Securities LLC
(Co-Manager)**

**JPMorgan
(Co-Manager)**

August 30, 2004