Prospectus

$1,029,937,000 (Approximate)

FannieMae®

Guaranteed Grantor Trust Pass-Through Certificates
Fannie Mae Grantor Trust 2005-T4

Consider carefully the risk factors starting on page 9 of this prospectus and on page 11 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 corresponding underlying REMIC security, and
- principal in an amount equal to the principal paid in that month on the corresponding 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 each class of certificates will be paid no later than the applicable final distribution date shown below.

The Trust and Its Assets

The trust will own the Class A-1A, Class A-1B, Class A-1C and Class A-1D Certificates issued by an underlying REMIC trust formed by Ameriquest Mortgage Securities Inc. as described in this prospectus, which will represent the senior ownership interests 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 fixed and adjustable rates of interest and are secured by first liens on one- to four-family residential properties. In the attached information circular, these mortgage loans are referred to as the "Group I Mortgage Loans."

Corresponding Classes

Each class of certificates will correspond to the class of underlying REMIC securities having a similar class designation.

Class	Original Class Balance(1)	Principal Type	Interest Rate	Interest Type	CUSIP Number	Final Distribution Date
A1A	$424,688,000	SC/PT	(2)	FLT/AFC	31394FPF6	September 2035
A1B.	182,289,000	SC/PT	(2)	FLT/AFC	31394FPG4	September 2035
A1C	231,046,000	SC/PT	(2)	FLT/AFC	31394FPH2	September 2035
A1D	191,914,000	SC/PT	(2)	FLT/AFC	31394FPJ8	September 2035

(1) Approximate, subject to a permitted variance of plus or minus 10%.
(2) This class will bear interest at the variable rate borne by the corresponding 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 August 26, 2005.

UBS Investment Bank | **JPMorgan**

(Co-Lead Underwriters)

Deutsche Bank Securities (Co-Manager) | **Morgan Stanley** (Co-Manager)

August 23, 2005

TABLE OF CONTENTS

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 23, 2005 relating to the underlying REMIC securities, 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, together with the class factors, 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:

UBS Securities LLC
Prospectus Department
1000 Harbor Boulevard
Weehawken, New Jersey 07087
(telephone 201-352-6858)

or

J.P. Morgan Securities, Inc.
JPMSI Operations
10 South Dearborn Street
Mail Code ILC-0237
Chicago, Illinois 60670
(telephone 312-732-8505)

or

Deutsche Bank Securities Inc.
Syndicate Operations
Prospectus Department
60 Wall Street
New York, New York 10005
(telephone 212-469-5000)

or

Morgan Stanley & Co. Incorporated
c/o ADP Financial Services
Prospectus Department
1155 Long Island Avenue
Edgewood, New York 11717
(telephone 631-254-7106).

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 100 F Street, N.E., 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.

RECENT DEVELOPMENTS

On December 21, 2004, our Board of Directors (the "Board") announced the retirement of Chairman and Chief Executive Officer Franklin D. Raines and the resignation of Vice Chairman and Chief Financial Officer J. Timothy Howard. The Board further announced that the Audit Committee of the Board dismissed KPMG LLP as our independent auditor. On January 4, 2005, the Audit Committee of the Board approved the engagement of Deloitte & Touche LLP ("Deloitte") as our independent auditor. Deloitte will serve as our auditor for each of the fiscal years 2001, 2002, 2003, 2004 and 2005.

Stephen B. Ashley, a member of the Board, currently is serving as the non-executive Chairman of the Board. On June 1, 2005, the Board announced that it had selected Daniel H. Mudd, the former Chief Operating Officer of Fannie Mae, to be the new President and Chief Executive Officer. Mr. Mudd had been serving as the interim Chief Executive Officer since the retirement of Mr. Raines. Executive Vice President Robert Levin currently is serving as the interim Chief Financial Officer.

On December 15, 2004, the Office of the Chief Accountant of the Securities and Exchange Commission (the "SEC") issued a statement (the "Statement") regarding certain accounting issues relating to Fannie Mae, including determinations by the SEC that we should (i) restate our financial statements to eliminate the use of hedge accounting under Financial Accounting Standard No. 133, Accounting for Derivative Instruments and Hedging Activities ("FAS 133"), (ii) evaluate the accounting under Financial Accounting Standard No. 91, Accounting for Nonrefundable Fees and Costs Associated with Originating or Acquiring Loans and Initial Direct Costs of Leases ("FAS 91") and restate our financial statements filed with the SEC if the amounts required for correction are material, and (iii) re-evaluate the information prepared under generally accepted accounting principles ("GAAP") and non-GAAP information that we previously provided to investors. On December 16, 2004, we filed a Current Report on Form 8-K with the SEC that includes a copy of the Statement.

As a result of the SEC's findings, we will restate our financial results from 2001 through June 30, 2004 to comply fully with the SEC's determination. In a Form 12b-25 filed with the SEC on November 15, 2004, we estimated that a loss of hedge accounting under FAS 133 for all derivatives could result in recording into earnings a net cumulative loss on derivative transactions of approximately $9.0 billion as of September 30, 2004. (We estimate that as of December 31, 2004, this net cumulative after-tax loss was approximately $8.4 billion.) We also stated that there would be a corresponding decrease to retained earnings and, accordingly, regulatory capital. In a Form 12b-25 filed with the SEC on March 17, 2005, we stated that if we do not qualify for hedge accounting for mortgage commitments accounted for as derivatives since our July 1, 2003 adoption of Financial Accounting Standard No. 149, Amendment of Statement 133 on Derivative Instruments and Hedging Activities ("FAS 149"), we estimate that we would be required to record in earnings a net cumulative after-tax loss related to these commitments of approximately $2.4 billion as of December 31, 2004.

We are working to determine the effect of the restatement, including the effect on each prior reporting period. We expect that the impact will be material to our reported GAAP and core business results for many, if not all, periods and will vary substantially from period to period based on the amount and types of derivatives held and fluctuations in interest rates and volatility. Our restated financial statements also will reflect corrections as a result of our misapplication of FAS 91 for each prior reporting period described above. We also will consider the impact, if any, of the SEC's decision on FAS 91 for periods prior to those described above.

Accordingly, on December 17, 2004, the Audit Committee of the Board concluded that our previously filed interim and audited financial statements and the independent auditor's reports thereon for the periods from January 2001 through the second quarter of 2004 should no longer be relied upon because such financial statements were prepared applying accounting practices that did not comply with GAAP. We have not yet filed our quarterly reports on Form 10-Q for the quarters ended September 30, 2004, March 31, 2005, and June 30, 2005, or our annual report on Form 10-K for the year ended December 31, 2004. The financial information regarding our anticipated results of operations for the quarter ended September 30, 2004 that was contained in our Form 12b-25 filed on November 15, 2004 and in a Form 8-K filed on November 16, 2004 was prepared applying the same policies and practices, and, accordingly, should not be relied upon. The Audit Committee has discussed the matters described above and in a Form 8-K filed with the SEC on December 22, 2004 with KPMG LLP, our independent auditor through December 21, 2004.

On September 20, 2004, the Office of Federal Housing Enterprise Oversight ("OFHEO") delivered its report to the Board of its findings to date of the agency's special examination. Among other matters, the OFHEO report raised a number of questions and concerns about our accounting policies and practices with respect to FAS 91 and FAS 133. On February 23, 2005, we announced that OFHEO notified our Board and management of several additional accounting and internal control issues and questions that OFHEO identified in its ongoing special examination, and directed that these matters be included in the internal reviews by the Board and management and reviewed by Deloitte. OFHEO indicated that it has not completed its review of all aspects of these issues, but has identified policies that it believes appear to be inconsistent with generally accepted accounting principles as well as internal control deficiencies that raise safety and soundness concerns. The issues and questions include the following areas: securities accounting, loan accounting, consolidations, accounting for commitments, and practices to smooth certain income and expense amounts. OFHEO also raised concerns regarding journal entry controls, systems limitations, and database modifications, as well as FAS 149 and new developments relating to FAS 91. A summary of the additional questions raised in OFHEO's ongoing special examination of Fannie Mae has been filed as an exhibit to a Form 8-K that we filed with the SEC on February 23, 2005.

Our Board and management are addressing the issues and questions raised by OFHEO. In addition, the Board designated its Special Review Committee to review the findings of OFHEO's September 2004 special examination report. This review, led by former Senator Warren Rudman of the law firm of Paul, Weiss, Rifkind, Wharton & Garrison ("Paul Weiss"), is focused on: accounting issues, including accounting policies, procedures and controls regarding FAS 91 and FAS 133; organization, structure and governance, including Board oversight and management responsibilities and resources; and executive compensation. Paul Weiss' work continues as it examines these areas and other issues that may arise in the course of its review, reporting regularly to the Board. We will report to OFHEO regarding each of these issues and will continue to work with OFHEO to resolve these matters as part of our ongoing internal reviews and restatement process. In light of the foregoing, management has initiated a comprehensive review of accounting routines and controls, the financial reporting process and the application of GAAP, which will include the issues OFHEO has identified, as well as issues identified by management and/or Deloitte. Management, working with accounting consultants, will develop a view on these issues, which then will be reviewed with the Audit Committee, Deloitte and OFHEO. Upon conclusion of this review, our financial statements will be restated where necessary and submitted to Deloitte for review as part of its audit. We are providing periodic updates to the SEC and the New York Stock Exchange on the restatement. In addition, the SEC and the U.S. Attorney's Office for the District of Columbia are conducting ongoing investigations into these matters.

OFHEO is required to review our capital classification quarterly, and as of September 30, 2004 and December 31, 2004, classified us as "significantly undercapitalized." As a result of this classification, we submitted a capital restoration plan to OFHEO in January 2005, and on February 23, 2005, we announced that OFHEO approved our proposed capital restoration plan. Under the plan, we detail how we expect to meet our minimum capital requirement on an ongoing basis, as well as achieve OFHEO's 30 percent surplus capital requirement by September 30, 2005. A summary of the capital restoration plan was filed as an exhibit to a Form 8-K that we filed with the SEC on February 23, 2005. On May 19, 2005, OFHEO classified us as "adequately capitalized" as of March 31, 2005. OFHEO has noted that this classification is subject to revision pending the outcome of ongoing accounting reviews, and that this classification does not amend any existing capital restoration plans currently in place between Fannie Mae and OFHEO.

In a Form 12b-25 filed with the SEC on August 9, 2005, we reported that, based on our current assessment, we are not likely to complete and file our Annual Report on Form 10-K for the year ended December 31, 2004, which will contain restated financial information, prior to the second half of 2006. We also reported in that Form 12b-25 that we are uncertain whether Deloitte will be able to opine on either the effectiveness of our internal control over financial reporting or management's process for assessing the effectiveness of internal control over financial reporting as of December 31, 2004 or December 31, 2005. We also reported in that Form 12b-25 that current NYSE listing standards allow the NYSE to continue to list the securities of a listed company for up to nine months after a company is delinquent in filing its Annual Report on Form 10-K (until December 16, 2005, in the case of Fannie Mae). The NYSE, in its sole discretion, also may extend the listing of a company's securities for another three months after that date, depending on the company's circumstances. Under the rules of the NYSE, Fannie Mae would have a right to a review of any decision to delist its securities by a committee of the NYSE Board of Directors.

Forms 8-K that we file with the SEC prior to the completion of the offering of the certificates are incorporated by reference in this prospectus. This means that we are disclosing information to you by referring you to those documents. You should refer to "Incorporation by Reference" above for further details on the information that we incorporate by reference in this prospectus and where to find it.

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 A-1A, Class A-1B, Class A-1C and Class A-1D Certificates to be issued by the underlying REMIC trust formed by Ameriquest Mortgage Securities Inc. The characteristics of the underlying REMIC securities are described in the information circular.
- The underlying REMIC securities will represent the senior ownership interests in a group of conventional mortgage loans made to borrowers with blemished credit histories. The mortgage loans bear fixed and adjustable interest rates and are secured by first liens on one- to four-family residential properties. These mortgage loans are further described in the attached information circular where they are referred to as the "Group I Mortgage Loans." Unless otherwise indicated, references in this prospectus to the underlying loans are intended to refer to the Group I Mortgage Loans only.
- All amounts paid on the underlying REMIC securities will be passed through to the holders of the corresponding classes of certificates. For a description of Fannie Mae's guaranty of the certificates, see "Description of the Certificates—General—*Fannie Mae Guaranty*" in this prospectus.

Corresponding Classes

The classes of certificates offered by this prospectus correspond to the classes of underlying REMIC securities as follows:

Fannie Mae Grantor Trust Class	Underlying REMIC Security Class
A1A	A-1A
A1B	A-1B
A1C	A-1C
A1D	A-1D

All amounts paid on each class of underlying REMIC securities will be passed through to the corresponding class of certificates issued by the Fannie Mae trust.

Characteristics of the Mortgage Loans Backing the Underlying REMIC Securities

For information about the nature of the mortgage loans backing the underlying REMIC securities, 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

The class factors are numbers that, when multiplied by the initial principal balance of a certificate, can be used to calculate the current principal balance of that certificate (after taking into account principal payments in the same month). We will publish the class factors for the certificates on or before each monthly distribution date.

Settlement Date

We expect to issue the certificates on or about August 26, 2005.

Distribution Dates

Beginning in September 2005, 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 each class of certificates in an amount equal to the interest paid in that month on the corresponding underlying REMIC security.

Payments of Principal

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

Guaranty Payments

We guarantee that interest and principal on each class of certificates will be paid as provided above. In addition, we guarantee the payment of the outstanding principal balance of each class of certificates no later than the applicable 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 11 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 securities 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 adjustable-rate 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), the NIMS insurer (as described in the information circular) or Fannie Mae repurchases certain delinquent underlying loans;
- if and when the master servicer or the NIMS insurer 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, including the interest-only feature of some 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.

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 lives and yields of the underlying REMIC securities, and therefore the certificates, could be affected.

You must make your own decision about the reasonableness of the various applicable assumptions, including prepayment assumptions, in deciding whether to purchase the certificates.

Uncovered prepayment interest shortfalls will reduce your yield. Uncovered prepayment interest shortfalls will reduce the amount of interest payable on the certificates. **The Fannie Mae guaranty does not cover any uncovered prepayment interest shortfalls.**

Relief Act shortfalls will reduce your yield. Under certain circumstances, shortfalls in interest collections on the underlying loans may occur as a result of the application of the Servicemembers Civil Relief Act and similar state laws, collectively referred to in this prospectus as the Relief Act. The Relief Act imposes limitations on the interest rates that may be charged on underlying loans whose mortgagors are engaged in military service (including military reservists and members of the National Guard). **The Fannie Mae guaranty does not cover any Relief Act shortfalls.**

The certificates are subject to basis risk. The pass-through rates on the underlying REMIC securities adjust monthly based on one-month LIBOR, subject to a limit. The limit on the pass-through rates of the underlying REMIC securities is the weighted average of the mortgage rates on the underlying mortgage loans, net of certain fees and expenses of the underlying REMIC trust (including any net swap payment and swap termination payment payable to the swap provider and the guaranty fee payable to Fannie Mae). The adjustable interest rates on the underlying adjustable-rate loans, which in most cases are fixed for the first two or three years after origination, adjust less frequently than the pass-through rates on the underlying REMIC securities and adjust on the basis of a different index. The interest rates on the underlying fixed-rate loans do not adjust. As a result, the certificates will be subject to basis risk, which may reduce their yield. **The Fannie Mae guaranty does not cover any interest shortfalls due to basis risk or any failure of the swap provider to make required payments under the interest rate swap agreement, including any swap termination payment.**

Amounts paid by the underlying REMIC trust to the swap provider may reduce your yield. Amounts paid by the underlying REMIC trust to the swap provider under the interest rate swap agreement, including any swap termination payment to the swap provider, may reduce the amount of interest paid on the certificates and, under certain circumstances, may result in a delay in receiving current principal. **The Fannie Mae guaranty does not cover any interest shortfalls resulting from required payments by the underlying REMIC trust under the interest rate swap agreement, including any swap termination payment.**

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, Ameriquest Mortgage Company 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 aggregate principal balance of all of the mortgage loans held in the underlying REMIC trust, plus any related foreclosed real estate, is reduced to less than 10% of the aggregate principal balance of such loans as of the cut-off date, the master servicer or the NIMS insurer may purchase all the remaining assets of the underlying REMIC trust. In addition, Fannie Mae, the master servicer and the NIMS insurer have the option to repurchase underlying loans that become 90 days or more delinquent. If the underlying loans are purchased in this way, it 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 securities.

Overcollateralization will accelerate principal payments. Due to the overcollateralization feature of the underlying REMIC trust, the rate of principal payments on the underlying REMIC securities, and therefore on the corresponding classes of certificates, will be somewhat faster from time to time than the rates of principal payments on the underlying loans.

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 corresponding underlying REMIC securities;
- 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 securities without taking into account our guaranty. If that happened, delinquencies and defaults or other shortfalls on the Group I Mortgage Loans 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 August 1, 2005 (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 Ameriquest Mortgage Securities Inc., Asset-Backed Pass-Through Certificates 2005-R7, Class A-1A, Class A-1B, Class A-1C and Class A-1D (the "Underlying REMIC Securities") as further described in the information circular. The Underlying REMIC Securities will evidence the senior ownership interests in a group of conventional mortgage loans (the "Group I Mortgage Loans") made to borrowers with blemished credit histories that are included in an underlying trust (the "Underlying REMIC Trust"). The Group I Mortgage Loans bear fixed and 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 Holders of each Class of Certificates:

- interest in the amount paid on the corresponding Underlying REMIC Security on that date; and
- principal in the amount paid on the corresponding Underlying REMIC Security on that date.

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

Our guaranty does not cover any reduction in the amount of interest paid on the Underlying REMIC Securities as a result of the following:

- **Prepayment Interest Shortfalls in excess of the Compensating Interest paid by the Master Servicer;**
- **Relief Act shortfalls;**
- **Net WAC Carryover Amounts not actually distributed;**
- **any failure of the Swap Provider to make required payments under the Interest Rate Swap Agreement, including any Swap Termination Payment; and**
- **any required payments made by the Underlying REMIC Trust under the Interest Rate Swap Agreement, including any Swap Termination Payment.**

If we were unable to perform our guaranty obligations, Holders of each Class of Certificates would receive only the amounts actually paid and other recoveries on the corresponding 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 of each Class 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 September 2005, 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 the NIMS 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 I Mortgage Loans, together with all other mortgage loans in the Underlying REMIC Trust and any related foreclosed property, have been reduced to less than 10% of their aggregate balance as of the Cut-off 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. Each of the Master Servicer and the NIMS Insurer has the option to repurchase underlying mortgage loans that are 90 days or more delinquent, subject to certain conditions referred to in the offering circular. In addition, Fannie Mae will have the option to purchase any Group I Mortgage Loan that is 90 days or more delinquent.

Voting the Underlying REMIC Securities. The Trustee, as holder of the Underlying REMIC Securities, may have to vote on issues arising under the documents governing the Underlying REMIC Trust. If so, the Trustee will vote the Underlying REMIC Securities as instructed by the Holders of the corresponding Classes of Certificates provided that the Trustee receives instructions from Holders of Certificates having principal balances totaling at least 51% of the aggregate principal balance of the corresponding Classes.

The Underlying REMIC Securities

The Underlying REMIC Securities represent the senior ownership interests in the Group I Mortgage Loans held in the Underlying REMIC Trust. As indicated in the information circular, the Group I Mortgage Loans will be deposited in the Underlying REMIC Trust by Ameriquest Mortgage Securities Inc.

Each of the Underlying REMIC Securities generally represents an entitlement to interest and principal due on the Group I Mortgage Loans, subject to the payment priorities specified in the information circular. Interest and principal payable on the Underlying REMIC Securities will be passed through to the Certificateholders of the Classes having the same Class designations. Interest at the applicable pass-through rates will accrue on the outstanding principal balances of the Underlying REMIC Securities as described in the information circular. However, it is possible that the amount of interest paid on the Underlying REMIC Securities will be reduced as a result of the following:

- Prepayment Interest Shortfalls in excess of the amount of Compensating Interest paid by the Master Servicer;
- Relief Act shortfalls;
- Net WAC Carryover Amounts not actually distributed;
- any failure of the Swap Provider to make required payments under the Interest Rate Swap Agreement, including any Swap Termination Payment; and
- any required payments made by the Underlying REMIC Trust under the Interest Rate Swap Agreement, including any Swap Termination Payment.

Our guaranty will not cover any of the amounts listed immediately above.

Principal on the Underlying REMIC Securities will be paid based on the specific cash flow sequences. As a result, the rate of principal payments on the Underlying REMIC Securities may vary considerably from time to time.

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

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 Classes will be characterized as follows:

Interest Type*	Classes
Floating Rate	A1A, A1B, A1C and A1D
Available Funds	A1A, A1B, A1C and A1D

* See "—Class Definitions and Abbreviations" below.

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

Payments of Principal

Category. For the purpose of principal payments, the Classes will be characterized as follows:

Principal Type*	Classes
Structured Collateral/Pass-Through	A1A, A1B, A1C and A1D

* See "—Class Definitions and Abbreviations" below.

Principal Distribution Amount. On each Distribution Date, we will pay to the Holders of each Class of Certificates principal in an amount equal to the principal, if any, paid on the corresponding 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.

Abbreviation	Category of Class	Definitions
		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 Lives

See the section of the information circular entitled ''Yield on the Certificates'' with respect to the Underlying REMIC Securities.

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 each Class of Certificates. The ''class factor'' is a number (carried to eight decimal places) which, when multiplied by the original principal balance of a Certificate of a Class, 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 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 its agent 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 of any Class and our failure continues uncorrected for 15 days after we receive written notice from Certificateholders who represent ownership interests totaling at least 5% of that Class 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 any Class; 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 any Class 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 Securities 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 each affected Class 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 Securities have been paid in full or liquidated and their 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 "Pooling and Servicing Agreement—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, and such changes may have retroactive effect.
- 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.

U.S. Treasury Circular 230 Notice

The tax discussion contained in this prospectus was not intended or written to be used, and cannot be used, for the purpose of avoiding United States federal tax penalties. This discussion was written to support the promotion or marketing of the transactions or matters addressed in this prospectus. You should seek advice based on your particular circumstances from an independent tax advisor.

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 Securities will be the assets of the Trust. Each beneficial owner of a Certificate of a Class will be treated as the beneficial owner of an undivided interest in the corresponding 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 corresponding 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 related 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 Securities

The information circular discusses tax consequences to holders of the Underlying REMIC Securities. The information circular states that the holders of the Underlying REMIC Securities will be deemed to own a REMIC regular interest and the right to receive payments from the Net WAC Rate Carryover Reserve Account or the Swap Account in respect of the related Net WAC Rate Carryover Amount or the obligation to make payments to the Swap Account. Because a beneficial owner of a Certificate will be required to report its pro rata share of the income accruing with respect to the corresponding 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 corresponding Underlying REMIC Security, you should review the discussion there.

The information circular states that, taking into account certain assumptions described therein, the Underlying REMIC Securities (except for the right to receive payments from the Net WAC Rate Carryover Reserve Account or the Swap Account in respect of the Net WAC Rate Carryover Amount or the obligation to make payments to the Swap Account) 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 Securities were to fail to qualify as regular interests in a REMIC, the Underlying REMIC Securities might not be accorded the status described under the section of the information circular entitled "Certain 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 corresponding 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.

These rules do not apply to exempt from taxation interest income allocable to a United States shareholder of a beneficial owner that is a "controlled foreign corporation" described in section 881(c)(3)(C) of the Code. You also should be aware that the IRS might take the position that these rules do not apply to a beneficial owner that owns 10% or more of the residual interest in the Underlying REMIC Trust or of the voting stock of Fannie Mae.

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 fourth 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, Hunton & Williams 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 Securities from Ameriquest Mortgage Securities Inc. (‘‘Ameriquest’’) in exchange for the Certificates. Ameriquest has agreed to sell the Certificates, severally and not jointly, to UBS Securities LLC, J.P. Morgan Securities, Inc., Deutsche Bank Securities Inc. and Morgan Stanley & Co. Incorporated (the ‘‘Underwriters’’). 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

Hunton & Williams 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.

INDEX OF DEFINED TERMS

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INFORMATION CIRCULAR

$1,029,937,000 (Approximate)

Asset-Backed Pass-Through Certificates,

Series 2005-R7

Ameriquest Mortgage Securities Inc.

Depositor

Ameriquest Mortgage Company

Seller and Master Servicer

Consider carefully the risk factors beginning on page 11 in this information circular.

The offered certificates represent obligations of the trust only and do not represent an interest in or obligation of Ameriquest Mortgage Securities Inc., Ameriquest Mortgage Company or any of their affiliates.

This information circular has been prepared solely in connection with the offering of the offered certificates to Fannie Mae.

The only certificates being offered by this information circular are the Class A-1A, Class A-1B, Class A-1C and Class A-1D Certificates, referred to as the “Offered Certificates.” The Offered Certificates have not been registered under the Securities Act of 1933, as amended (the “Securities Act”). The obligations of Fannie Mae under its guarantee of the Offered Certificates are obligations of Fannie Mae only. The Offered Certificates, including interest, are not guaranteed by the United States and do not constitute debts or obligations of the United States or any agency or instrumentality of the United States other than Fannie Mae.

The Certificates

- The certificates represent senior ownership interests in a trust consisting primarily of a pool of fixed-rate and adjustable-rate, first lien, fully-amortizing residential mortgage loans. The mortgage loans will be segregated into two groups as described in this information circular. The certificates represent interests in one of the groups of mortgage loans.
- The Offered Certificates will accrue interest at a variable rate equal to one-month LIBOR plus a fixed margin, subject to certain limitations described in this information circular. The pass-through rate on the Offered Certificates will be subject to increase under the limited circumstances described in this information circular.

Credit Enhancement

- Excess Interest – The Mortgage Loans are expected to generate more interest than will be necessary to pay certain trust expenses and interest on the Offered Certificates. Excess interest generated by the Mortgage Loans will be available to absorb realized losses on the Mortgage Loans and to maintain overcollateralization at required levels.
- Subordination – The Offered Certificates will have distribution priority over the Subordinate Certificates issued by the trust, as described in this information circular under “Description of the Certificates—Allocation of Available Funds.”
- Overcollateralization – Overcollateralization of the Offered Certificates by the Mortgage Loans is intended to provide protection to the holders of the Offered Certificates against realized losses on the Mortgage Loans.
- Allocation of Losses – Realized losses on the Mortgage Loans will also be allocated to the Subordinate Certificates issued by the trust, as described herein.
- Interest Rate Swap Agreement – The Offered Certificates may benefit from any payments pursuant to an interest rate swap agreement, as described herein.
- Mortgage Pool Insurance Policy – Such policy will cover losses on such Mortgage Loans as further described herein.
- Guaranty – The Offered Certificates will be covered by a guaranty from the Federal National Mortgage Association (“Fannie Mae”), as described in this information circular under “Description of the Certificates—Fannie Mae Guaranty.”

(continued on the following page)

August 23, 2005

(continued from previous page)

Proceeds of the assets in the Trust, including the Fannie Mae Guaranty, are the sole source of distributions on the Offered Certificates. The Offered Certificates do not represent an interest in or obligation of the Depositor, the Seller, the Originator, the Master Servicer, the Trustee or any of their affiliates. Neither the Offered Certificates nor the Mortgage Loans are insured or guaranteed by any governmental agency or instrumentality (other than Fannie Mae with respect to the Offered Certificates) or by the Depositor, the Seller, the Originator, the Master Servicer, the Trustee or any of their affiliates.

The Depositor has prepared this information circular solely in connection with the offering of the Offered Certificates to Fannie Mae in exchange for receipt of the Fannie Mae Guaranteed Grantor Trust Certificates issued by Fannie Mae Grantor Trust 2005-T4. It is a condition to the issuance of the Offered Certificates that Fannie Mae guarantee them as described in this information supplement. It is expected that the Offered Certificates will be issued on or about August 26, 2005 (the "Closing Date").

No person has been authorized to give any information or to make any representations other than those contained in this information circular and, if given or made, such information or representations must not be relied upon. This information circular does not constitute an offer to sell or a solicitation of an offer to buy any securities other than the Offered Certificates. The delivery of this information circular at any time does not imply that information in this information circular is correct as of any time after the date of this information circular.

TABLE OF CONTENTS

INFORMATION CIRCULAR

SUMMARY OF TERMS

The following summary is a very broad overview of the certificates offered by this information circular and does not contain all of the information that you should consider in making your investment decision. To understand all of the terms of the Offered Certificates, read carefully this entire information circular. Capitalized terms used but not defined in this information circular have the meanings assigned to them in the prospectus.

Title of Series	Ameriquest Mortgage Securities Inc., Asset-Backed Pass-Through Certificates, Series 2005-R7.
Cut-off Date	The close of business on August 1, 2005.
Closing Date	On or about August 26, 2005.
Depositor	Ameriquest Mortgage Securities Inc. (the "Depositor"), a direct wholly-owned subsidiary of Ameriquest Mortgage Company. The Depositor will deposit the mortgage loans into the trust.
Originator, Seller and Master Servicer	Ameriquest Mortgage Company (the "Originator," the "Master Servicer" or "Seller", as applicable), a Delaware corporation. See "The Mortgage Pool—Underwriting Standards of the Originator" and "Pooling and Servicing Agreement—The Seller and Master Servicer" in this information circular.
Trustee	Deutsche Bank National Trust Company (the "Trustee"), a national banking association, will be the Trustee of the trust, will perform administrative functions with respect to the certificates and will act as the custodian, initial paying agent and certificate registrar. See "Pooling and Servicing Agreement—The Trustee" in this information circular.
Fannie Mae	The Federal National Mortgage Association (as described below).
Pool Insurer	Radian Guaranty Inc., a Pennsylvania corporation and stock mortgage insurance company (the "Pool Insurer"), will issue a mortgage pool insurance policy. See "Description of the Certificates—The Pool Insurer" in this information circular.
NIMS Insurer	One or more insurance companies (together, the "NIMS Insurer") may issue a financial guaranty insurance policy covering certain payments to be made on net interest margin securities to be issued by a separate trust and secured by, among other things, all or a portion of the Class CE, Class P and/or Residual Certificates.
Distribution Dates	Distributions on the Certificates will be made on the 25th day of each month, or, if such day is not a business day, on the next succeeding business day, beginning in September 2005 (each, a "Distribution Date").
Certificates	The classes of Certificates, their pass-through rates and initial certificate principal balances are shown or described in the table below.

Class	Initial Certificate Principal Balance[1]	Pass-Through Rate	Margin [2](%)	Margin [3](%)	Ratings Fitch	Ratings Moody's	Ratings S&P
Offered Certificates							
A-1A	$ 424,688,000	Variable[4]	0.050	0.100	AAA[5]	Aaa[5]	AAA[5]
A-1B	$ 182,289,000	Variable[4]	0.090	0.180	AAA[5]	Aaa[5]	AAA[5]
A-1C	$ 231,046,000	Variable[4]	0.150	0.300	AAA[5]	Aaa[5]	AAA[5]
A-1D	$ 191,914,000	Variable[4]	0.220	0.440	AAA[5]	Aaa[5]	AAA[5]
Non-Offered Certificates							
A-2A	$ 85,359,000	Variable[4]	0.110	0.220	AAA	Aaa	AAA
A-2B	$ 38,067,000	Variable[4]	0.170	0.340	AAA	Aaa	AAA
A-2C	$ 57,287,000	Variable[4]	0.260	0.520	AAA	Aaa	AAA
A-2D	$ 27,600,000	Variable[4]	0.370	0.740	AAA	Aaa	AAA
M-1	$ 48,000,000	Variable[4]	0.480	0.720	AA+	Aa1	AA+
M-2	$ 43,500,000	Variable[4]	0.500	0.750	AA+	Aa2	AA+
M-3	$ 30,750,000	Variable[4]	0.520	0.780	AA	Aa3	AA
M-4	$ 23,250,000	Variable[4]	0.610	0.915	AA-	A1	AA
M-5	$ 23,250,000	Variable[4]	0.650	0.975	A+	A2	A+
M-6	$ 16,500,000	Variable[4]	0.730	1.095	A	A3	A
M-7	$ 13,500,000	Variable[4]	1.200	1.800	A-	Baa1	A-
M-8	$ 14,250,000	Variable[4]	1.350	2.025	BBB+	Baa2	BBB+
M-9	$ 13,500,000	Variable[4]	1.800	2.700	BBB	Baa3	BBB
M-10	$ 11,250,000	Variable[4]	2.500	3.750	BBB	N/R	BBB
M-11	$ 8,250,000	Variable[4]	2.500	3.750	BBB-	N/R	BBB-
M-12	$ 5,250,000	Variable[4]	2.500	3.750	BB+	N/R	BB
CE	$ 10,500,005 [6]	Variable[4]	N/A	N/A	N/R	N/R	N/R
P	$ 100	N/A	N/A	N/A	N/R	N/R	N/R
R	N/A	N/A	N/A	N/A	N/R	N/R	N/R
R-X	N/A	N/A	N/A	N/A	N/R	N/R	N/R

(1) Approximate.
(2) For the Interest Accrual Period for each Distribution Date on or prior to the Optional Termination Date.
(3) For the Interest Accrual Period for each Distribution Date after the Optional Termination Date.
(4) The pass-through rate on each class of Class A and Mezzanine Certificates will be based on one-month LIBOR plus the applicable margin set forth above, subject to the rate caps described in this information circular.
(5) The ratings on the Offered Certificates are without regard to the Fannie Mae Guaranty.
(6) Represents approximately 0.70% of the aggregate principal balance of the Mortgage Loans as of the Cut-off Date and is approximately equal to the initial amount of overcollateralization required to be provided by the mortgage pool under the Pooling and Servicing Agreement.

The Trust

The Depositor will establish a trust relating to the Series 2005-R7 certificates (the "Trust") pursuant to a pooling and servicing agreement, dated as of the Cut-off Date (the "Pooling and Servicing Agreement"), among the Depositor, the Master Servicer, Fannie Mae and the Trustee. The Trust will issue twenty-four classes of certificates. The certificates will represent in the aggregate the entire beneficial ownership interest in the Trust. Distributions of interest and/or principal on the Offered Certificates will be made only from payments received in connection with the mortgage loans held in the Trust, the Swap Account and the Net WAC Rate Carryover Reserve Account and payments, if any, made by Fannie Mae.

The Depositor will deliver the Offered Certificates to Fannie Mae in exchange for Fannie Mae Guaranteed Grantor Trust Pass-Through Certificates (the "Fannie Mae Guaranteed Certificates"), issued by Fannie Mae and backed by the Offered Certificates. The Fannie Mae Guaranteed Certificates will generally contain the same terms as the Offered Certificates. The Offered Certificates will be guaranteed by Fannie Mae and will be issued simultaneously with the certificates offered pursuant to a prospectus supplement and prospectus (collectively referred to in this information circular as the "Non-Offered Certificates").

The Non-Offered Certificates will not be guaranteed by Fannie Mae. The Non-Offered Certificates are described in this information circular because their amount, structure, collateral, rights, risks and other characteristics affect the amount, structure, collateral, rights, risks and other characteristics of the Offered Certificates.

Designations

In this information circular, the following designations are used to refer to the specified classes of Certificates.

Class A Certificates

Class A-1A, Class A-1B, Class A-1C, Class A-1D, Class A-2A, Class A-2B, Class A-2C and Class A-2D Certificates.

Mezzanine Certificates

Class M-1, Class M-2, Class M-3, Class M-4, Class M-5, Class M-6, Class M-7, Class M-8, Class M-9, Class M-10, Class M-11 and Class M-12 Certificates.

Subordinate Certificates

Mezzanine and Class CE Certificates.

Offered Certificates

Class A-1A, Class A-1B, Class A-1C and Class A-1D Certificates.

Non-Offered Certificates

Class A-2A, Class A-2B, Class A-2C, Class A-2D, Mezzanine, Class CE, Class P and Residual Certificates.

Group I Certificates

Class A-1A, Class A-1B, Class A-1C, Class A-1D Certificates.

Group II Certificates

Class A-2A, Class A-2B, Class A-2C and Class A-2D Certificates.

Residual Certificates

Class R and Class R-X Certificates.

The Mortgage Loans

On the Closing Date, the Trust will acquire a pool of mortgage loans consisting of fixed-rate and adjustable-rate mortgage loans secured by first liens (the "Mortgage Loans").

The Mortgage Loans will have been originated or acquired by the Seller.

For purposes of calculating interest and principal distributions on the certificates, the Mortgage Loans will be divided into two loan groups, designated as the "Group I Mortgage Loans" and the "Group II Mortgage Loans." The Group I Mortgage Loans will consist of adjustable-rate and fixed-rate mortgage loans with principal balances at origination that conform to Fannie Mae loan limits. The Group II Mortgage Loans will consist of adjustable-rate and fixed-rate mortgage loans with principal balances at origination that may or may not conform to Freddie Mac or Fannie Mae loan limits.

The statistical information presented in this information circular relates to the Mortgage Loans as of the Cut-off Date. References to percentages of the mortgage loans in this information circular are based on the aggregate scheduled principal balance of such mortgage loans as specified in the amortization schedule at the Cut-off Date after application of all amounts allocable to unscheduled payments of principal received prior to the Cut-off Date. Prior to the issuance of the certificates some of the Mortgage Loans may be removed from the mortgage pool as a result of incomplete documentation or otherwise and any Mortgage Loans that prepay or default will be removed. Other mortgage loans may be included in the mortgage pool prior to the issuance of the certificates. However, the removal and inclusion of such mortgage loans will not materially alter the characteristics of the Mortgage Loans as described in this information circular, although the range of mortgage rates and maturities and certain other characteristics of the Mortgage Loans may vary.

The Mortgage Loans included in Group I (the "Group I Mortgage Loans") have the following approximate characteristics as of the Cut-off Date:

Number of Group I Mortgage Loans:	8,024
Aggregate Scheduled Principal Balance:	$1,247,652,821
Group I Mortgage Loans with prepayment charges:	61.34%
Fixed-rate Group I Mortgage Loans:	27.72%
Adjustable-rate Group I Mortgage Loans:	72.28%
Range of current mortgage rates:	5.500% - 12.990%
Weighted average current mortgage rate:	7.753%
Weighted average gross margin of the adjustable-rate Group I Mortgage Loans:	5.867%
Weighted average minimum mortgage rate of the adjustable-rate Group I Mortgage Loans:	7.938%
Weighted average maximum mortgage rate of the adjustable-rate Group I Mortgage Loans:	13.938%

Weighted average next adjustment date of the adjustable-rate Group I Mortgage Loans:	August 2007
Weighted average remaining term to maturity:	351 months
Range of principal balances as of the Cut-off Date:	$59,034 - $561,814
Average principal balance as of the Cut-off Date:	$155,490
Range of original loan-to-value ratios:	8.08% - 95.00%
Weighted average original loan-to-value ratio:	76.98%
Insured automated valuation model Group I Mortgage Loans:	22.99%
Interest only Group I Mortgage Loans	16.78%
Geographic concentrations in excess of 5%:	
Florida	13.05%
California	11.72%
New York	7.33%
New Jersey	6.68%
Maryland	5.54%
Massachusetts	5.27%
Pennsylvania	5.03%

The Mortgage Loans included in Group II (the "Group II Mortgage Loans") have the following approximate characteristics as of the Cut-off Date:

Number of Group II Mortgage Loans:	591
Aggregate Scheduled Principal Balance:	$252,347,283
Group II Mortgage Loans with prepayment charges:	61.54%
Fixed-rate Group II Mortgage Loans:	26.29%
Adjustable-rate Group II Mortgage Loans:	73.71%
Range of current mortgage rates:	5.500% - 12.300%
Weighted average current mortgage rate:	7.209%
Weighted average gross margin of the adjustable-rate Group II Mortgage Loans:	5.624%
Weighted average minimum mortgage rate of the adjustable-rate Group II Mortgage Loans:	7.406%
Weighted average maximum mortgage rate of the adjustable-rate Group II Mortgage Loans:	13.406%
Weighted average next adjustment date of the adjustable-rate Group II Mortgage Loans:	August 2007
Weighted average remaining term to maturity:	355 months
Range of principal balances as of the Cut-off Date:	$60,000 - $913,500
Average principal balance as of the Cut-off Date:	$426,984
Range of original loan-to-value ratios:	28.93% - 95.00%
Weighted average original loan-to-value ratio:	79.87%
Insured automated valuation Group II Mortgage Loans:	17.09%
Interest only Group II Mortgage Loans	44.66%
Geographic concentrations in excess of 5%:	
California	40.30%
New York	15.18%
Florida	6.56%
New Jersey	6.00%
Massachusetts	5.68%
Maryland	5.24%

The mortgage rate on each adjustable-rate Mortgage Loan will adjust semi-annually on each adjustment date to equal the sum of six-month LIBOR and the related gross margin, subject to periodic and lifetime limitations. With respect to the adjustable-rate Mortgage Loans, the first adjustment date will occur only after an initial period of two or three years after origination.

Approximately 22.99% of the Group I Mortgage Loans and approximately 17.09% of the Group II Mortgage Loans, in each case by aggregate principal balance of the related loan group as of the Cut-off Date, were originated using an insured automated valuation model ("Insured AVM"). Upon the liquidation of a related mortgaged property, if the Insured AVM is determined to have overstated the mortgaged property's value as of the date originally made, the AVM Insurer is liable for the lesser of: (i) losses of principal and (ii) the amount by which the Insured AVM overstated the mortgaged property's value at origination. St. Paul Fire and Marine Insurance Company (the "AVM Insurer") is the provider under the master policy for the Insured AVM. See "The Mortgage Pool—Underwriting Standards" in this information circular.

Approximately 16.78% of the Group I Mortgage Loans and approximately 44.66% of the Group II Mortgage Loans, in each case by aggregate scheduled principal balance of the related loan group as of the Cut-off Date, require the mortgagors to make monthly payments only of accrued interest for the first 60 months following origination. After such interest only period, the mortgagor's monthly payment will be recalculated to cover both interest and principal so that the Mortgage Loan will amortize fully by its final payment date.

For additional information regarding the Mortgage Loans, see "The Mortgage Pool" in this information circular and Annex I.

The Certificates

The Offered Certificates will initially be represented by one or more global certificates registered in the name of a nominee of The Depository Trust Company in minimum denominations of $1,000 and integral multiples of $1.00 in excess thereof. See "Description of the Certificates—Book-Entry Certificates" in this information circular.

The Non-Offered Certificates are not offered by this information circular. Such certificates will be sold by the Depositor to UBS Securities LLC, J.P. Morgan Securities Inc., Deutsche Bank Securities Inc. and Morgan Stanley & Co. Incorporated (collectively, the "Underwriters") on the Closing Date or delivered to the Seller as partial consideration for the Mortgage Loans.

Credit Enhancement

The credit enhancement provided for the benefit of the holders of the Offered Certificates consists of excess interest, an interest rate swap agreement, subordination, overcollateralization, a mortgage pool insurance policy and the Fannie Mae Guaranty, each as described below and under "Description of the Certificates—Credit Enhancement" and "—Overcollateralization Provisions" in this information circular.

Excess Interest. The Mortgage Loans bear interest each month in an amount that in the aggregate is expected to exceed the amount needed to distribute monthly interest on the Class A and Mezzanine Certificates and to pay certain fees and expenses of the Trust (including any Net Swap Payment owed to the Swap Provider and any Swap Termination Payment owed to the Swap Provider). Any excess interest from the Mortgage Loans each month will be available to absorb realized losses on the Mortgage Loans and to maintain or restore overcollateralization at required levels.

Interest Rate Swap Agreement. The Trustee, on behalf of the Trust, will enter into an interest rate swap agreement (the "Interest Rate Swap Agreement") with Bear Stearns Financial Products Inc., as swap provider (the "Swap Provider"). Under the Interest Rate Swap Agreement, on each Distribution Date, the Trust will be obligated to make fixed payments as set forth in this information circular and the Swap Provider will be obligated to make floating payments equal to the product of (x) one-month LIBOR (as determined pursuant to the Interest Rate Swap Agreement), (y) the Base Calculation Amount for that Distribution Date multiplied by 250, and (z) a fraction, the numerator of which is the actual number of days elapsed from the previous Distribution Date to but excluding the current Distribution Date (or, for the first Distribution Date, the actual number of days elapsed from the Closing Date to but excluding the first Distribution Date), and the denominator of which is 360. To the extent that the fixed payment exceeds the floating payment on any Distribution Date, amounts otherwise available to Certificateholders will be applied to make a net payment to the Swap Provider, and to the extent that the floating payment exceeds the fixed payment on any Distribution Date, the Swap Provider will make a net payment to the Trust (each, a "Net Swap Payment") for deposit into a segregated trust account established on the Closing Date (the "Swap Account") pursuant to a swap administration agreement, dated as of the Closing Date, as more fully described in this information circular.

Upon early termination of the Interest Rate Swap Agreement, the Trust or the Swap Provider may be liable to make a termination payment (the "Swap Termination Payment") to the other party (regardless of which party caused the termination). The Swap Termination Payment will be computed in accordance with the procedures set forth in the Interest Rate Swap Agreement. In the event that the Trust is required to make a Swap Termination Payment, that payment will be paid on the related Distribution Date, and on any subsequent Distribution Dates until paid in full, generally prior to any distribution to Certificateholders. See "Description of the Certificates—The Interest Rate Swap Agreement and the Swap Provider" in this information circular.

Net Swap Payments and Swap Termination Payments payable by the Trust will be deducted from Available Funds before distributions to Certificateholders and will first be deposited into the Swap Account before payment to the Swap Provider. **The Fannie Mae Guaranty will not cover any failure of the Swap Provider to make required payments pursuant to the Interest Rate Swap Agreement or any shortfalls resulting from required payments by the Trust to the Swap Provider pursuant to the Interest Rate Swap Agreement, including any Swap Termination Payments.**

Subordination. The rights of the holders of the Mezzanine Certificates and the Class CE Certificates to receive distributions will be subordinated, to the extent described in this information circular, to the rights of the holders of the Class A Certificates.

Subordination is intended to enhance the likelihood of regular distributions on the more senior certificates in respect of interest and principal and to afford such certificates protection against realized losses on the Mortgage Loans.

Overcollateralization. The aggregate principal balance of the Mortgage Loans as of the Cut-off Date is expected to exceed the aggregate certificate principal balance of the Class A, Mezzanine and Class P Certificates on the Closing Date by an amount equal to the initial amount of overcollateralization required to be provided by the mortgage pool under the Pooling and Servicing Agreement. The amount of overcollateralization will be available to absorb realized losses on the Mortgage Loans. See "Description of the Certificates—Overcollateralization Provisions" in this information circular.

Mortgage Pool Policy. Approximately 99.38% of the Group I Mortgage Loans and approximately 96.21% of the Group II Mortgage Loans, in each case, by aggregate principal balance of the related loan group as of the Cut-off Date (together, the "Covered Mortgage Loans"), will be insured by a pool insurance policy issued by the Pool Insurer. Such policy will cover losses on such Mortgage Loans to the extent that such losses exceed 5.92% of the aggregate principal balance of the Covered Mortgage Loans as of the Cut-off Date, up to a limit of 6.88% of the aggregate principal balance of the Covered Mortgage Loans as of the Cut-off Date, subject to certain limited conditions and exclusions. See "Description of the Certificates—The Pool Policy" in this information circular.

Allocation of Losses. On any Distribution Date, realized losses on the Mortgage Loans will first reduce the excess interest and second reduce the overcollateralization for such Distribution Date. If on any Distribution Date, the amount of overcollateralization is reduced to zero, any additional realized losses will be allocated to reduce the certificate principal balance of each class of Mezzanine Certificates, in reverse numerical order until the certificate principal balance of each such class has been reduced to zero. The Pooling and Servicing Agreement does not permit the allocation of realized losses on the Mortgage Loans to the Class A or Class P Certificates. See "Description of the Certificates—Allocation of Losses; Subordination" in this information circular.

Once realized losses are allocated to the Mezzanine Certificates, such realized losses will not be reinstated (except in the case of subsequent recoveries) nor will such certificates accrue interest on any allocated realized loss amounts. However, the amount of any realized losses allocated to the Mezzanine Certificates may be distributed to the holders of those certificates according to the priorities set forth under "Description of the Certificates — Overcollateralization Provisions" in this information circular.

Fannie Mae Guaranty. Fannie Mae will guaranty the timely payment of interest due on the Offered Certificates subject to certain limitations, as described in this information circular, and the ultimate payment of principal on the Offered Certificates (the "Fannie Mae Guaranty"). If Fannie Mae were unable to pay under the Fannie Mae Guaranty, the Offered Certificates could be subject to losses.

Advances

The Master Servicer is required to advance delinquent payments of principal and interest on the Mortgage Loans, subject to the limitations described in this information circular. The Master Servicer is entitled to be reimbursed for such advances, and therefore such advances are not a form of credit enhancement. See "Description of the Certificates—Advances" in this information circular.

Optional Termination

At its option, the Master Servicer may purchase all of the Mortgage Loans, together with any properties in respect thereof acquired on behalf of the trust, and thereby effect termination and early retirement of the certificates, after the aggregate principal balance of the Mortgage Loans (and properties acquired in respect thereof) remaining in the Trust has been reduced to an amount less than 10% of the aggregate principal balance of the Mortgage Loans as of the Cut-off Date; provided that the consent of Fannie Mae will be required if such optional termination will cause a draw on the Fannie Mae Guaranty (as defined herein). If the Master Servicer fails to exercise its option, the NIMS Insurer, if any, may exercise that option. See "Pooling and Servicing Agreement—Termination" in this information circular.

Federal Income Tax Consequences

One or more elections will be made to treat designated portions of the Trust (exclusive of the Interest Rate Swap Agreement, the Swap Account and the Net WAC Rate Carryover Reserve Account, as described more fully herein) as real estate mortgage investment conduits for federal income tax purposes. See “Federal Income Tax Consequences—REMICs” in this information circular.

For further information regarding the federal income tax consequences of investing in the Offered Certificates, see “Federal Income Tax Consequences” in this information circular and in the prospectus.

RISK FACTORS

In addition to the matters described elsewhere in this information circular, prospective investors should carefully consider the following factors before deciding to invest in the Offered Certificates.

The Originator's Underwriting Standards Are Not as Stringent as Those of More Traditional Lenders, Which May Result in Losses Allocated to Certain Offered Certificates

The Originator's underwriting standards are primarily intended to assess the applicant's credit standing and ability to repay as well as the value and the adequacy of the mortgaged property as collateral for the mortgage loan. The Originator provides loans primarily to mortgagors who do not qualify for loans conforming to the underwriting standards of more traditional lenders but who generally have equity in their property and the apparent ability to repay. While the Originator's primary considerations in underwriting a mortgage loan are the applicant's credit standing and repayment ability, as well as the value and adequacy of the mortgaged property as collateral, the Originator also considers, among other things, the applicant's credit history and debt service-to-income ratio, and the type and occupancy status of the mortgaged property. The Originator's underwriting standards do not prohibit a mortgagor from obtaining secondary financing at the time of origination of the Originator's first lien mortgage loan (or at any time thereafter), which secondary financing would reduce the equity the mortgagor would otherwise have in the related mortgaged property as indicated in the Originator's loan-to-value ratio determination.

As a result of such underwriting standards, the Mortgage Loans 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. To the extent the credit enhancement features described in this information circular are insufficient to cover such losses, holders of the related Offered Certificates may suffer a loss on their investment if Fannie Mae is unable to pay under its Guaranty.

Furthermore, changes in the values of mortgaged properties may have a greater effect on the delinquency, foreclosure, bankruptcy and loss experience of the Mortgage Loans 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. See "The Mortgage Pool—Underwriting Standards of the Originator" in this information circular.

Certain Mortgage Loans Have High Loan-to-Value Ratios Which May Present a Greater Risk of Loss Relating to Such Mortgage Loans

Mortgage loans with a loan-to-value ratio of greater than 80.00% may present a greater risk of loss than mortgage loans with loan-to-value ratios of 80.00% or below. Approximately 44.97% of the Group I Mortgage Loans and approximately 54.38% of the Group II Mortgage Loans, in each case by aggregate scheduled principal balance of the related loan group as of the Cut-off Date, had a loan-to-value ratio at origination in excess of 80.00% and are not covered by any primary mortgage insurance. No Mortgage Loan had a loan-to-value ratio exceeding 95.00% at origination. An overall decline in the residential real estate market, a rise in interest rates over a period of time and the general condition of a mortgaged property, as well as other factors, may have the effect of reducing the value of such mortgaged property from the appraised value at the time the Mortgage Loan was originated. If there is a reduction in value of the mortgaged property, the loan-to-value ratio may increase over what it was at the time of origination. Such an increase may reduce the likelihood of liquidation or other proceeds being sufficient to satisfy the Mortgage Loan. There can be no assurance that the loan-to-value ratio of any Mortgage Loan determined at any time after origination is less than or equal to its original loan-to-value ratio. Additionally, the Originator's determination of the value of a mortgaged property used in the calculation of the loan-to-value ratios of the Mortgage Loans may differ from the appraised value of such mortgaged property or the actual value of such mortgaged property. See "The Mortgage Pool—General" in this information circular.

Most of the Mortgage Loans Are Newly Originated and Have Little, if any, Payment History

None of the Mortgage Loans are delinquent in their monthly payments as of the Cut-off Date. Investors should note, however, that certain of the Mortgage Loans will have a first payment date occurring after the Cut-off

Date and, therefore, such Mortgage Loans could not have been delinquent in any monthly payment as of the Cut-off Date.

Interest Only Mortgage Loans

Approximately 16.78% of the Group I Mortgage Loans and approximately 44.66% of the Group II Mortgage Loans, in each case by aggregate scheduled principal balance of the related loan group as of the Cut-off Date, require the mortgagors to make monthly payments only of accrued interest for the first 60 months following origination. After such interest only period, the mortgagor's monthly payment will be recalculated to cover both interest and principal so that the Mortgage Loan will amortize fully prior to its final payment date. The interest only feature may reduce the likelihood of prepayment during the interest only period due to the smaller monthly payments relative to a fully-amortizing mortgage loan. If the monthly payment increases, the related mortgagor may not be able to pay the increased amount and may default or may refinance the related mortgage loan to avoid the higher payment. Because no principal payments may be made on such mortgage loans for an extended period following origination, if the mortgagor defaults, the unpaid principal balance of the related Mortgage Loan will be greater than otherwise would be the case, increasing the risk of loss in that situation. In addition, the Class A and Mezzanine Certificates will receive smaller principal payments during the interest only period than they would have received if the related mortgagors were required to make monthly payments of interest and principal for the entire lives of such Mortgage Loans.

Investors should consider the fact that interest only mortgage loans reduce the monthly payment required by mortgagors during the interest only period and consequently, the monthly housing expense used to qualify mortgagors. As a result, interest only mortgage loans may allow some mortgagors to qualify for a mortgage loan who would not otherwise qualify for a fully amortizing loan or may allow them to qualify for a larger mortgage loan than otherwise would be the case.

Simultaneous Second Lien Risk

With respect to approximately 1.40% of the Group I Mortgage Loans and approximately 0.86% of the Group II Mortgage Loans, in each case by aggregate scheduled principal balance of the related loan group as of the Cut-off Date, at the time of origination of the first lien Mortgage Loan, the Originator also originated a second lien mortgage loan which will not be included in the Trust. The weighted average loan-to-value ratio at origination of the first liens on such Mortgage Loans is approximately 80.00% and the weighted average combined loan-to-value ratio at origination of such Mortgage Loans (including the second lien) is approximately 100.00%.

With respect to any Mortgage Loans originated with a simultaneous second lien, foreclosure frequency may be increased relative to Mortgage Loans that were originated without a simultaneous second lien because the mortgagors on Mortgage Loans with a simultaneous second lien have less equity in the mortgaged property than is shown in the loan-to-value ratios set forth in this information circular. Investors should also note that any mortgagor may obtain secondary financing at any time subsequent to the date of origination of their mortgage loan from the Originator or from any other lender.

Geographic Concentration Risk

The charts entitled "Geographic Distribution" for the Mortgage Loans presented in Annex I list geographic concentrations of the Group I Mortgage Loans and Group II Mortgage Loans, respectively, by state. Mortgaged properties in certain states (e.g. California) may be particularly susceptible to certain types of hazards, such as earthquakes, hurricanes, floods, mudslides, wildfires and other natural disasters for which there may or may not be insurance.

In addition, the conditions below will have a disproportionate impact on the Mortgage Loans in general:

- Economic conditions in states with high concentrations of Mortgage Loans may affect the ability of mortgagors to repay their loans on time even if such conditions do not affect real property values.

- Declines in the residential real estate markets in states with high concentrations of Mortgage Loans may reduce the value of properties located in those states, which would result in an increase in loan-to-value ratios.

- Any increase in the market value of properties located in states with high concentrations of Mortgage Loans would reduce loan-to-value ratios and could, therefore, make alternative sources of financing available to mortgagors at lower interest rates, which could result in an increased rate of prepayment of the Mortgage Loans.

Violation of Various Federal and State Laws May Result in Losses on the Mortgage Loans

Applicable state laws generally regulate interest rates and other charges, require certain disclosure, and require licensing of the Originator. In addition, other state laws, public policy and general principles of equity relating to the protection of consumers, unfair and deceptive practices and debt collection practices may apply to the origination, servicing and collection of the Mortgage Loans.

The Mortgage Loans are also subject to federal laws, including:

- the Federal Truth-in-Lending Act and Regulation Z promulgated thereunder, which require certain disclosures to the borrowers regarding the terms of the Mortgage Loans;

- the Equal Credit Opportunity Act and Regulation B promulgated thereunder, which 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, which regulates the use and reporting of information related to the borrower's credit experience;

- the Depository Institutions Deregulation and Monetary Control Act of 1980, which preempts certain state usury laws; and

- the Alternative Mortgage Transaction Parity Act of 1982, which preempts certain state lending laws which regulate alternative mortgage transactions.

Violations of certain provisions of these federal and state laws may limit the ability of the Master Servicer to collect all or part of the principal of or interest on the Mortgage Loans and in addition could subject the Trust to damages and administrative enforcement and could result in the mortgagors rescinding such Mortgage Loans whether held by the Trust or subsequent holders of the Mortgage Loans.

The Seller will represent that each Mortgage Loan, at the time of origination, was in compliance with applicable federal, state and local laws and regulations. In the event of a breach of such representation, the Seller will be obligated to cure such breach or repurchase or replace the affected Mortgage Loan in the manner described in the prospectus. If the Seller is unable or otherwise fails to satisfy such obligations, the yield on the Offered Certificates may be materially and adversely affected.

High Cost Loans

The Seller will represent that none of the Mortgage Loans will be "High Cost Loans" within the meaning of the Home Ownership and Equity Protection Act of 1994 (the "Homeownership Act") and none of the Mortgage Loans will be high cost loans under any state or local law, ordinance or regulation similar to the Homeownership Act. See "Certain Legal Aspects of the Mortgage Loans—Anti-Deficiency Legislation and Other Limitations on Lenders" in this information circular.

In addition to the Homeownership Act, a number of legislative proposals have been introduced at the federal, state and municipal level that are designed to discourage predatory lending practices. Some states have enacted, or may enact, laws or regulations that prohibit inclusion of some provisions in mortgage loans that have mortgage rates or origination costs in excess of prescribed levels, and require that borrowers be given certain disclosures prior to the consummation of such mortgage loans. In some cases, state law may impose requirements and restrictions greater than those in the Homeownership Act. The Originator's failure to comply with these laws could subject the Trust, and other assignees of the Mortgage Loans, to monetary penalties and could result in the borrowers rescinding such Mortgage Loans whether held by the Trust or subsequent holders of the Mortgage Loans. Lawsuits have been brought in various states making claims against assignees of high cost loans for violations of state law. Named defendants in these cases include numerous participants within the secondary mortgage market, including some securitization trusts.

Under the anti-predatory lending laws of some states, the borrower is required to meet a net tangible benefits test in connection with the origination of the related mortgage loan. This test may be highly subjective and open to interpretation. As a result, a court may determine that a mortgage loan does not meet the test even if an originator reasonably believed that the test was satisfied. Any determination by a court that a Mortgage Loan does not meet the test will result in a violation of the state anti-predatory lending law, in which case the Seller will be required to purchase such Mortgage Loan from the Trust.

Delay in Receipt of Liquidation Proceeds; Liquidation Proceeds May Be Less than Mortgage Loan Balance

Substantial delays could be encountered in connection with the liquidation of delinquent Mortgage Loans. Further, reimbursement of advances made on a Mortgage Loan and liquidation expenses such as legal fees, real estate taxes and maintenance and preservation expenses may reduce the portion of liquidation proceeds distributable to you. If a mortgaged property fails to provide adequate security for the Mortgage Loan, you will incur a loss on your investment if the credit enhancements are insufficient to cover the loss and if Fannie Mae is unable to pay under its Guaranty.

The Difference Between the Pass-Through Rates on the Offered Certificates and the Mortgage Rates on the Group I Mortgage Loans May Affect the Yields on such Certificates

Each class of the Offered Certificates accrues interest at a pass-through rate based on a one-month LIBOR index plus a specified margin, but such pass-through rate is subject to a limit. The limit on the pass-through rate for the Offered Certificates is based on the weighted average of the mortgage rates of the Group I Mortgage Loans, net of certain fees and expenses of the Trust (including any Net Swap Payment owed to the Swap Provider and any Swap Termination Payment owed to the Swap Provider and the Fannie Mae Guaranty fee payable to Fannie Mae). The adjustable-rate Group I Mortgage Loans have mortgage rates that adjust based on a six-month LIBOR index, have periodic and lifetime limitations on adjustments to their mortgage rates, and have the first adjustment to their mortgage rates two or three years after the origination thereof. The fixed-rate Group I Mortgage Loans have mortgage rates that do not adjust. As a result of the limits on the pass-through rates on the Offered Certificates, such certificates may accrue less interest than they would accrue if their pass-through rates were based solely on the one-month LIBOR index plus the specified margin.

A variety of factors could limit the pass-through rates and adversely affect the yields to maturity on the Offered Certificates. Some of these factors are described below.

- The pass-through rates for the Offered Certificates may adjust monthly while the mortgage rates on the adjustable-rate Mortgage Loans adjust less frequently and the mortgage rates on the fixed-rate Mortgage Loans do not adjust at all. Furthermore, all of the adjustable-rate Mortgage Loans will have the first adjustment to their mortgage rates two or three years after their origination. Consequently, the limits on the pass-through rates on the Offered Certificates may prevent any increases in the pass-through rate on one or more classes of such certificates for extended periods in a rising interest rate environment.

- If prepayments, defaults and liquidations occur more rapidly on the Group I Mortgage Loans with relatively higher mortgage rates than on the Group I Mortgage Loans with relatively lower mortgage rates, the pass-through rate on the Offered Certificates is more likely to be limited.

- The mortgage rates on the adjustable-rate Group I Mortgage Loans may respond to different economic and market factors than does one-month LIBOR. It is possible that the mortgage rates on the adjustable-rate Group I Mortgage Loans may decline while the pass-through rates on the Offered Certificates are stable or rising. It is also possible that the mortgage rates on the adjustable-rate Group I Mortgage Loans and the pass-through rates on the Offered Certificates may both decline or increase during the same period, but that the pass-through rates on the Offered Certificates may decline more slowly or increase more rapidly.

If the pass-through rate on any class of Class A or Mezzanine Certificates is limited for any Distribution Date, the resulting basis risk shortfalls may be recovered by the holders of the affected certificates on the same Distribution Date or on future Distribution Dates, to the extent that on such Distribution Date or future Distribution Dates there are any available funds remaining after certain other distributions on the Class A and Mezzanine Certificates and the payment of certain fees and expenses of the Trust (including any Net Swap Payment owed to the Swap Provider and any Swap Termination Payment owed to the Swap Provider). **The Fannie Mae Guaranty will not cover any basis risk shortfalls on the Offered Certificates**.

Amounts used to pay such shortfalls on the Offered Certificates may be supplemented by the Interest Rate Swap Agreement to the extent that the floating payment by the Swap Provider exceeds the fixed payment by the Trust on any Distribution Date and such amount is available in the priority described in this information circular. However, the amount received from the Swap Provider under the Interest Rate Swap Agreement may be insufficient to pay the holders of the applicable certificates the full amount of interest which they would have received absent the limitations of the rate cap. **The Fannie Mae Guaranty will not cover any failure of the Swap Provider to make required payments pursuant to the Interest Rate Swap Agreement or any shortfalls resulting from required payments by the Trust to the Swap Provider pursuant to the Interest Rate Swap Agreement, including any Swap Termination Payments.**

Risk Relating to Distribution Priority of the Offered Certificates

With respect to the Offered Certificates, as set forth in this information circular under “Description of the Certificates—Principal Distributions,” principal distributions will be made in a sequential manner among the classes of Offered Certificates. The weighted average lives of the classes of Offered Certificates receiving principal distributions later will be longer than would otherwise be the case if distributions of principal were to be allocated on a *pro rata* basis among such classes of Offered Certificates. In addition, as a result of a sequential allocation of principal, the holders of the classes of Offered Certificates receiving principal distributions later will have a greater risk of losses on the related mortgage loans, adversely affecting the yields to maturity on such certificates. See “Description of the Certificates— Principal Distributions” for more information.

The Rate and Timing of Principal Distributions on the Offered Certificates Will Be Affected by Prepayment Speeds

The rate and timing of distributions allocable to principal on the Offered Certificates will depend, in general, on the rate and timing of principal payments (including prepayments and collections upon defaults, liquidations and repurchases) on the Mortgage Loans and the allocation thereof to distribute principal on such certificates as described under “Description of the Certificates—Principal Distributions” in this information circular. As is the case with asset-backed pass-through certificates generally, the Offered Certificates are subject to substantial inherent cash-flow uncertainties because the Mortgage Loans may be prepaid at any time.

With respect to approximately 61.34% of the Group I Mortgage Loans and approximately 61.54% of the Group II Mortgage Loans, in each case by aggregate scheduled principal balance of the related loan group as of the Cut-off Date, a mortgagor principal prepayment may subject the related mortgagor to a prepayment charge, subject to certain limitations in the related mortgage note and limitations upon collection in the Pooling and Servicing Agreement. Generally, each such Mortgage Loan provides for payment of a prepayment charge on certain prepayments made within a defined period set forth in the related mortgage note (generally within the first three years but possibly as short as one year from the date of origination of such mortgage loan). A prepayment charge may or may not act as a deterrent to prepayment of the related Mortgage Loan.

The rate of prepayments on the Mortgage Loans will be sensitive to prevailing interest rates. Generally, when prevailing interest rates are increasing, prepayment rates on mortgage loans tend to decrease. A decrease in the prepayment rates on the Mortgage Loans will result in a reduced rate of principal distributions to investors in the Offered Certificates at a time when reinvestment at such higher prevailing rates would be desirable. Conversely, when prevailing interest rates are declining, prepayment rates on mortgage loans tend to increase. An increase in the prepayment rates on the Mortgage Loans will result in a greater rate of principal distributions to investors in the Offered Certificates at a time when reinvestment at comparable yields may not be possible. Furthermore, because the mortgage rates for the adjustable-rate Mortgage Loans are based on six-month LIBOR plus a fixed percentage amount, such rates could be higher than prevailing market interest rates at the time of adjustment, and this may result in an increase in the rate of prepayments on such Mortgage Loans after such adjustment.

The Seller may be required to repurchase Mortgage Loans from the Trust in the event certain breaches of representations and warranties have not been cured. In addition, Fannie Mae (with respect to the Group I Mortgage Loans), the NIMS Insurer, if any, or the Master Servicer may purchase Mortgage Loans 90 days or more delinquent, subject to the conditions set forth in the Pooling and Servicing Agreement. These purchases will have the same effect on the holders of the Offered Certificates as a prepayment of those Mortgage Loans.

The Master Servicer or the NIMS Insurer, if any, may purchase all of the Mortgage Loans when the aggregate principal balance of the Mortgage Loans (and properties acquired in respect thereof) is less than 10% of the aggregate principal balance of the Mortgage Loans as of the Cut-off Date; provided that the consent of Fannie Mae will be required if such optional termination will cause a draw on the Fannie Mae Guaranty (as defined herein).

The Yields to Maturity on the Offered Certificates Will Depend on a Variety of Factors

The yield to maturity on each class of Offered Certificates will depend, in general, on (i) the applicable pass-through rate thereon from time to time; (ii) the applicable purchase price; (iii) the rate and timing of principal payments (including prepayments and collections upon defaults, liquidations and repurchases) and the allocation thereof to reduce the certificate principal balance of such certificates; (iv) the rate, timing and severity of realized losses on the Mortgage Loans; (v) adjustments to the mortgage rates on the adjustable-rate Mortgage Loans; (vi) the amount of excess interest generated by the Mortgage Loans; (vii) the allocation to the Offered Certificates of some types of interest shortfalls and (viii) payments due from the Trust in relationship to payments received from the Swap Provider under the Interest Rate Swap Agreement.

In general, if the Offered Certificates are purchased at a premium and principal distributions thereon occur at a rate faster than anticipated at the time of purchase, the investor’s actual yield to maturity will be lower than that assumed at the time of purchase. Conversely, if the Offered Certificates are purchased at a discount and principal distributions thereon occur at a rate slower than that anticipated at the time of purchase, the investor’s actual yield to maturity will be lower than that originally assumed.

As a result of the absorption of realized losses on the Mortgage Loans by excess interest and overcollateralization, each as described in this information circular, liquidations of defaulted Mortgage Loans, whether or not realized losses are allocated to the Mezzanine Certificates upon such liquidations, will result in an earlier return of principal to the Offered Certificates and will influence the yields on such certificates in a manner similar to the manner in which principal prepayments on the Mortgage Loans will influence the yields on the Offered Certificates. The overcollateralization provisions are intended to result in an accelerated rate of principal distributions to holders of the Offered Certificates at any time that the overcollateralization provided by the mortgage pool falls below the required level.

Potential Inadequacy of Credit Enhancement for the Offered Certificates

The credit enhancement features described in this information circular are intended to increase the likelihood that holders of the Offered Certificates will receive regular distributions of interest and principal. If delinquencies or defaults occur on the Mortgage Loans, neither the Master Servicer nor any other entity will advance scheduled monthly payments of interest and principal on delinquent or defaulted Mortgage Loans if such advances are deemed non-recoverable. If substantial losses occur as a result of defaults and delinquent payments on the Mortgage Loans, holders of the Offered Certificates may suffer losses if Fannie Mae is unable to pay under its Guaranty.

With respect to those Mortgage Loans insured by the AVM Insurer, although the values of such mortgaged properties are insured by the AVM Insurer, recovery is dependent on establishing the actual value of the applicable mortgaged property at the time the related mortgage loan was originated. Because a substantial amount of time may have passed since the date of origination of the applicable mortgage loan, it may be difficult to establish the actual value of the related mortgaged property retrospectively.

Furthermore, although a mortgage pool insurance policy has been acquired on behalf of the trust from the Pool Insurer with respect to approximately 99.38% of the Group I Mortgage Loans and approximately 96.21% of the Group II Mortgage Loans, such coverage will provide only limited protection against losses on defaulted covered Mortgage Loans. Unlike a financial guaranty policy, coverage under a mortgage pool insurance policy is subject to certain limitations and exclusions including, for example, exclusions of otherwise covered mortgage loans with respect to which the borrowers fail to make the first scheduled monthly payment on the related Due Date (and has not cured such missed payment in accordance with the provisions of the Pool Policy), losses resulting from fraud and physical damage to the mortgaged property and to certain conditions precedent to payment, such as notices, reports and in the case of the mortgage pool insurance policy, compliance with certain representations and warranties. As a result, coverage under the mortgage pool insurance policy may be denied or limited on covered Mortgage Loans. Coverage will not be available under the Pool Policy on the covered Mortgage Loans until losses on such Mortgage Loans exceed 5.92% of the aggregate principal balance of the Covered Mortgage Loans as of the Cut-off Date, up to a limit of 6.88% of the aggregate principal balance of the Covered Mortgage Loans as of the Cut-off Date, subject to certain limited conditions and exclusions, which may further reduce the coverage available to such covered Mortgage Loans.

The Pool Insurer also may affect the timing and conduct of foreclosure proceedings and other servicing decisions regarding defaulted mortgage loans covered by the policy.

Under the Pool Policy, the amount of the claim generally will include interest to the date the claim is presented. However, the claim must be paid generally within 60 days thereafter. To the extent the Master Servicer is required to continue making monthly advances after the claim is presented but before the claim is paid, reimbursement of these advances will reduce the amount of liquidation proceeds available for distribution to certificateholders.

Interest Generated by the Mortgage Loans May Be Insufficient to Maintain or Restore Overcollateralization

The Mortgage Loans are expected to generate more interest than is needed to distribute interest owed on the Offered Certificates and to pay certain fees and expenses of the Trust (including any Net Swap Payment owed to the Swap Provider). Any remaining interest generated by the Mortgage Loans will first be used to absorb losses that occur on the Mortgage Loans and will then be used to maintain or restore overcollateralization. We cannot assure you, however, that enough excess interest will be generated to maintain or restore the required level of overcollateralization. The factors described below will affect the amount of excess interest that the Mortgage Loans will generate.

- Each time a Mortgage Loan is prepaid in full, liquidated, written off or repurchased, excess interest may be reduced because the Mortgage Loan will no longer be outstanding and generating interest or, in the case of a partial prepayment, will be generating less interest.

- If the rates of delinquencies, defaults or losses on the Mortgage Loans are higher than expected, excess interest will be reduced by the amount necessary to compensate for any shortfalls in cash available to make required distributions on the Class A and Mezzanine Certificates.

- The adjustable-rate Mortgage Loans have mortgage rates that adjust less frequently than, and on the basis of an index that is different from, the index used to determine the pass-through rates on the Offered Certificates, and the fixed-rate Mortgage Loans have mortgage rates that do not adjust. As a result, the pass-through rates on the related Offered Certificates may increase relative to mortgage rates on the applicable Mortgage Loans, requiring that a greater portion of the interest generated by those Mortgage Loans be applied to cover interest on the related Offered Certificates.

Prepayment Interest Shortfalls and Relief Act Shortfalls

When a Mortgage Loan is prepaid, the mortgagor is charged interest on the amount prepaid only up to (but not including) the date on which the prepayment is made, rather than for an entire month. This may result in a shortfall in interest collections available for distribution on the next Distribution Date. The Master Servicer is required to cover a portion of the shortfall in interest collections that are attributable to prepayments, but only up to the amount of the Master Servicer's servicing fee for the related period. In addition, certain shortfalls in interest collections arising from the application of the Servicemembers Civil Relief Act and similar state laws (the "Relief Act") will not be covered by the Master Servicer. **The Fannie Mae Guaranty with respect to the Offered Certificates will not cover any such prepayment interest shortfalls or Relief Act shortfalls.**

On any Distribution Date, any shortfalls resulting from the application of the Relief Act and any prepayment interest shortfalls to the extent not covered by compensating interest paid by the Master Servicer, in each case regardless of which loan group experienced the shortfall, will first, reduce the interest accrued on the Class CE Certificates, and thereafter, will reduce the monthly interest distributable amounts with respect to the Class A and Mezzanine Certificates, on a *pro rata* basis based on the respective amounts of interest accrued on such certificates for such Distribution Date. The holders of the Offered Certificates will not be entitled to reimbursement for any such interest shortfalls. If these shortfalls are allocated to the Offered Certificates, the amount of interest distributed to those certificates will be reduced, adversely affecting the yield on your investment.

Reimbursement of Advances by the Master Servicer Could Delay Distributions on the Certificates

Under the Pooling and Servicing Agreement, the Master Servicer will make cash advances to cover delinquent payments of principal and interest on the Mortgage Loans to the extent it reasonably believes that the cash advances are recoverable from future payments on the Mortgage Loans. The Master Servicer may make such advances from amounts held for future distribution. In addition, the Master Servicer may withdraw from the collection account funds that were not included in Available Funds for the preceding Distribution Date to reimburse itself for advances previously made. Any such amounts withdrawn by the Master Servicer in reimbursement of advances previously made are generally required to be replaced by the Master Servicer on or before the next Distribution Date, subject to subsequent withdrawal. To the extent that the Master Servicer is unable to replace any amounts withdrawn in reimbursement of advances previously made, there could be a delay in distributions on the Offered Certificates. Furthermore, the Master Servicer's right to reimburse itself for advances previously made from funds held for future distribution could lead to amounts required to be restored to the collection account by the Master Servicer that are higher, and potentially substantially higher, than one month's advance obligation.

The Offered Certificates are Obligations of the Trust Only

The Offered Certificates will not represent an ownership interest in or obligation of the Depositor, the Master Servicer, the Seller, the Originator, the Trustee or any of their respective affiliates. Neither the Offered Certificates nor the underlying Mortgage Loans will be guaranteed or insured by any governmental agency or instrumentality (other than Fannie Mae), or by the Depositor, the Master Servicer, the Seller, the Originator, the Trustee or any of their respective affiliates. Proceeds of the assets included in the Trust and any payments by Fannie Mae under the Fannie Mae Guaranty will be the sole source of distributions on the Offered Certificates, and there will be no recourse to the Depositor, the Master Servicer, the Seller, the Originator, the Trustee or any other entity in the event that such proceeds are insufficient or otherwise unavailable to make all distributions provided for under the Offered Certificates.

Conflicts of Interest between the Master Servicer and the Trust

The Master Servicer may initially own all or a portion of the Class M-12 Certificates and will initially own all or a portion of the Class CE, Class P and Residual Certificates. The timing of Mortgage Loan foreclosures and sales of the related mortgaged properties, which will be under the control of the Master Servicer, may affect the weighted average lives and yields of the certificates. You should consider that the timing of such foreclosures or sales may not be in the best interests of all certificateholders and that no formal policies or guidelines have been established to resolve or minimize such a conflict of interest.

The Interest Rate Swap Agreement and the Swap Provider

Any amounts received from the Swap Provider under the Interest Rate Swap Agreement will be applied as described in this information circular to pay interest shortfalls and basis risk shortfalls, maintain overcollateralization and cover losses. However, no amounts will be payable by the Swap Provider unless the floating amount owed by the Swap Provider on a Distribution Date exceeds the fixed amount owed to the Swap Provider on such Distribution Date. This will not occur except in periods when one-month LIBOR (as determined pursuant to the Interest Rate Swap Agreement) generally exceeds 4.521%. No assurance can be made that any amounts will be received under the Interest Rate Swap Agreement, or that any such amounts that are received will be sufficient to maintain required overcollateralization or to cover interest shortfalls, basis risk shortfalls and losses on the Mortgage Loans. Any net payment payable to the Swap Provider under the terms of the Interest Rate Swap Agreement will reduce amounts available for distribution to Certificateholders, and may reduce the Pass-Through Rates of the certificates. If the rate of prepayments on the Mortgage Loans is faster than anticipated, the schedule on which payments due under the Interest Rate Swap Agreement are calculated may exceed the aggregate principal balance of the Mortgage Loans, thereby increasing the relative proportion of interest collections on the Mortgage Loans that must be applied to make net payments to the Swap Provider. The combination of a rapid rate of prepayment and low prevailing interest rates could adversely affect the yields on the Offered Certificates. In addition, any termination payment payable to the Swap Provider in the event of early termination of the Interest Rate Swap Agreement will reduce amounts available for distribution to Certificateholders.

Upon early termination of the Interest Rate Swap Agreement, the Trust or the Swap Provider may be liable to make a Swap Termination Payment to the other party (regardless of which party caused the termination). The Swap Termination Payment will be computed in accordance with the procedures set forth in the Interest Rate Swap Agreement. In the event that the Trust is required to make a Swap Termination Payment, that payment will be paid on the related Distribution Date, and on any subsequent Distribution Dates until paid in full, generally prior to distributions to Certificateholders. This feature may result in losses on the Certificates. Investors should note that the level of one-month LIBOR as of August 23, 2005 is approximately 3.64% which means the Trust will make a Net Swap Payment to the Swap Provider unless and until one-month LIBOR equals approximately 4.521%.

To the extent that distributions on the Offered Certificates depend in part on payments to be received by the Trust under the Interest Rate Swap Agreement, the ability of the Trustee to make such distributions on such certificates will be subject to the credit risk of the Swap Provider to the Interest Rate Swap Agreement. The credit ratings of the Swap Provider as of the date of this information circular are lower than the ratings assigned to the Offered Certificates. See "Description of the Certificates—The Swap Provider" in this information circular. **The Fannie Mae Guaranty will not cover any failure of the Swap Provider to make required payments pursuant to the Interest Rate Swap Agreement or any shortfalls resulting from required payments by the Trust to the Swap Provider pursuant to the Interest Rate Swap Agreement, including any Swap Termination Payments.**

Rights of the NIMS Insurer May Negatively Impact the Offered Certificates

Pursuant to the terms of the Pooling and Servicing Agreement, unless there exists a continuance of any failure by the NIMS Insurer, if any, to make a required payment under the policy insuring the net interest margin securities (such event, a "NIMS Insurer Default"), the NIMS Insurer, if any, will be entitled to exercise, among others, the following rights of the holders of the Offered Certificates, without the consent of such holders, and the holders of the Offered Certificates may exercise such rights only with the prior written consent of the NIMS Insurer, if any: (i) 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 in the event of a default by the Master Servicer; (ii) the right to remove the Trustee or any co-trustee or custodian pursuant to the Pooling and Servicing Agreement; and (iii) the right to direct the Trustee to make investigations and take actions pursuant to the Pooling and Servicing Agreement. In addition, unless a NIMS Insurer Default exists, such NIMS Insurer's consent will be required prior to, among other things, (i) the removal and replacement of the Master Servicer, any successor Master Servicer or the Trustee, (ii) the appointment or termination of any subservicer or co-trustee or (iii) any amendment to the Pooling and Servicing Agreement.

Investors in the Offered Certificates should note that:

- any insurance policy issued by the NIMS Insurer, if any, will not cover, and will not benefit, in any manner whatsoever, the Offered Certificates;

- the rights to be granted to the NIMS Insurer, if any, are extensive;

- the interests of the NIMS Insurer, if any, may be inconsistent with, and adverse to, the interests of the holders of the Offered Certificates and the NIMS Insurer, if any, has no obligation or duty to consider the interests of the Offered Certificates in connection with the exercise or non-exercise of such NIMS Insurer's rights;

- such NIMS Insurer's, if any, exercise of the rights and consents set forth above may negatively affect the Offered Certificates and the existence of such NIMS Insurer's, if any, rights, whether or not exercised, may adversely affect the liquidity of the Offered Certificates relative to other asset-backed certificates backed by comparable mortgage loans and with comparable payment priorities and ratings; and

- there may be more than one series of notes insured by the NIMS Insurer and the NIMS Insurer will have the rights set forth herein so long as any such series of notes remain outstanding.

Environmental Risks

Federal, state and local laws and regulations impose a wide range of requirements on activities that may affect the environment, health and safety. In certain circumstances, these laws and regulations impose obligations on owners or operators of residential properties such as those that secure the mortgage loans. Failure to comply with these laws and regulations can result in fines and penalties that could be assessed against the Trust as owner of the related property.

In some states, a lien on the property due to contamination has priority over the lien of an existing mortgage. Further, a mortgage lender may be held liable as an "owner" or "operator" for costs associated with the release of petroleum from an underground storage tank under certain circumstances. If the Trust is considered the owner or operator of a property, it may suffer losses as a result of any liability imposed for environmental hazards on the property.

Terrorist Attacks and Military Action Could Adversely Affect the Yield on your Certificates

The terrorist attacks in the United States on September 11, 2001 suggest that there is an increased likelihood of future terrorist activity in the United States. In addition, current political and military tensions in the Middle East have resulted in a significant deployment of United States military personnel in the region. Investors should consider the possible effects of past and possible future terrorist attacks and any resulting military response by the United States on the delinquency, default and prepayment experience of the Mortgage Loans. In accordance with the servicing standard set forth in the Pooling and Servicing Agreement, the Master Servicer may defer, reduce or forgive payments and delay foreclosure proceedings in respect of Mortgage Loans to borrowers affected in some way by such past and possible future events.

In addition, the current deployment of United States military personnel in the Middle East and the activation of a substantial number of United States military reservists and members of the National Guard may significantly increase the proportion of Mortgage Loans whose mortgage rates are reduced by the application of the Relief Act and similar state laws. See " Certain Legal Aspects of Mortgage Assets—Servicemembers Civil Relief Act" herein. Certain shortfalls in interest collections arising from the application of the Relief Act or any state law providing for similar relief will not be covered by the Master Servicer, any subservicer or any bond guaranty insurance policy. **The Fannie Mae Guaranty will not cover any such shortfalls.**

Legal Actions are Pending Against the Seller

Because the nature of the sub-prime mortgage lending and servicing business involves the collection of numerous accounts, the validity of liens and compliance with state and federal lending laws, sub-prime lenders and servicers, including the Seller, are subject to numerous claims and legal actions (collectively, "Legal Actions") in the ordinary course of their businesses. These Legal Actions include lawsuits styled as class actions and alleging violations of various federal and state consumer protection laws. While it is impossible to estimate with certainty the ultimate legal and financial liability with respect to such Legal Actions, and an adverse judgment in one or more Legal Actions may have a significant adverse financial effect on the Seller, the Seller believes that the aggregate amount of liabilities arising from such Legal Actions will not result in monetary damages which will have a material adverse effect on the financial condition or results of the Seller.

In the year 2000, three plaintiffs filed separate actions in California Superior Court against the Seller, including claims under California Code Sections 17200 and 17500, alleging that the Seller engaged in unfair business practices in connection with the origination of its mortgage loans. These cases were consolidated in 2001. The complaints sought damages for fraud, restitution and injunctive relief. The claims for fraud and damages were subsequently dismissed on the Seller's motion for summary judgment.

On March 7, 2003, the California Superior Court certified a class including all persons (a) who had obtained a mortgage loan from the Seller in California during the period from October 1996 to the present or in any of 32 other states during the period from April 1998 to the present and (b) whose mortgage loan contains or contained terms that differ from those set forth in the Good Faith Estimate ("GFE") of costs and fees provided to the mortgagor pursuant to the Real Estate Settlement Procedures Act at the time of the loan application with respect to any of the following: (1) the GFE referred to a fixed rate mortgage loan and the mortgagor received an adjustable-rate mortgage loan; (2) the GFE contained a lower interest rate than the actual mortgage loan interest rate; (3) the GFE contained lower origination or discount fees than actual fees; (4) the GFE did not provide for any prepayment charges and the mortgage loan obtained contained provisions for prepayment charges; or (5) the mortgage loan obtained did not include monthly payments for property taxes and insurance, and the GFE did not disclose this fact. In August 2003, the California Court of Appeals modified the class as certified by the trial court by reducing the number of states involved from 33 to four, which states are Alabama, Alaska, California and Texas. The settlement was approved by the court on June 24, 2005.

In late December 2004, the Seller and an affiliate, Town and Country Credit Corporation, were named as defendants in a class action complaint filed by Brian J. Borre and Joanne M. Borre, as plaintiffs, in the Circuit Court of Cook County Illinois. (A prior complaint served on June 9, 2004, similar in substance to this one filed by the same plaintiffs, was voluntarily dismissed on December 14, 2004 when the Seller removed the action to federal court.) The current complaint was served on the Seller on January 11, 2005 and alleges that the Seller violated Section 4.la of the Illinois Interest Act by charging more than 3 points on loans with an interest rate of 8% per annum or higher. The class is defined as all persons who are residents of Illinois who obtained loans from the Seller (which loans are still outstanding or were paid off within two years prior to the filing of this action) at an interest rate of 8% per annum or higher and were charged more than 3 points on such loans. The class has not been certified. The Seller believes it has valid defenses to this action, both on the merits and as to the validity of the class allegations.

Regulatory Matters Concerning the Seller

Representatives of the financial regulatory agencies and/or attorney general's offices of thirty states (the "States") have raised concerns relating to the lending policies of Ameriquest Mortgage Company and its retail lending affiliates, Bedford Home Loans, Inc., and Town & Country Credit Corp. (collectively, the "Affiliates") for the appropriateness of discount points charged prior to February 2003; the accuracy of appraisal valuations; stated income loans and oral statements to borrowers relating to loan terms and disclosures. Based on extensive discussions with the States, ACC Capital Holdings Corporation ("ACCCHC"), the parent of the Affiliates, has recorded a provision of $325 million in its financial statements representing its best estimate of the ultimate financial liability.

Suitability of the Offered Certificates as Investments

The Offered Certificates are not suitable investments for any investor that requires a regular or predictable schedule of monthly payments or payment on any specific date. The Offered Certificates are complex investments that should be considered only by investors who, either alone or with their financial, tax and legal advisors, have the expertise to analyze the prepayment, reinvestment, default and market risk, the tax consequences of an investment and the interaction of these factors.

THE MORTGAGE POOL

The statistical information presented in this information circular relates to the Mortgage Loans as of the Cut-off Date. References to percentages of the Mortgage Loans in this information circular are based on the aggregate scheduled principal balance of the Mortgage Loans as specified in the amortization schedule at the Cut-off Date after application of all amounts allocable to unscheduled payments of principal received prior to the Cut-off Date. Prior to the issuance of the Certificates, some Mortgage Loans may be removed from the mortgage pool as a result of incomplete documentation or otherwise and any Mortgage Loans that prepay or default will be removed. Other mortgage loans may be included in the mortgage pool prior to the issuance of the Certificates. However, the removal and inclusion of such mortgage loans will not materially alter the characteristics of the Mortgage Loans as described in this information circular, although the range of mortgage rates and maturities and certain other characteristics of the Mortgage Loans may vary.

General

The mortgage loans delivered to the Trust on the Closing Date (the “Mortgage Loans”) will consist of conventional, one-to four- family, adjustable-rate and fixed-rate mortgage loans. The Depositor will purchase the Mortgage Loans from the Seller pursuant to the Mortgage Loan Purchase Agreement, to be dated as of the date of this information circular (the “Mortgage Loan Purchase Agreement”), between the Seller and the Depositor. Pursuant to the Pooling and Servicing Agreement, to be dated as of the Cut-off Date (the “Pooling and Servicing Agreement”), among the Depositor, the Master Servicer, Fannie Mae and the Trustee, the Depositor will cause the Mortgage Loans to be assigned to the Trustee for the benefit of the certificateholders.

The Group I Mortgage Loans and the Group II Mortgage Loans are expected to have an aggregate principal balance as of the Cut-off Date of approximately $1,247,652,821 and $252,347,283, respectively.

The Mortgage Loans will be secured by mortgages or deeds of trust or other similar security instruments creating first liens on residential properties (the “Mortgaged Properties”) consisting of attached, detached or semi-detached one-to four-family dwelling units, individual condominium units or individual units in planned unit developments and manufactured housing. The Mortgage Loans will have original terms to maturity of not greater than 30 years from the date on which the first payment was due on each Mortgage Loan.

Each adjustable-rate Mortgage Loan will accrue interest at the adjustable-rate calculated as specified under the terms of the related mortgage note and each fixed-rate Mortgage Loan will have a Mortgage Rate that is fixed for the life of such Mortgage (each such rate, a “Mortgage Rate”).

The adjustable-rate Mortgage Loans will provide for semi-annual adjustment to the Mortgage Rate thereon and for corresponding adjustments to the monthly payment amount due thereon, in each case on each adjustment date applicable thereto (each such date, an “Adjustment Date”); provided, that the first adjustment for approximately 86.45% of the adjustable-rate Group I Mortgage Loans and approximately 85.58% of the adjustable-rate Group II Mortgage Loans, in each case by aggregate scheduled principal balance of the adjustable-rate Mortgage Loans in the related loan group as of the Cut-off Date, will occur after an initial period of two years after origination, and the first adjustment for approximately 13.55% of the adjustable-rate Group I Mortgage Loans and approximately 14.42% of the adjustable-rate Group II Mortgage Loans, in each case by aggregate scheduled principal balance of the adjustable-rate Mortgage Loans in the related loan group as of the Cut-off Date, will occur after an initial period of three years after origination. On each Adjustment Date for each adjustable-rate Mortgage Loan, the Mortgage Rate thereon will be adjusted (subject to rounding) to equal the sum of the applicable Index (as defined below) and a fixed percentage amount (the "Gross Margin"). The Mortgage Rate on each adjustable-rate Mortgage Loan will not decrease on the first related Adjustment Date, will not increase by more than 2.000% per annum on the first related Adjustment Date (the "Initial Periodic Rate Cap") and will not increase or decrease by more than 1.000% per annum on any Adjustment Date thereafter (the "Periodic Rate Cap"). Each Mortgage Rate on each adjustable-rate Mortgage Loan will not exceed a specified maximum Mortgage Rate over the life of such Mortgage Loan (the "Maximum Mortgage Rate") or be less than a specified minimum Mortgage Rate over the life of such Mortgage Loan (the "Minimum Mortgage Rate"). Effective with the first monthly payment due on each adjustable-rate Mortgage Loan after each related Adjustment Date, the monthly payment amount will be adjusted to an amount that will amortize fully the outstanding principal balance of the related Mortgage Loan over its remaining term, and pay interest at the Mortgage Rate as so adjusted. Due to the application of the Periodic Rate Caps and the Maximum Mortgage Rates, the Mortgage Rate on each such adjustable-rate Mortgage Loan, as adjusted on any related Adjustment Date, may be less than the sum of the Index and the related Gross Margin, rounded as described herein. None of the adjustable-rate Mortgage Loans permits the related mortgagor to convert the adjustable Mortgage Rate thereon to a fixed Mortgage Rate.

The Mortgage Loans will have scheduled monthly payments due on the first day of the month (with respect to each Mortgage Loan, a "Due Date"). Each Mortgage Loan will contain a customary "due-on-sale" clause which provides that (subject to state and federal restrictions) the Mortgage Loan must be repaid at the time of sale of the related mortgaged property or with the consent of the holder of the mortgage note assumed by a creditworthy purchaser of the related mortgaged property.

None of the Mortgage Loans will be buydown mortgage loans.

For purposes of calculating interest and principal distributions on the Class A Certificates, the Mortgage Loans will be divided into two loan groups, designated as the "Group I Mortgage Loans" and the "Group II Mortgage Loans." The Group I Mortgage Loans will consist of adjustable-rate and fixed-rate mortgage loans with principal balances at origination that conform to Fannie Mae loan limits and the Group II Mortgage Loans will consist of adjustable-rate and fixed-rate mortgage loans with principal balances at origination that may or may not conform to Freddie Mac or Fannie Mae loan limits.

Approximately 61.34% of the Group I Mortgage Loans and approximately 61.54% of the Group II Mortgage Loans, in each case by aggregate scheduled principal balances of the related loan group as of the Cut-off Date, provide for payment by the mortgagor of a prepayment charge on certain principal prepayments, subject to certain limitations in the related mortgage note and limitations upon collection in the Pooling and Servicing Agreement. Generally, each such Mortgage Loan provides for payment of a prepayment charge on certain prepayments made within a defined period set forth in the related Mortgage Note (generally within the first three years but possibly as short as one year from the date of origination of such Mortgage Loan). The amount of the prepayment charge is as provided in the related Mortgage Note. The holders of the Class P Certificates will be entitled to all prepayment charges received on the Mortgage Loans in each loan group, and such amounts will not be available for distribution on the other classes of Certificates. Under certain instances, as described under the terms of the Pooling and Servicing Agreement, the Master Servicer may waive the payment of any otherwise applicable prepayment charge. Investors should conduct their own analysis of the effect, if any, that the prepayment charges, and decisions by the Master Servicer with respect to the waiver thereof, may have on the prepayment performance of the Mortgage Loans. The Depositor makes no representation as to the effect that the prepayment charges, and decisions by the Master Servicer with respect to the waiver thereof, may have on the prepayment performance of the Mortgage Loans. As of July 1, 2003, the Alternative Mortgage Parity Act of 1982 (the "Parity Act"), which regulates the ability of the Originator to impose prepayment charges, was amended, and as a result, the Originator will be required to comply with state and local laws in originating mortgage loans with prepayment charge provisions with respect to loans originated on or after July 1, 2003. However, the ruling of the Office of Thrift Supervision (the "OTS") does not retroactively affect loans originated before July 1, 2003. See "Legal Aspects of Mortgage Assets—Enforceability of Certain Provisions—Prepayment Charges" in the prospectus.

Mortgage Loan Statistics

The Group I Mortgage Loans consist of 8,024 adjustable-rate and fixed-rate Mortgage Loans having an aggregate principal balance as of the Cut-off Date of approximately $1,247,652,821, after application of scheduled payments due on or before the Cut-off Date whether or not received and application of all unscheduled payments of principal received prior to the Cut-off Date, and subject to a permitted variance of plus or minus 5%. None of the Group I Mortgage Loans had a first Due Date prior to April 1, 2005 or after October 1, 2005, or will have a remaining term to stated maturity of less than 117 months or greater than 360 months as of the Cut-off Date. The latest maturity date of any Group I Mortgage Loan is September 1, 2035. The Group I Mortgage Loans are expected to have the characteristics set forth in Annex I of this information circular as of the Cut-off Date (the sum in any column may not equal the total indicated due to rounding).

The Group II Mortgage Loans consist of 591 adjustable-rate and fixed-rate Mortgage Loans having an aggregate principal balance as of the Cut-off Date of approximately $252,347,283, after application of scheduled payments due on or before the Cut-off Date whether or not received and application of all unscheduled payments of principal received prior to the Cut-off Date, and subject to a permitted variance of plus or minus 5%. None of the Group II Mortgage Loans had a first Due Date prior to May 1, 2005 or after September 1, 2005, or will have a remaining term to stated maturity of less than 177 months or greater than 360 months as of the Cut-off Date. The latest maturity date of any Group II Mortgage Loan is August 1, 2035. The Group II Mortgage Loans are expected to have the characteristics set forth in Annex I of this information circular as of the Cut-off Date (the sum in any column may not equal the total indicated due to rounding).

The Depositor believes that the information set forth in this information circular and in Annex I with respect to the Mortgage Loans will be representative of the characteristics of the mortgage pool as it will be constituted at the time the Certificates are issued, although the range of mortgage rates and maturities and certain other characteristics of the Mortgage Loans may vary. The characteristics of the final mortgage pool will not differ materially from the information provided herein.

Unless otherwise noted, all statistical percentages or weighted averages set forth in this information circular are measured as a percentage of the aggregate scheduled principal balance of the Mortgage Loans in the related loan group as of the Cut-off Date.

FICO Scores

"FICO Scores" are statistical credit scores obtained by many mortgage lenders in connection with the loan application to help assess a mortgagor's creditworthiness. FICO Scores are generated by models developed by a third party and are made available to 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 mortgagor's probability of default. The FICO Score is based on a mortgagor's historical credit data, including, among other things, payment history, delinquencies on accounts, levels of outstanding indebtedness, length of credit history, types of credit, and bankruptcy experience. FICO 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 FICO Score purports only to be a measurement of the relative degree of risk a mortgagor represents to a lender, i.e., that a mortgagor with a higher score is statistically expected to be less likely to default in payment than a mortgagor with a lower score. In addition, it should be noted that FICO 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, FICO Scores were not developed specifically for use in connection with mortgage loans, but for consumer loans in general. Therefore, a FICO Score does not take into consideration the effect of mortgage loan characteristics on the probability of repayment by the mortgagor. The FICO Scores set forth in the tables in Annex I to this information circular were obtained at the time of origination of the Mortgage Loans. None of the Seller, the Originator, the Master Servicer, Fannie Mae, the Trustee, the Underwriters or the Depositor makes any representations or warranties as to the actual performance of any Mortgage Loan or that a particular FICO Score should be relied upon as a basis for an expectation that the mortgagor will repay the Mortgage Loan according to its terms.

The Index

The Index for each adjustable-rate Mortgage Loan will be set forth in the related Mortgage Note. The "Index" is the average of interbank offered rates for six-month U.S. dollar deposits in the London market based on quotations of major banks, and most recently available as of a day specified in the related mortgage note as published in the Western Edition of *The Wall Street Journal* ("Six-Month LIBOR"). If the Index becomes unpublished or is otherwise unavailable, the Master Servicer will select an alternative index which is based upon comparable information.

Underwriting Standards of the Originator

The Originator provided the information in the following paragraphs. None of the Depositor, the Trustee, the Underwriters, Fannie Mae or any of their respective affiliates has made or will make any representations as to the accuracy or completeness of such information. The following is a description of the underwriting standards used by the Originator in connection with its origination of the Mortgage Loans.

All of the Mortgage Loans were originated or acquired by the Seller generally in accordance with the underwriting criteria described below.

The Mortgage Loans were originated generally in accordance with guidelines (the "Underwriting Guidelines") established by the Originator with one of the following income documentation types: "Full Documentation," "Limited Documentation" or "Stated Income." The Underwriting Guidelines are primarily intended to evaluate: (1) the applicant's credit standing and repayment ability and (2) the value and adequacy of the mortgaged property as collateral. On a case-by-case basis, the Originator may determine that, based upon compensating factors, a loan applicant, not strictly qualifying under one of the Risk Categories described below, warrants an exception to the requirements set forth in the Underwriting Guidelines. Compensating factors may include, but are not limited to, loan-to-value ratio, debt-to-income ratio, good credit history, stable employment history, length at current employment and time in residence at the applicant's current address. It is expected that a substantial number of the Mortgage Loans to be included in the mortgage pool will represent such underwriting exceptions.

The Underwriting Guidelines are less stringent than the standards of more traditional lenders with regard to: (1) the applicant's credit standing and repayment ability and (2) the mortgaged property offered as collateral. Applicants who qualify under the Underwriting Guidelines generally have payment histories and debt ratios which would not satisfy the underwriting guidelines of these more traditional lenders and may have a record of major derogatory credit items such as outstanding judgments or prior bankruptcies. The Underwriting Guidelines establish the maximum permitted loan-to-value ratio for each loan type based upon these and other risk factors.

All of the Mortgage Loans originated or acquired by the Seller are based on loan application packages submitted directly or indirectly by a loan applicant to the Originator. Each loan application package has an application completed by the applicant that includes information with respect to the applicant's liabilities, income, credit history and employment history, as well as certain other personal information. The Originator also obtains (or the broker submits) a credit report on each applicant from a credit reporting company. The credit report typically contains the reported information relating to such matters as credit history with local and national merchants and lenders, installment debt payments and reported records of default, bankruptcy, repossession and judgments. If applicable, the loan application package must also generally include a letter from the applicant explaining all late payments on mortgage debt and, generally, consumer (i.e. non-mortgage) debt.

During the underwriting process, the Originator reviews and verifies the loan applicant's sources of income (except under the Stated Income and Limited Documentation types, under which programs, such information may not be independently verified), calculates the amount of income from all such 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 mortgaged property for compliance with the Underwriting Guidelines. The Underwriting Guidelines are applied in accordance with a procedure which complies with applicable federal and state laws and regulations and requires either (A) (i) an appraisal of the mortgaged property which conforms to the Uniform Standards of Professional Appraisal Practice and are generally on forms similar to those acceptable to Fannie Mae and Freddie Mac and (ii) a review of such appraisal, which review may be conducted by a representative of the Originator or a fee appraiser and may include a desk review of the original appraisal or a drive-by review appraisal of the mortgaged property or (B) an insured automated valuation model. The Underwriting Guidelines permit loans with loan-to-value ratios at origination of up to 95%, subject to certain Risk Category limitations (as further described in that section). The maximum allowable loan-to-value ratio varies based upon the income documentation, property type, creditworthiness, debt service-to-income ratio of the applicant and the overall risks associated with the loan decision. Under the Underwriting Guidelines, the maximum loan-to-value ratio, including any second deeds of trust subordinate to the Originator's first deed of trust, is 100%.

A. Income Documentation Types

Full Documentation. The Full Documentation residential loan program is generally based upon current year to date income documentation as well as income documentation for the previous 24 months (i.e., tax returns and/or W-2 forms) or bank statements for the previous 24 months. The documentation required is specific to the applicant's sources of income. The applicant's employment and/or business licenses are generally verified.

Limited Documentation. The Limited Documentation residential loan program is generally based on bank statements from the past twelve months supported by additional documentation provided by the applicant or current year to date documentation. The applicant's employment and/or business licenses are generally verified.

Stated Income. The Stated Income residential loan program requires the applicant's employment and income sources to be stated on the application. The applicant's income as stated must be reasonable for the related occupation in the loan underwriter's discretion. However, the applicant's income as stated on the application is not independently verified.

B. Property Requirements

Properties that are to secure mortgage loans have a valuation obtained by either: (1) an appraisal performed by a qualified and licensed appraiser who is a staff appraiser or an independent appraiser who is in good standing with the Originator's in-house appraisal department or (2) subject to the Originator's Underwriting Guidelines, an insured automated valuation model. Generally, properties below average standards in condition and repair are not acceptable as security for mortgage loans under the Underwriting Guidelines. 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. Every independent appraisal is reviewed by a representative of the Originator or a fee appraiser before the mortgage loan is funded. The Originator requires that all mortgage loans have title insurance. The Originator also requires that fire and extended coverage casualty insurance be maintained on the property in an amount equal to the lesser of the principal balance of the mortgage loan or the replacement cost of the property.

Approximately 22.99% of the Group I Mortgage Loans and approximately 17.09% of the Group II Mortgage Loans were originated using an insured automated valuation model ("Insured AVM"). If the proposed loan meets certain underwriting criteria of the Originator, it will be screened for Insured AVM acceptability.

The following table outlines the general underwriting criteria for Insured AVM acceptability:

Condition	Qualification Criteria
Lien Type:	First Lien
Loan Type:	Refinance
Maximum LTV:	90%
Maximum CLTV:	100%
Minimum FICO:	550
Maximum Loan Amount:	\$249,999 – when credit score is 550-619 \$499,999 – when credit score is 620 and above
Property Type:	Single Family Single Family-Attached Planned Unit Development Planned Unit Development –Attached Condominium No Mobile/Manufactured Housing No 2-4 Family Units
Property Location:	No rural
AVM Confidence Score:	Medium or High

Upon the liquidation of the mortgaged property, if the Insured AVM is determined to have overstated the mortgaged property's value as of the date originally made, the AVM Insurer is liable for the lesser of: (i) losses of principal and (ii) the amount by which the Insured AVM overstated the mortgaged property's value at origination. St. Paul Fire and Marine Insurance Company (the "AVM Insurer") is the provider under the master policy for the Insured AVM. The AVM Insurer is a wholly owned subsidiary of The St. Paul Companies, Inc., which is listed on the New York and London stock exchanges. The Insured AVM is provided by FNIS Market Intelligence ("FNIS MI"), a subsidiary of Fidelity National Financial.

C. Risk Categories

Under the Underwriting Guidelines, 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 and loan amount, given the occupancy status of the mortgaged property and the mortgagor's credit history and debt ratio. In general, higher credit risk mortgage loans are graded in Risk Categories which permit higher debt ratios and more (or more recent) major derogatory credit items such as outstanding judgments or prior bankruptcies; however, the Underwriting Guidelines establish lower maximum loan-to-value ratios and lower maximum loan amounts for loans graded in such Risk Categories.

The Underwriting Guidelines have the following Risk Categories and criteria for grading the potential likelihood that an applicant will satisfy the repayment obligations of a mortgage loan:

Risk Categories - Retail Originations[(1)(2)]

Mortgage History (Last 12 Months)	no lates	1 x 30	3 x 30	1 x 60	1 x 90	1 x 120
FICO Score			Maximum LTV[(3)]			
710+	95% - 8A	90% - 4A	90% - 2A	90% - A	75% - C	60% - C
680 - 709	95% - 7A	90% - 4A	90% - 2A	90% - A	75% - C	60% - C
660 - 679	90% - 6A	90% - 3A	90% - 2A	90% - A	75% - C	60% - C
640 - 659	90% - 5A	90% - 3A	90% - 2A	90% - A	75% - C	60% - C
620 - 639	90% - 4A	90% - 2A	90% - A	90% - A	75% - C	60% - C
600 - 619	90% - 3A	90% - 2A	90% - A	85% - B	60% - C	60% - C
580 - 599	90% - 2A	90% - A	90% - A	85% - B	60% - C	60% - D
550 - 579	90% - A	90% - A	90% - A	85% - B	60% - C	60% - D
520 - 549	85% - B	85% - B	85% - B	75% - C	60% - D	60% - D
500 - 519	75% - C	75% - C	75% - C	60% - D	60% - D	60% - D
Bankruptcy or Foreclosure	8A - 3A: 36 months 2A - A: 24 months B: 12 months			C: Not current D: Dismissed/discharged prior to closing		
Maximum Debt Ratio[(4)]	8A - A: 50%			B - D: 55%		

(1) Jumbo loan amounts are determined on a county by county basis with a maximum loan amount ranging from $600,000 to $1,000,000. In addition all jumbo loans originated under the Stated Income documentation program are capped at the lower of the maximum loan amount based on the county of origination and $850,000. Additional requirements and restrictions on jumbo loans are: 5A guidelines apply, no late payments in the last 12 months, a FICO score of at least 640 and mortgaged properties that consist of single family residences, condominium units and townhouses that are either owner-occupied, non-owner-occupied or second homes.

(2) Interest only loans are available for all income documentation types, with a maximum LTV ratio of 95%. Interest only loans are available with interest only periods of 5 years. In addition to the program specific guidelines, the interest only guidelines require: a minimum FICO score of 620; a minimum credit risk of 2A, a mortgage history of 3x30; no bankruptcies in the last 24 months; and mortgaged properties that are owner occupied. Mortgaged properties that are secured by manufactured homes or are located in a rural location are excluded.

(3) The maximum LTV referenced is for mortgagors providing Full Documentation. The LTV may be reduced up to 5% for each of the following characteristics: non-owner occupancy and multi-unit properties. The LTV may be reduced up to 10% for each of the following characteristics: Stated Income documentation, mobile/manufactured homes and properties in rural locations.

(4) The maximum debt ratio for 8A - 2A may be increased to 55% for mortgagors providing full income documentation if the gross monthly disposable income of the mortgagor is $3,000 or more.

YIELD ON THE CERTIFICATES

Certain Shortfalls in Collections of Interest

When a principal prepayment in full is made on a Mortgage Loan, the mortgagor is charged interest only for the period from the Due Date of the preceding monthly payment up to (but not including) the date of such prepayment, instead of for a full month. When a partial principal prepayment is made on a Mortgage Loan, the mortgagor is not charged interest on the amount of such prepayment for the month in which such prepayment is made. With respect to any Determination Date and each Mortgage Loan as to which a voluntary principal prepayment in full was applied during the portion of the related Prepayment Period occurring in the month preceding the month of such Determination Date, the “Prepayment Interest Shortfall” is an amount equal to the interest at the applicable Mortgage Rate (net of the Servicing Fee) on the amount of such principal prepayment for the number of days from the day after the last date on which interest was collected from the related mortgagor through the last day of such preceding calendar month. In addition, the application of the Relief Act to any Mortgage Loan will adversely affect, for an indeterminate period of time, the ability of the Master Servicer to collect full amounts of interest on such Mortgage Loan. See “Certain Legal Aspects of Mortgage Assets—Servicemembers Civil Relief Act” herein.

The Master Servicer is obligated to pay from its own funds Prepayment Interest Shortfalls, but only to the extent of its aggregate Servicing Fee for the related Due Period. See “Pooling and Servicing Agreement—Servicing and Other Compensation and Payment of Expenses” herein. Accordingly, the effect of (i) any Prepayment Interest Shortfall that exceeds any payments made by the Master Servicer from its own funds in respect thereof or (ii) any shortfalls resulting from the application of the Relief Act, will be to reduce the aggregate amount of interest collected that is available for distribution to certificateholders. Any such shortfalls will be allocated among the Certificates as provided under "Description of the Certificates—Interest Distributions" and "—Overcollateralization Provisions" herein. If these shortfalls are allocated to the Offered Certificates the amount of interest distributed to those Certificates will be reduced, adversely affecting the yield on your investment. **The holders of the Offered Certificates will not be entitled to reimbursement for any such interest shortfalls and the Fannie Mae Guaranty with respect to the Offered Certificates will not cover any such Prepayment Interest Shortfalls.**

General Prepayment and Default Considerations

The yield to maturity on the Offered Certificates will be sensitive to defaults on the Mortgage Loans. If a purchaser of an Offered Certificate calculates its anticipated yield based on an assumed rate of default and amount of losses that is lower than the default rate and amount of losses actually incurred, its actual yield to maturity may be lower than that so calculated. In general, the earlier a loss occurs, the greater the effect on an investor's yield to maturity. There can be no assurance as to the delinquency, foreclosure or loss experience with respect to the Mortgage Loans. Because the Mortgage Loans were underwritten in accordance with standards less stringent than those of more traditional lenders with regard to a borrower's credit standing and repayment ability, the risk of delinquencies with respect to, and losses on, the Mortgage Loans will be greater than that of mortgage loans underwritten in accordance with the standards of more traditional lenders.

The rate of principal distributions on the Offered Certificates, the aggregate amount of distributions on the Offered Certificates and the yield to maturity on the Offered Certificates will be related to the rate and timing of payments of principal on the applicable Mortgage Loans. The rate of principal payments on the adjustable-rate Mortgage Loans will in turn be affected by the amortization schedules for such Mortgage Loans as they change from time to time to accommodate changes in the Mortgage Rates and by the rate of principal prepayments thereon (including for this purpose, payments resulting from refinancings, liquidations of the Mortgage Loans due to defaults, casualties, condemnations and repurchases, whether optional or required, by the Depositor, the Seller, the Master Servicer or Fannie Mae, as the case may be). The Mortgage Loans generally may be prepaid by the mortgagors at any time; however, a mortgagor principal prepayment may subject that mortgagor to a prepayment charge as described under "The Mortgage Pool—General" herein. Furthermore, the interest only feature of the interest only Mortgage Loans may reduce the perceived benefits of refinancing to take advantage of lower market interest rates or to avoid adjustments in the related Mortgage Rates. However, as a Mortgage Loan with such a feature nears the end of its interest only period, the mortgagor may be more likely to refinance the Mortgage Loan, even if market interest rates are only slightly less than the related Mortgage Rate in order to avoid the increase in the monthly payments to amortize the Mortgage Loan over its remaining life.

Prepayments, liquidations and repurchases of the Mortgage Loans will result in distributions in respect of principal to the holders of the class or classes of Offered Certificates then entitled to receive such distributions that otherwise would be distributed over the remaining terms of the Mortgage Loans. See "Yield and Maturity Considerations" in the prospectus. Since the rates of payment of principal on the Mortgage Loans will depend on future events and a variety of factors (as described more fully herein and in the prospectus under "Yield and Maturity Considerations"), no assurance can be given as to the rate of principal prepayments on the Mortgage Loans. The extent to which the yield to maturity on any class of Offered Certificates may vary from the anticipated yield will depend upon the degree to which such Certificates are purchased at a discount or premium and the degree to which the timing of distributions thereon is sensitive to prepayments on the Mortgage Loans. Further, an investor should consider, in the case of any Offered Certificate purchased at a discount, the risk that a slower than anticipated rate of principal payments on the Mortgage Loans could result in an actual yield to such investor that is lower than the anticipated yield and, in the case of any Offered Certificate purchased at a premium, the risk that a faster than anticipated rate of principal payments could result in an actual yield to such investor that is lower than the anticipated yield.

The rate of payments (including prepayments) on pools of mortgage loans is influenced by a variety of economic, geographic, social and other factors, including changes in mortgagors' housing needs, job transfers, unemployment, mortgagors' net equity in the mortgaged properties and servicing decisions. If prevailing mortgage rates fall significantly below the Mortgage Rates on the Mortgage Loans, the rate of prepayment (and refinancing) would be expected to increase. Conversely, if prevailing mortgage rates rise significantly above the Mortgage Rates on the Mortgage Loans, the rate of prepayment on the Mortgage Loans would be expected to decrease. The adjustable-rate Mortgage Loans may be subject to greater rates of prepayment as they approach their initial Adjustment Dates even if market interest rates are only slightly higher or lower than their Mortgage Rates as borrowers seek to avoid changes in their monthly payments. In addition, the existence of the applicable Periodic Rate Cap, Maximum Mortgage Rate and Minimum Mortgage Rate on the adjustable-rate Mortgage Loans may affect the likelihood of prepayments resulting from refinancings. Moreover, the Group I Mortgage Loans (which have principal balances that conform to Fannie Mae loan limits) may experience prepayment behavior that differs from that experienced by the Group II Mortgage Loans (which have principal balances that may or may not conform to Freddie Mac and Fannie Mae loan limits). There can be no certainty as to the rate of prepayments on the Mortgage Loans during any period or over the life of the Certificates.

Because principal distributions are made to certain classes of Offered Certificates before other such classes, holders of classes of Offered Certificates having a later priority of payment bear a greater risk of losses if Fannie Mae were unable to pay under the Fannie Mae Guaranty (because such Certificates will represent an increasing percentage interest in the Trust during the period prior to the commencement of distributions of principal thereon) than holders of classes having earlier priorities for distribution of principal. As described under "Description of the Certificates—Principal Distributions" herein, prior to the Stepdown Date, all principal payments on the Mortgage Loans will be allocated to the Class A Certificates. Thereafter, as further described herein, during certain periods, subject to certain delinquency and loss triggers described herein, all principal payments on the Mortgage Loans will be allocated to the Class A and Mezzanine Certificates in the priorities described under "Description of the Certificates—Principal Distributions" in this information circular.

In general, defaults on mortgage loans may occur with greater frequency in their early years. In addition, default rates may be higher for mortgage loans used to refinance an existing mortgage loan. In the event of a mortgagor's default on a Mortgage Loan, there can be no assurance that recourse will be available beyond the specific mortgaged property pledged as security for repayment. See "The Mortgage Pool—Underwriting Standards of the Originator" herein.

The Group II Certificates, which are not offered by this information circular, evidence interests in the Group II Mortgage Loans. Due to the provisions for limited cross-collateralization between loan group I and loan group II as further described under "Description of the Certificates" below, the characteristics of the Group II Certificates and the performance of the Group II Mortgage Loans will affect the prepayment, weighted average lives and performance of the other classes of Offered Certificates.

Special Yield Considerations

The Mortgage Rates on the adjustable-rate Mortgage Loans adjust semi-annually based upon the Index after an initial period of two or three years after origination and the fixed-rate Mortgage Loans do not adjust at all. The Pass-Through Rates on the Offered Certificates may adjust monthly based upon One-Month LIBOR as described under "Description of the Certificates—Calculation of One-Month LIBOR" herein, subject to the related Net WAC Pass-Through Rate. As a result, increases in the Pass-Through Rates on the Offered Certificates may be limited for extended periods in a rising interest rate environment. The interest due on the related Mortgage Loans during any Due Period, net of the expenses of the Trust (including any Net Swap Payment owed to the Swap Provider and any Swap Termination Payment owed to the Swap Provider), may not equal the amount of interest that would accrue at One-Month LIBOR plus the applicable margin on the Offered Certificates during the related Interest Accrual Period. In addition, the Index and One-Month LIBOR may respond differently to economic and market factors. Thus, it is possible, for example, that if both One-Month LIBOR and the Index rise during the same period, One-Month LIBOR may rise more rapidly than the Index or may rise higher than the Index, potentially resulting in the application of the related Net WAC Pass-Through Rate on one or more classes of the Offered Certificates which would adversely affect the yield to maturity on such Certificates. In addition, the Net WAC Pass-Through Rate for a class of Certificates will be reduced by the prepayment of the related Mortgage Loans with relatively higher Mortgage Rates.

If the pass-through rate on any class of Offered Certificates is limited by the Net WAC Pass-Through Rate for any Distribution Date, the resulting basis risk shortfalls may be recovered by the holders of such Certificates on such Distribution Date or on future Distribution Dates, to the extent that on such Distribution Date or future Distribution Dates there are any available funds remaining after certain other distributions on the Offered Certificates and the payment of certain fees and expenses of the Trust (including any Net Swap Payment owed to the Swap Provider and any Swap Termination Payment owed to the Swap Provider). The ratings on the Offered Certificates do not address the likelihood of the recovery of any basis risk shortfalls by holders of the Offered Certificates.

Weighted Average Lives

Weighted average life refers to the average amount of time that will elapse from the date of issuance of a security until each dollar of principal of such security will be repaid to the investor. The weighted average lives of the Offered Certificates will be influenced by the rate at which principal on the Mortgage Loans is paid, which may be in the form of scheduled payments or prepayments (including repurchases by the Seller, or purchases by the Master Servicer or Fannie Mae and prepayments of principal by the borrower as well as amounts received by virtue of condemnation, insurance or foreclosure with respect to the Mortgage Loans), and the timing thereof.

Prepayments of mortgage loans are commonly measured relative to a prepayment standard or model. The model used with respect to the Mortgage Loans (the “Prepayment Assumption”) assumes:

(i) In the case of the fixed-rate Mortgage Loans, 100% of the Fixed-Rate Vector. The “Fixed-Rate Vector” means a constant prepayment rate (“CPR”) of 2% per annum of the then unpaid principal balance of such Mortgage Loans in the first month of the life of such Mortgage Loans and an additional 2% per annum in each month thereafter until the 10th month, and then beginning in the 10th month and in each month thereafter during the life of such Mortgage Loans, a CPR of 20% per annum.

(ii) In the case of the adjustable-rate Mortgage Loans, 100% of the Adjustable-Rate Vector. The “Adjustable-Rate Vector” means (a) a constant prepayment rate (“CPR”) of 5% per annum of the then unpaid principal balance of such Mortgage Loans in the first month of the life of such Mortgage Loans and an additional 2% per annum in each month thereafter until the 12th month, and then beginning in the 12th month and in each month thereafter until the 23rd month, a CPR of 27% per annum, (b) beginning in the 24th month and in each month thereafter until the 27th month, a CPR of 60% per annum and (c) beginning in the 28th month and in each month thereafter during the life of such Mortgage Loans, a CPR of 30% per annum. However, the prepayment rate will not exceed 85% CPR per annum in any period for any percentage of the Adjustable-Rate Vector.

CPR is a prepayment assumption that represents a constant 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. The model does not purport to be either an historical description of the prepayment experience of any pool of mortgage loans or a prediction of the anticipated rate of prepayment of any mortgage loans, including the Mortgage Loans to be included in the Trust. Each of the Prepayment Scenarios in the table below assumes the respective percentages of the applicable prepayment vector indicated for such scenario.

The tables entitled “Percent of Original Certificate Principal Balance Outstanding” were prepared on the basis of the following assumptions (the “Modeling Assumptions”):

(i) the Mortgage Loans have the characteristics set forth in the table entitled “Assumed Mortgage Loan Characteristics” in Annex II of this information circular;

(ii) distributions on the Class A and Mezzanine Certificates are made on the 25th day of each month, commencing in the month after the month of the Cut-off Date and the pass-through rates for the Class A and Mezzanine Certificates are determined as set forth herein;

(iii) the prepayment rates are the percentages of the respective Prepayment Assumption set forth in the table entitled “Prepayment Scenarios”;

(iv) no defaults or delinquencies occur in the payment by mortgagors of principal and interest on the Mortgage Loans and no shortfalls in collection of interest are incurred;

(v) none of the Seller, the Originator, the Master Servicer, Fannie Mae, the NIMS Insurer, if any, or any other person purchases from the Trust any Mortgage Loan pursuant to any obligation or option under the Pooling and Servicing Agreement, except as indicated in the footnotes in the tables below;

(vi) scheduled monthly payments on the Mortgage Loans are received on the first day of each month commencing in the month after the month of the Cut-off Date, and are computed prior to giving effect to any prepayments received in the prior month (except for the interest only Mortgage Loans during the initial interest only period);

(vii) voluntary principal prepayments representing payment in full of individual Mortgage Loans are received on the last day of each month commencing in the month of the Cut-off Date, and include 30 days' interest thereon;

(viii) the scheduled monthly payment for each Mortgage Loan is calculated based on its principal balance, Mortgage Rate and remaining term to stated maturity such that the Mortgage Loan will amortize in amounts sufficient to repay the remaining principal balance of such Mortgage Loan by its remaining term to stated maturity;

(ix) the Certificates are purchased on August 26, 2005;

(x) with respect to the adjustable-rate Mortgage Loans, the Index remains constant at 4.03% per annum and the Mortgage Rate on each such Mortgage Loan is adjusted on the next Adjustment Date (and on subsequent Adjustment Dates if necessary) to equal the Index plus the applicable Gross Margin, subject to the applicable Initial Periodic Rate Cap, Periodic Rate Cap, Maximum Mortgage Rate and Minimum Mortgage Rate;

(xi) One-Month LIBOR remains constant at 3.59% per annum;

(xii) the monthly payment on each adjustable-rate Mortgage Loan (and for each interest only Mortgage Loan following its initial interest only period) is adjusted on the Due Date immediately following the next Adjustment Date (and on subsequent Adjustment Dates if necessary) to equal a fully amortizing monthly payment as described in clause (viii) above;

(xiii) the Mortgage Rate for each adjustable-rate Mortgage Loan adjusts every six months following its first Adjustment Date;

(xiv) the initial Certificate Principal Balance of the Class P Certificates is $0.00;

(xv) the Servicing Fee Rate is equal to 0.5000% per annum and the Trustee Fee Rate is equal to 0.0014% per annum; and

(xvi) the Fixed Swap Payment is calculated based on a schedule, a copy of which is attached hereto as Annex III and no Swap Termination Payment is made.

Prepayment Scenarios[(1)]

	I	II	III	IV	V	VI
Fixed-rate Mortgage Loans:	0%	50%	75%	100%	125%	150%
Adjustable-rate Mortgage Loans:	0%	50%	75%	100%	125%	150%

(1) Percentages of the Fixed-Rate Vector for the fixed-rate Mortgage Loans and percentages of the Adjustable-Rate Vector for the adjustable-rate Mortgage Loans.

There will be discrepancies between the characteristics of the actual Mortgage Loans and the characteristics included in the Modeling Assumptions. Any such discrepancy may have an effect upon the percentages of the original Certificate Principal Balances outstanding (and the corresponding weighted average lives) of the Offered Certificates set forth in the tables. In addition, since it is not likely the level of the Index or One-Month LIBOR will remain constant as assumed, the Offered Certificates may mature earlier or later than indicated by the table. As described under "Description of the Certificates—Principal Distributions on the Offered Certificates" herein, the occurrence of the Stepdown Date or a Trigger Event will have the effect of accelerating or decelerating the amortization of the Offered Certificates and affecting the weighted average lives of such Certificates. Neither the prepayment model used herein nor any other prepayment model or assumption purports to be an historical description of prepayment experience or a prediction of the anticipated rate of prepayment of any pool of mortgage loans, including the Mortgage Loans included in the mortgage pool. Variations in the prepayment experience and the balance of the Mortgage Loans that prepay may increase or decrease the percentages of original Certificate Principal Balances (and the corresponding weighted average lives) shown in the following tables. Such variations may occur even if the average prepayment experience of all the Mortgage Loans equals any of the Prepayment Scenarios shown in the immediately following tables.

Percent of Original Certificate Principal Balance Outstanding[1]

	Class A-1A Prepayment Scenario					
Distribution Date	I	II	III	IV	V	VI
Initial Percentage	100%	100%	100%	100%	100%	100%
August 25, 2006	98	73	60	48	35	22
August 25, 2007	95	31	2	0	0	0
August 25, 2008	92	0	0	0	0	0
August 25, 2009	90	0	0	0	0	0
August 25, 2010	87	0	0	0	0	0
August 25, 2011	83	0	0	0	0	0
August 25, 2012	79	0	0	0	0	0
August 25, 2013	75	0	0	0	0	0
August 25, 2014	70	0	0	0	0	0
August 25, 2015	65	0	0	0	0	0
August 25, 2016	60	0	0	0	0	0
August 25, 2017	54	0	0	0	0	0
August 25, 2018	47	0	0	0	0	0
August 25, 2019	40	0	0	0	0	0
August 25, 2020	32	0	0	0	0	0
August 25, 2021	24	0	0	0	0	0
August 25, 2022	16	0	0	0	0	0
August 25, 2023	6	0	0	0	0	0
August 25, 2024	0	0	0	0	0	0
August 25, 2025	0	0	0	0	0	0
August 25, 2026	0	0	0	0	0	0
August 25, 2027	0	0	0	0	0	0
August 25, 2028	0	0	0	0	0	0
August 25, 2029	0	0	0	0	0	0
August 25, 2030	0	0	0	0	0	0
August 25, 2031	0	0	0	0	0	0
August 25, 2032	0	0	0	0	0	0
August 25, 2033	0	0	0	0	0	0
August 25, 2034	0	0	0	0	0	0
August 25, 2035	0	0	0	0	0	0
Weighted Average Life (years) to Maturity[2]	11.68	1.58	1.22	1.00	0.85	0.75
Weighted Average Life (years) to Optional Termination[2][3]	11.68	1.58	1.22	1.00	0.85	0.75

(1) Rounded to the nearest whole percentage except where otherwise indicated. If applicable, an * represents less than one-half of one percent but greater than zero percent.

(2) The weighted average life of any class of Class A and Mezzanine Certificates is determined by (i) multiplying the assumed net reduction, if any, in the Certificate Principal Balance on each Distribution Date of such class of Certificates by the number of years from the date of issuance of the Certificates to the related Distribution Date, (ii) summing the results and (iii) dividing the sum by the aggregate amount of the assumed net reductions in Certificate Principal Balance of such class of Certificates.

(3) Assumes an optional purchase of the Mortgage Loans on the earliest Distribution Date on which it is permitted.

Percent of Original Certificate Principal Balance Outstanding[1]

	Class A-1B					
	Prepayment Scenario					
Distribution Date	**I**	**II**	**III**	**IV**	**V**	**VI**
Initial Percentage	100%	100%	100%	100%	100%	100%
August 25, 2006	100	100	100	100	100	100
August 25, 2007	100	100	100	38	0	0
August 25, 2008	100	89	0	0	0	0
August 25, 2009	100	26	0	0	0	0
August 25, 2010	100	0	0	0	0	0
August 25, 2011	100	0	0	0	0	0
August 25, 2012	100	0	0	0	0	0
August 25, 2013	100	0	0	0	0	0
August 25, 2014	100	0	0	0	0	0
August 25, 2015	100	0	0	0	0	0
August 25, 2016	100	0	0	0	0	0
August 25, 2017	100	0	0	0	0	0
August 25, 2018	100	0	0	0	0	0
August 25, 2019	100	0	0	0	0	0
August 25, 2020	100	0	0	0	0	0
August 25, 2021	100	0	0	0	0	0
August 25, 2022	100	0	0	0	0	0
August 25, 2023	100	0	0	0	0	0
August 25, 2024	91	0	0	0	0	0
August 25, 2025	65	0	0	0	0	0
August 25, 2026	38	0	0	0	0	0
August 25, 2027	8	0	0	0	0	0
August 25, 2028	0	0	0	0	0	0
August 25, 2029	0	0	0	0	0	0
August 25, 2030	0	0	0	0	0	0
August 25, 2031	0	0	0	0	0	0
August 25, 2032	0	0	0	0	0	0
August 25, 2033	0	0	0	0	0	0
August 25, 2034	0	0	0	0	0	0
August 25, 2035	0	0	0	0	0	0
Weighted Average Life (years) to Maturity[2]	20.56	3.65	2.45	2.00	1.75	1.51
Weighted Average Life (years) to Optional Termination[2][3]	20.56	3.65	2.45	2.00	1.75	1.51

(1) Rounded to the nearest whole percentage except where otherwise indicated. If applicable, an * represents less than one-half of one percent but greater than zero percent.

(2) The weighted average life of any class of Class A and Mezzanine Certificates is determined by (i) multiplying the assumed net reduction, if any, in the Certificate Principal Balance on each Distribution Date of such class of Certificates by the number of years from the date of issuance of the Certificates to the related Distribution Date, (ii) summing the results and (iii) dividing the sum by the aggregate amount of the assumed net reductions in Certificate Principal Balance of such class of Certificates.

(3) Assumes an optional purchase of the Mortgage Loans on the earliest Distribution Date on which it is permitted.

Percent of Original Certificate Principal Balance Outstanding[1]

	Class A-1C Prepayment Scenario					
Distribution Date	I	II	III	IV	V	VI
Initial Percentage	100%	100%	100%	100%	100%	100%
August 25, 2006	100	100	100	100	100	100
August 25, 2007	100	100	100	100	79	34
August 25, 2008	100	100	97	33	0	0
August 25, 2009	100	100	58	17	0	0
August 25, 2010	100	83	29	0	0	0
August 25, 2011	100	59	6	0	0	0
August 25, 2012	100	38	0	0	0	0
August 25, 2013	100	20	0	0	0	0
August 25, 2014	100	5	0	0	0	0
August 25, 2015	100	0	0	0	0	0
August 25, 2016	100	0	0	0	0	0
August 25, 2017	100	0	0	0	0	0
August 25, 2018	100	0	0	0	0	0
August 25, 2019	100	0	0	0	0	0
August 25, 2020	100	0	0	0	0	0
August 25, 2021	100	0	0	0	0	0
August 25, 2022	100	0	0	0	0	0
August 25, 2023	100	0	0	0	0	0
August 25, 2024	100	0	0	0	0	0
August 25, 2025	100	0	0	0	0	0
August 25, 2026	100	0	0	0	0	0
August 25, 2027	100	0	0	0	0	0
August 25, 2028	85	0	0	0	0	0
August 25, 2029	67	0	0	0	0	0
August 25, 2030	47	0	0	0	0	0
August 25, 2031	25	0	0	0	0	0
August 25, 2032	1	0	0	0	0	0
August 25, 2033	0	0	0	0	0	0
August 25, 2034	0	0	0	0	0	0
August 25, 2035	0	0	0	0	0	0
Weighted Average Life (years) to Maturity[2]	24.79	6.6	4.41	3.08	2.23	1.99
Weighted Average Life (years) to Optional Termination[2][3]	24.79	6.60	4.41	3.08	2.23	1.99

(1) Rounded to the nearest whole percentage except where otherwise indicated. If applicable, an * represents less than one-half of one percent but greater than zero percent.

(2) The weighted average life of any class of Class A and Mezzanine Certificates is determined by (i) multiplying the assumed net reduction, if any, in the Certificate Principal Balance on each Distribution Date of such class of Certificates by the number of years from the date of issuance of the Certificates to the related Distribution Date, (ii) summing the results and (iii) dividing the sum by the aggregate amount of the assumed net reductions in Certificate Principal Balance of such class of Certificates.

(3) Assumes an optional purchase of the Mortgage Loans on the earliest Distribution Date on which it is permitted.

Percent of Original Certificate Principal Balance Outstanding[1]

Distribution Date	Class A-1D Prepayment Scenario I	II	III	IV	V	VI
Initial Percentage	100%	100%	100%	100%	100%	100%
August 25, 2006........................	100	100	100	100	100	100
August 25, 2007........................	100	100	100	100	100	100
August 25, 2008........................	100	100	100	100	74	23
August 25, 2009........................	100	100	100	100	74	23
August 25, 2010........................	100	100	100	88	55	23
August 25, 2011........................	100	100	100	65	37	21
August 25, 2012........................	100	100	85	47	26	14
August 25, 2013........................	100	100	67	35	17	9
August 25, 2014........................	100	100	53	26	12	5
August 25, 2015........................	100	90	42	19	8	2
August 25, 2016........................	100	76	33	14	6	*
August 25, 2017........................	100	65	26	10	3	0
August 25, 2018........................	100	55	21	8	1	0
August 25, 2019........................	100	46	16	5	0	0
August 25, 2020........................	100	39	13	3	0	0
August 25, 2021........................	100	32	10	1	0	0
August 25, 2022........................	100	27	8	*	0	0
August 25, 2023........................	100	22	6	0	0	0
August 25, 2024........................	100	18	4	0	0	0
August 25, 2025........................	100	15	2	0	0	0
August 25, 2026........................	100	12	1	0	0	0
August 25, 2027........................	100	10	0	0	0	0
August 25, 2028........................	100	8	0	0	0	0
August 25, 2029........................	100	6	0	0	0	0
August 25, 2030........................	100	4	0	0	0	0
August 25, 2031........................	100	2	0	0	0	0
August 25, 2032........................	100	*	0	0	0	0
August 25, 2033........................	69	0	0	0	0	0
August 25, 2034........................	35	0	0	0	0	0
August 25, 2035........................	0	0	0	0	0	0
Weighted Average Life (years) to Maturity[2]	28.57	14.82	10.40	7.76	5.76	3.75
Weighted Average Life (years) to Optional Termination[2][3]......	28.33	12.84	8.79	6.49	4.74	3.02

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(1) Rounded to the nearest whole percentage except where otherwise indicated. If applicable, an * represents less than one-half of one percent but greater than zero percent.

(2) The weighted average life of any class of Class A and Mezzanine Certificates is determined by (i) multiplying the assumed net reduction, if any, in the Certificate Principal Balance on each Distribution Date of such class of Certificates by the number of years from the date of issuance of the Certificates to the related Distribution Date, (ii) summing the results and (iii) dividing the sum by the aggregate amount of the assumed net reductions in Certificate Principal Balance of such class of Certificates.

(3) Assumes an optional purchase of the Mortgage Loans on the earliest Distribution Date on which it is permitted.

There is no assurance that prepayments of the Mortgage Loans will conform to any of the levels of CPR reflected in the Prepayment Scenarios indicated in the tables above, or to any other level, or that the actual weighted average lives of the Offered Certificates will conform to any of the weighted average lives set forth in the tables above. Furthermore, the information contained in the tables with respect to the weighted average lives of the Offered Certificates is not necessarily indicative of the weighted average lives that might be calculated or projected under different or varying prepayment, Index or One-Month LIBOR level assumptions.

The characteristics of the Mortgage Loans will differ from those assumed in preparing the tables above. In addition, it is unlikely that any Mortgage Loan will prepay at any constant percentage until maturity, that all of the Mortgage Loans will prepay at the same rate or that the level of the Index or One-Month LIBOR will remain constant or at any level for any period of time. The timing of changes in the rate of prepayments may significantly affect the actual yield to maturity to investors, even if the average rate of principal prepayments and the level of the Index or One-Month LIBOR is consistent with the expectations of investors.

DESCRIPTION OF THE CERTIFICATES

General

The Ameriquest Mortgage Securities Inc., Asset-Backed Pass-Through Certificates, Series 2005-R7 (the "Certificates") will consist of twenty-four classes of certificates, designated as: (i) the Class A-1A, Class A-1B, Class A-1C and Class A-1D (collectively the "Group I Certificates"), Class A-2A, Class A-2B, Class A-2C and Class A-2D Certificates (collectively, the "Group II Certificates" and together with the Group I Certificates, the "Class A Certificates"); (ii) the Class M-1, Class M-2, Class M-3, Class M-4, Class M-5, Class M-6, Class M-7, Class M-8, Class M-9, Class M-10, Class M-11 and Class M-12 Certificates (collectively, the "Mezzanine Certificates"); (iii) the Class CE Certificates (together with the Mezzanine Certificates, the "Subordinate Certificates"); (iv) the Class P Certificates; and (v) the Class R and Class R-X Certificates (the "Residual Certificates"). Only the Group I Certificates are offered hereby (the "Offered Certificates"). A description of the Group II and Mezzanine Certificates is included in this information circular because their amount, structure, rights, risks and other characteristics affect the amount, structure, rights, risks and other characteristics of the Offered Certificates.

Distributions on the Offered Certificates will be made on the 25th day of each month, or, if such day is not a business day, on the next succeeding business day, beginning in September 2005 (each, a "Distribution Date").

The Certificates will represent in the aggregate the entire beneficial ownership interest in a trust (the "Trust") consisting primarily of the mortgage pool. Each class of Class A and Mezzanine Certificates will have the approximate original Certificate Principal Balances as set forth in the table under "Summary of Terms—The Certificates" in this information circular. The Pass-Through Rates on the Class A and Mezzanine Certificates will be calculated for each Distribution Date as described under "—Pass-Through Rates" below.

The Class A, Mezzanine and Class CE Certificates evidence the following initial undivided interests in the Trust:

Class	Percentage Interest [(1)]
A	82.55%
M-1	3.20%
M-2	2.90%
M-3	2.05%
M-4	1.55%
M-5	1.55%
M-6	1.10%
M-7	0.90%
M-8	0.95%
M-9	0.90%
M-10	0.75%
M-11	0.55%
M-12	0.35%
CE	0.70%

(1) Approximate

The Offered Certificates will be issued, maintained and transferred on the book-entry records of The Depository Trust Company ("DTC") and its participants in minimum denominations of $1,000 and integral multiples of $1.00 in excess thereof. If the use of book-entry facilities for the Offered Certificates is terminated, then any definitive certificates issued in respect of the Offered Certificates will be transferable and exchangeable at the offices of the Trustee designated for such purposes. No service charge will be imposed for any registration of transfer or exchange, but the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge imposed in connection therewith.

All distributions to holders of the Certificates will be made by the Trustee to the persons in whose names such Certificates are registered at the close of business on each Record Date, which will be DTC or its nominee unless definitive certificates are issued. The "Record Date" for each Distribution Date (i) with respect to any book-entry certificate will be the close of business on the business day immediately preceding such Distribution Date or (ii) with respect to any definitive certificates, will be the close of business on the last business day of the month preceding the month in which such Distribution Date occurs. Such distributions will be made by wire transfer in immediately available funds to the account of each certificateholder specified in writing to the Trustee at least five business days prior to the relevant Record Date by such holder of Certificates or, if such instructions are not received, then by check mailed to the address of each such certificateholder as it appears in the Certificate Register. The final distribution on any class of Certificates will be made in like manner, but only upon presentment and surrender of such Certificates at the offices of the Trustee designated for such purposes or such other location specified in the notice to certificateholders of such final distribution. As of the Closing Date, the Trustee so designates the office of its agent located at DB Services Tennessee, 648 Grassmere Park Road, Nashville, Tennessee 37211-3658, Attn: Transfer Unit, for such purpose.

Pass-Through Rates

The "Pass-Through Rate" on any Distribution Date with respect to each class of the Class A and Mezzanine Certificates will equal the lesser of (a) the related Formula Rate and (b) the related Net WAC Pass-Through Rate for such class for such Distribution Date. With respect to the Class A and Mezzanine Certificates, interest in respect of any Distribution Date will accrue during the related Interest Accrual Period on the basis of a 360-day year and the actual number of days elapsed.

The "Formula Rate" for each class of Class A and Mezzanine Certificates will be the lesser of (a) One-Month LIBOR determined as described under "—Calculation of One-Month LIBOR" in this information circular plus the related Certificate Margin and (b) the related Maximum Cap Rate.

The “Certificate Margin” with respect to each class of Class A and Mezzanine Certificates will be the percentages set forth below.

	Certificate Margin	
Class	(1) (%)	(2) (%)
A-1A	0.050	0.100
A-1B	0.090	0.180
A-1C	0.150	0.300
A-1D	0.220	0.440
A-2A	0.110	0.220
A-2B	0.170	0.340
A-2C	0.260	0.520
A-2D	0.370	0.740
M-1	0.480	0.720
M-2	0.500	0.750
M-3	0.520	0.780
M-4	0.610	0.915
M-5	0.650	0.975
M-6	0.730	1.095
M-7	1.200	1.800
M-8	1.350	2.025
M-9	1.800	2.700
M-10	2.500	3.750
M-11	2.500	3.750
M-12	2.500	3.750

(1) For the Interest Accrual Period for each Distribution Date on or prior to the Optional Termination Date.
(2) For each other Interest Accrual Period.

The “Net WAC Pass-Through Rate” for any Distribution Date and

(a) each class of Group I Certificates, will be a per annum rate (subject to adjustment based on the actual number of days elapsed in the related Interest Accrual Period) equal to the weighted average of the Expense Adjusted Net Mortgage Rates of the Group I Mortgage Loans minus the sum of (x) an amount, expressed as a per annum rate, equal to any Net Swap Payment owed to the Swap Provider divided by the outstanding principal balance of the Mortgage Loans, (y) an amount, expressed as a per annum rate, equal to the Swap Termination Payment, if any, payable by the Trust divided by the outstanding principal balance of the Mortgage Loans and (z) the related Guaranty Fee Rate;

(b) each class of Group II Certificates, will be a per annum rate (subject to adjustment based on the actual number of days elapsed in the related Interest Accrual Period) equal to the weighted average of the Expense Adjusted Net Mortgage Rates of the Group II Mortgage Loans minus the sum of (x) an amount, expressed as a per annum rate, equal to any Net Swap Payment owed to the Swap Provider divided by the outstanding principal balance of the Mortgage Loans and (y) an amount, expressed as a per annum rate, equal to the Swap Termination Payment, if any, payable by the Trust divided by the outstanding principal balance of the Mortgage Loans; and

(c) each class of Mezzanine Certificates, will be a per annum rate (subject to adjustment based on the actual number of days elapsed in the related Interest Accrual Period) equal to the weighted average (weighted on the basis of the results of subtracting from the aggregate principal balance of each loan group the current aggregate Certificate Principal Balance of the related Class A Certificates) of the Net WAC Pass-Through Rate for the Group I Certificates and the Net WAC Pass-Through Rate for the Group II Certificates.

The “Expense Adjusted Net Mortgage Rate” for any Mortgage Loan for any Distribution Date will be a per annum rate equal to the applicable Mortgage Rate for such Mortgage Loan as of the first day of the month preceding the month in which such Distribution Date occurs minus the sum of (i) the Servicing Fee Rate and (ii) the Trustee Fee Rate.

The “Maximum Cap Rate” for any Distribution Date with respect to

(a) each class of Group I Certificates, will be a per annum rate (subject to adjustment based on the actual number of days elapsed in the related Interest Accrual Period) equal to the weighted average of the Expense Adjusted Net Maximum Mortgage Rates of the Group I Mortgage Loans, minus the related Guaranty Fee Rate, plus an amount, expressed as a per annum rate, equal to the Net Swap Payment made by the Swap Provider divided by the outstanding principal balance of the Mortgage Loans;

(b) each class of Group II Certificates, will be a per annum rate (subject to adjustment based on the actual number of days elapsed in the related Interest Accrual Period) equal to the weighted average of the Expense Adjusted Net Maximum Mortgage Rates of the Group II Mortgage Loans plus an amount, expressed as a per annum rate, equal to the Net Swap Payment made by the Swap Provider divided by the outstanding principal balance of the Mortgage Loans; and

(c) each class of Mezzanine Certificates, will be a per annum rate (subject to adjustment based on the actual number of days elapsed in the related Interest Accrual Period) equal to the weighted average (weighted on the basis of the results of subtracting from the aggregate principal balance of each loan group the current aggregate Certificate Principal Balance of the related Class A Certificates) of the Maximum Cap Rate for the Group I Certificates and the Maximum Cap Rate for the Group II Certificates.

The “Expense Adjusted Net Maximum Mortgage Rate” for any Mortgage Loan for any Distribution Date will be a per annum rate equal to the applicable Maximum Mortgage Rate (or the Mortgage Rate for such Mortgage Loan in the case of any fixed-rate Mortgage Loans) as of the first day of the month preceding the month in which the Distribution Date occurs minus the sum of (i) the Servicing Fee Rate and (ii) the Trustee Fee Rate.

The Pass-Through Rates on the Class A and Mezzanine Certificates for the Interest Accrual Period beginning on a Distribution Date, to the extent it has been determined, and for the immediately preceding Interest Accrual Period will be made available via the Trustee’s internet website, together with the monthly statements required by the Pooling and Servicing Agreement. Parties that are unable to use the above distribution method are entitled to have a paper copy mailed to them via first class mail by calling the investor relations desk and indicating such.

Net WAC Rate Carryover Amounts

On the Closing Date, the Trustee will establish a segregated trust account (the “Net WAC Rate Carryover Reserve Account”) from which distributions in respect of Net WAC Rate Carryover Amounts on the Class A and Mezzanine Certificates will be made. The Net WAC Rate Carryover Reserve Account will be an asset of the Trust but not of any REMIC. On each Distribution Date, to the extent required following the distribution of the Available Funds as described under “—Overcollateralization Provisions” in this information circular, the Trustee will withdraw from amounts in the Net WAC Rate Carryover Reserve Account to distribute to the Class A and Mezzanine Certificates any Net WAC Rate Carryover Amounts in the following order of priority, in each case to the extent of amounts remaining in the Net WAC Rate Carryover Reserve Account:

first, concurrently, to each class of Class A Certificates, the related Net WAC Rate Carryover Amount on a *pro rata* basis based on such respective Net WAC Rate Carryover Amounts; and

second, sequentially, to the Class M-1, Class M-2, Class M-3, Class M-4, Class M-5, Class M-6, Class M-7, Class M-8, Class M-9, Class M-10, Class M-11 and Class M-12 Certificates, in that order, the related Net WAC Rate Carryover Amount.

Interest Rate Swap Agreement, the Swap Provider and the Swap Account

The Interest Rate Swap Agreement and the Swap Provider

On or before the Closing Date, the Trustee on behalf of the Trust will enter into an interest rate swap agreement (the "Interest Rate Swap Agreement") with Bear Stearns Financial Products Inc. (the "Swap Provider"). The Swap Provider is rated "AAA" by S&P and "Aaa" by Moody's. On each Distribution Date, the Trustee, as Swap Administrator pursuant to a Swap Administration Agreement (as further described below), will deposit into a segregated trust account (the "Swap Account") certain amounts, if any, received from the Swap Provider from which distributions in respect of Interest Carry Forward Amounts, Net WAC Rate Carryover Amounts, amounts necessary to maintain the applicable Overcollateralization Target Amount and Allocated Realized Loss Amounts on the Mezzanine Certificates will be made. The Swap Account will be an asset of the Trust but not of any REMIC.

Under the Interest Rate Swap Agreement, on each Distribution Date, the Trust will be obligated to pay to the Swap Provider from amounts available therefor pursuant to the Pooling and Servicing Agreement, a fixed amount equal to the product of (x) 4.521%, (y) the Base Calculation Amount for that Distribution Date multiplied by 250 and (z) a fraction, the numerator of which is 30 (or, for the first Distribution Date, the number of days elapsed from the Closing Date to but excluding the first Distribution Date on a 30/360 basis), and the denominator of which is 360 (the "Fixed Swap Payment"), and the Swap Provider will be obligated to pay to the Trustee a floating amount equal to the product of (x) one-month LIBOR (as determined pursuant to the Interest Rate Swap Agreement), (y) the Base Calculation Amount for that Distribution Date multiplied by 250, and (z) a fraction, the numerator of which is the actual number of days elapsed from the previous Distribution Date to but excluding the current Distribution Date (or, for the first Distribution Date, the actual number of days elapsed from the Closing Date to but excluding the first Distribution Date), and the denominator of which is 360. A net payment will be required to be made on each Distribution Date (each such net payment, a "Net Swap Payment") (a) by the Trust, to the Swap Provider, to the extent that the fixed amount exceeds the corresponding floating amount, or (b) by the Swap Provider to the Trust to the extent that the floating amount exceeds the corresponding fixed amount.

The "Base Calculation Amount" is set forth with respect to each Distribution Date on Annex III (which will be substantially the same schedule attached to the Interest Rate Swap Agreement). The initial Base Calculation Amount will be approximately $6,000,000. The Interest Rate Swap Agreement will terminate immediately following the Distribution Date in March 2010 unless terminated earlier upon the occurrence of a Swap Default, an Early Termination Event or an Additional Termination Event (each as defined below).

The respective obligations of the Swap Provider and the Trust to pay specified amounts due under the Interest Rate Swap Agreement will be subject to the following conditions precedent: (1) no Swap Default or event that with the giving of notice or lapse of time or both would become a Swap Default, in each case, in respect of the other party, shall have occurred and be continuing with respect to the Interest Rate Swap Agreement and (2) no "Early Termination Date" (as defined in the ISDA Master Agreement) has occurred or been effectively designated with respect to the Interest Rate Swap Agreement.

"Events of Default" under the Interest Rate Swap Agreement (each a "Swap Default") include the following standard events of default under the ISDA Master Agreement:

- "Failure to Pay or Deliver,"
- "Bankruptcy" (as amended in the Interest Rate Swap Agreement) and
- "Merger without Assumption" (but only with respect to the Swap Provider),

as described in Sections 5(a)(i), 5(a)(vii) and 5(a)(viii) of the ISDA Master Agreement.

"Termination Events" under the Interest Rate Swap Agreement (each a "Termination Event") consist of the following standard events under the ISDA Master Agreement:

- "Illegality" (which generally relates to changes in law causing it to become unlawful for either party to perform its obligations under the Interest Rate Swap Agreement),

- "Tax Event" (which generally relates to either party to the Interest Rate Swap Agreement receiving a payment under the Interest Rate Swap Agreement from which an amount has been deducted or withheld for or on account of taxes) and

- "Tax Event Upon Merger" (solely with respect to the Swap Provider as merging party) (which generally relates to the Swap Provider's receiving a payment under the Interest Rate Swap Agreement from which an amount has been deducted or withheld for or on account of taxes resulting from a merger),

as described in Sections 5(b)(i), 5(b)(ii) and 5(b)(iii) of the ISDA Master Agreement. In addition, there are "Additional Termination Events" (as defined in the Interest Rate Swap Agreement) including if the Trust should terminate or if, pursuant to the terms of the Pooling and Servicing Agreement, the Master Servicer or the NIMS Insurer, if any, exercise the option to purchase the Mortgage Loans. With respect to the Swap Provider, an Additional Termination Event will occur if the Swap Provider fails to comply with the Downgrade Provisions (as defined below).

Upon the occurrence of any Swap Default under the Interest Rate Swap Agreement, the non-defaulting party will have the right to designate an Early Termination Date. With respect to Termination Events (including Additional Termination Events), an Early Termination Date may be designated by one of the parties (as specified in the Interest Rate Swap Agreement) and will occur only after notice has been given of the Termination Event, all as set forth in the Interest Rate Swap Agreement. The occurrence of an Early Termination Date under the Interest Rate Swap Agreement will constitute a "Swap Early Termination."

Upon any Swap Early Termination, the Trust or the Swap Provider may be liable to make a termination payment (the "Swap Termination Payment") (regardless, if applicable, of which of the parties has caused the termination). The Swap Termination Payment will be based on the value of the Interest Rate Swap Agreement computed in accordance with the procedures set forth in the Interest Rate Swap Agreement taking into account the present value of the unpaid amounts that would have been owed to and by the Swap Provider under the remaining scheduled term of the Interest Rate Swap Agreement. In the event that the Trust is required to make a Swap Termination Payment, that payment will be paid from the Trust on the related Distribution Date, and on any subsequent Distribution Dates until paid in full, generally prior to distributions to Certificateholders.

Upon a Swap Early Termination, the Trustee, at the direction of the Depositor and with the consent of the NIMS Insurer, will seek a replacement swap provider to enter into a replacement interest rate swap agreement or similar agreement. To the extent the Trust receives a Swap Termination Payment from the Swap Provider, the Trust will apply, as set forth in the Swap Administration Agreement, all or such portion of such Swap Termination Payment as may be required to the payment of amounts due to a replacement swap provider under a replacement interest rate swap agreement or similar agreement. Furthermore, to the extent the Trust is required to pay a Swap Termination Payment to the Swap Provider, the Trust will apply all or a portion of such amount received from a replacement swap provider upon entering into a replacement interest rate swap agreement or similar agreement to the Swap Termination Payment amount owing to the Swap Provider.

A Swap Termination Payment that is triggered upon: (i) an Event of Default under the Interest Rate Swap Agreement with respect to which the Swap Provider is a Defaulting Party (as defined in the Interest Rate Swap Agreement), (ii) a Termination Event under the Interest Rate Swap Agreement with respect to which the Swap Provider is the sole Affected Party (as defined in the Interest Rate Swap Agreement) or (iii) an Additional Termination Event under the Interest Rate Swap Agreement with respect to which the Swap Provider is the sole Affected Party, will be a "Swap Provider Trigger Event."

If the Swap Provider's long-term credit ratings fall below the levels specified in the Interest Rate Swap Agreement, the Swap Provider will be required, subject to the Rating Agency Condition (as defined in the Interest Rate Swap Agreement) to (1) post collateral securing its obligations under the Interest Rate Swap Agreement, (2) obtain a substitute Swap Provider acceptable to the Rating Agencies and the NIMS Insurer that will assume the obligations of the Swap Provider under the Interest Rate Swap Agreement, (3) obtain a guaranty or contingent agreement of the Swap Provider's obligations under the Interest Rate Swap Agreement from another person acceptable to the Rating Agencies or (4) establish any other arrangement sufficient to restore the credit rating of the Class A and Mezzanine Certificates and any notes insured by the NIMS Insurer, all as provided in the Interest Rate Swap Agreement (such provisions, the "Downgrade Provisions").

The Trust will not be subject to any gross-up on its payments to the Swap Provider on account of any tax withholding.

The Swap Administration Agreement and Swap Account

The Interest Rate Swap Agreement will be administered by the Trustee as Swap Administrator pursuant to a swap administration agreement (the "Swap Administration Agreement"). Any Net Swap Payments made by the Swap Provider will be distributed in accordance with the Swap Administration Agreement. The Swap Administrator will be required to deposit into the Swap Account an amount equal to any remaining and unpaid Interest Carry Forward Amounts, Net WAC Rate Carryover Amounts, Allocated Realized Loss Amounts and amounts necessary to maintain the applicable Overcollateralization Target Amount on the Class A and Mezzanine Certificates, up to the Net Swap Payment received by the Swap Administrator from the Swap Provider. Any excess amounts received by the Swap Administrator will be paid to Ameriquest Mortgage Company or its designee.

Net Swap Payments and Swap Termination Payments payable by the Trust will be deducted from Available Funds before distributions to Certificateholders and will first be deposited into the Swap Account before payment to the Swap Provider.

On each Distribution Date, to the extent required, following the distribution of the Net Monthly Excess Cashflow as described in "—Overcollateralization Provisions" in this information circular and withdrawals from the Net WAC Rate Carryover Reserve Account as described in "—Net WAC Rate Carryover Amounts", the Trustee will withdraw from amounts in the Swap Account to distribute to the Class A and Mezzanine Certificates in the following order of priority:

first, to the Swap Provider, any Net Swap Payment owed to the Swap Provider pursuant to the Swap Agreement for such Distribution Date;

second, to the Swap Provider, any Swap Termination Payment owed to the Swap Provider not due to a Swap Provider Trigger Event pursuant to the Swap Agreement;

third, concurrently, to each class of Class A Certificates, the related Senior Interest Distribution Amount remaining undistributed after the distributions of the Group I Interest Remittance Amount and the Group II Interest Remittance Amount, on a *pro rata* basis based on such respective remaining Senior Interest Distribution Amounts,

fourth, sequentially, to the Class M-1, Class M-2, Class M-3, Class M-4, Class M-5, Class M-6, Class M-7, Class M-8, Class M-9, Class M-10, Class M-11 and Class M-12 Certificates, in that order, the related Interest Distribution Amount and Interest Carry Forward Amount, to the extent remaining undistributed after the distributions of the Group I Interest Remittance Amount, the Group II Interest Remittance Amount and the Net Monthly Excess Cashflow;

fifth, concurrently, to each class of Class A Certificates, the related Net WAC Rate Carryover Amount, to the extent remaining undistributed after distributions are made from the Net WAC Rate Carryover Reserve Account, on a *pro rata* basis based on such respective Net WAC Rate Carryover Amounts remaining;

sixth, sequentially, to the Class M-1, Class M-2, Class M-3, Class M-4, Class M-5, Class M-6, Class M-7, Class M-8, Class M-9, Class M-10, Class M-11 and Class M-12 Certificates, in that order, the related Net WAC Rate Carryover Amount, to the extent remaining undistributed after distributions are made from the Net WAC Rate Carryover Reserve Account;

seventh, to the holders of the class or classes of Certificates then entitled to receive distributions in respect of principal, in an amount necessary to maintain the applicable Overcollateralization Target Amount after taking into account distributions made pursuant to clause *first* under "—Overcollateralization Provisions;" and

eighth, sequentially to the Class M-1, Class M-2, Class M-3, Class M-4, Class M-5, Class M-6, Class M-7, Class M-8, Class M-9, Class M-10, Class M-11 and Class M-12 Certificates, in that order, in each case up to the related Allocated Realized Loss Amount related to such Certificates for such Distribution Date remaining undistributed after distribution of the Net Monthly Excess Cashflow.

In the event that the Trust receives a Swap Termination Payment, and a successor Swap Provider cannot be obtained, then such Swap Termination Payment will be deposited into a reserve account and the Swap Administrator, on each subsequent Distribution Date (until the termination date of the original Interest Rate Swap Agreement), will withdraw the amount of any Net Swap Payment due to the Trust (calculated in accordance with the terms of the original Interest Rate Swap Agreement) and administer such Net Swap Payment in accordance with the terms of the Pooling and Servicing Agreement and the Swap Administration Agreement.

Calculation of One-Month LIBOR

With respect to each Interest Accrual Period (other than the first Interest Accrual Period) and the Class A and Mezzanine Certificates, on the second business day preceding such Interest Accrual Period (each such date, an "Interest Determination Date"), the Trustee will determine one-month LIBOR for the next Interest Accrual Period. With respect to the first Interest Accrual Period, on the Closing Date, the Trustee will determine one-month LIBOR for such Interest Accrual Period based on the information available on the second business day preceding the Closing Date. "One-Month LIBOR" means, as of any Interest Determination Date, the London interbank offered rate for one-month U.S. dollar deposits which appears on Telerate Page 3750 (as defined herein) as of 11:00 a.m. (London time) on such date. If such rate does not appear on Telerate Page 3750, the rate for that day will be determined on the basis of the offered rates of the Reference Banks for one-month U.S. dollar deposits, as of 11:00 a.m. (London time) on such Interest Determination Date. The Trustee will request the principal London office of each of the Reference Banks to provide a quotation of its rate. If on such Interest Determination Date two or more Reference Banks provide such offered quotations, One-Month LIBOR for the related Interest Accrual Period will be the arithmetic mean of such offered quotations (rounded upwards if necessary to the nearest whole multiple of 0.0625%). If on such Interest Determination Date fewer than two Reference Banks provide such offered quotations, One-Month LIBOR for the related Interest Accrual Period will be the higher of (x) One-Month LIBOR as determined on the previous Interest Determination Date and (y) the Reserve Interest Rate.

As used in this section, "business day" means a day on which banks are open for dealing in foreign currency and exchange in London and New York City; "Telerate Page 3750" means the display page currently so designated on Moneyline Telerate (or such other page as may replace that page on that service for the purpose of displaying comparable rates or prices); "Reference Banks" means leading banks selected by the Trustee (after consultation with the Depositor and Fannie Mae) and engaged in transactions in Eurodollar deposits in the international Eurocurrency market (i) with an established place of business in London, (ii) which have been designated as such by the Trustee and (iii) not controlling, controlled by, or under common control with, the Depositor or the Seller; and "Reserve Interest Rate" will be the rate per annum that the Trustee determines to be either (i) the arithmetic mean (rounded upwards if necessary to the nearest whole multiple of 0.0625%) of the one-month U.S. dollar lending rates which New York City banks selected by the Trustee (after consultation with the Depositor and Fannie Mae) are quoting on the relevant Interest Determination Date to the principal London offices of leading banks in the London interbank market or, (ii) in the event that the Trustee can determine no such arithmetic mean, the lowest one-month U.S. dollar lending rate which New York City banks selected by the Trustee (after consultation with the Depositor and Fannie Mae) are quoting on such Interest Determination Date to leading European banks.

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 Class A and Mezzanine Certificates for the related Interest Accrual Period will (in the absence of manifest error) be final and binding.

Interest Distributions

Holders of the Class A and Mezzanine Certificates will be entitled to receive on each Distribution Date, the applicable Interest Distribution Amount, in the priorities set forth below.

I. On each Distribution Date, the Group I Interest Remittance Amount will be distributed in the following order of priority:

(i) to Fannie Mae, the Guaranty Fee;

(ii) concurrently, to the holders of each class of Group I Certificates, on a *pro rata* basis based on the entitlement of each such class, the Senior Interest Distribution Amount related to such Certificates;

(iii) to Fannie Mae, any Guarantor Reimbursement Amount then due; and

(iv) concurrently, to the holders of each class of Group II Certificates, on a *pro rata* basis based on the entitlement of each such class, the Senior Interest Distribution Amount related to such Certificates, to the extent remaining undistributed after the distribution of the Group II Interest Remittance Amount, as set forth in clause II below.

II. On each Distribution Date, the Group II Interest Remittance Amount will be distributed in the following order of priority:

(i) concurrently, to the holders of each class of Group II Certificates, on a *pro rata* basis based on the entitlement of each such class, the Senior Interest Distribution Amount related to such Certificates;

(ii) concurrently, to the holders of each class of Group I Certificates, on a *pro rata* basis based on the entitlement of each such class, the Senior Interest Distribution Amount related to such Certificates, to the extent remaining undistributed after the distribution of the Group I Interest Remittance Amount, as set forth in clause I above;

(iii) to Fannie Mae, the Guaranty Fee, to the extent remaining unpaid after the distribution of the Group I Interest Remittance Amount as set forth in clause I(i) above; and

(iv) to Fannie Mae, any Guarantor Reimbursement Amount then due, to the extent remaining unpaid after the distributions of the Group I Interest Remittance Amount as set forth in clause I(iii) above.

III. On each Distribution Date, following the distributions of interest to the holders of each class of the Class A Certificates and any payments and reimbursements to Fannie Mae, the sum of the Group I Interest Remittance Amount and the Group II Interest Remittance Amount remaining will be distributed sequentially to the Class M-1, Class M-2, Class M-3, Class M-4, Class M-5, Class M-6, Class M-7, Class M-8, Class M-9, Class M-10, Class M-11 and Class M-12 Certificates, in that order, in an amount equal to the Interest Distribution Amount for each such class.

On any Distribution Date, any shortfalls resulting from application of the Relief Act and any Prepayment Interest Shortfalls to the extent not covered by Compensating Interest paid by the Master Servicer, in each case regardless of which loan group experienced the shortfall, will be allocated first, to reduce the interest accrued on the Class CE Certificates, and thereafter, to reduce the Interest Distribution Amounts with respect to the Class A and Mezzanine Certificates on a *pro rata* basis based on the respective amounts of interest accrued on such Certificates for such Distribution Date. The holders of the Class A and Mezzanine Certificates will not be entitled to reimbursement for any such interest shortfalls.

Principal Distributions

I. On each Distribution Date (a) prior to the Stepdown Date or (b) on which a Trigger Event is in effect, distributions in respect of principal to the extent of the Group I Principal Distribution Amount will be made in the following amounts and order of priority:

(i) to the holders of the Group I Certificates (allocated among the classes of Group I Certificates in the priority described below), until the Certificate Principal Balances thereof have been reduced to zero;

(ii) to Fannie Mae, any Guarantor Reimbursement Amount then due, to the extent not paid pursuant to clauses (I)(i) and (iii) and (II)(iii) and (iv) under "—Interest Distributions"; and

(iii) to the holders of the Group II Certificates (allocated among the classes of Group II Certificates in the priority described below), after taking into account the distribution of the Group II Principal Distribution Amount already distributed, as described herein, until the Certificate Principal Balances thereof have been reduced to zero.

II. On each Distribution Date (a) prior to the Stepdown Date or (b) on which a Trigger Event is in effect, distributions in respect of principal to the extent of the Group II Principal Distribution Amount will be made in the following amounts and order of priority:

(i) to the holders of the Group II Certificates (allocated among the classes of Group II Certificates in the priority described below), until the Certificate Principal Balances thereof have been reduced to zero; and

(ii) to the holders of the Group I Certificates (allocated among the classes of Group I Certificates in the priority described below), after taking into account the distribution of the Group I Principal Distribution Amount already distributed, as described herein, until the Certificate Principal Balances thereof have been reduced to zero.

III. On each Distribution Date (a) prior to the Stepdown Date or (b) on which a Trigger Event is in effect, distributions in respect of principal to the extent of the sum of the Group I Principal Distribution Amount and the Group II Principal Distribution Amount remaining undistributed for such Distribution Date will be made sequentially to the Class M-1, Class M-2, Class M-3, Class M-4, Class M-5, Class M-6, Class M-7, Class M-8, Class M-9, Class M-10, Class M-11 and Class M-12 Certificates, in that order, in each case, until the Certificate Principal Balance of each such class has been reduced to zero.

IV. On each Distribution Date (a) on or after the Stepdown Date and (b) on which a Trigger Event is not in effect, distributions in respect of principal to the extent of the Group I Principal Distribution Amount will be made in the following amounts and order of priority:

(i) to the holders of the Group I Certificates, the Senior Group I Principal Distribution Amount (allocated among the classes of Group I Certificates in the priority described below), until the Certificate Principal Balances thereof have been reduced to zero;

(ii) to Fannie Mae, any Guarantor Reimbursement Amount then due, to the extent not paid pursuant to clauses (I)(i) and (iii) and (II)(iii) and (iv) under "—Interest Distributions"; and

(iii) to the holders of the Group II Certificates (allocated among the classes of Group II Certificates in the priority described below), after taking into account the distribution of the Group II Principal Distribution Amount as described herein, up to an amount equal to the Senior Group II Principal Distribution Amount remaining undistributed, until the Certificate Principal Balances thereof have been reduced to zero.

V. On each Distribution Date (a) on or after the Stepdown Date and (b) on which a Trigger Event is not in effect, distributions in respect of principal to the extent of the Group II Principal Distribution Amount will be made in the following amounts and order of priority:

(i) to the holders of the Group II Certificates, the Senior Group II Principal Distribution Amount (allocated among the classes of Group II Certificates in the priority described below), until the Certificate Principal Balances thereof have been reduced to zero; and

(ii) to the holders of the Group I Certificates (allocated among the classes of Group I Certificates in the priority described below), after taking into account the distribution of the Group I Principal Distribution Amount as described herein, up to an amount equal to the Senior Group I Principal Distribution Amount remaining undistributed, until the Certificate Principal Balances thereof have been reduced to zero.

VI. On each Distribution Date (a) on or after the Stepdown Date and (b) on which a Trigger Event is not in effect, distributions in respect of principal to the extent of the sum of the Group I Principal Distribution Amount and the Group II Principal Distribution Amount remaining undistributed for such Distribution Date will be made in the following amounts and order of priority:

(i) to the holders of the Class M-1 Certificates, the Class M-1 Principal Distribution Amount, until the Certificate Principal Balance thereof has been reduced to zero;

(ii) to the holders of the Class M-2 Certificates, the Class M-2 Principal Distribution Amount, until the Certificate Principal Balance thereof has been reduced to zero;

(iii) to the holders of the Class M-3 Certificates, the Class M-3 Principal Distribution Amount, until the Certificate Principal Balance thereof has been reduced to zero;

(iv) to the holders of the Class M-4 Certificates, the Class M-4 Principal Distribution Amount, until the Certificate Principal Balance thereof has been reduced to zero;

(v) to the holders of the Class M-5 Certificates, the Class M-5 Principal Distribution Amount, until the Certificate Principal Balance thereof has been reduced to zero;

(vi) to the holders of the Class M-6 Certificates, the Class M-6 Principal Distribution Amount, until the Certificate Principal Balance thereof has been reduced to zero;

(vii) to the holders of the Class M-7 Certificates, the Class M-7 Principal Distribution Amount, until the Certificate Principal Balance thereof has been reduced to zero;

(viii) to the holders of the Class M-8 Certificates, the Class M-8 Principal Distribution Amount, until the Certificate Principal Balance thereof has been reduced to zero;

(ix) to the holders of the Class M-9 Certificates, the Class M-9 Principal Distribution Amount, until the Certificate Principal Balance thereof has been reduced to zero;

(x) to the holders of the Class M-10 Certificates, the Class M-10 Principal Distribution Amount, until the Certificate Principal Balance thereof has been reduced to zero;

(xi) to the holders of the Class M-11 Certificates, the Class M-11 Principal Distribution Amount, until the Certificate Principal Balance thereof has been reduced to zero; and

(xii) to the holders of the Class M-12 Certificates, the Class M-12 Principal Distribution Amount, until the Certificate Principal Balance thereof has been reduced to zero.

With respect to the Group I Certificates, all principal distributions will be distributed sequentially, to the Class A-1A, Class A-1B, Class A-1C and Class A-1D Certificates, in that order, until their respective Certificate Principal Balances have been reduced to zero.

With respect to the Group II Certificates, all principal distributions will be distributed sequentially, to the Class A-2A, Class A-2B, Class A-2C and Class A-2D Certificates, in that order, until their respective Certificate Principal Balances have been reduced to zero.

Credit Enhancement

The credit enhancement provided for the benefit of the holders of the Class A and Mezzanine Certificates consists of subordination, as described below, the Interest Rate Swap Agreement, excess interest, overcollateralization and a pool insurance policy, as described under "—Overcollateralization Provisions" herein and, in the case of the Offered Certificates only, the Guaranty, as described under "—Fannie Mae Guaranty" herein.

The rights of the holders of the Subordinate Certificates to receive distributions will be subordinated, to the extent described herein, to the rights of the holders of the Class A Certificates. This subordination is intended to enhance the likelihood of regular receipt by the holders of the Class A Certificates of the full amount of their scheduled monthly distributions of interest and principal and to afford such holders protection against Realized Losses.

The protection afforded to the holders of the Class A Certificates by means of the subordination of the Subordinate Certificates will be accomplished by the preferential right of the holders of the Class A Certificates to receive on any Distribution Date, prior to distributions of interest on the Subordinate Certificates, distributions in respect of interest and prior to distributions of principal on the Subordinate Certificates, distributions in respect of principal, subject to available funds.

The allocation of distributions in respect of principal to the Class A Certificates on each Distribution Date (a) prior to the Stepdown Date or (b) on which a Trigger Event is in effect, will have the effect of accelerating the amortization of the Class A Certificates while, in the absence of Realized Losses, increasing the respective percentage interest in the principal balance of the Mortgage Loans evidenced by the Subordinate Certificates. Increasing the respective percentage interest in the Trust of the Subordinate Certificates relative to that of the Class A Certificates is intended to preserve the availability of the subordination provided by the Subordinate Certificates.

Overcollateralization Provisions

The weighted average Expense Adjusted Net Mortgage Rate for the Mortgage Loans is generally expected to be higher than the weighted average of the Pass-Through Rates on the Class A and Mezzanine Certificates, thus generating excess interest collections which, in the absence of Realized Losses, will not be necessary to fund interest distributions on the Class A and Mezzanine Certificates. The Pooling and Servicing Agreement will require that, on each Distribution Date, the Net Monthly Excess Cashflow, if any be distributed as follows:

first, to the holders of the class or classes of Certificates then entitled to receive distributions in respect of principal, in an amount equal to the Overcollateralization Increase Amount, distributable as part of the Group I Principal Distribution Amount or the Group II Principal Distribution Amount as described under "—Principal Distributions";

second, sequentially, to the Class M-1, Class M-2, Class M-3, Class M-4, Class M-5, Class M-6, Class M-7, Class M-8, Class M-9, Class M-10, Class M-11 and Class M-12 Certificates, in that order, in each case up to the Interest Carry Forward Amount for each such class of Mezzanine Certificates for such Distribution Date;

third, sequentially, to the Class M-1, Class M-2, Class M-3, Class M-4, Class M-5, Class M-6, Class M-7, Class M-8, Class M-9, Class M-10, Class M-11 and Class M-12 Certificates, in that order, in each case up to the Allocated Realized Loss Amount for each such class of Mezzanine Certificates for such Distribution Date;

fourth, to make payments to the Net WAC Rate Carryover Reserve Account, to the extent required to distribute to the holders of the Class A and Mezzanine Certificates any Net WAC Rate Carryover Amounts for such classes, without taking into account amounts, if any, received under the Interest Rate Swap Agreement; and *fifth*, to the holders of the Class CE Certificates as provided in the Pooling and Servicing Agreement; and

sixth, to the holders of the Residual Certificates, any remaining amounts; provided that if such Distribution Date is the Distribution Date immediately following the expiration of the latest prepayment charge term or any Distribution Date thereafter, then any such remaining amounts will be distributed *first*, to the holders of the Class P Certificates, until the Certificate Principal Balance thereof has been reduced to zero; and *second*, to the holders of the Residual Certificates.

On each Distribution Date, after making the distributions of the remainder of the Net Monthly Excess Cashflow as described above, the Trustee will withdraw from the Net WAC Rate Carryover Reserve Account the amounts on deposit therein and will distribute these amounts to the holders of the Class A and Mezzanine Certificates in the order and priority set forth under "—Net WAC Rate Carryover Amounts" herein.

On each Distribution Date, the Trustee will withdraw from the distribution account all amounts representing prepayment charges in respect of the Mortgage Loans received during the related Prepayment Period and will distribute these amounts to the holders of the Class P Certificates.

In the event that Realized Losses are incurred on the Mortgage Loans, such Realized Losses could result in an overcollateralization deficiency since such Realized Losses would reduce the principal balance of the Mortgage Loans without a corresponding reduction to the aggregate Certificate Principal Balances of the Class A and Mezzanine Certificates. In such event, the Pooling and Servicing Agreement will require the distribution from Net Monthly Excess Cashflow, if any on such Distribution Date, of an amount equal to the Overcollateralization Increase Amount, which will constitute a principal distribution on the Class A and Mezzanine Certificates in reduction of the Certificate Principal Balances thereof in order to eliminate such overcollateralization deficiency. This will have the effect of accelerating the amortization of the Class A and Mezzanine Certificates relative to the amortization of the Mortgage Loans, and of increasing the Overcollateralized Amount.

In the event that the Overcollateralization Target Amount is permitted to step down on any Distribution Date, the Pooling and Servicing Agreement provides that a portion of the principal which would otherwise be distributed to the holders of the Class A and Mezzanine Certificates on such Distribution Date will be distributed to the holders of the Class CE Certificates pursuant to the priorities set forth above. This will have the effect of decelerating the amortization of the Class A and Mezzanine Certificates relative to the amortization of the Mortgage Loans, and of reducing the Overcollateralized Amount. However, if on any Distribution Date a Trigger Event is in effect, the Overcollateralization Target Amount will not be permitted to step down on such Distribution Date.

The Pool Insurer

Radian Guaranty Inc. ("Radian"), a Pennsylvania corporation with its principal offices in Philadelphia, Pennsylvania, is a private mortgage insurance company and a wholly-owned subsidiary of Radian Group Inc., an insurance holding company listed on the New York Stock Exchange. Radian is licensed in all 50 states, in the District of Columbia and in Guam to offer such insurance and is approved as a private mortgage insurer by Fannie Mae and Freddie Mac. Radian's financial strength is rated "AA" by S&P and Fitch and "Aa3" by Moody's. Radian's financial strength currently is not rated by any other rating agency. Each financial strength rating of Radian should be evaluated independently. The ratings reflect the respective rating agencies' current assessments of the creditworthiness of Radian and its ability to pay claims on its policies of insurance. Any further explanation as to the significance of the above ratings may be obtained only from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any class of Offered Certificates, and such ratings are subject to revision, qualification or withdrawal at any time by the applicable rating agencies. Any downward revision, qualification or withdrawal of any of the above ratings may have an adverse effect on the market prices of the Offered Certificates. Radian does not guaranty the market prices of the Offered Certificates nor does it guaranty that its financial strength ratings will not be revised, qualified or withdrawn.

Copies of Radian's statutory financial statements, which are based on accounting principles that differ in significant respects from generally accepted accounting principles, are available upon request to Radian at Radian

Guaranty Inc., 1601 Market Street, Philadelphia, Pennsylvania 19103. Radian's telephone number is (215) 231-1000.

The Pool Policy

A mortgage pool insurance policy (the "Pool Policy") will be obtained to cover losses (subject to the limitations described herein) by reason of default of the mortgagor on approximately 99.38% of the Group I Mortgage Loans and approximately 96.21% of the Group II Mortgage Loans, in each case, by aggregate scheduled principal balance of the related loan group as of the Cut-off Date (the "Covered Mortgage Loans") to the extent that such losses exceed 5.92% of the aggregate principal balance of the Covered Mortgage Loans as of the Cut-off Date (the "Deductible Amount"), up to a limit of 6.88% of the aggregate principal balance of the Covered Mortgage Loans as of the Cut-off Date (the "Aggregate Loss Limit"). The Pool Policy will be issued by Radian and delivered to the Trustee on the Closing Date. Radian will be paid a one-time up-front premium on or prior to the Closing Date. The Master Servicer or the Trustee will present claims and provide certain notices all in accordance with the terms of the Pool Policy. Subject to certain limitations set forth in the Pooling and Servicing Agreement, the Master Servicer is required to use commercially reasonable efforts to maintain the Pool Policy during the term of the Pooling and Servicing Agreement.

The following summary describes certain provisions of the Pool Policy. The summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of the Pool Policy.

The Pool Policy is a second-loss policy. The Pool Insurer will not be obligated to pay any loss under the Pool Policy until losses have exceeded the Deductible Amount. The Pool Insurer will not be liable for and the Pool Policy will not apply to, extend to or cover any loss for which a claim is made in connection with a Mortgage Loan as to which there has been an intentional and material misstatement, misrepresentation or omission or as a result of any other act of fraud or a breach of a representation or warranty concerning the Covered Mortgage Loans as set forth in the Pool Policy.

For the purposes of the Pool Policy, the following terms have the following meanings:

"Approved Sale" means (1) a sale of a REO Property acquired by the insured because of a Default by the borrower and to which the Pool Insurer has given prior approval, (2) a foreclosure or trustee's sale of a REO Property to a third party at a price equal to or exceeding the maximum amount specified by the Pool Insurer to be bid by the insured or (3) the acquisition of a property by the Pool Insurer.

"Default" occurs when the borrower either becomes in arrears in an amount equal to or greater than one (1) monthly principal and interest payment due under the terms of the Mortgage Loan or violates any other term or condition of the Mortgage Loan which is a basis for a foreclosure action.

"Three (3) Months in Default" occurs when the borrower becomes in arrears in an amount equal to or greater than three (3) monthly principal and interest payments due under the terms of the Mortgage Loan.

"Qualified" means the Pool Insurer is duly qualified under applicable state laws as a mortgage guaranty insurance company, duly authorized to write the insurance provided by the Pool Policy, and has a financial strength rating of not lower than "Baa3" from Moody's, "BBB-" from S&P and "BBB-" from Fitch (if rated by the respective rating agency).

Within ten (10) days after the Master Servicer receives notice or otherwise becomes aware that (a) a borrower is Three (3) Months in Default or (b) proceedings to acquire title to a borrower's property have been commenced, whichever event occurs first, notice thereof will be given to the Pool Insurer on behalf of the Master Servicer upon the form furnished by the Pool Insurer; provided, however, that failure of the Pool Insurer to furnish forms will not relieve the Master Servicer of the obligation to give notice in any reasonable form within the required time. Thereafter, the Master Servicer will report monthly to the Pool Insurer in summary form the status of the borrower's account, until a claim is submitted to the Pool Insurer or until the borrower is less than Three (3) Months in Default. Failure by the Master Servicer to give any notice or file any report required under the Pool Policy, within the time period specified, will not constitute failure to comply with a material condition of the Pool Policy provided that such failure is remedied within ten (10) days of receipt of notice thereof from the Pool Insurer.

If a Covered Mortgage Loan is assumed, the coverage under the Pool Policy will remain in force if the original borrower is not released from personal liability. If the original borrower by an assumption is released from personal liability on a Covered Mortgage Loan, the liability of the Pool Insurer for coverage under the Pool Policy as to such Covered Mortgage Loan will terminate unless the Pool Insurer approves the assumption in writing. The Master Servicer will provide the Pool Insurer with the information and documentation required by the Pool Insurer. The Pool Insurer will not unreasonably withhold approval of an assumption.

In the event of Default, it will be a condition precedent to payment of a claim on any Mortgage Loan that the Master Servicer cause to be advanced: (1) hazard insurance premiums, (2) real estate property taxes, (3) property protection and preservation expenses, (4) property sales expenses, and (5) foreclosure costs including court costs and reasonable attorneys fees. In the event of Default, if there is any physical loss or damage to the property from any cause, whether by accidental means or otherwise, it will be a condition precedent to payment of a claim on the Mortgage Loan that the Master Servicer cause to be restored the property to its condition at the time of the issuance of the Pool Policy, reasonable wear and tear excepted.

Subject to the Deductible Amount and the Aggregate Loss Limit, the amount of loss payable to the Master Servicer (on behalf of the Trustee) on each individual claim shall be the total of: (1) the unpaid principal balance at the time of an Approved Sale of the property, (2) the amount of the accumulated delinquent interest computed to the date of claim settlement at the related mortgage rate and (3) the amount of advances made on behalf of the Master Servicer (as described in the preceding paragraph) less the net proceeds upon an Approved Sale of the property.

Subject to the exhaustion of the Deductible Amount and the Aggregate Loss Limit, in lieu of paying the loss determined by the computation above, the Pool Insurer may, at its option, pay the Master Servicer (on behalf of the Trustee) the total of the amounts under clauses (1), (2) and (3) of the immediately preceding paragraph. As a condition precedent to the payment of any sum under this loss payment option, the Trustee will provide the Pool Insurer with good and merchantable title to the Mortgaged Property. Within thirty (30) days after the property is sold by the Pool Insurer, the Pool Insurer will give written notice to the Master Servicer (on behalf of the Trustee) of the net amount received for such sale.

Any claim payment or loss payment as described in the preceding two paragraphs will be a full and final discharge of the Pool Insurer’s obligation with respect to such claim or loss under the terms of the Pool Policy.

The aggregate losses are the sum of losses paid by the Pool Insurer, reduced by any net amount the Pool Insurer receives upon disposal of any property. When the aggregate losses paid by the Pool Insurer reach an amount equal to the Aggregate Loss Limit, the liability of the Pool Insurer to pay any additional claims for loss ceases.

The Pool Policy will continue in force until (i) each Covered Mortgage Loan has either been paid in full or is otherwise liquidated, or (ii) the Offered Certificates have either been paid in full or reduced to zero. If at any time the Pool Insurer ceases to be Qualified, the Trustee may terminate the Pool Policy upon written notice to the Pool Insurer. The Pool Insurer will use all diligent effort to remain qualified under applicable state laws as a mortgage guaranty insurance company, duly authorized to write the insurance provided by the Pool Policy.

Unless otherwise mutually agreed, a claim for loss may be filed with the Pool Insurer on the appropriate form provided by the Pool Insurer within sixty (60) days after the Trustee has conveyed title to the property pursuant to an Approved Sale and must include all documents and other information reasonably requested by the Pool Insurer. The Pool Insurer shall not unreasonably withhold the approval necessary for such an Approved Sale. Failure to file a claim for loss within one hundred eighty (180) days after a claim could first be filed will be deemed an election by the Trustee to waive any rights to claim payment under the terms of the Pool Policy. No accumulated delinquent interest shall be computed or shall be payable on a claim for loss during the period from the 61^{st} day to the 180^{th} day after the claim could first be filed.

Any payment of loss required to be made to the Master Servicer (on behalf of the Trustee) with respect to any claim will be payable within sixty (60) days after receipt by the Pool Insurer of such claim, provided that, if the Pool Insurer shall within twenty (20) days after the filing of the claim request additional information necessary to complete its review of the claim, then the sixty (60) day period will be suspended until the Pool Insurer receives the requested information.

Allocation of Losses; Subordination

Any Realized Losses on the Mortgage Loans incurred during a Due Period will first, reduce the Net Monthly Excess Cashflow for the related Distribution Date and second, reduce the Overcollateralized Amount, if any, for such Distribution Date. If after all distributions are made by the Trustee on a Distribution Date, the aggregate Certificate Principal Balance of the Class A, Mezzanine and Class P Certificates exceeds the aggregate principal balance of the Mortgage Loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period), the amount of such excess will be allocated to reduce the Certificate Principal Balances of the Mezzanine Certificates in reverse numerical order, beginning with the class of Mezzanine Certificates then outstanding with the highest numerical class designation, until the Certificate Principal Balance of each such class has been reduced to zero. The Pooling and Servicing Agreement does not permit the allocation of any Realized Losses to the Class A or Class P Certificates.

"Subsequent Recoveries" are unanticipated amounts received on a liquidated Mortgage Loan that resulted in a Realized Loss in a prior month, net of amounts reimbursable to the Master Servicer therefrom. If Subsequent Recoveries are received, they will be included as part of the Principal Remittance Amount for the following Distribution Date and distributed in accordance with the priorities described in this information circular. In addition, after giving effect to all distributions on a Distribution Date, if any Allocated Realized Loss Amounts are outstanding, the Allocated Realized Loss Amount for the class of Mezzanine Certificates then outstanding with the highest distribution priority will be decreased by the amount of such Subsequent Recoveries until reduced to zero (with any remaining Subsequent Recoveries applied to reduce the Allocated Realized Loss Amount of the class with the next highest distribution priority), and the Certificate Principal Balance of such class or classes of Mezzanine Certificates will be increased by the same amount. Thereafter, such class or classes of Mezzanine Certificates will accrue interest on the increased Certificate Principal Balance.

Fannie Mae Guaranty

Fannie Mae, in consideration of the payment of the Guaranty Fee, will guarantee the timely payment of interest due on the Offered Certificates, subject to the limitations described below, any amount by which the aggregate Certificate Principal Balance of the Offered Certificates exceeds the aggregate principal balance of the Group I Mortgage Loans on any Distribution Date and the ultimate payment of principal on the Offered Certificates (the "Fannie Mae Guaranty"). On each applicable Distribution Date, a draw will be made on the Fannie Mae Guaranty equal to the sum of the Guaranteed Interest Distribution Amount, if any, and the Guaranteed Principal Distribution Amount, if any. The Fannie Mae Guaranty will not cover: (i) Prepayment Interest Shortfalls not covered by Compensating Interest; (ii) shortfalls resulting from the application of the Relief Act or similar state laws; (iii) Net WAC Rate Carryover Amounts, unless actually distributed to the Offered Certificates without giving effect to the Fannie Mae Guaranty and (iv) any failure of the Swap Provider to make required payments under the Interest Rate Swap Agreement or any shortfalls resulting from required payments by the Trust to the Swap Provider pursuant to the Interest Rate Swap Agreement, including any Swap Termination Payments.

On each Distribution Date, Fannie Mae will be entitled to receive the Guaranty Fee payable primarily from interest collections on the Group I Mortgage Loans with respect to such Distribution Date. In addition to the Guaranty Fee, Fannie Mae will be entitled to the Guarantor Reimbursement Amount relating to all Guaranteed Interest Distribution Amounts and Guaranteed Principal Distribution Amounts paid by it. The Guaranty Fee will be paid from the Group I Interest Remittance Amount prior to any other distributions from the Group I Interest Remittance Amount.

The “Guaranty Fee,” for any Distribution Date and the Offered Certificates, is the aggregate fee payable to Fannie Mae in respect of its services as guarantor that accrues at the applicable Guaranty Fee Rate for the Offered Certificates on a balance equal to the aggregate Certificate Principal Balance of the Offered Certificates immediately prior to such Distribution Date.

The “Guaranty Fee Rate” is a rate per annum for each class of Group I Certificates as specified in a side letter of Fannie Mae addressed to the Trustee and the Seller.

The “Guaranteed Interest Distribution Amount” for any Distribution Date and the Offered Certificates is the amount, if any, after giving effect to the distributions of the Group I Interest Remittance Amount and the Group II Interest Remittance Amount on such Distribution Date, by which the (i) the Senior Interest Distribution Amount distributable on the Offered Certificates for such Distribution Date exceeds (ii) the amount of interest actually distributed to the holders of the Offered Certificates on such Distribution Date.

The “Guaranteed Principal Distribution Amount” with respect to (a) any Distribution Date (other than the Distribution Date in September 2035) is the amount, if any, by which (i) the Certificate Principal Balance of the Offered Certificates (after giving effect to all amounts distributable and allocable to principal on the Offered Certificates but prior to giving effect to any Guarantor Payment on such Distribution Date) exceeds (ii) the aggregate principal balance of the Group I Mortgage Loans (after giving effect to the principal portion of monthly payments due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period) and (b) the Distribution Date in September 2035 is the Certificate Principal Balance of the Guaranteed Certificates (after giving effect to all amounts distributable and allocable to principal on the Guaranteed Certificates, but prior to giving effect to any Guarantor Payment on such Distribution Date).

The “Guarantor Interest Reimbursement Amount” with respect to any Distribution Date is (i) the sum of any accrued but unpaid Guaranty Fees, including the Guaranty Fee due on such Distribution Date, and (ii) the sum of all amounts paid by Fannie Mae in respect of Guaranteed Interest Distribution Amounts on all prior Distribution Dates to the extent not previously reimbursed.

A “Guarantor Payment” is any payment made by Fannie Mae in respect of a Guaranteed Interest Distribution Amount or a Guaranteed Principal Distribution Amount.

The “Guarantor Principal Reimbursement Amount” with respect to any Distribution Date is the sum of all amounts paid by Fannie Mae in respect of Guaranteed Principal Distribution Amounts on all prior Distribution Dates to the extent not previously reimbursed.

The “Guarantor Reimbursement Amount” with respect to any Distribution Date is the sum of the Guarantor Interest Reimbursement Amount and the Guarantor Principal Reimbursement Amount.

The Non-Offered Certificates will not be guaranteed by Fannie Mae.

Definitions

An “Allocated Realized Loss Amount” with respect to any class of the Mezzanine Certificates and any Distribution Date will be an amount equal to (x) the sum of any Realized Loss allocated to that class of Certificates on the Distribution Date as described above in “—Allocation of Losses; Subordination” and any Allocated Realized Loss Amount for that class remaining undistributed from the previous Distribution Date minus (y) the amount of the increase in the related Certificate Principal Balance due to the receipt of Subsequent Recoveries.

The “Available Funds” for any Distribution Date will be equal to the sum, net of amounts reimbursable or payable therefrom to the Master Servicer, the Trustee or the Swap Provider (including any Net Swap Payment owed to the Swap Provider and any Swap Termination Payment owed to the Swap Provider), of (i) the aggregate amount of scheduled monthly payments on the Mortgage Loans due on the related Due Date and received on or prior to the related Determination Date, after deduction of the Servicing Fee and the Trustee Fee for such Distribution Date, (ii) unscheduled payments in respect of the Mortgage Loans, including prepayments, insurance proceeds, liquidation proceeds, Subsequent Recoveries and proceeds from repurchases or purchases of and substitutions for the Mortgage Loans occurring during the related Prepayment Period, (iii) proceeds from the purchase of the Mortgage Loans due to the optional termination of the Trust, (iv) all Advances with respect to the Mortgage Loans received for such Distribution Date and (v) any Compensating Interest paid by the Master Servicer. The holders of the Class P Certificates will be entitled to all prepayment charges received on the Mortgage Loans and such amounts will not be available for distribution to the Class A and Mezzanine Certificates.

A "Bankruptcy Loss" is a Deficient Valuation or a Debt Service Reduction.

The "Certificate Principal Balance" of the Class A, Mezzanine and Class P Certificates as of any date of determination will be equal to the initial Certificate Principal Balance thereof reduced by the aggregate of (a) all amounts allocable to principal previously distributed with respect to such Certificate and (b) with respect to any Mezzanine Certificate, any reductions in the Certificate Principal Balance thereof deemed to have occurred in connection with allocations of Realized Losses in the manner described herein (taking into account any increases in the Certificate Principal Balance thereof due to the receipt of Subsequent Recoveries). The "Certificate Principal Balance" of the Class CE Certificates as of any date of determination will be equal to the excess, if any, of (a) the then aggregate principal balance of the Mortgage Loans over (b) the then aggregate Certificate Principal Balance of the Class A, Mezzanine and Class P Certificates.

The "Class A Principal Distribution Amount" will be an amount equal to the sum of (i) the Senior Group I Principal Distribution Amount and (ii) the Senior Group II Principal Distribution Amount.

The "Class M-1 Principal Distribution Amount" for any Distribution Date will be an amount, not less than zero, equal to the lesser of (I) the Certificate Principal Balance of the Class M-1 Certificates immediately prior to such Distribution Date and (II) the excess of (x) the sum of (i) the aggregate Certificate Principal Balance of the Class A Certificates (after taking into account the distribution of the Class A Principal Distribution Amount on such Distribution Date) and (ii) the Certificate Principal Balance of the Class M-1 Certificates immediately prior to such Distribution Date over (y) the lesser of (A) the product of (i) approximately 71.50% and (ii) the aggregate principal balance of the Mortgage Loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period) and (B) the aggregate principal balance of the Mortgage Loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period) minus approximately $7,500,001.

The "Class M-2 Principal Distribution Amount" for any Distribution Date will be an amount, not less than zero, equal to the lesser of (I) the Certificate Principal Balance of the Class M-2 Certificates immediately prior to such Distribution Date and (II) the excess of (x) the sum of (i) the aggregate Certificate Principal Balance of the Class A Certificates (after taking into account the distribution of the Class A Principal Distribution Amount on such Distribution Date), (ii) the Certificate Principal Balance of the Class M-1 Certificates (after taking into account the distribution of the Class M-1 Principal Distribution Amount on such date) and (iii) the Certificate Principal Balance of the Class M-2 Certificates immediately prior to such Distribution Date over (y) the lesser of (A) the product of (i) approximately 77.30% and (ii) the aggregate principal balance of the Mortgage Loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period) and (B) the aggregate principal balance of the Mortgage Loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period) minus approximately $7,500,001.

The "Class M-3 Principal Distribution Amount" for any Distribution Date will be an amount, not less than zero, equal to the lesser of (I) the Certificate Principal Balance of the Class M-3 Certificates immediately prior to such Distribution Date and (II) the excess of (x) the sum of (i) the aggregate Certificate Principal Balance of the Class A Certificates (after taking into account the distribution of the Class A Principal Distribution Amount on such

Distribution Date), (ii) the Certificate Principal Balance of the Class M-1 Certificates (after taking into account the distribution of the Class M-1 Principal Distribution Amount on such date), (iii) the Certificate Principal Balance of the Class M-2 Certificates (after taking into account the distribution of the Class M-2 Principal Distribution Amount on such date) and (iv) the Certificate Principal Balance of the Class M-3 Certificates immediately prior to such Distribution Date over (y) the lesser of (A) the product of (i) approximately 81.40% and (ii) the aggregate principal balance of the Mortgage Loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period) and (B) the aggregate principal balance of the Mortgage Loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period) minus approximately $7,500,001.

The "Class M-4 Principal Distribution Amount" for any Distribution Date will be an amount, not less than zero, equal to the lesser of (I) the Certificate Principal Balance of the Class M-4 Certificates immediately prior to such Distribution Date and (II) the excess of (x) the sum of (i) the aggregate Certificate Principal Balance of the Class A Certificates (after taking into account the distribution of the Class A Principal Distribution Amount on such Distribution Date), (ii) the Certificate Principal Balance of the Class M-1 Certificates (after taking into account the distribution of the Class M-1 Principal Distribution Amount on such date), (iii) the Certificate Principal Balance of the Class M-2 Certificates (after taking into account the distribution of the Class M-2 Principal Distribution Amount on such date), (iv) the Certificate Principal Balance of the Class M-3 Certificates (after taking into account the distribution of the Class M-3 Principal Distribution Amount on such date) and (v) the Certificate Principal Balance of the Class M-4 Certificates immediately prior to such Distribution Date over (y) the lesser of (A) the product of (i) approximately 84.50% and (ii) the aggregate principal balance of the Mortgage Loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period) and (B) the aggregate principal balance of the Mortgage Loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period) minus approximately $7,500,001.

The "Class M-5 Principal Distribution Amount" for any Distribution Date will be an amount, not less than zero, equal to the lesser of (I) the Certificate Principal Balance of the Class M-5 Certificates immediately prior to such Distribution Date and (II) the excess of (x) the sum of (i) the aggregate Certificate Principal Balance of the Class A Certificates (after taking into account the distribution of the Class A Principal Distribution Amount on such Distribution Date), (ii) the Certificate Principal Balance of the Class M-1 Certificates (after taking into account the distribution of the Class M-1 Principal Distribution Amount on such date), (iii) the Certificate Principal Balance of the Class M-2 Certificates (after taking into account the distribution of the Class M-2 Principal Distribution Amount on such date), (iv) the Certificate Principal Balance of the Class M-3 Certificates (after taking into account the distribution of the Class M-3 Principal Distribution Amount on such date), (v) the Certificate Principal Balance of the Class M-4 Certificates (after taking into account the distribution of the Class M-4 Principal Distribution Amount on such date) and (vi) the Certificate Principal Balance of the Class M-5 Certificates immediately prior to such Distribution Date over (y) the lesser of (A) the product of (i) approximately 87.60% and (ii) the aggregate principal balance of the Mortgage Loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period) and (B) the aggregate principal balance of the Mortgage Loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period) minus approximately $7,500,001.

The "Class M-6 Principal Distribution Amount" for any Distribution Date will be an amount, not less than zero, equal to the lesser of (I) the Certificate Principal Balance of the Class M-6 Certificates immediately prior to such Distribution Date and (II) the excess of (x) the sum of (i) the aggregate Certificate Principal Balance of the Class A Certificates (after taking into account the distribution of the Class A Principal Distribution Amount on such Distribution Date), (ii) the Certificate Principal Balance of the Class M-1 Certificates (after taking into account the distribution of the Class M-1 Principal Distribution Amount on such date), (iii) the Certificate Principal Balance of the Class M-2 Certificates (after taking into account the distribution of the Class M-2 Principal Distribution Amount on such date), (iv) the Certificate Principal Balance of the Class M-3 Certificates (after taking into account the distribution of the Class M-3 Principal Distribution Amount on such date), (v) the Certificate Principal Balance of the Class M-4 Certificates (after taking into account the distribution of the Class M-4 Principal Distribution Amount on such date), (vi) the Certificate Principal Balance of the Class M-5 Certificates (after taking into account the distribution of the Class M-5 Principal Distribution Amount on such date) and (vii) the Certificate Principal Balance of the Class M-6 Certificates immediately prior to such Distribution Date over (y) the lesser of (A) the product of (i) approximately 89.80% and (ii) the aggregate principal balance of the Mortgage Loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period) and (B) the aggregate principal balance of the Mortgage Loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period) minus approximately $7,500,001.

The "Class M-7 Principal Distribution Amount" for any Distribution Date will be an amount, not less than zero, equal to the lesser of (I) the Certificate Principal Balance of the Class M-7 Certificates immediately prior to such Distribution Date and (II) the excess of (x) the sum of (i) the aggregate Certificate Principal Balance of the Class A Certificates (after taking into account the distribution of the Class A Principal Distribution Amount on such Distribution Date), (ii) the Certificate Principal Balance of the Class M-1 Certificates (after taking into account the distribution of the Class M-1 Principal Distribution Amount on such date), (iii) the Certificate Principal Balance of the Class M-2 Certificates (after taking into account the distribution of the Class M-2 Principal Distribution Amount on such date), (iv) the Certificate Principal Balance of the Class M-3 Certificates (after taking into account the distribution of the Class M-3 Principal Distribution Amount on such date), (v) the Certificate Principal Balance of the Class M-4 Certificates (after taking into account the distribution of the Class M-4 Principal Distribution Amount on such date), (vi) the Certificate Principal Balance of the Class M-5 Certificates (after taking into account the distribution of the Class M-5 Principal Distribution Amount on such date), (vii) the Certificate Principal Balance of the Class M-6 Certificates (after taking into account the distribution of the Class M-6 Principal Distribution Amount on such date) and (viii) the Certificate Principal Balance of the Class M-7 Certificates immediately prior to such Distribution Date over (y) the lesser of (A) the product of (i) approximately 91.60% and (ii) the aggregate principal balance of the Mortgage Loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period) and (B) the aggregate principal balance of the Mortgage Loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period) minus approximately $7,500,001.

The "Class M-8 Principal Distribution Amount" for any Distribution Date will be an amount, not less than zero, equal to the lesser of (I) the Certificate Principal Balance of the Class M-8 Certificates immediately prior to such Distribution Date and (II) the excess of (x) the sum of (i) the aggregate Certificate Principal Balance of the Class A Certificates (after taking into account the distribution of the Class A Principal Distribution Amount on such Distribution Date), (ii) the Certificate Principal Balance of the Class M-1 Certificates (after taking into account the distribution of the Class M-1 Principal Distribution Amount on such date), (iii) the Certificate Principal Balance of the Class M-2 Certificates (after taking into account the distribution of the Class M-2 Principal Distribution Amount on such date), (iv) the Certificate Principal Balance of the Class M-3 Certificates (after taking into account the distribution of the Class M-3 Principal Distribution Amount on such date), (v) the Certificate Principal Balance of the Class M-4 Certificates (after taking into account the distribution of the Class M-4 Principal Distribution Amount on such date), (vi) the Certificate Principal Balance of the Class M-5 Certificates (after taking into account the distribution of the Class M-5 Principal Distribution Amount on such date), (vii) the Certificate Principal Balance of the Class M-6 Certificates (after taking into account the distribution of the Class M-6 Principal Distribution Amount on such date), (viii) the Certificate Principal Balance of the Class M-7 Certificates (after taking into account the distribution of the Class M-7 Principal Distribution Amount on such date) and (ix) the Certificate Principal Balance of the Class M-8 Certificates immediately prior to such Distribution Date over (y) the lesser of (A) the product of (i) approximately 93.50% and (ii) the aggregate principal balance of the Mortgage Loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period) and (B) the aggregate principal balance of the Mortgage Loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period) minus approximately $7,500,001.

The "Class M-9 Principal Distribution Amount" for any Distribution Date will be an amount, not less than zero, equal to the lesser of (I) the Certificate Principal Balance of the Class M-9 Certificates immediately prior to such Distribution Date and (II) the excess of (x) the sum of (i) the aggregate Certificate Principal Balance of the Class A Certificates (after taking into account the distribution of the Class A Principal Distribution Amount on such Distribution Date), (ii) the Certificate Principal Balance of the Class M-1 Certificates (after taking into account the distribution of the Class M-1 Principal Distribution Amount on such date), (iii) the Certificate Principal Balance of the Class M-2 Certificates (after taking into account the distribution of the Class M-2 Principal Distribution Amount on such date), (iv) the Certificate Principal Balance of the Class M-3 Certificates (after taking into account the distribution of the Class M-3 Principal Distribution Amount on such date), (v) the Certificate Principal Balance of the Class M-4 Certificates (after taking into account the distribution of the Class M-4 Principal Distribution Amount on such date), (vi) the Certificate Principal Balance of the Class M-5 Certificates (after taking into account the distribution of the Class M-5 Principal Distribution Amount on such date), (vii) the Certificate Principal Balance of the Class M-6 Certificates (after taking into account the distribution of the Class M-6 Principal Distribution Amount on such date), (viii) the Certificate Principal Balance of the Class M-7 Certificates (after taking into account the distribution of the Class M-7 Principal Distribution Amount on such date), (ix) the Certificate Principal Balance of the Class M-8 Certificates (after taking into account the distribution of the Class M-8 Principal Distribution Amount on such date) and (x) the Certificate Principal Balance of the Class M-9 Certificates immediately prior to such Distribution Date over (y) the lesser of (A) the product of (i) approximately 95.30% and (ii) the aggregate principal balance of the Mortgage Loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period) and (B) the aggregate principal balance of the Mortgage Loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period) minus approximately $7,500,001.

The "Class M-10 Principal Distribution Amount" for any Distribution Date will be an amount, not less than zero, equal to the lesser of (I) the Certificate Principal Balance of the Class M-10 Certificates immediately prior to such Distribution Date and (II) the excess of (x) the sum of (i) the aggregate Certificate Principal Balance of the Class A Certificates (after taking into account the distribution of the Class A Principal Distribution Amount on such Distribution Date), (ii) the Certificate Principal Balance of the Class M-1 Certificates (after taking into account the distribution of the Class M-1 Principal Distribution Amount on such date), (iii) the Certificate Principal Balance of the Class M-2 Certificates (after taking into account the distribution of the Class M-2 Principal Distribution Amount on such date), (iv) the Certificate Principal Balance of the Class M-3 Certificates (after taking into account the distribution of the Class M-3 Principal Distribution Amount on such date), (v) the Certificate Principal Balance of the Class M-4 Certificates (after taking into account the distribution of the Class M-4 Principal Distribution Amount on such date), (vi) the Certificate Principal Balance of the Class M-5 Certificates (after taking into account the distribution of the Class M-5 Principal Distribution Amount on such date), (vii) the Certificate Principal Balance of the Class M-6 Certificates (after taking into account the distribution of the Class M-6 Principal Distribution Amount on such date), (viii) the Certificate Principal Balance of the Class M-7 Certificates (after taking into account the distribution of the Class M-7 Principal Distribution Amount on such date), (ix) the Certificate Principal Balance of the Class M-8 Certificates (after taking into account the distribution of the Class M-8 Principal Distribution Amount on such date), (x) the Certificate Principal Balance of the Class M-9 Certificates (after taking into account the distribution of the Class M-9 Principal Distribution Amount on such date) and (xi) the Certificate Principal Balance of the Class M-10 Certificates immediately prior to such Distribution Date over (y) the lesser of (A) the product of (i) approximately 96.80% and (ii) the aggregate principal balance of the Mortgage Loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period) and (B) the aggregate principal balance of the Mortgage Loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period) minus approximately $7,500,001.

The “Class M-11 Principal Distribution Amount” for any Distribution Date will be an amount, not less than zero, equal to the lesser of (I) the Certificate Principal Balance of the Class M-11 Certificates immediately prior to such Distribution Date and (II) the excess of (x) the sum of (i) the aggregate Certificate Principal Balance of the Class A Certificates (after taking into account the distribution of the Class A Principal Distribution Amount on such Distribution Date), (ii) the Certificate Principal Balance of the Class M-1 Certificates (after taking into account the distribution of the Class M-1 Principal Distribution Amount on such date), (iii) the Certificate Principal Balance of the Class M-2 Certificates (after taking into account the distribution of the Class M-2 Principal Distribution Amount on such date), (iv) the Certificate Principal Balance of the Class M-3 Certificates (after taking into account the distribution of the Class M-3 Principal Distribution Amount on such date), (v) the Certificate Principal Balance of the Class M-4 Certificates (after taking into account the distribution of the Class M-4 Principal Distribution Amount on such date), (vi) the Certificate Principal Balance of the Class M-5 Certificates (after taking into account the distribution of the Class M-5 Principal Distribution Amount on such date), (vii) the Certificate Principal Balance of the Class M-6 Certificates (after taking into account the distribution of the Class M-6 Principal Distribution Amount on such date), (viii) the Certificate Principal Balance of the Class M-7 Certificates (after taking into account the distribution of the Class M-7 Principal Distribution Amount on such date), (ix) the Certificate Principal Balance of the Class M-8 Certificates (after taking into account the distribution of the Class M-8 Principal Distribution Amount on such date), (x) the Certificate Principal Balance of the Class M-9 Certificates (after taking into account the distribution of the Class M-9 Principal Distribution Amount on such date), (xi) the Certificate Principal Balance of the Class M-10 Certificates (after taking into account the distribution of the Class M-10 Principal Distribution Amount on such date) and (xii) the Certificate Principal Balance of the Class M-11 Certificates immediately prior to such Distribution Date over (y) the lesser of (A) the product of (i) approximately 97.90% and (ii) the aggregate principal balance of the Mortgage Loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period) and (B) the aggregate principal balance of the Mortgage Loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period) minus approximately $7,500,001.

The “Class M-12 Principal Distribution Amount” for any Distribution Date will be an amount, not less than zero, equal to the lesser of (I) the Certificate Principal Balance of the Class M-12 Certificates immediately prior to such Distribution Date and (II) the excess of (x) the sum of (i) the aggregate Certificate Principal Balance of the Class A Certificates (after taking into account the distribution of the Class A Principal Distribution Amount on such Distribution Date), (ii) the Certificate Principal Balance of the Class M-1 Certificates (after taking into account the distribution of the Class M-1 Principal Distribution Amount on such date), (iii) the Certificate Principal Balance of the Class M-2 Certificates (after taking into account the distribution of the Class M-2 Principal Distribution Amount on such date), (iv) the Certificate Principal Balance of the Class M-3 Certificates (after taking into account the distribution of the Class M-3 Principal Distribution Amount on such date), (v) the Certificate Principal Balance of the Class M-4 Certificates (after taking into account the distribution of the Class M-4 Principal Distribution Amount on such date), (vi) the Certificate Principal Balance of the Class M-5 Certificates (after taking into account the distribution of the Class M-5 Principal Distribution Amount on such date), (vii) the Certificate Principal Balance of the Class M-6 Certificates (after taking into account the distribution of the Class M-6 Principal Distribution Amount on such date), (viii) the Certificate Principal Balance of the Class M-7 Certificates (after taking into account the distribution of the Class M-7 Principal Distribution Amount on such date), (ix) the Certificate Principal Balance of the Class M-8 Certificates (after taking into account the distribution of the Class M-8 Principal Distribution Amount on such date), (x) the Certificate Principal Balance of the Class M-9 Certificates (after taking into account the distribution of the Class M-9 Principal Distribution Amount on such date), (xi) the Certificate Principal Balance of the Class M-10 Certificates (after taking into account the distribution of the Class M-10 Principal Distribution Amount on such date), (xi) the Certificate Principal Balance of the Class M-11 Certificates (after taking into account the distribution of the Class M-11 Principal Distribution Amount on such date) and (xii) the Certificate Principal Balance of the Class M-12 Certificates immediately prior to such Distribution Date over (y) the lesser of (A) the product of (i) approximately 98.60% and (ii) the aggregate principal balance of the Mortgage Loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period) and (B) the aggregate principal balance of the Mortgage Loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period) minus approximately $7,500,001.

The "Credit Enhancement Percentage" for any Distribution Date and for any class of Certificates will be the percentage obtained by dividing (x) the aggregate Certificate Principal Balance of the classes of Certificates with a lower distribution priority than such class, in each case calculated after distribution of the Group I Principal Distribution Amount and the Group II Principal Distribution Amount to the holders of the Certificates then entitled to distributions of principal on such Distribution Date by (y) the aggregate principal balance of the Mortgage Loans, calculated after taking into account distributions of principal on the Mortgage Loans during the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced and unscheduled collections of principal received during the related Prepayment Period).

A "Debt Service Reduction" is any reduction in the amount which a mortgagor is obligated to pay on a monthly basis with respect to a Mortgage Loan as a result of any proceeding initiated under the United States Bankruptcy Code, other than a reduction attributable to a Deficient Valuation.

A "Deficient Valuation" with respect to any Mortgage Loan is a valuation by a court of competent jurisdiction of the mortgaged property in an amount less than the then outstanding indebtedness under the Mortgage Loan, which valuation results from a proceeding initiated under the United States Bankruptcy Code.

The "Delinquency Percentage" with respect to any Distribution Date is the percentage obtained by dividing (x) the principal amount of Mortgage Loans delinquent 60 days or more (including Mortgage Loans in foreclosure, Mortgage Loans with respect to which the related Mortgaged Properties have been acquired by the Trust and Mortgage Loans discharged due to bankruptcy) by (y) the aggregate principal balance of the Mortgage Loans, in each case, as of the last day of the previous calendar month.

The "Determination Date" with respect to any Distribution Date will be the 10^{th} day of the calendar month in which such Distribution Date occurs or, if such 10^{th} day is not a business day, the business day immediately preceding such 10^{th} day.

The "Due Period" with respect to any Distribution Date commences on the second day of the month immediately preceding the month in which such Distribution Date occurs and ends on the first day of the month in which such Distribution Date occurs.

The "Group I Allocation Percentage" for any Distribution Date will be the percentage equivalent of a fraction, the numerator of which will be (x) the Group I Principal Remittance Amount for such Distribution Date and the denominator of which will be (y) the Principal Remittance Amount for such Distribution Date.

The "Group I Interest Remittance Amount" for any Distribution Date will be that portion of the Available Funds for such Distribution Date that represents interest received or advanced on the Group I Mortgage Loans.

The "Group I Principal Distribution Amount" for any Distribution Date will be the sum of (i) the principal portion of all scheduled monthly payments on the Group I Mortgage Loans due during the related Due Period, to the extent received on or prior to the related Determination Date or advanced prior to such Distribution Date; (ii) the principal portion of all proceeds received in respect of the repurchase of a Group I Mortgage Loan (or, in the case of a substitution, certain amounts representing a principal adjustment) as required by the Pooling and Servicing Agreement during the related Prepayment Period; (iii) the principal portion of all other unscheduled collections, including insurance proceeds, liquidation proceeds, Subsequent Recoveries and all full and partial principal prepayments, received during the related Prepayment Period, to the extent applied as recoveries of principal on the Group I Mortgage Loans and (iv) the Group I Allocation Percentage of the amount of any Overcollateralization Increase Amount for such Distribution Date; *minus* (v) the Group I Allocation Percentage of the amount of any Overcollateralization Reduction Amount for such Distribution Date. In no event will the Group I Principal Distribution Amount with respect to any Distribution Date be (x) less than zero or (y) greater than the then outstanding aggregate Certificate Principal Balance of the Class A and Mezzanine Certificates.

The “Group I Principal Remittance Amount” for any Distribution Date will be the sum of the amounts described in clauses (i) through (iii) of the definition of Group I Principal Distribution Amount.

The “Group II Allocation Percentage” for any Distribution Date will be the percentage equivalent of a fraction, the numerator of which will be (x) the Group II Principal Remittance Amount for such Distribution Date and the denominator of which will be (y) the Principal Remittance Amount for such Distribution Date.

The “Group II Interest Remittance Amount” for any Distribution Date will be that portion of the Available Funds for such Distribution Date that represents interest received or advanced on the Group II Mortgage Loans.

The “Group II Principal Distribution Amount” for any Distribution Date will be the sum of (i) the principal portion of all scheduled monthly payments on the Group II Mortgage Loans due during the related Due Period, to the extent received on or prior to the related Determination Date or advanced prior to such Distribution Date; (ii) the principal portion of all proceeds received in respect of the repurchase of a Group II Mortgage Loan (or, in the case of a substitution, certain amounts representing a principal adjustment) as required by the Pooling and Servicing Agreement during the related Prepayment Period; (iii) the principal portion of all other unscheduled collections, including insurance proceeds, liquidation proceeds, Subsequent Recoveries and all full and partial principal prepayments, received during the related Prepayment Period, to the extent applied as recoveries of principal on the Group II Mortgage Loans and (iv) the Group II Allocation Percentage of the amount of any Overcollateralization Increase Amount for such Distribution Date; *minus* (v) the Group II Allocation Percentage of the amount of any Overcollateralization Reduction Amount for such Distribution Date. In no event will the Group II Principal Distribution Amount with respect to any Distribution Date be (x) less than zero or (y) greater than the then outstanding aggregate Certificate Principal Balance of the Class A and Mezzanine Certificates.

The “Group II Principal Remittance Amount” for any Distribution Date will be the sum of the amounts described in clauses (i) through (iii) of the definition of Group II Principal Distribution Amount.

The “Interest Accrual Period” for any Distribution Date and the Class A and Mezzanine Certificates will be the period commencing on the Distribution Date in the month immediately preceding the month in which such Distribution Date occurs (or, in the case of the first period, commencing on the Closing Date) and ending on the day preceding such Distribution Date, and all distributions of interest on the Class A and Mezzanine Certificates will be based on a 360-day year and the actual number of days in the applicable Interest Accrual Period.

The “Interest Carry Forward Amount” with respect to any class of Class A and Mezzanine Certificates and any Distribution Date will be equal to the amount, if any, by which the Interest Distribution Amount for such class of Certificates for the immediately preceding Distribution Date exceeded the actual amount distributed on such Certificates in respect of interest on such immediately preceding Distribution Date, together with any Interest Carry Forward Amount with respect to such Certificates remaining undistributed from the previous Distribution Date plus interest accrued thereon at the related Pass-Through Rate on such Certificates for the most recently ended Interest Accrual Period. The Interest Carry Forward Amount with respect to the Class A Certificates, if any, will be distributed as part of the Senior Interest Distribution Amount on each Distribution Date. The Interest Carry Forward Amount with respect to the Mezzanine Certificates, to the extent not distributed from Net Monthly Excess Cashflow on such Distribution Date or the Interest Rate Swap Agreement on such Distribution Date, will be carried forward to succeeding Distribution Dates and, subject to available funds, will be distributed in the manner set forth in “—Overcollateralization Provisions” herein.

The “Interest Distribution Amount” for the Class A and Mezzanine Certificates of any class on any Distribution Date will be equal to interest accrued during the related Interest Accrual Period on the Certificate Principal Balance of that class immediately prior to such Distribution Date at the then applicable Pass-Through Rate for such class and reduced (to not less than zero), in the case of each such class, by the allocable share, if any, for such class of Prepayment Interest Shortfalls not covered by Compensating Interest and shortfalls resulting from the application of the Relief Act, in each case to the extent not allocated to interest accrued on the Class CE Certificates.

The “Net Monthly Excess Cashflow” for any Distribution Date will be equal to the sum of (a) any Overcollateralization Reduction Amount and (b) the excess of (x) the Available Funds for such Distribution Date over (y) the sum for such Distribution Date of (i) the Senior Interest Distribution Amount distributable to the Class A Certificates, (ii) the Interest Distribution Amounts distributable to the holders of the Mezzanine Certificates, (iii) any amount paid to Fannie Mae from the Group I Interest Remittance Amount or the Group II Interest Remittance Amount and (iv) the Principal Remittance Amount.

The "Net WAC Rate Carryover Amount" for any Distribution Date and for any class of Class A and Mezzanine Certificates is an amount equal to the sum of (i) the excess, if any, of (x) the amount of interest such class of Certificates would have accrued for such Distribution Date had the applicable Pass-Through Rate been the related Formula Rate, over (y) the amount of interest such class of Certificates accrued for such Distribution Date at the related Net WAC Pass-Through Rate and (ii) the undistributed portion of any related Net WAC Rate Carryover Amount from the prior Distribution Date together with interest accrued on such undistributed portion for the most recently ended Interest Accrual Period at the related Formula Rate.

The "Overcollateralization Increase Amount" with respect to any Distribution Date equals the lesser of (i) the amount, if any, by which the Overcollateralization Target Amount exceeds the Overcollateralized Amount on such Distribution Date (calculated for this purpose only after assuming that 100% of the Principal Remittance Amount on such Distribution Date has been distributed) and (ii) the Net Monthly Excess Cashflow for such Distribution Date.

The "Overcollateralization Reduction Amount" with respect to any Distribution Date will be the lesser of (A) the Principal Remittance Amount on such Distribution Date or (B) the excess, if any, of (i) the Overcollateralized Amount for such Distribution Date (calculated for this purpose only after assuming that 100% of the Principal Remittance Amount on such Distribution Date has been distributed) over (ii) the Overcollateralization Target Amount for such Distribution Date.

The "Overcollateralization Target Amount" means, with respect to any Distribution Date, (i) prior to the Stepdown Date, an amount equal to approximately 0.70% of the aggregate principal balance of the Mortgage Loans as of the Cut-off Date, (ii) on or after the Stepdown Date, provided a Trigger Event is not in effect, the greater of (x) approximately 1.40% of the then current aggregate outstanding principal balance of the Mortgage Loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period) and (y) approximately $7,500,001 or (iii) on or after the Stepdown Date and if a Trigger Event is in effect, the Overcollateralization Target Amount for the immediately preceding Distribution Date.

The "Overcollateralized Amount" with respect to any Distribution Date will be the excess, if any, of (a) the aggregate principal balance of the Mortgage Loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period) over (b) the sum of the aggregate Certificate Principal Balance of the Class A, Mezzanine and Class P Certificates, after giving effect to distributions to be made on such Distribution Date.

The "Prepayment Period" with respect to any Distribution Date will be the period commencing on the day after the Determination Date in the month preceding the month in which such Distribution Date falls (or, in the case of the first Distribution Date, commencing on August 1, 2005) and ending on the Determination Date in the calendar month in which such Distribution Date occurs.

The "Principal Remittance Amount" for any Distribution Date will be the sum of (i) the Group I Principal Remittance Amount and (ii) the Group II Principal Remittance Amount.

A "Realized Loss" is (a) the amount of any Bankruptcy Loss or (b) with respect to any defaulted Mortgage Loan that is liquidated through foreclosure sale, disposition of the related mortgaged property (if acquired on behalf of the certificateholders by foreclosure or deed in lieu of foreclosure) or otherwise, is the amount of loss realized, if any, equal to the portion of the unpaid principal balance remaining, if any, plus interest thereon through the last day of the month in which such Mortgage Loan was finally liquidated, after application of all amounts recovered (net of amounts reimbursable to the Master Servicer for Advances, servicing advances and other related expenses, including attorney's fees) towards interest and principal owing on the Mortgage Loan.

The "Senior Group I Principal Distribution Amount" for any Distribution Date will be an amount, not less than zero, equal to the excess of (x) the Certificate Principal Balance of the Group I Certificates immediately prior to such Distribution Date over (y) the lesser of (A) the product of (i) approximately 65.10% and (ii) the aggregate principal balance of the Group I Mortgage Loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period) and (B) the aggregate principal balance of the Group I Mortgage Loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period) minus approximately $6,238,264.

The "Senior Group II Principal Distribution Amount" for any Distribution Date will be an amount, not less than zero, equal to the excess of (x) the aggregate Certificate Principal Balance of the Group II Certificates immediately prior to such Distribution Date over (y) the lesser of (A) the product of (i) approximately 65.10% and (ii) the aggregate principal balance of the Group II Mortgage Loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period) and (B) the aggregate principal balance of the Group II Mortgage Loans as of the last day of the related Due Period (after giving effect to scheduled payments of principal due during the related Due Period, to the extent received or advanced, and unscheduled collections of principal received during the related Prepayment Period) minus approximately $1,261,736.

The "Senior Interest Distribution Amount" on any Distribution Date will be equal to the sum of the Interest Distribution Amount for such Distribution Date for the Class A Certificates and the Interest Carry Forward Amount, if any, for that Distribution Date for the Class A Certificates.

The "Stepdown Date" will be the earlier of (i) the first Distribution Date on which the aggregate Certificate Principal Balance of the Class A Certificates has been reduced to zero and (ii) the later to occur of (x) the Distribution Date occurring in September 2008 and (y) the first Distribution Date on which the Credit Enhancement Percentage for the Class A Certificates (calculated for this purpose only after taking into account distributions of principal on the Mortgage Loans, but prior to any distribution of the Group I Principal Distribution Amount and the Group II Principal Distribution Amount to the holders of the Certificates then entitled to distributions of principal on such Distribution Date) is greater than or equal to approximately 34.90%.

A "Trigger Event" is in effect with respect to any Distribution Date on and after the Stepdown Date if:

(a) the Delinquency Percentage exceeds the applicable percentages of the Credit Enhancement Percentage for the prior Distribution Date as set forth below for the most senior class of Class A and Mezzanine Certificates then outstanding:

Class	**Percentage**
Class A Certificates	42.00%
Class M-1 Certificates	51.43%
Class M-2 Certificates	64.57%
Class M-3 Certificates	78.81%
Class M-4 Certificates	94.57%
Class M-5 Certificates	118.21%
Class M-6 Certificates	143.71%
Class M-7 Certificates	174.50%
Class M-8 Certificates	225.51%
Class M-9 Certificates	311.87%
Class M-10 Certificates	458.06%
Class M-11 Certificates	698.00%
Class M-12 Certificates	1,047.00%

or

(b) the aggregate amount of Realized Losses incurred since the Cut-off Date through the last day of the related Due Period (reduced by the aggregate amount of Subsequent Recoveries received since the Cut-off Date through the last day of the related Due Period) divided by the aggregate principal balance of the Mortgage Loans as of the Cut-off Date exceeds the applicable percentages set forth below with respect to such Distribution Date:

Distribution Date Occurring In	**Percentage**
September 2007 through August 2008	2.80% for the first month plus an additional 1/12th of 1.65% for each month thereafter
September 2008 through August 2009	4.45% for the first month plus an additional 1/12th of 1.30% for each month thereafter
September 2009 through August 2010	5.75% for the first month plus an additional 1/12th of 0.75% for each month thereafter
September 2010 through August 2011	6.50% for the first month plus an additional 1/12th of 0.05% for each month thereafter
September 2011 and thereafter	6.55%

Advances

Subject to the following limitations, the Master Servicer will be obligated to advance or cause to be advanced on or before each Distribution Date from its own funds (or from funds in the distribution account that are not included in the Available Funds for such Distribution Date or a combination of both) an amount equal to the aggregate of all payments of principal and interest (net of the Servicing Fee) that were due during the related Due Period on the Mortgage Loans and that were delinquent on the related Determination Date, plus certain amounts representing assumed payments not covered by any current net income on the Mortgaged Properties acquired by foreclosure or deed in lieu of foreclosure (any such advance, an "Advance" and together, the "Advances"). Advances are required to be made only to the extent they are deemed by the Master Servicer to be recoverable from related late collections, insurance proceeds, condemnation proceeds and liquidation proceeds. The purpose of making such Advances is to maintain a regular cash flow to the Certificateholders, rather than to guarantee or insure against losses. The Master Servicer will not be required, however, to make any Advances with respect to reductions in the amount of the monthly payments on the Mortgage Loans due to bankruptcy proceedings or the application of the Relief Act. Subject to the recoverability standard above, the Master Servicer's obligation to make Advances as to any Mortgage Loan will continue until the Mortgage Loan is paid in full or until the recovery of all Liquidation Proceeds thereon.

All Advances will be reimbursable to the Master Servicer from late collections, insurance proceeds, condemnation proceeds and liquidation proceeds from the Mortgage Loan as to which such unreimbursed Advance was made. The Master Servicer may recover at any time from amounts in the collection account the amount of any Advance that the Master Servicer deems nonrecoverable or that remains unreimbursed to the Master Servicer from the related liquidation proceeds after the final liquidation of the related Mortgage Loan. In addition, the Master Servicer may, at any time, withdraw from the collection account funds that were not included in the Available Funds for the preceding Distribution Date to reimburse itself for Advances previously made by the Master Servicer. In the event the Master Servicer fails in its obligation to make any required Advance, the Trustee, in its capacity as successor Master Servicer, will be obligated to make any such Advance, to the extent required in the Pooling and Servicing Agreement.

In the course of performing its servicing obligations, the Master Servicer will pay all reasonable and customary "out-of-pocket" costs and expenses incurred in the performance of its servicing obligations, including, but not limited to, the cost of (i) the preservation, restoration, inspection and protection of the Mortgaged Properties, (ii) any environmental audit, (iii) any enforcement or judicial proceedings, including foreclosures and (iv) the management and liquidation of Mortgaged Properties acquired in satisfaction of the related mortgage. Each such expenditure will constitute a "Servicing Advance."

The Master Servicer's right to reimbursement for Servicing Advances is limited to late collections on the related Mortgage Loan, including liquidation proceeds, released mortgaged property proceeds, insurance proceeds, condemnation proceeds and such other amounts as may be collected by the Master Servicer from the related mortgagor or otherwise relating to the Mortgage Loan in respect of which such unreimbursed amounts are owed.

The Master Servicer may recover at any time from amounts in the collection account the amount of any Servicing Advance that the Master Servicer deems nonrecoverable or that remains unreimbursed to the Master Servicer from the related liquidation proceeds after the final liquidation of the related Mortgage Loan. See "Description of the Certificates—Allocation of Available Funds."

The Pooling and Servicing Agreement provides that the Master Servicer or the Trustee, on behalf of the Trust (in each case, with the consent of Fannie Mae), may enter into a facility with any person which provides that such person (an "Advancing Person") may directly or indirectly fund Advances and/or Servicing Advances, although no such facility will reduce or otherwise affect the Master Servicer's obligation to fund such Advances and/or Servicing Advances. Such facility will not require the consent of the certificateholders. Any Advances and/or Servicing Advances made by an Advancing Person would be reimbursed to the Advancing Person in the same manner as reimbursements would be made to the Master Servicer if such advances were funded by the Master Servicer.

POOLING AND SERVICING AGREEMENT

General

The Certificates will be issued pursuant to the Pooling and Servicing Agreement, a form of which is filed as an exhibit to the Registration Statement. A Current Report on Form 8-K relating to the Certificates containing a copy of the Pooling and Servicing Agreement as executed will be filed by the Depositor with the Securities and Exchange Commission following the initial issuance of the Certificates. The Trust created under the Pooling and Servicing Agreement will consist of (i) all of the Depositor's right, title and interest in the Mortgage Loans, the related Mortgage Notes, Mortgages and other related documents, (ii) all payments on or collections in respect of the Mortgage Loans due after the Cut-off Date, together with any proceeds thereof, (iii) any Mortgaged Properties acquired on behalf of certificateholders by foreclosure or by deed in lieu of foreclosure, and any revenues received thereon, (iv) the rights of the Trustee under all insurance policies, required to be maintained pursuant to the Pooling and Servicing Agreement, (v) the Net WAC Rate Carryover Reserve Account, (vi) the rights of the Depositor under the Mortgage Loan Purchase Agreement, (vii) the right to any Net Swap Payment and any Swap Termination Payment made by the Swap Provider and deposited into the Swap Account and (viii) the Fannie Mae Guaranty.

Fannie Mae will be a party to the Pooling and Servicing Agreement and will have certain rights thereunder, including, among other things, the right to be reimbursed for payments made on the Fannie Mae Guaranty and consent rights in certain circumstances with respect to the Offered Certificates.

The NIMS Insurer, if any, will be a third party beneficiary of the Pooling and Servicing Agreement to the extent set forth in the Pooling and Servicing Agreement. In addition, the NIMS Insurer, if any, will have several rights under the Pooling and Servicing Agreement including, but not limited to, the rights set forth under "Risk Factors—Rights of the NIMS Insurer May Negatively Impact the Offered Certificates" in this information circular.

Reference is made to the prospectus for important information in addition to that set forth herein regarding the Trust, the terms and conditions of the Pooling and Servicing Agreement and the Class A and Mezzanine Certificates. The Depositor will provide to a prospective or actual certificateholder without charge, on written request, a copy (without exhibits) of the Pooling and Servicing Agreement. Requests should be addressed to Ameriquest Mortgage Securities Inc., 1100 Town & Country Road, Suite 1100, Orange, California 92868, Attention: Capital Markets.

Assignment of the Mortgage Loans

The Depositor will deliver to the Trustee (or to a custodian on the Trustee's behalf), with respect to each Mortgage Loan (i) the mortgage note endorsed without recourse in blank to reflect the transfer of the Mortgage Loan, (ii) the original mortgage with evidence of recording indicated thereon and (iii) an assignment of the mortgage in recordable form endorsed in blank without recourse, reflecting the transfer of the Mortgage Loan. The Depositor will not cause to be recorded any assignment of mortgage which relates to a Mortgage Loan in any jurisdiction (except with respect to any Mortgage Loan located in the State of Maryland) unless such failure to record would result in a withdrawal or a downgrading by any Rating Agency of the rating on any class of Certificates; provided, however, upon the occurrence of certain events set forth in the Pooling and Servicing Agreement, each such assignment of mortgage will be recorded, or submitted for recording by the Seller, at the Seller's expense (or, if the Seller is unable to pay the cost of recording the assignments of mortgage, such expense will be paid by the Trustee, which expense will be reimbursed by the Trust) as set forth in the Pooling and Servicing Agreement.

Within 45 days of the Closing Date, the Trustee (or to a custodian on the Trustee's behalf) will review the Mortgage Loans and related documents pursuant to the Pooling and Servicing Agreement and if any Mortgage Loan or related document is found not to conform to the review criteria set forth in the Pooling and Servicing Agreement in any material respect and such defect is not cured within 90 days following notification thereof to the Seller by the Trustee, the Trustee will enforce the Seller's obligations under the Mortgage Loan Purchase Agreement either to (i) substitute for such Mortgage Loan a Qualified Substitute Mortgage Loan; however, such substitution is permitted only within two years of the Closing Date and may not be made unless an opinion of counsel is provided to the effect that such substitution will not disqualify any of the REMICs as a REMIC or result in a prohibited transaction tax under the Code or (ii) purchase such Mortgage Loan at a price (the "Purchase Price") equal to the outstanding Principal Balance of such Mortgage Loan as of the date of purchase, plus all accrued and unpaid interest thereon, computed at the Mortgage Rate through the end of the calendar month in which the purchase is effected, plus the amount of any unreimbursed Advances and Servicing Advances made by the Master Servicer, plus any costs and damages incurred by the Trust in connection with any violation by such loan of any predatory- or abusive-lending law. The Purchase Price will be required to be remitted to the Master Servicer for deposit in the Collection Account on or prior to the next succeeding Determination Date after such obligation arises. The obligation of the Seller to repurchase or substitute for a Deleted Mortgage Loan is the sole remedy regarding any defects in the Mortgage Loans and related documents available to the Trustee or the Certificateholders.

In connection with the substitution of a Qualified Substitute Mortgage Loan, the Seller will be required to remit to the Master Servicer for deposit in the Collection Account on or prior to the next succeeding Determination Date after such obligation arises an amount (the "Substitution Adjustment") equal to the excess of the Principal Balance of the related Deleted Mortgage Loan over the Principal Balance of such Qualified Substitute Mortgage Loan.

A "Qualified Substitute Mortgage Loan" is a mortgage loan substituted by the Seller for a Deleted Mortgage Loan which must, on the date of such substitution, (i) have an outstanding Principal Balance (or in the case of a substitution of more than one Mortgage Loan for a Deleted Mortgage Loan, an aggregate Principal Balance), not in excess of the Principal Balance of the Deleted Mortgage Loan; (ii) have a Mortgage Rate not less than the Mortgage Rate of the Deleted Mortgage Loan and not more than 1% in excess of the Mortgage Rate of such Deleted Mortgage Loan; (iii) in the case of any Adjustable-Rate Mortgage Loan, have a Maximum Mortgage Rate and Minimum Mortgage Rate not less than the respective rate for the Deleted Mortgage Loan, have a Gross Margin equal to or greater than the Deleted Mortgage Loan and have a next Adjustment Date not more than two months later than the next Adjustment Date on the Deleted Mortgage Loan, (iv) have a remaining term to maturity not greater than (and not more than one year less than) that of the Deleted Mortgage Loan; (v) have the same Due Date as the Due Date on the Deleted Mortgage Loan; (vi) have a Loan-to-Value Ratio as of the date of substitution equal to or lower than the Loan-to-Value Ratio of the Deleted Mortgage Loan as of such date; (vii) have a risk grading determined by the Seller at least equal to the risk grading assigned on the Deleted Mortgage Loan, (viii) have been underwritten or reunderwritten by the Seller or an affiliate of the Seller in accordance with the same underwriting criteria and guidelines as the Deleted Mortgage Loan, (ix) have a Prepayment Charge provision at least equal to the Prepayment Charge provision of the Deleted Mortgage Loan, (x) not be more than 59 or more days delinquent or any additional days delinquent than the Deleted Mortgage Loan, (xi) comply with each representation and warranty as to the Mortgage Loans set forth in the Mortgage Loan Purchase Agreement (deemed to be made as of the date of substitution) and (xii) with respect to Qualified Substituted Mortgage Loans substituted for Deleted Mortgage Loans that are Group I Mortgage Loans, have an original Principal Balance that conforms to Fannie Mae loan limits as of the date of its origination and be otherwise acceptable to Fannie Mae.

The Seller will make certain representations and warranties as of the Closing Date as to the accuracy in all material respects of certain information furnished to the Trustee with respect to each Mortgage Loan (e.g., the Principal Balance and the Mortgage Rate). In addition, the Seller will represent and warrant, among other things that at the time of transfer to the Depositor: (i) the Seller has transferred or assigned all of its right, title and interest in each Mortgage Loan and the related documents, free of any lien; (ii) each Mortgage Loan complied, at the time of origination, in all material respects with applicable local, state and/or federal laws and (iii) the Mortgage Loans are not subject to the requirements of the Homeownership Act and no Mortgage Loan is subject to, or in violation of, any applicable state or local law, ordinance or regulation similar to the Homeownership Act. Upon discovery of a breach of any such representation and warranty which materially and adversely affects the interests of the Certificateholders or Fannie Mae in the related Mortgage Loan and related documents, the Seller will have a period of 90 days after the earlier of discovery or receipt of written notice of the breach to effect a cure. If the breach cannot be cured within the 90 day period, the Seller will be obligated to repurchase or replace the affected Mortgage Loan in the manner described in the prospectus, the Pooling and Servicing Agreement and the Mortgage Loan Purchase Agreement. The same procedure and limitations that are set forth above for the substitution or repurchase of Deleted Mortgage Loans as a result of deficient documentation relating thereto will apply to the substitution or repurchase of a Deleted Mortgage Loan as a result of a breach of a representation or warranty in the Mortgage Loan Purchase Agreement that materially and adversely affects the interests of the Certificateholders.

Mortgage Loans required to be transferred to the Seller as described in the preceding paragraph are referred to as “Deleted Mortgage Loans.”

Payments on Mortgage Loans; Deposits to Collection Account and Distribution Account

The Master Servicer will establish and maintain or cause to be maintained one or more separate trust accounts (each, a “Collection Account”) for the benefit of the Certificateholders. Each Collection Account will be an Eligible Account (as defined in the Pooling and Servicing Agreement). Upon receipt by the Master Servicer of amounts in respect of the Mortgage Loans (excluding amounts representing the Servicing Fee or other servicing compensation, reimbursement for Advances and Servicing Advances and insurance proceeds to be applied to the restoration or repair of a Mortgaged Property or similar items), the Master Servicer will deposit such amounts in the Collection Account. Amounts so deposited may be invested in Permitted Investments (as defined in the Pooling and Servicing Agreement) maturing no later than one Business Day prior to the date on which the amount on deposit therein is required to be deposited in the Distribution Account. The Trustee will establish an account (the “Distribution Account”) into which will be deposited amounts withdrawn from the Collection Account for distribution to Certificateholders on a Distribution Date and payment of certain fees and expenses of the Trust. The Distribution Account will be an Eligible Account. Amounts on deposit therein may be invested in Permitted Investments maturing on or before the Business Day prior to the related Distribution Date unless such Permitted Investments are invested in investments managed or advised by the Trustee or an affiliate thereof, in which case such Permitted Investments may mature on the related Distribution Date.

The Seller and Master Servicer

Ameriquest Mortgage Company provided the information set forth in the following paragraphs. None of the Depositor, the Trustee, the Underwriters, Fannie Mae or any of their respective affiliates have made or will make any representation as to the accuracy or completeness of such information.

Ameriquest Mortgage Company (sometimes referred to herein as “Ameriquest,” the “Seller” or the “Master Servicer”), a Delaware corporation, is a specialty finance company engaged in the business of originating, purchasing and selling retail and wholesale sub-prime mortgage loans secured by one- to four-family residences. Ameriquest’s mortgage business was begun in 1979 as a savings and loan association and later as a federal savings bank. In 1994 Ameriquest ceased depository operations to focus entirely on its mortgage banking business. In May 1997, Ameriquest sold its wholesale operations and reorganized its retail lending and servicing operations under the name of “Ameriquest Mortgage Company” (the “Reorganization”). In January of 2000, Ameriquest recommenced wholesale lending as a separate division (a.k.a. Argent Mortgage Company, LLC) while continuing its retail and servicing operations. As of January 1, 2003, the wholesale lending division of Ameriquest reorganized its business as a wholly owned subsidiary of Ameriquest under the name of Argent Mortgage Company, LLC. Argent Mortgage Company, LLC is currently an affiliate of Ameriquest but is no longer a subsidiary of Ameriquest. Effective as of the close of business on December 31, 2004, the loan servicing division of Ameriquest was transferred to an affiliate, AMC Mortgage Services, Inc. (formerly known as Bedford Home Loans, Inc.). Currently, AMC Mortgage Services, Inc. acts as a sub-servicer for Ameriquest and originates retail loans.

Pursuant to the Pooling and Servicing Agreement, Ameriquest will serve as the Master Servicer for the Mortgage Loans. Ameriquest is approved as a seller/servicer for Fannie Mae and Freddie Mac and as a non-supervised mortgagee by the U.S. Department of Housing and Urban Development. As of June 30, 2005, Ameriquest had 300 retail offices (consisting of 74 loan origination centers located in California and 226 loan origination centers located throughout the rest of the United States).

Lending Activities and Loan Sales. Ameriquest Mortgage Company currently originates real estate loans through its network of retail branches. Ameriquest also participates in secondary market activities by originating and selling mortgage loans while continuing to service the majority of the loans sold. In other cases Ameriquest's whole loan sale agreements provide for the transfer of servicing rights.

Ameriquest's primary lending activity is funding loans to enable mortgagors to purchase or refinance residential real property, which loans are secured by first or second liens on the related real property. Ameriquest's single-family real estate loans are predominantly "conventional" mortgage loans, meaning that they are not insured by the Federal Housing Administration or partially guaranteed by the U.S. Department of Veterans Affairs.

Retail Originations. The following table summarizes Ameriquest's retail originated one- to four-family residential mortgage loan origination and whole loan sales and securitization activity for the periods shown below. Origination and sales activity may include mortgage loans originated by Ameriquest's affiliate Town & Country Credit Corporation and AMC Mortgage Services, Inc. (in its former capacity as Bedford Home Loans, Inc.) or purchased by Ameriquest from other loan originators.

Retail Originations

	Year Ended December 31,			Six Months Ending June 30,
	2002	**2003**	**2004**	**2005**
	(Dollars in Thousands)			
Originations	$ 10,107,718	$ 20,554,463	$ 35,438,393	$ 16,641,507
Whole Loan Sales And Securitizations	$ 9,942,525	$ 21,019,463	$ 32,601,896	$ 16,101,222

Loan Servicing. Ameriquest services all of the mortgage loans it or any affiliate originates which are portfolio retained and continues to service a majority of its and its affiliates loans that have been sold to investors. Servicing includes collecting and remitting loan payments, accounting for principal and interest, contacting delinquent mortgagors, and supervising foreclosure in the event of unremedied defaults. Ameriquest's servicing activities are audited periodically by applicable regulatory authorities. Certain financial records of Ameriquest relating to its loan servicing activities are reviewed annually as part of the audit of Ameriquest's financial statements conducted by its independent accountants.

Collection Procedures; Delinquency and Loss Experience. When a mortgagor fails to make a required payment on a residential mortgage loan, Ameriquest attempts to cause the deficiency to be cured by corresponding or making telephone contact with the mortgagor. Pursuant to Ameriquest's customary procedures for residential mortgage loans serviced by it for its own account, Ameriquest generally mails a notice of intent to foreclose to the mortgagor within ten days after the loan has become 31 days past due (two payments due but not received) and upon expiration of the notice of intent to foreclose, generally one month thereafter, if the loan remains delinquent, typically institutes appropriate legal action to foreclose on the property securing the loan. If foreclosed, the property is sold at a public or private sale. Ameriquest, in its capacity as Master Servicer, typically enters a bid based upon an analysis of the property value, estimated marketing and carrying costs and presence of junior liens, which may be equal to or less than the full amount owed. In the event the property is acquired at the foreclosure sale by Ameriquest, as Master Servicer, it is placed on the market for sale through local real estate brokers experienced in the sale of similar properties.

Ameriquest Residential Loan Servicing Portfolio—Retail Originations.

The following table sets forth the delinquency and loss experience at the dates indicated for residential (one- to four-family) retail first lien mortgage loans serviced by Ameriquest that were originated or purchased by Ameriquest's retail division (including loans originated or purchased by Ameriquest prior to the Reorganization) either directly, or through Ameriquest's affiliates, Town & Country Credit Corporation and AMC Mortgage Services, Inc. (in its former capacity as Bedford Home Loans, Inc.):

	At December 31,			At June 30,
	2002	2003	2004	2005
		(Dollars in Thousands)		
Total Outstanding Principal Balance	$ 14,858,277	$ 26,163,721	$ 39,725,751	$ 42,719,513
Number of Loans	127,716	198,902	267,604	278,732
DELINQUENCY				
Period of Delinquency:				
31-60 Days				
Principal Balance	$ 242,400	$ 368,227	$ 598,542	$ 642,381
Number of Loans	2,455	3,348	4,994	5,076
Delinquency as a Percentage of Total Outstanding Principal Balance	1.63%	1.41%	1.51%	1.50%
Delinquency as a Percentage of Number of Loans	1.92%	1.68%	1.87%	1.82%
61-90 Days				
Principal Balance	$ 138,666	$ 183,342	$ 331,491	$ 308,922
Number of Loans	1,382	1,714	2,757	2,442
Delinquency as a Percentage of Total Outstanding Principal Balance	0.93%	0.70%	0.83%	0.72%
Delinquency as a Percentage of Number of Loans	1.08%	0.86%	1.03%	0.88%
91 Days or More				
Principal Balance	$ 661,405	$ 1,013,144	$ 1,464,824	$ 1,439,846
Number of Loans	7,059	9,869	12,919	12,408
Delinquency as a Percentage of Total Outstanding Principal Balance	4.45%	3.87%	3.69%	3.37%
Delinquency as a Percentage of Number of Loans	5.53%	4.96%	4.83%	4.45%
Total Delinquencies:				
Principal Balance	$ 1,042,471	$ 1,564,713	$ 2,392,587	$ 2,391,149
Number of Loans	10,896	14,931	20,670	19,926
Delinquency as a Percentage of Total Outstanding Principal Balance	7.02%	5.98%	6.02%	5.60%
Delinquency as a Percentage of Number of Loans	8.53%	7.51%	7.72%	7.15%
FORECLOSURES PENDING[(1)]				
Principal Balance	$ 486,159	$ 661,027	$ 1,122,392	$ 1,169,926
Number of Loans	5,085	6,474	9,804	9,913
Foreclosures Pending as a Percentage of Total Outstanding Principal Balance	3.27%	2.53%	2.83%	2.74%
Foreclosures Pending as a Percentage of Number of Loans	3.98%	3.25%	3.66%	3.56%
NET LOAN LOSSES for the Period [(2)]	$ 82,293	$ 105,463	$ 151,988	$ $88,114
NET LOAN LOSSES as a Percentage of Total Outstanding Principal Balance	0.72%	0.52%	0.43%	0.43%

(1) Includes mortgage loans which are in foreclosure but as to which title to the mortgaged property has not been acquired, at the end of the period indicated. Foreclosures pending are included in the delinquencies set forth above.

(2) The net loan loss for any such loan is equal to the difference between (a) the principal balance plus accrued interest through the date of liquidation plus all liquidation expenses related to such loan and (b) all amounts received in connection with the liquidation of such loan.

Ameriquest Residential Loan Servicing Portfolio—Wholesale Originations

The following table sets forth the delinquency and loss experience at the dates indicated for residential (one- to four-family) wholesale first lien mortgage loans serviced by Ameriquest that were originated or purchased by Ameriquest, either directly, or through Argent Mortgage Company, LLC and Olympus Mortgage Company:

	At December 31,			At June 30,
	2002	2003	2004	2005
	(Dollars in Thousands)			
Total Outstanding Principal Balance	$ 5,121,238	$ 23,468,319	$ 40,606,293	$ 33,942,585
Number of Loans	29,461	136,667	238,319	198,449
DELINQUENCY				
Period of Delinquency:				
31-60 Days				
Principal Balance	$ 35,854	$ 200,587	$ 513,072	$ 434,462
Number of Loans	205	1,253	3,412	3,003
Delinquency as a Percentage of Total Outstanding Principal Balance	0.70%	0.85%	1.26%	1.28%
Delinquency as a Percentage of Number of Loans	0.70%	0.92%	1.43%	1.51%
61-90 Days				
Principal Balance	$ 22,697	$ 88,940	$ 272,164	$ 232,105
Number of Loans	129	556	1,789	1,558
Delinquency as a Percentage of Total Outstanding Principal Balance	0.44%	0.38%	0.67%	0.68%
Delinquency as a Percentage of Number of Loans	0.44%	0.41%	0.75%	0.79%
91 Days or More				
Principal Balance	$ 40,441	$ 290,745	$ 1,011,432	$ 924,023
Number of Loans	229	1,775	7,032	6,610
Delinquency as a Percentage of Total Outstanding Principal Balance	0.79%	1.24%	2.49%	2.72%
Delinquency as a Percentage of Number of Loans	0.78%	1.30%	2.95%	3.33%
Total Delinquencies:				
Principal Balance	$ 98,992	$ 580,272	$ 1,796,668	$ 1,590,590
Number of Loans	563	3,584	12,233	11,171
Delinquency as a Percentage of Total Outstanding Principal Balance	1.93%	2.47%	4.42%	4.69%
Delinquency as a Percentage of Number of Loans	1.91%	2.62%	5.13%	5.63%
FORECLOSURES PENDING[1]				
Principal Balance	$ 27,577	$ 161,615	$ 788,469	$ 770,698
Number of Loans	150	1,006	5,453	5,514
Foreclosures Pending as a Percentage of Total Outstanding Principal Balance	0.54%	0.69%	1.94%	2.27%
Foreclosures Pending as a Percentage of Number of Loans	0.51%	0.74%	2.29%	2.78%
NET LOAN LOSSES for the Period [2]	$ 259	$ 7,935	$ 47,076	$ $50,973
NET LOAN LOSSES as a Percentage of Total Outstanding Principal Balance	0.01%	0.06%	0.14%	0.28%

(1) Includes mortgage loans which are in foreclosure but as to which title to the mortgaged property has not been acquired. Foreclosures pending are included in the delinquencies set forth above.

(2) The net loan loss for any such loan is equal to the difference between (a) the principal balance plus accrued interest through the date of liquidation plus all liquidation expenses related to such loan and (b) all amounts received in connection with the liquidation of such loan.

As of June 30, 2005, 2,355 one- to four-family residential properties relating to loans in Ameriquest's retail servicing portfolio and 1,487 one- to four-family residential property relating to loans in Ameriquest's wholesale servicing portfolio had been acquired through foreclosure or deed in lieu of foreclosure and were not liquidated.

The delinquency and loss experience percentages set forth above in the immediately preceding tables are calculated on the basis of the total mortgage loans serviced as of the end of the periods indicated. However, because the total outstanding principal balance of retail residential loans serviced by Ameriquest has increased from $14,858,277,354 at December 31, 2002 to approximately $42,719,513,014 at June 30, 2005 and the total outstanding principal balance of wholesale residential loans serviced by Ameriquest has increased from $5,121,238,268 at December 31, 2002 to approximately $33,942,585,472 at June 30, 2005, the total outstanding principal balance of all loans serviced as of the end of any indicated period includes many loans that will not have been outstanding long enough to give rise to some or all of the indicated periods of delinquency. In the absence of such substantial and continual additions of newly originated loans to the total amount of loans serviced, the percentages indicated above would be higher and could be substantially higher. The actual delinquency percentages with respect to the Mortgage Loans may be expected to be substantially higher than the delinquency percentages indicated above because the composition of the Mortgage Loans will not change.

There can be no assurance that the delinquency and loss experience of the Mortgage Loans will correspond to the loss experience of Ameriquest's servicing portfolio set forth in the foregoing tables. The statistics shown above represent the delinquency and loss experience for Ameriquest's total servicing portfolio only for the periods presented, whereas the aggregate delinquency and loss experience on the Mortgage Loans will depend on the results obtained over the life of the Trust. Ameriquest's servicing portfolio includes mortgage loans with payment and other characteristics that are not representative of the payment and other characteristics of the Mortgage Loans. A substantial number of the Mortgage Loans may also have been originated based on underwriting guidelines that are less stringent than those generally applicable to the servicing portfolio reflected in the foregoing table. If the residential real estate market should experience an overall decline in property values, the actual rates of delinquencies, foreclosures and losses could be higher than those previously experienced by Ameriquest. In addition, adverse economic conditions (which may or may not affect real property values) may affect the timely payment by mortgagors of scheduled payments of principal and interest on the Mortgage Loans and, accordingly, the actual rates of delinquencies, foreclosures and losses with respect to the Mortgage Loans.

The Trustee

Deutsche Bank National Trust Company, a national banking association, will act as Trustee for the Certificates pursuant to the Pooling and Servicing Agreement. The Trustee's offices for notices under the Pooling and Servicing Agreement are located at Deutsche Bank National Trust Company, 1761 East St. Andrew Place, Santa Ana, California 92705-4934, Attention: Trust Administration-AQ0507.

The Trustee will perform certain administrative functions with respect to the Certificates and will act as initial paying agent and certificate registrar. The Trustee, in performing its duties under the Pooling and Servicing Agreement, will act on behalf of the Trust in connection with any third-party contracts.

The principal compensation to be paid to the Trustee in respect of its obligations under the Pooling and Servicing Agreement will be equal to any interest or other income earned on funds held in the distribution account as provided in the Pooling and Servicing Agreement and the Trustee Fee. The Trustee Fee is payable monthly and accrues at the Trustee Fee Rate of 0.0014% per annum on the aggregate principal balance of the Mortgage Loans.

The Pooling and Servicing Agreement will provide that the Trustee and any director, officer, employee or agent of the Trustee will be indemnified by the Trust and will be held harmless against any loss, liability or expense (not including expenses, disbursements and advances incurred or made by the Trustee, including the compensation and the expenses and disbursements of its agents and counsel, in the ordinary course of the Trustee's performance in accordance with the provisions of the Pooling and Servicing Agreement) incurred by the Trustee in connection with any pending or threatened claim or legal action arising out of or in connection with the acceptance or administration of its obligations and duties under the Pooling and Servicing Agreement, other than any loss, liability or expense (i) resulting from a breach of the Master Servicer's obligations and duties under the Pooling and Servicing Agreement (for which the Trustee receives indemnity from the Master Servicer), (ii) that constitutes a specific liability of the Trustee under the Pooling and Servicing Agreement or (iii) incurred by reason of willful misfeasance, bad faith or negligence in the performance of the Trustee's duties under the Pooling and Servicing Agreement or as a result of a breach, or by reason of reckless disregard, of the Trustee's obligations and duties under the Pooling and Servicing Agreement. In addition, the Pooling and Servicing Agreement will provide that the Trustee and any director, officer, employee or agent of the Trustee will be reimbursed from the Trust for all costs associated with the transfer of servicing in the event of a Master Servicer Event of Default (as defined in the Pooling and Servicing Agreement).

Servicing and Other Compensation and Payment of Expenses

The principal compensation to be paid to the Master Servicer in respect of its servicing activities for the Certificates will be equal to accrued interest at the Servicing Fee Rate of 0.50% per annum with respect to each Mortgage Loan for each calendar month on the same principal balance on which interest on such Mortgage Loan accrues for such calendar month (the "Servicing Fee"). As additional servicing compensation, the Master Servicer is entitled to retain all ancillary income, including late charges, NSF fees, reconveyance fees and assumption fees (with the exception of prepayment charges, which will be distributed to the holders of the Class P Certificates) to the extent collected from mortgagors, together with any interest or other income earned on funds held in the collection account and any escrow accounts.

The Master Servicer is obligated to offset any Prepayment Interest Shortfall on any Distribution Date to the extent of its aggregate Servicing Fee for such Distribution Date (such amount is referred to herein as "Compensating Interest"). The Master Servicer is obligated to pay certain insurance premiums and certain ongoing expenses associated with the mortgage pool and incurred by the Master Servicer in connection with its responsibilities under the Pooling and Servicing Agreement and is entitled to reimbursement therefor as provided in the Pooling and Servicing Agreement. See "Description of the Securities—Retained Interest; Servicing or Administration Compensation and Payment of Expenses" in the prospectus for information regarding expenses payable by the Master Servicer and "Federal Income Tax Consequences" herein regarding certain taxes payable by the Master Servicer.

Events of Default

The Master Servicer may be removed as Master Servicer of the Mortgage Loans upon the occurrence of certain events in accordance with the terms of the Pooling and Servicing Agreement.

Any successor to the Master Servicer appointed under the Pooling and Servicing Agreement must be a residential mortgage loan servicing institution acceptable to each Rating Agency (as defined in the prospectus) with a net worth at the time of such appointment of at least $15,000,000. See "Description of the Securities—Events of Default under the Governing Agreement and Rights Upon Events of Default" in the prospectus.

Voting Rights

At all times, 98% of all voting rights will be allocated among the holders of the Class A, Mezzanine and Class CE Certificates in proportion to the then outstanding Certificate Principal Balances of their respective Certificates, 1% of all voting rights will be allocated among the holders of the Class P Certificates and 1% of all voting rights will be allocated among the holders of the Residual Certificates in proportion to the percentage interests in such classes evidenced by their respective Certificates.

Termination

The circumstances under which the obligations created by the Pooling and Servicing Agreement will terminate in respect of the Certificates are described in "Description of the Securities—Termination of the Trust Fund and Disposition of Trust Fund Assets" in the prospectus. The Master Servicer, or if the Master Servicer fails to exercise such option, the NIMS Insurer, if any, will have the right to purchase all remaining Mortgage Loans and any properties acquired in respect thereof and thereby effect early retirement of the Certificates on any Distribution Date following the Due Period during which the aggregate principal balance of the Mortgage Loans (and properties acquired in respect thereof) remaining in the Trust at the time of purchase is reduced to an amount less than 10% of the aggregate principal balance of the Mortgage Loans as of the Cut-off Date (the "Optional Termination Date"); provided that the consent of Fannie Mae will be required if such optional termination will cause a draw on the Fannie Mae Guaranty or if any Guarantor Reimbursement Amount owed to Fannie Mae will not be fully reimbursed after the termination. In the event the Master Servicer or the NIMS Insurer, if any, exercises such option, the purchase price payable in connection therewith generally will be equal to the sum of (x) the fair market value of the Mortgage Loans and such properties, plus accrued interest for each Mortgage Loan at the related Mortgage Rate to but not including the first day of the month in which such repurchase price is distributed, together with any amounts due to the Master Servicer for servicing compensation at the Servicing Fee Rate and any unreimbursed Advances and servicing advances and (y) any Swap Termination Payment owed to the Swap Provider not due to a Swap Provider Trigger Event pursuant to the Swap Agreement. However, this option may be exercised only if (i) the fair market value of the Mortgage Loans and REO Properties is at least equal to the aggregate principal balance of the Mortgage Loans and the appraised value of the REO Properties and (ii) the termination price is sufficient to pay all interest accrued on, as well as amounts necessary to retire the principal balance of, the notes guaranteed by the NIMS Insurer and any amounts owed to the NIMS Insurer at the time the option is exercised. Proceeds from such repurchase will be included in Available Funds and will be distributed to the holders of the Certificates in accordance with the Pooling and Servicing Agreement.

In the event such option is exercised, the portion of the purchase price allocable to the Class A and Mezzanine Certificates of each class will be, to the extent of available funds:

(i) 100% of the then outstanding Certificate Principal Balance of the Class A and Mezzanine Certificates, plus

(ii) one month's interest on the then outstanding Certificate Principal Balance thereof at the then applicable Pass-Through Rate for such class, plus

(iii) any previously accrued but undistributed interest thereon to which the holders of such Certificates are entitled, together with the amount of any Net WAC Rate Carryover Amounts (payable to and from the Net WAC Rate Carryover Reserve Account or the Swap Account); plus

(iv) in the case of the Mezzanine Certificates, any previously undistributed Allocated Realized Loss Amount.

The holders of the Residual Certificates will pledge any amount received by such holders in a termination in excess of par to the holders of the Class CE Certificates. In no event will the Trust created by the Pooling and Servicing Agreement continue beyond the expiration of 21 years from the death of the survivor of the persons named in the Pooling and Servicing Agreement. See "Description of the Securities—Termination of the Trust Fund and Disposition of Trust Fund Assets" in the prospectus.

Servicing of Delinquent Mortgage Loans

The Master Servicer will be required to act with respect to delinquent Mortgage Loans in accordance with procedures set forth in the Pooling and Servicing Agreement. These procedures, as followed with respect to any delinquent Mortgage Loan, may, among other things, result in (i) foreclosing on such Mortgage Loan, (ii) accepting the deed to the related mortgaged property in lieu of foreclosure, (iii) granting the borrower under such Mortgage Loan a modification or forbearance or (iv) accepting payment from the borrower under such Mortgage Loan of an amount less than the principal balance of such Mortgage Loan in final satisfaction of such Mortgage Loan. **However, following these procedures may not lead to the alternative that would result in the recovery by the Trust of the highest net present value of proceeds on such Mortgage Loan or otherwise to the alternative that is in the best interests of the certificateholders.**

Optional Purchase of Delinquent Mortgage Loans

As to any Mortgage Loan which is delinquent in payment by 90 days or more, Fannie Mae (with respect to the Group I Mortgage Loans) or the NIMS Insurer, if any, may, at its option and in accordance with the terms of the Pooling and Servicing Agreement, purchase such Mortgage Loan from the Trust at a purchase price for such Mortgage Loan generally equal to par plus accrued interest. In addition, the Master Servicer will have the option to purchase from the Trust Mortgage Loans that are delinquent in payment 90 days or more at a purchase price for such Mortgage Loan generally equal to par plus accrued interest, under certain circumstances set forth in the Pooling and Servicing Agreement and, with respect to each such delinquent Mortgage Loan, during certain prescribed time periods relating to the length of time such Mortgage Loan has been delinquent, in each case as set forth in the Pooling and Servicing Agreement.

CERTAIN FEDERAL INCOME TAX CONSEQUENCES

IRS Circular 230 Notice

To ensure compliance with Internal Revenue Service Circular 230, taxpayers are hereby notified that: (A) any discussion of U.S. federal tax issues in this information circular is not intended or written by us to be relied upon, and cannot be relied upon by taxpayers for the purpose of avoiding penalties that may be imposed on taxpayers under the Internal Revenue Code; (B) such discussion is written in connection with the promotion or marketing of the transactions or matters addressed herein; and (C) taxpayers should seek advice based on their particular circumstances from an independent tax advisor.

General

The following is a general discussion of the anticipated material federal income tax consequences of the purchase, ownership and disposition of the Offered Certificates. This discussion has been prepared with the advice of Thacher Proffitt & Wood LLP, counsel to the Depositor. This discussion is directed solely to Certificateholders that hold the Offered Certificates as capital assets within the meaning of Section 1221 of the Code and does not purport to discuss all federal income tax consequences that may be applicable to particular categories of investors, some of which (such as banks, insurance companies and foreign investors) may be subject to special rules. Further, the authorities on which this discussion, and the opinion referred to below, are based are subject to change or differing interpretations, which could apply retroactively. Taxpayers and preparers of tax returns (including those filed by any real estate mortgage investment conduit or other issuer) should be aware that under applicable Treasury regulations a provider of advice on specific issues of law is not considered an income tax return preparer unless the advice (i) is given with respect to events that have occurred at the time the advice is rendered and is not given with respect to the consequences of contemplated actions, and (ii) is directly relevant to the determination of an entry on a tax return. Accordingly, taxpayers should consult their own tax advisors and tax return preparers regarding the preparation of any item on a tax return, even where the anticipated tax treatment has been discussed herein. In addition to the federal income tax consequences described herein, potential investors should consider the state and local tax consequences, if any, of the purchase, ownership and disposition of the Offered Certificates. See “State and Other Tax Consequences” herein. Certificateholders are advised to consult their own tax advisors concerning the federal, state, local or other tax consequences to them of the purchase, ownership and disposition of the Offered Certificates offered hereunder. “Certificateholder” and “Holder” are defined as the beneficial owner of an Offered Certificate.

The following discussion is based in part upon the rules governing original issue discount that are set forth in Sections 1271-1273 and 1275 of the Code and in the Treasury regulations issued thereunder (the “OID Regulations”), and in part upon Sections 860A-860G of the Code (the “REMIC Provisions”) and the Treasury regulations issued thereunder (the “REMIC Regulations”). The OID Regulations do not adequately address certain issues relevant to, and in some instances provide that they are not applicable to, securities such as the Certificates.

Classification of the REMICs

Upon the issuance of the Certificates, Thacher Proffitt & Wood LLP, counsel to the Depositor, will deliver its opinion generally to the effect that, assuming compliance with all provisions of the Pooling and Servicing Agreement, each of the designated portions of the Trust (exclusive of the Net WAC Rate Carryover Reserve Account, the Swap Account and the Interest Rate Swap Account) to be elected to be treated as a "REMIC" will each qualify as a real estate mortgage investment conduit ("REMIC") under the Code. For federal income tax purposes, (a) the separate certificated or non-certificated regular interests in each REMIC will be the "regular interests" in such REMIC, (b) the Class R Certificates (or a "residual interest" represented thereby) will represent the sole class of "residual interests" in each REMIC and (c) the Class A Certificates (exclusive of the right of the holders of the Class A Certificates to receive payments from the Net WAC Rate Carryover Reserve Account or the Swap Account in respect of the Net WAC Rate Carryover Amount or the obligation to make payments to the Swap Account), the Class CE Certificates and the Class P Certificates will evidence the "regular interests" in a REMIC and will be generally treated as representing ownership of debt instruments of such REMIC.

If an entity electing to be treated as a REMIC, such as the Trust, fails to comply with one or more of the ongoing requirements of the Code for such status during any taxable year, the Code provides that the entity will not be treated as a REMIC for such year and thereafter. In that event, such entity may be taxable as a corporation under Treasury regulations, and the related REMIC Certificates may not be accorded the status or given the tax treatment described below. Although the Code authorizes the Treasury Department to issue regulations providing relief in the event of an inadvertent termination of REMIC status, no such regulations have been issued. Any such relief, moreover, may be accompanied by sanctions, such as the imposition of a corporate tax on all or a portion of the Trust's income for the period in which the requirements for such status are not satisfied. The Pooling and Servicing Agreement will include provisions with respect to the Trust designed to maintain the Trust's status as a REMIC under the REMIC Provisions. It is not anticipated that the status of the Trust as a REMIC will be inadvertently terminated.

Characterization of Investments in REMIC Certificates

With respect to the Offered Certificates, the following paragraph is relevant to such Certificates exclusive of the respective rights of the holders of such Certificates to receive certain payments outside the related REMIC from the Net WAC Rate Carryover Reserve Account or the Swap Account in respect of the Net WAC Rate Carryover Amount or the obligation to make payments to the Swap Account.

The REMIC regular interest component of the Offered Certificates will be treated as assets described in Section 7701(a)(19)(C) of the Code and "real estate assets" under Section 856(c)(5)(B) of the Code, generally, in the same proportion that the assets of the Trust, exclusive of the assets not included in any REMIC, would be so treated. In addition, interest on the REMIC regular interest component of each of the Offered Certificates will be treated as interest on obligations secured by interests in real property for purposes of Section 856(c)(3) of the Code generally to the extent that the REMIC regular interest component of the Offered Certificates are treated as "real estate assets" under Section 856(c)(5)(B) of the Code, subject to the same limitation in the preceding sentence. The Notional Principal Contract component of each Offered Certificate will not qualify, however, as an asset described in Section 7701(a)(19)(C) of the Code, as a real estate asset under Section 856(c)(B) of the Code or as a "qualified mortgage" within the meaning of Section 860G(a)(3) of the Code. As a result, the Offered Certificates generally may not be a suitable investment for a REMIC, a real estate investment trust or an entity intending to qualify under Section 7701(a)(19)(C) of the Code.

Because the Net WAC Rate Carryover Amount is treated as a separate right of the Offered Certificates not payable by any REMIC elected by the Trust, such rights will not be treated as qualifying assets for any Certificateholder that is a mutual savings bank, domestic building and loan association, real estate investment trust, or REMIC. In addition, any amounts received from the Net WAC Rate Carryover Reserve Account and the Swap Account will not be qualifying real estate income for real estate investment trusts or qualifying income for REMICs.

Taxation of Owners of Offered Certificates

Each holder of an Offered Certificate is deemed to own an undivided beneficial ownership interest in a REMIC regular interest and the right to receive payments from either the Net WAC Rate Carryover Reserve Account or the Swap Account in respect of the related Net WAC Rate Carryover Amount or the obligation to make payments to the Swap Account. The Net WAC Rate Carryover Reserve Account, the Swap Agreement and the Swap Account are not assets of any REMIC. The REMIC regular interest corresponding to an Offered Certificate will be entitled to receive interest and principal payments at the times and in the amounts equal to those made on the certificate to which it corresponds, except that (i) the maximum interest rate of that REMIC regular interest will equal the Net WAC Pass-Through Rate computed for this purpose by limiting the Base Calculation Amount of the Interest Rate Swap Agreement to the aggregate principal balance of the Mortgage Loans and (ii) any Swap Termination Payment will be treated as being payable solely from the Net Monthly Excess Cashflow. As a result of the foregoing, the amount of distributions on the REMIC regular interest corresponding to an Offered Certificate may exceed the actual amount of distributions on the Offered Certificate.

The treatment of amounts received by a holder of an Offered Certificate under such Certificateholder's right to receive the Net WAC Rate Carryover Amount will depend on the portion, if any, of such Certificateholder's purchase price allocable thereto. Under the REMIC Regulations, each holder of an Offered Certificate must allocate its purchase price for such Certificate among its undivided interest in the regular interest of the related REMIC and its undivided interest in the right to receive payments from the Net WAC Rate Carryover Reserve Account and the Swap Account in respect of the Net WAC Rate Carryover Amount in accordance with the relative fair market values of each property right. The Trust will, as required, treat payments made to the holders of the Offered Certificates with respect to the Net WAC Rate Carryover Amount as includible in income based on the regulations relating to notional principal contracts (the "Notional Principal Contract Regulations"). The OID Regulations provide that the Trust's allocation of the issue price is binding on all holders unless the holder explicitly discloses on its tax return that its allocation is different from the Trust's allocation. For tax reporting purposes, the Trust may, as required, treat the right to receive payments from the Net WAC Rate Carryover Reserve Account and the Swap Account in respect of Net WAC Rate Carryover Amounts with respect to the Offered Certificates as having more than a *de minimis* value. Upon request, the Trustee will make available information regarding such amounts as has been provided to it. Under the REMIC Regulations, the Trust is required to account for the REMIC regular interest and the right to receive payments from the Net WAC Rate Carryover Reserve Account and the Swap Account in respect of the related Net WAC Rate Carryover Amount as discrete property rights. Holders of the Offered Certificates are advised to consult their own tax advisors regarding the allocation of issue price, timing, character and source of income and deductions resulting from the ownership of the Offered Certificates. Treasury regulations have been promulgated under Section 1275 of the Code generally providing for the integration of a "qualifying debt instrument" with a hedge if the combined cash flows of the components are substantially equivalent to the cash flows on a variable rate debt instrument. However, such regulations specifically disallow integration of debt instruments subject to Section 1272(a)(6) of the Code. Therefore, holders of the Offered Certificates will be unable to use the integration method provided for under such regulations with respect to such Offered Certificates. If the Trust's treatment of payments of the Net WAC Rate Carryover Amount is respected, ownership of the right to the Net WAC Rate Carryover Amount will entitle the owner to amortize the separate price paid for the right to the related Net WAC Rate Carryover Amount under the Notional Principal Contract Regulations.

Any payments made to a beneficial owner of an Offered Certificate in excess of the amounts payable on the corresponding REMIC regular interest will be treated as having been received as a payment on a notional principal contract. To the extent the sum of such periodic payments for any year exceeds that year's amortized cost of any Net WAC Rate Carryover Amounts, such excess represents net income for that year. Conversely, to the extent that the amount of that year's amortized cost exceeds the sum of the periodic payments, such excess shall represent a net deduction for that year. In addition, any amounts payable on such REMIC regular interest in excess of the amount of payments on the Offered Certificate to which it relates will be treated as having been received by the beneficial owners of such Certificates and then paid by such owners to the Swap Account pursuant to the Swap Administration Agreement, and such excess should be treated as a periodic payment on a notional principal contract that is made by the beneficial owner during the applicable taxable year and that is taken into account in determining the beneficial owner's net income or net deduction with respect to any Net WAC Rate Carryover Amounts for such taxable year. Although not clear, net income or a net deduction with respect to the Net WAC Rate Carryover Amount should be treated as ordinary income or as an ordinary deduction. Holders of the Offered Certificates are advised to consult their own tax advisors regarding the tax characterization and timing issues relating to a Swap Termination Payment.

Because a beneficial owner of any Net WAC Rate Carryover Amounts will be required to include in income the amount deemed to have been paid by such owner, but may not be able to deduct that amount from income, a beneficial owner of an Offered Certificate may have income that exceeds cash distributions on the Offered Certificate, in any period and over the term of the Offered Certificate. As a result, the Offered Certificates may not be a suitable investment for any taxpayer whose net deduction with respect to any Net WAC Rate Carryover Amounts would be subject to the limitations described above.

It is possible that the right to receive payments in respect of the Net WAC Rate Carryover Amounts could be treated as a partnership among the holders of all of the Certificates, in which case holders of such Certificates potentially would be subject to different timing of income and foreign holders of such Certificates could be subject to withholding in respect of any related Net WAC Rate Carryover Amount. Holders of the Offered Certificates are advised to consult their own tax advisors regarding the allocation of issue price, timing, character and source of income and deductions resulting from the ownership of their Certificates.

References in the following section to the Offered Certificates with respect to the Offered Certificates refer to those Certificates exclusive of the right of the respective holders of such Certificates to receive payments from outside the related REMIC from the Net WAC Rate Carryover Reserve Account or the Swap Account in respect of the Net WAC Rate Carryover Amount or the obligation to make payments to the Swap Account.

General. Except as otherwise stated in this discussion, the Offered Certificates (other than the right of the holders of the Offered Certificates to receive the related Net WAC Rate Carryover Amounts) will be treated for federal income tax purposes as debt instruments issued by a REMIC, not as ownership interests in the related REMIC or the assets of any REMIC. Moreover, holders of Offered Certificates that otherwise report income including stated interest under a cash method of accounting will be required to report income with respect to the Offered Certificates under an accrual method.

Original Issue Discount. For federal income tax reporting purposes, the Offered Certificates may be treated as having been issued with original issue discount.

Any holders of Certificates issued with original issue discount generally will be required to include original issue discount in income as it accrues, in accordance with the method described below, in advance of the receipt of the cash attributable to such income. In addition, Section 1272(a)(6) of the Code provides special rules applicable to any Certificates issued with original issue discount. Regulations have not been issued under that section.

Section 1272(a)(6) of the Code requires that a prepayment assumption be used with respect to the collateral underlying debt instruments in computing the accrual of original issue discount if payments under such debt instruments may be accelerated by reason of prepayments of other obligations securing such debt instruments, and that adjustments be made in the amount and rate of accrual of such discount to reflect differences between the actual prepayment rate and such prepayment assumption. Such prepayment assumption is to be determined in a manner prescribed in Treasury regulations; however, as noted above, those regulations have not been issued. The Conference Committee Report (the "Committee Report") of the Tax Reform Act of 1986 indicates that the regulations will provide that the prepayment assumption used with respect to a Certificate for federal income tax purposes must be the same as that used in pricing the initial offering of such Certificate. The prepayment assumption that will be used in determining the rate of accrual of market discount, if any, for federal income tax purposes (the "Tax Prepayment Assumption") will be the Prepayment Assumption. No representation is made that the Mortgage Loans will prepay at such rate or at any other rate.

The original issue discount, if any, on an Offered Certificate will be the excess of its stated redemption price at maturity over its issue price. The issue price of a particular class of Offered Certificates will be the first cash price at which a substantial amount of Offered Certificates of that class is sold (excluding sales to bond houses, brokers and underwriters). If less than a substantial amount of a particular class of Offered Certificates is sold for cash on or prior to the date of their initial issuance Closing Date, the issue price for such class will be the fair market value of such class on the Closing Date. Under the OID Regulations, the stated redemption price of a Certificate is equal to the total of all payments to be made on such Certificate other than "qualified stated interest." "Qualified stated interest" is interest that is unconditionally payable at least annually (during the entire term of the instrument) at a single fixed rate, or at a "qualified floating rate," an "objective rate," a combination of a single fixed rate and one or more "qualified floating rates" or one "qualified inverse floating rate," or a combination of "qualified floating rates" that does not operate in a manner that accelerates or defers interest payments on such REMIC Regular Certificate.

Notwithstanding the general definition of original issue discount, original issue discount on an Offered Certificate will be considered to be *de minimis* if it is less than 0.25% of the stated redemption price of the Offered Certificate multiplied by its weighted average life. For this purpose, the weighted average life of the Offered Certificate is computed as the sum of the amounts determined, as to each payment included in the stated redemption price of such Offered Certificate, by multiplying (i) the number of complete years (rounding down for partial years) from the issue date until such payment is expected to be made (presumably taking into account the Tax Prepayment Assumption) by (ii) a fraction, the numerator of which is the amount of the payment, and the denominator of which is the stated redemption price at maturity of such Offered Certificate. Under the OID Regulations, original issue discount of only a *de minimis* amount will be included in income as each payment of stated principal is made, based on the product of the total amount of such *de minimis* original issue discount and a fraction, the numerator of which is the amount of such principal payment and the denominator of which is the outstanding stated principal amount of the Offered Certificate. The OID Regulations also would permit a Certificateholder to elect to accrue *de minimis* original issue discount into income currently based on a constant yield method.

If original issue discount on an Offered Certificate is in excess of a *de minimis* amount, the holder of such Certificate must include in ordinary gross income the sum of the "daily portions" of original issue discount for each day during its taxable year on which it held such Offered Certificate, including the purchase date but excluding the disposition date. In the case of an original holder of an Offered Certificate, the daily portions of original issue discount will be determined as follows.

As to each Accrual Period, a calculation will be made of the portion of the original issue discount that accrued during such accrual period. The portion of original issue discount that accrues in any accrual period will equal the excess, if any, of (i) the sum of (A) the present value, as of the end of the accrual period, of all of the distributions remaining to be made on the Offered Certificate, if any, in future periods and (B) the distributions made on such Offered Certificate during the accrual period of amounts included in the stated redemption price, over (ii) the adjusted issue price of such Offered Certificate at the beginning of the accrual period. The present value of the remaining distributions referred to in the preceding sentence will be calculated (i) assuming that distributions on the Offered Certificate will be received in future periods based on the Mortgage Loans being prepaid at a rate equal to the Tax Prepayment Assumption, (ii) using a discount rate equal to the original yield to maturity of the Certificate and (iii) taking into account events (including actual prepayments) that have occurred before the close of the accrual period. For these purposes, the original yield to maturity of the Certificate will be calculated based on its issue price and assuming that distributions on the Certificate will be made in all accrual periods based on the Mortgage Loans being prepaid at a rate equal to the Tax Prepayment Assumption. The adjusted issue price of an Offered Certificate at the beginning of any accrual period will equal the issue price of such Certificate, increased by the aggregate amount of original issue discount that accrued with respect to such Certificate in prior accrual periods, and reduced by the amount of any distributions made on such Offered Certificate in prior accrual periods of amounts included in the stated redemption price. The original issue discount accruing during any accrual period, computed as described above, will be allocated ratably to each day during the accrual period to determine the daily portion of original issue discount for such day.

A subsequent purchaser of an Offered Certificate that purchases such Certificate at a cost (excluding any portion of such cost attributable to accrued qualified stated interest) less than its remaining stated redemption price will also be required to include in gross income the daily portions of any original issue discount with respect to such Certificate. However, each such daily portion will be reduced, if such cost is in excess of its "adjusted issue price," in proportion to the ratio such excess bears to the aggregate original issue discount remaining to be accrued on such Offered Certificate. The adjusted issue price of an Offered Certificate on any given day equals the sum of (i) the adjusted issue price (or, in the case of the first accrual period, the issue price) of such Certificate at the beginning of the accrual period which includes such day and (ii) the daily portions of original issue discount for all days during such accrual period prior to such day.

If the method for computing original issue discount described above results in a negative amount for any period with respect to a Certificateholder, the amount of original issue discount allocable to that period would be zero and the Certificateholder will be permitted to offset that negative amount only against future original issue discount, if any, attributable to those Certificates.

Market Discount. A Certificateholder that purchases an Offered Certificate at a market discount, that is, at a purchase price less than its remaining stated principal amount will recognize gain upon receipt of each distribution representing stated redemption price. In particular, under Section 1276 of the Code such a Certificateholder generally will be required to allocate the portion of each such distribution representing stated redemption price first to accrued market discount not previously included in income, and to recognize ordinary income to that extent. A Certificateholder 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, such election will apply to all market discount bonds acquired by such Certificateholder on or after the first day of the first taxable year to which such election applies. In addition, the OID Regulations permit a Certificateholder to elect to accrue all interest, discount (including de minimis market or original issue discount) in income as interest, and to amortize premium, based on a constant yield method. If such an election were made with respect to an Offered Certificate with market discount, the Certificateholder would be deemed to have made an election to include currently market discount in income with respect to all other debt instruments having market discount that such Certificateholder acquires during the taxable year of the election or thereafter, and possibly previously acquired instruments. Similarly, a Certificateholder that made this election for a Certificate that is acquired at a premium would be deemed to have made an election to amortize bond premium with respect to all debt instruments having amortizable bond premium that such Certificateholder owns or acquires. See "—Taxation of Owners of Offered Certificates—Premium" below. Each of these elections to accrue interest, discount and premium with respect to a Certificate on a constant yield method or as interest may not be revoked without the consent of the IRS.

However, market discount with respect to an Offered Certificate will be considered to be *de minimis* for purposes of Section 1276 of the Code if such market discount is less than 0.25% of the remaining stated redemption price of such Offered Certificate multiplied by the number of complete years to maturity remaining after the date of its purchase. In interpreting a similar rule with respect to original issue discount on obligations payable in installments, the OID Regulations refer to the weighted average maturity of obligations, and it is likely that the same rule will be applied with respect to market discount, presumably taking into account the Tax Prepayment Assumption. If market discount is treated as *de minimis* under this rule, it appears that the actual discount would be treated as described in the first sentence of the preceding paragraph. Such treatment may result in discount being included in income at a slower rate than discount would be required to be included in income using the method described above.

Section 1276(b)(3) of the Code specifically authorizes the Treasury Department to issue regulations providing for the method for accruing market discount on debt instruments, the principal of which is payable in more than one installment. Until regulations are issued by the Treasury Department, certain rules described in the Committee Report apply. The Committee Report indicates that in each accrual period market discount on Offered Certificates should accrue, at the Certificateholder's option: (i) on the basis of a constant yield method, (ii) in the case of an Offered Certificate issued without original issue discount, in an amount that bears the same ratio to the total remaining market discount as the stated interest paid in the accrual period bears to the total amount of stated interest remaining to be paid on the Offered Certificate as of the beginning of the accrual period or (iii) in the case of an Offered Certificate issued with original issue discount, in an amount that bears the same ratio to the total remaining market discount as the original issue discount accrued in the accrual period bears to the total original issue discount remaining on the Offered Certificate at the beginning of the accrual period. Moreover, the Tax Prepayment Assumption is used in calculating the accrual of market discount. Because the regulations referred to in this paragraph have not been issued, it is not possible to predict what effect such regulations might have on the tax treatment of an Offered Certificate purchased at a discount in the secondary market.

To the extent that Offered Certificates provide for monthly or other periodic distributions throughout their term, the effect of these rules may be to require market discount to be includible in income at a rate that is not significantly slower than the rate at which such discount would accrue if it were original issue discount. Moreover, in any event a holder of an Offered Certificate generally will be required to treat a portion of any gain on the sale or exchange of such Certificate as ordinary income to the extent of the market discount accrued to the date of disposition under one of the foregoing methods, less any accrued market discount previously reported as ordinary income.

Further, under Section 1277 of the Code a holder of an Offered Certificate may be required to defer a portion of its interest deductions for the taxable year attributable to any indebtedness incurred or continued to purchase or carry an Offered Certificate purchased with market discount. For these purposes, the *de minimis* rule referred to above applies. Any such deferred interest expense would not exceed the market discount that accrues during such taxable year and is, in general, allowed as a deduction not later than the year in which such market discount is includible in income. If such holder elects to include market discount in income currently as it accrues on all market discount instruments acquired by such holder in that taxable year or thereafter, the interest deferral rule described above will not apply.

Premium. An Offered Certificate purchased at a cost (excluding any portion of such cost attributable to accrued qualified stated interest) greater than its remaining stated redemption price will be considered to be purchased at a premium. The holder of such an Offered Certificate may elect under Section 171 of the Code to amortize such premium under the constant yield method over the life of the Certificate. If made, such an election will apply to all debt instruments having amortizable bond premium that the holder owns or subsequently acquires. Amortizable premium will be treated as an offset to interest income on the related debt instrument, rather than as a separate interest deduction. The OID Regulations also permit Certificateholders to elect to include all interest, discount and premium in income based on a constant yield method, further treating the Certificateholder as having made the election to amortize premium generally. See "— Taxation of Owners of Offered Certificates—Market Discount" above. The Committee Report states that the same rules that apply to accrual of market discount (which rules will require use of a prepayment assumption for accruing market discount with respect to Offered Certificates without regard to whether such Certificates have original issue discount) will also apply in amortizing bond premium under Section 171 of the Code. It is possible that the use of an assumption that there will be no prepayments may be required in calculating the amortization of premium. Whether any holder of the Offered Certificates will be treated as holding a certificate with amortizable bond premium will depend on such Certificateholder's purchase price and the distributions remaining to be made on such Certificate at the time of its acquisition by such Certificateholder. Holders of such classes of Certificates should consult their tax advisors regarding the possibility of making an election to amortize such premium.

Sales of Offered Certificates

If an Offered Certificate is sold, the selling Certificateholder will recognize gain or loss equal to the difference between the amount realized on the sale and its adjusted basis in the Offered Certificate. The adjusted basis of an Offered Certificate generally will equal the cost of such Offered Certificate to such Certificateholder, increased by income reported by such Certificateholder with respect to such Offered Certificate (including market discount) and reduced (but not below zero) by distributions on such Offered Certificate received by such Certificateholder and by any amortized premium. Except as provided in the following four paragraphs, any such gain or loss will be capital gain or loss, provided such Offered Certificate is held as a capital asset (generally, property held for investment) within the meaning of Section 1221 of the Code.

Gain from the sale of an Offered Certificate that might otherwise be capital gain will be treated as ordinary income to the extent such gain does not exceed the excess, if any, of (i) the amount that would have been includible in the seller's income with respect to such Offered Certificate assuming that income had accrued thereon at a rate equal to 110% of the "applicable Federal rate" (generally, a rate based on an average of current yields on Treasury securities having a maturity comparable to that of the Certificate based on the application of the Tax Prepayment Assumption to such Certificate, which rate is computed and published monthly by the IRS), determined as of the date of purchase of such Offered Certificate, over (ii) the amount of ordinary income actually includible in the seller's income prior to such sale. In addition, gain recognized on the sale of an Offered Certificate by a seller who purchased such Offered Certificate at a market discount will be taxable as ordinary income in an amount not exceeding the portion of such discount that accrued during the period such Offered Certificate was held by such holder, reduced by any market discount included in income under the rules described above under "—Taxation of Owners of Offered Certificates—Market Discount" and "—Premium."

Except as described below, the Offered Certificates will be "evidences of indebtedness" within the meaning of Section 582(c)(1) of the Code, so that gain or loss recognized from the sale of an Offered Certificate by a bank or thrift institution to which such section applies will be ordinary income or loss.

A portion of any gain from the sale of an Offered Certificate that might otherwise be capital gain may be treated as ordinary income to the extent that such Certificate is held as part of a "conversion transaction" within the meaning of Section 1258 of the Code. A conversion transaction generally is one in which the taxpayer has taken two or more positions in the same or similar property that reduce or eliminate market risk, if substantially all of the taxpayer's return is attributable to the time value of the taxpayer's net investment in such transaction. The amount of gain so realized in a conversion transaction that is recharacterized as ordinary income generally will not exceed the amount of interest that would have accrued on the taxpayer's net investment at 120% of the appropriate "applicable Federal rate" at the time the taxpayer enters into the conversion transaction, subject to appropriate reduction for prior inclusion of interest and other ordinary income items from the transaction.

Finally, a taxpayer may elect to have net capital gain taxed at ordinary income rates rather than capital gains rates in order to include such net capital gain in total net investment income for the taxable year, for purposes of the rule that limits the deduction of interest on indebtedness incurred to purchase or carry property held for investment to a taxpayer's net investment income.

Upon the sale of an Offered Certificate, the amount of the sale allocated to the selling Certificateholder's right to receive payments from the Net WAC Rate Carryover Reserve Account and the Swap Account in respect of the Net WAC Rate Carryover Amount would be considered a "termination payment" under the Notional Principal Contract Regulations allocable to the related Offered Certificate, as the case may be. A holder of an Offered Certificate will have gain or loss from such a termination of the right to receive payments from the Net WAC Rate Carryover Reserve Account and the Swap Account in respect of the Net WAC Rate Carryover Amount equal to (i) any termination payment it received or is deemed to have received minus (ii) the unamortized portion of any amount paid (or deemed paid) by the Certificateholder upon entering into or acquiring its interest in the right to receive payments from the Net WAC Rate Carryover Reserve Account and the Swap Account in respect of the Net WAC Rate Carryover Amount.

Gain or loss realized upon the termination of the right to receive payments from the Net WAC Rate Carryover Reserve Account and the Swap Account in respect of the Net WAC Rate Carryover Amount will generally be treated as capital gain or loss. Moreover, in the case of a bank or thrift institution, Code Section 582(c) would likely not apply to treat such gain or loss as ordinary.

Prohibited Transactions and Other Possible REMIC Taxes

The Code imposes a tax on REMICs equal to 100% of the net income derived from "prohibited transactions" (a "Prohibited Transactions Tax"). In general, subject to certain specified exceptions a prohibited transaction means the disposition of a Mortgage Loan, the receipt of income from a source other than a Mortgage Loan or certain other permitted investments, the receipt of compensation for services, or gain from the disposition of an asset purchased with the payments on the Mortgage Loans for temporary investment pending distribution on the Offered Certificates. It is not anticipated that any REMIC created by the Pooling and Servicing Agreement will engage in any prohibited transaction in which it would recognize a material amount of net income.

In addition, certain contributions to a REMIC made after the day on which the REMIC issues all of its interests could result in the imposition of a tax on the REMIC equal to 100% of the value of the contributed property (a "Contributions Tax"). The Pooling and Servicing Agreement will include provisions designed to prevent the acceptance of any contributions that would be subject to such tax.

REMICs also are subject to federal income tax at the highest corporate rate on “net income from foreclosure property,” determined by reference to the rules applicable to real estate investment trusts. “Net income from foreclosure property” generally means gain from the sale of a foreclosure property that is inventory property and gross income from foreclosure property other than qualifying rents and other qualifying income for a real estate investment trust. It is not anticipated that any REMIC created by the Pooling and Servicing Agreement will recognize “net income from foreclosure property” subject to federal income tax.

To the extent permitted then applicable laws, any Prohibited Transactions Tax, Contributions Tax, tax on “net income from foreclosure property” or state or local income or franchise tax that may be imposed on any REMIC will be borne (i) by the Trustee, if the Trustee has breached its obligations with respect to REMIC compliance under the Pooling and Servicing Agreement, (ii) by the Master Servicer, if the Master Servicer has breached its obligations with respect to REMIC compliance under the Pooling and Servicing Agreement and (iii) otherwise by the Trust, with a resulting reduction in amounts otherwise distributable to holders of the Offered Certificates.

Termination

The Trust will terminate immediately after the Distribution Date following receipt by the Trust of the final payment in respect of the Mortgage Loans or upon a sale of the Trust’s assets following the adoption by the applicable REMICs of a plan of complete liquidation. The last distribution on an Offered Certificate will be treated as a payment in retirement of a debt instrument.

Reporting and Other Administrative Matters

Solely for purposes of the administrative provisions of the Code, each REMIC will be treated as a partnership. The Trustee will file REMIC federal income tax returns on behalf of each REMIC, and under the terms of the Pooling and Servicing Agreement, will be irrevocably appointed by the holder of the largest percentage interest in each class of the Residual Certificates as its agent to perform all of the duties of the “tax matters person” with respect to the related REMIC in all respects.

Reporting of interest income, including any original issue discount, with respect to Offered Certificates is required annually, and may be required more frequently under Treasury regulations. These information reports generally are required to be sent to individual holders of REMIC “regular interests” and the IRS; holders of Offered Certificates that are corporations, trusts, securities dealers and certain other non-individuals will be provided interest and original issue discount income information and the information set forth in the following paragraph upon request in accordance with the requirements of the applicable regulations. The information must be provided by the later of 30 days after the end of the quarter for which the information was requested, or two weeks after the receipt of the request.

As applicable, the information reports will include a statement of the adjusted issue price of the Offered Certificate at the beginning of each accrual period. In addition, the reports will include information required by regulations with respect to computing the accrual of any market discount. Because exact computation of the accrual of market discount on a constant yield method would require information relating to the holder’s purchase price that the REMIC may not have, such regulations only require that information pertaining to the appropriate proportionate method of accruing market discount be provided. See “—Taxation of Owners of Offered Certificates—Market Discount.”

The responsibility for filing annual federal information returns and other reports complying with the foregoing reporting rules will be borne by the Trustee as required by the Pooling and Servicing Agreement.

Backup Withholding With Respect to REMIC Certificates

Payments of interest and principal, as well as payments of proceeds from the sale of REMIC Certificates, may be subject to the “backup withholding tax” under Section 3406 of the Code if recipients of such payments 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 IRS on a recipient of payments that is required to supply information but that does not do so in the proper manner.

Foreign Investors in REMIC Certificates

An Offered Certificateholder that is not a "United States person" (as defined below) and is not subject to federal income tax as a result of any direct or indirect connection to the United States in addition to its ownership of an Offered Certificate will not be subject to United States federal income or withholding tax in respect of a distribution on an Offered Certificate, provided that the holder complies to the extent necessary with certain identification requirements (including delivery of a statement, signed by the Certificateholder under penalties of perjury, certifying that such Certificateholder is not a United States person and providing the name and address of such Certificateholder). This statement is generally made on IRS Form W-8BEN and must be updated whenever required information has changed or within three calendar years after the statement is first delivered. For these purposes, "United States 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 political subdivision thereof (except, in the case of a partnership, to the extent provided in regulations), or an estate whose income is subject to United States federal income tax regardless of its source, or a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust. To the extent prescribed in regulations by the Secretary of the Treasury, a trust which was in existence on August 20, 1996 (other than a trust treated as owned by the grantor under subpart E of part I of subchapter J of chapter 1 of the Code), and which was treated as a United States person on August 19, 1996, may elect to continue to be treated as a United States person notwithstanding the previous sentence. It is possible that the IRS may assert that the foregoing tax exemption should not apply with respect to an Offered Certificate held by a Residual Certificateholder that owns directly or indirectly a 10% or greater interest in the Residual Certificates. If the holder does not qualify for exemption, distributions of interest, including distributions in respect of accrued original issue discount, to such holder may be subject to a tax rate of 30%, subject to reduction under any applicable tax treaty.

Special rules apply to partnerships, estates and trusts, and in certain circumstances certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

In addition, the foregoing rules will not apply to exempt a United States shareholder of a controlled foreign corporation from taxation on such United States shareholder's allocable portion of the interest income received by such controlled foreign corporation.

Further, it appears that an Offered 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 should consult their tax advisors concerning this question.

STATE AND OTHER TAX CONSEQUENCES

In addition to the federal income tax consequences described in "Certain Federal Income Tax Consequences" herein, potential investors should consider the state and local tax consequences of the acquisition, ownership, and disposition of the Offered Certificates offered hereunder. State tax law may differ substantially from the corresponding federal tax law, and this discussion does not purport to describe any aspect of the tax laws of any state or other jurisdiction. Therefore, prospective investors should consult their own tax advisors with respect to the various tax consequences of investments in the Offered Certificates.

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 summaries do not purport to be complete nor to reflect the laws of any particular state, nor to encompass the laws of all states in which the security for the Mortgage Loans is situated. The summaries are qualified in their entirety by reference to the applicable federal laws and the appropriate laws of the states in which Mortgage Loans may be originated.

General

The Mortgage Loans may be secured by deeds of trust, mortgages, security deeds or deeds to secure debt, depending upon the prevailing practice in the state in which the property subject to the loan is located. A mortgage creates a lien upon the real property encumbered by the mortgage, which lien is generally not prior to the lien for real estate taxes and assessments. Priority between mortgages depends on their terms and generally on the order of recording with a state or county office. There are two parties to a mortgage, the mortgagor, who is the owner of the mortgaged property, and the mortgagee, who is the lender. Under the mortgage instrument, the mortgagor delivers to the mortgagee a note or bond and the mortgage. Although a deed of trust is similar to a mortgage, a deed of trust formally has three parties, the mortgagor-property owner called the trustor (similar to a mortgagor), a lender (similar to a mortgagee) called the beneficiary, and a third-party grantee called the trustee. Under a deed of trust, the mortgagor grants the property, irrevocably until the debt is paid, in trust, generally with a power of sale, to the trustee to secure payment of the obligation. A security deed and a deed to secure debt are special types of deeds which indicate on their face that they are granted to secure an underlying debt. By executing a security deed or deed to secure debt, the grantor conveys title to, as opposed to merely creating a lien upon, the subject property to the grantee until such time as the underlying debt is repaid. The trustee's authority under a deed of trust, the mortgagee's authority under a mortgage and the grantee's authority under a security deed or deed to secure debt are governed by law and, with respect to some deeds of trust, the directions of the beneficiary.

Foreclosure/Repossession

Foreclosure of a deed of trust is generally accomplished by a non-judicial sale under a specific provision in the deed of trust which authorizes the trustee to sell the property at public auction upon any default by the mortgagor under the terms of the note or deed of trust. In some states, judicial action to foreclose is also allowed. In addition to any notice requirements contained in a deed of trust, in some states, the trustee must record a notice of default and send a copy to the mortgagor-trustor, to any person who has recorded a request for a copy of any notice of default and notice of sale, to any successor in interest to the mortgagor-trustor, to the beneficiary of any junior deed of trust and to certain other persons. In general, the mortgagor, or any other person having a junior encumbrance on the real estate, may, during a statutorily prescribed reinstatement period, cure a monetary default by paying the entire amount in arrears plus other designated costs and expenses incurred in enforcing the obligation. Generally, state law controls the amount of foreclosure expenses and costs, including attorneys' fees, which may be recovered by a lender. After the reinstatement period has expired without the default having been cured, the mortgagor or junior lienholder no longer has the right to reinstate the loan and must pay the loan in full to prevent the scheduled foreclosure sale. If the deed of trust is not reinstated, a notice of sale must be posted in a public place and, in most states, published for a specific period of time in one or more newspapers. In addition, some state laws require that a copy of the notice of sale be posted on the property and sent to all parties having an interest in the real property.

Foreclosure of a mortgage is generally accomplished by judicial action. The action is initiated by the service of legal pleadings upon all parties having an interest in the real property. Delays in completion of the foreclosure may occasionally result from difficulties in locating necessary parties. Judicial foreclosure proceedings are often not contested by any of the parties. When the mortgagee's right to foreclosure is contested, the legal proceedings necessary to resolve the issue can be time consuming. After the completion of a judicial foreclosure proceeding, the court generally issues a judgment of foreclosure and appoints a referee or other court officer to conduct the sale of the property. In some states, mortgages may also be foreclosed by advertisement, pursuant to a power of sale provided in the mortgage.

Although foreclosure sales are typically public sales, frequently no third party purchaser bids in excess of the lender's lien because of the difficulty of determining the exact status of title to the property, the possible deterioration of the property during the foreclosure proceedings and a requirement that the purchaser pay for the property in cash or by cashier's check. Thus the foreclosing lender often purchases the property from the trustee or referee for an amount equal to the principal amount outstanding under the loan, accrued and unpaid interest and the expenses of foreclosure in which event the mortgagor's debt will be extinguished or the lender may purchase for a lesser amount in order to preserve its right against a mortgagor to seek a deficiency judgment in states where such judgment is available. Thereafter, subject to the right of the mortgagor in some states to remain in possession during the redemption period, the lender will assume the burden of ownership, including obtaining hazard insurance and making such repairs at its own expense as are necessary to render the property suitable for sale. The lender will commonly obtain the services of a real estate broker and pay the broker's commission in connection with the sale of the property. Depending upon market conditions, the ultimate proceeds of the sale of the property may not equal the lender's investment in the property. Any loss may be reduced by the receipt of any mortgage guaranty insurance proceeds.

Courts have imposed general equitable principles upon foreclosure, which are generally designed to mitigate the legal consequences to the mortgagor of the mortgagor's defaults under the loan documents. Some courts have been faced with the issue of whether federal or state constitutional provisions reflecting due process concerns for fair notice require that mortgagors under deeds of trust receive notice longer than that prescribed by statute. For the most part, these cases have upheld the notice provisions as being reasonable or have found that the sale by a trustee under a deed of trust does not involve sufficient state action to afford constitutional protection to the mortgagor.

When the beneficiary under a junior mortgage or deed of trust cures the default and reinstates or redeems by paying the full amount of the senior mortgage or deed of trust, the amount paid by the beneficiary to cure or redeem becomes a part of the indebtedness secured by the junior mortgage or deed of trust.

Rights of Redemption

In some states, after sale pursuant to a deed of trust or foreclosure of a mortgage, the mortgagor and foreclosed junior lienors are given a statutory period in which to redeem the property from the foreclosure sale. In some states, redemption may occur only upon payment of the entire principal balance of the loan, accrued interest and expenses of foreclosure. In other states, redemption may be authorized if the former mortgagor pays only a portion of the sums due. The effect of a statutory right of redemption would defeat the title of any purchaser from the lender subsequent to foreclosure or sale under a deed of trust. Consequently, the practical effect of the redemption right is to force the lender to retain the property and pay the expenses of ownership until the redemption period has run. In some states, there is no right to redeem property after a trustee's sale under a deed of trust.

Anti-Deficiency Legislation and Other Limitations on Lenders

Certain states have adopted statutory prohibitions restricting the right of the beneficiary or mortgagee to obtain a deficiency judgment against mortgagors 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 mortgagor equal in most cases to the difference between the amount due to the lender and the fair market value of the real property sold at the foreclosure sale. Other 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 mortgagor. In certain other states, the lender has the option of bringing a personal action against the mortgagor 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 mortgagor. Finally, other statutory provisions limit any deficiency judgment against the former mortgagor 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 mortgagor as a result of low or no bids at the foreclosure sale.

In addition to anti-deficiency and related legislation, numerous other federal and state statutory provisions, including the Relief Act 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 United States

Bankruptcy Code (the "Bankruptcy Code"), a lender may not foreclose on the 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.

Due-on-Sale Clauses

Each Mortgage Loan will contain a due-on-sale clause which may provide that if the mortgagor or obligor sells, transfers or conveys the mortgaged property, the loan or contract may be accelerated by the mortgagee or secured party. 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 (i) originated or assumed during the "window period" under the Garn-St Germain Act which ended in all cases not later than October 15, 1982, and (ii) originated by lenders other than national banks, federal savings institutions and federal credit unions. Out of a total of eleven "window period states," three states (Michigan, New Mexico and Utah) have enacted statutes extending, on various terms and for varying periods, the prohibition on enforcement of due-on-sale clauses with respect to certain categories of window period Mortgage Loans. Also, the Garn-St Germain Act does "encourage" lenders to permit assumption of Mortgage 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 mortgagee covered by the Act may not exercise its rights under a due-on-sale clause, notwithstanding the fact that a transfer of the 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 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 Premiums and Late Fees

Forms of notes, mortgages and deeds of trust used by lenders may contain provisions obligating the mortgagor to pay a late charge if payments are not timely made, and in some circumstances may provide for prepayment premiums, charges 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 mortgagor for delinquent payments. Certain states also limit the amounts that a lender may collect from a mortgagor as an additional charge if the loan is prepaid. Late charges on the Mortgage Loans will be retained by the Master Servicer as additional servicing compensation. Prepayment charges on the Mortgage Loans will not be retained by the Master Servicer, but will be paid to the holders of the Class P Certificates.

Equitable Limitations on Remedies

In connection with lenders' attempts to realize upon their security, courts have invoked general equitable principles. The equitable principles are generally designed to relieve the mortgagor from the legal effect of his defaults under the loan documents. Examples of judicial remedies that have been fashioned include judicial requirements that the lender undertake affirmative and expensive actions to determine the causes of the mortgagor's default and the likelihood that the mortgagor will be able to reinstate the loan. In some cases, courts have substituted their judgment for the lender's judgment and have required that lenders reinstate Mortgage Loans or recast payment schedules in order to accommodate mortgagors who are suffering from temporary financial disability. In other cases, courts have limited the right of a lender to realize upon his security if the default under the security agreement is not monetary, such as the mortgagor's failure to adequately maintain the property or the mortgagor's execution of secondary financing affecting the property. Finally, some courts have been faced with the issue of whether or not federal or state constitutional provisions reflecting due process concerns for adequate notice require that mortgagors under security agreements receive notices in addition to the statutorily-prescribed minimums. For the most part, these cases have upheld the notice provisions as being reasonable or have found that, in some cases involving the sale by a trustee under a deed of trust or by a mortgagee under a mortgage having a power of sale, there is insufficient state action to afford constitutional protections to the mortgagor.

Environmental Risks

Federal, state and local laws and regulations impose a wide range of requirements on activities that may affect the environment, health and safety. These include laws and regulations governing air pollutant emissions, hazardous and toxic substances, impacts to wetlands, leaks from underground storage tanks, and the management, removal and disposal of lead and asbestos-containing materials. In certain circumstances, these laws and regulations impose obligations on the owners or operators of residential properties such as those subject to the Mortgage Loans. The failure to comply with such laws and regulations may result in fines and penalties.

Moreover, under various federal, state and local laws and regulations, an owner or operator of real estate may be liable for the costs of addressing hazardous substances on, in or beneath such property and related costs. Such liability may be imposed without regard to whether the owner or operator knew of, or was responsible for, the presence of such substances, and could exceed the value of the property and the aggregate assets of the owner or operator. In addition, persons who transport or dispose of hazardous substances, or arrange for the transportation, disposal or treatment of hazardous substances, at off-site locations may also be held liable if there are releases or threatened releases of hazardous substances at such off-site locations.

In addition, under the laws of some states and under the federal Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), contamination of property may give rise to a lien on the property to assure the payment of the costs of clean-up. In several states, such a lien has priority over the lien of an existing mortgage against such property. Under CERCLA, such a lien is subordinate to pre-existing, perfected security interests.

Under the laws of some states, and under CERCLA, there is a possibility that a lender may be held liable as an "owner" or "operator" for costs of addressing releases or threatened releases of hazardous substances at a property, regardless of whether or not the environmental damage or threat was caused by a current or prior owner or operator. CERCLA imposes liability for such costs on any and all "responsible parties," including owners or operators. However, CERCLA excludes from the definition of "owner or operator" a secured creditor who holds indicia of ownership primarily to protect its security interest but does not "participate in the management" of the property (the "secured creditor exclusion"). Thus, if a lender's activities begin to encroach on the actual management of a contaminated facility or property, the lender may incur liability as an "owner or operator" under CERCLA. Similarly, if a lender forecloses and takes title to a contaminated facility or property, the lender may incur CERCLA liability in various circumstances, including, but not limited to, when it holds the facility or property as an investment (including leasing the facility or property to a third party), or fails to market the property in a timely fashion.

Whether actions taken by a lender would constitute such participation in the management of a property, so that the lender would lose the protection of the secured creditor exclusion, has been a matter of judicial interpretation of the statutory language, and court decisions have historically been inconsistent. In 1990, the United States Court of Appeals for the Eleventh Circuit suggested, in United States v Fleet Factors Corp., that the mere capacity of the lender to influence a mortgagor's decisions regarding disposal of hazardous substances was sufficient participation in the management of the mortgagor's business to deny the protection of the secured creditor exclusion to the lender, regardless of whether the lender actually exercised such influence. Other judicial decisions did not interpret the secured creditor exclusion as narrowly as did the Eleventh Circuit.

This ambiguity appears to have been resolved by the enactment of the Asset Conservation, Lender Liability and Deposit Insurance Protection Act of 1996 (the "Asset Conservation Act"), which took effect on September 30, 1996. The Asset Conservation Act provides that in order to be deemed to have participated in the management of a secured property, a lender must actually participate in the operational affairs of the property or of the mortgagor. The Asset Conservation Act also provides that participation in the management of the property does not include "merely having the capacity to influence, or unexercised right to control" operations. Rather, a lender will lose the protection of the secured creditor exclusion only if it exercises decision-making control over the mortgagor's environmental compliance and hazardous substance handling and disposal practices, or assumes day-to-day management of all operational functions of the secured property.

CERCLA does not apply to petroleum products, and the secured creditor exclusion does not govern liability for cleanup costs under federal laws other than CERCLA, in particular Subtitle I of the federal Resource Conservation and Recovery Act ("RCRA"), which regulates underground petroleum storage tanks (except heating oil tanks). The EPA has adopted a lender liability rule for underground storage tanks under Subtitle I of RCRA. Under such rule, a holder of a security interest in an underground storage tank or real property containing an underground storage tank is not considered an operator of the underground storage tank as long as petroleum is not added to, stored in or dispensed from the tank. Moreover, under the Asset Conservation Act, the protections accorded to lenders under CERCLA are also accorded to holders of security interests in underground petroleum storage tanks. It should be noted, however, that liability for cleanup of petroleum contamination may be governed by state law, which may not provide for any specific protection for secured creditors.

The Asset Conservation Act specifically addresses the potential liability of lenders who hold mortgages or similar conventional security interests in real property, such as the Trust does in connection with the Mortgage Loans.

If a lender is or becomes liable under CERCLA, it may be authorized to bring a statutory action for contribution against any other "responsible parties", including a previous owner or operator. However, such persons or entities may be bankrupt or otherwise judgment proof, and the costs associated with environmental cleanup and related actions may be substantial. Moreover, some state laws imposing liability for addressing hazardous substances do not contain exemptions from liability for lenders. Whether the costs of addressing a release or threatened release at a property pledged as collateral for one of the Mortgage Loans, would be imposed on the Trust, and thus occasion a loss to the Certificateholders, therefore depends on the specific factual and legal circumstances at issue.

Applicability of Usury Laws

Title V of the Depository Institutions Deregulation and Monetary Control Act of 1980, enacted in March 1980 ("Title V") provides that state usury limitations shall not apply to certain types of residential first Mortgage Loans originated by certain lenders after March 31, 1980. The Office of Thrift Supervision, as successor to the Federal Home Loan Bank Board, is authorized to issue rules and regulations and to publish interpretations governing implementation of Title V. Title V authorized the states to reimpose interest rate limits by adopting, before April 1, 1983, a law or constitutional provision which expressly rejects an application of the federal law. Fifteen states adopted such a law prior to the April 1, 1993 deadline. In addition, even where Title V is not so rejected, any state is authorized by the law to adopt a provision limiting discount points or other charges on Mortgage Loans covered by Title V. Certain states have taken action to reimpose interest rate limits and/or to limit discount points or other charges.

Servicemembers Civil Relief Act

Generally, under the terms of the Relief Act, a mortgagor who enters military service after the origination of such mortgagor's Mortgage Loan (including a mortgagor who is a member of the National Guard or is in reserve status at the time of the origination of the Mortgage Loan and is later called to active duty) may not be charged interest above an annual rate of 6% during the period of such mortgagor'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 Mortgage Loans. Any shortfall in interest collections resulting from the application of the Relief Act could result in losses to the Certificateholders. The Relief Act also imposes limitations which would impair the ability of the Master Servicer to foreclose on an affected Mortgage Loan during the mortgagor's period of active duty status. Moreover, the Relief Act permits the extension of a Mortgage Loan's maturity and the re-adjustment of its payment schedule beyond the completion of military service. Thus, in the event that such a Mortgage Loan goes into default, there may be delays and losses occasioned by the inability to realize upon the mortgaged property in a timely fashion.

Other Legal Considerations

The Mortgage Loans are also subject to federal laws, including: (i) the federal Truth-in-Lending Act, Regulation Z, which requires certain disclosures to the mortgagors regarding the terms of the Mortgage Loans; (ii) the Equal Credit Opportunity Act and Regulation B promulgated thereunder, which 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; and (iii) the Fair Credit Reporting Act, which regulates the use and reporting of information related to the mortgagor's credit experience. Violations of certain provisions of these federal laws may limit the ability of each Servicer to collect all or part of the principal of or interest on the Mortgage Loans and in addition could subject the Master Servicer to damages and administrative enforcement.

Certain tax liens arising under the Code, may in certain circumstances have priority over the lien of a mortgage, deed of trust or deed to secure debt. In addition, substantive requirements are imposed upon mortgage lenders in connection with the origination, servicing and enforcing of single family mortgage loans by numerous federal and some state consumer protection laws. These laws include the federal Truth-in-Lending Act, Regulation Z, Real Estate Settlement Procedures Act, Equal Credit Opportunity Act, Regulation B, Fair Credit Billing Act, the Fair Housing Act, Fair Credit Reporting Act and related statutes and regulations. These federal laws impose specific statutory liabilities upon lenders who originate mortgage loans and who fail to comply with the provisions of the law. In some cases, this liability may affect assignees of the mortgage loans. In particular, an originators' failure to comply with certain requirements of the federal Truth-in-Lending Act, as implemented by Regulation Z, could subject both the originators and assignees of such obligations to monetary penalties and could result in obligors' rescinding the mortgage loans against either the originators or assignees.

The Originator will represent that none of the Mortgage Loans are subject to the Homeownership Act (any mortgage loans that are subject to such law, "High Cost Loans"), which are mortgage loans originated on or after October 1, 1995, which are not made to finance the purchase of the mortgaged property and which have interest rates or origination costs in excess of certain prescribed levels. The Homeownership Act requires certain additional disclosures, specifies the timing of such disclosures and limits or prohibits inclusion of certain provisions in mortgages subject to the Homeownership Act. Remedies available to the mortgagor include monetary penalties, as well as rescission rights if the appropriate disclosures were not given as required or if the particular mortgage includes provisions prohibited by law. The Homeownership Act also provides that any purchaser or assignee of a mortgage covered by the Homeownership Act is subject to all of the claims and defenses to loan payment, whether under the federal Truth-in-Lending Act, as amended by the Homeownership Act or other law, which the mortgagor could assert against the original lender unless the purchaser or assignee did not know and could not with reasonable diligence have determined that the mortgage loan was subject to the provisions of the Homeownership Act. The maximum damages that may be recovered under the Homeownership Act from an assignee is the remaining amount of indebtedness plus the total amount paid by the mortgagor in connection with the mortgage loan. If the Originator were found to have breached its representation that none of the Mortgage Loans are High Cost Loans and such breach were to materially and adversely affect the value of the related Mortgage Loan or the interest therein of the Trust and Fannie Mae, then the only remedy available to the Trust would be the cure, substitution or repurchase of such Mortgage Loan by the Originator; provided, however, that any such breach will be deemed to materially and adversely affect the interests of Fannie Mae.

METHOD OF DISTRIBUTION

Subject to the terms and conditions set forth in a purchase agreement among the Depositor, the Seller and Fannie Mae, the Depositor has agreed to sell to Fannie Mae, and Fannie Mae has agreed to purchase from the Depositor, the Offered Certificates.

LEGAL MATTERS

Certain legal matters in connection with the issuance of the Offered Certificates will be passed upon by Thacher Proffitt & Wood LLP, New York, New York, as counsel for the Depositor.

ANNEX I

COLLATERAL STATISTICS

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DESCRIPTION OF THE TOTAL COLLATERAL

Collateral Summary

Statistics given below are for the Mortgage Loans in the pool as of the Cut-off Date. Balances and percentages are based on the Cut-off Date scheduled balances of such Mortgage Loans (except in the case of FICO, which is determined at origination).

	Summary Statistics		Range (if applicable)
Number of Mortgage Loans:	8,615		
Aggregate Current Principal Balance:	$1,500,000,104.75		
Average Current Principal Balance:	$174,114.93		$59,033.87 - $913,500.00
Aggregate Original Principal Balance:	$1,501,239,107.00		
Average Original Principal Balance:	$174,258.75		$60,000.00 - $913,500.00
Fully Amortizing Mortgage Loans:	100.00%		
1st Lien:	100.00%		
Wtd. Avg. Mortgage Rates:	7.661%		5.500% - 12.990%
Wtd. Avg. Original Term to Maturity (months):	353		120 - 360
Wtd. Avg. Remaining Term to Maturity (months):	352		117 - 360
Wtd. Avg. Margin (ARM Loans Only):	5.826%		1.850% - 6.750%
Wtd. Avg. Maximum Mortgage Rate (ARM Loans Only):	13.847%		11.500% - 18.990%
Wtd. Avg. Minimum Mortgage Rate (ARM Loans Only):	7.847%		5.500% - 12.990%
Wtd. Avg. Original LTV:	77.47%		8.08% - 95.00%
Wtd. Avg. Borrower FICO:	614		500 - 812
Geographic Distribution (Top 5):	CA	16.53%	
	FL	11.96%	
	NY	8.65%	
	NJ	6.56%	
	MD	5.49%	

DESCRIPTION OF THE TOTAL COLLATERAL

Collateral Type

COLLATERAL TYPE	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
2 Yr / 6 Mo Libor	4,488	$ 730,692,006.68	48.71%	358	41.29	8.128	583	77.01
2 Yr / 6 Mo Libor - 5 Yr IO	786	208,127,838.07	13.88	359	41.21	7.052	652	81.75
30 Yr Fixed - 5 Yr IO	273	65,549,273.60	4.37	359	40.07	6.862	676	78.64
3 Yr / 6 Mo Libor	680	100,688,171.52	6.71	356	39.82	7.904	590	77.79
3 Yr / 6 Mo Libor - 5 Yr IO	191	48,328,656.82	3.22	359	41.08	6.900	657	80.34
Fixed	2,197	346,614,158.06	23.11	331	38.70	7.228	645	75.14
Total:	**8,615**	**$ 1,500,000,104.75**	**100.00%**	**352**	**40.52**	**7.661**	**614**	**77.47**

Principal Balances at Origination

RANGE OF PRINCIPAL BALANCES AT ORIGINATION ($)	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF ORIGINATION ($)	% OF PRINCIPAL BALANCE AS OF ORIGINATION	REMAINING TERM TO MATURITY (months)*	DEBT-TO-INCOME (%)*	MORTGAGE RATES (%)*	FICO*	OLTV (%)*
50,000.01 - 100,000.00	2,324	$ 183,379,578.00	12.22%	341	38.45	8.667	591	72.46
100,000.01 - 150,000.00	2,250	279,271,960.00	18.60	347	39.53	8.017	600	76.87
150,000.01 - 200,000.00	1,502	260,731,375.00	17.37	352	40.65	7.681	609	77.41
200,000.01 - 250,000.00	896	200,411,780.00	13.35	355	40.70	7.535	613	77.32
250,000.01 - 300,000.00	645	176,370,438.00	11.75	356	41.68	7.252	624	78.99
300,000.01 - 350,000.00	375	121,374,168.00	8.08	355	41.46	7.191	625	79.03
350,000.01 - 400,000.00	245	91,819,646.00	6.12	355	42.01	7.094	635	79.73
400,000.01 - 450,000.00	132	55,782,179.00	3.72	354	42.31	7.078	642	79.94
450,000.01 - 500,000.00	116	55,272,187.00	3.68	355	40.13	7.088	636	79.18
500,000.01 - 550,000.00	44	23,062,200.00	1.54	352	42.22	7.366	629	82.97
550,000.01 - 600,000.00	49	28,315,623.00	1.89	359	39.59	7.507	643	79.57
600,000.01 - 650,000.00	13	8,204,250.00	0.55	359	41.25	7.112	628	79.48
650,000.01 - 700,000.00	14	9,514,157.00	0.63	359	42.70	7.621	634	79.79
700,000.01 - 750,000.00	8	5,910,566.00	0.39	359	41.95	7.517	630	79.57
900,000.01 - 950,000.00	2	1,819,000.00	0.12	359	43.53	6.729	680	69.50
Total:	**8,615**	**$1,501,239,107.00**	**100.00%**	**352**	**40.52**	**7.661**	**614**	**77.46**

*Based on the original balances of the Mortgage Loans.

DESCRIPTION OF THE TOTAL COLLATERAL

Principal Balance as of the Cut-Off Date

RANGE OF PRINCIPAL BALANCES AS OF THE CUT-OFF DATE ($)	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
50,000.01 - 100,000.00	2,328	$ 183,581,678.75	12.24%	341	38.45	8.666	590	72.47
100,000.01 - 150,000.00	2,247	278,738,794.63	18.58	347	39.54	8.017	600	76.87
150,000.01 - 200,000.00	1,503	260,745,505.15	17.38	352	40.66	7.681	609	77.42
200,000.01 - 250,000.00	895	200,099,342.12	13.34	355	40.67	7.532	613	77.32
250,000.01 - 300,000.00	646	176,588,178.22	11.77	356	41.68	7.256	624	78.95
300,000.01 - 350,000.00	374	121,041,987.26	8.07	356	41.45	7.187	625	79.06
350,000.01 - 400,000.00	244	91,417,297.82	6.09	355	42.06	7.096	635	79.79
400,000.01 - 450,000.00	132	55,753,096.67	3.72	354	42.31	7.078	642	79.94
450,000.01 - 500,000.00	116	55,239,228.34	3.68	355	40.14	7.088	636	79.19
500,000.01 - 550,000.00	44	23,048,657.81	1.54	352	42.22	7.366	629	82.97
550,000.01 - 600,000.00	49	28,306,932.84	1.89	359	39.59	7.507	643	79.57
600,000.01 - 650,000.00	13	8,200,294.72	0.55	359	41.25	7.112	628	79.48
650,000.01 - 700,000.00	14	9,512,062.17	0.63	359	42.70	7.621	634	79.79
700,000.01 - 750,000.00	8	5,908,967.07	0.39	359	41.95	7.517	630	79.57
900,000.01 - 950,000.00	2	1,818,081.18	0.12	359	43.53	6.729	680	69.50
Total:	**8,615**	**$1,500,000,104.75**	**100.00%**	**352**	**40.52**	**7.661**	**614**	**77.47**

Remaining Term to Maturity

RANGE OF MONTHS REMAINING	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
61 - 120	41	$ 4,320,010.64	0.29%	119	36.97	7.417	630	61.50
121 - 180	262	30,485,408.08	2.03	179	34.76	7.500	628	70.57
181 - 240	242	31,756,907.09	2.12	239	37.06	7.422	630	73.66
241 - 300	51	8,524,147.29	0.57	298	38.52	6.956	658	75.23
301 - 360	8,019	1,424,913,631.65	94.99	359	40.74	7.675	613	77.76
Total:	**8,615**	**$1,500,000,104.75**	**100.00%**	**352**	**40.52**	**7.661**	**614**	**77.47**

DESCRIPTION OF THE TOTAL COLLATERAL

Mortgage Rates

RANGE OF CURRENT MORTGAGE RATES (%)	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
5.500 - 5.999	221	$ 62,084,525.24	4.14%	346	38.53	5.840	693	74.04
6.000 - 6.499	641	157,009,953.43	10.47	349	39.41	6.282	660	77.50
6.500 - 6.999	1,760	377,445,070.44	25.16	353	40.32	6.772	637	78.71
7.000 - 7.499	960	176,398,468.83	11.76	351	40.33	7.254	625	78.56
7.500 - 7.999	1,520	249,970,471.52	16.66	351	40.45	7.742	606	77.71
8.000 - 8.499	774	115,662,676.63	7.71	351	40.12	8.258	581	75.09
8.500 - 8.999	1,057	150,391,022.78	10.03	354	41.18	8.752	572	76.13
9.000 - 9.499	429	58,360,230.97	3.89	355	42.58	9.251	564	76.06
9.500 - 9.999	609	77,058,538.09	5.14	353	41.79	9.750	564	78.23
10.000 - 10.499	279	34,821,102.28	2.32	356	43.09	10.263	564	78.18
10.500 - 10.999	213	24,474,551.33	1.63	352	43.00	10.740	554	75.87
11.000 - 11.499	72	8,647,027.56	0.58	347	41.71	11.267	562	76.75
11.500 - 11.999	63	5,552,097.14	0.37	355	41.23	11.747	545	76.63
12.000 - 12.499	16	2,002,818.51	0.13	359	35.35	12.235	550	79.55
12.500 - 12.999	1	121,550.00	0.01	359	41.00	12.990	622	85.00
Total:	**8,615**	**$1,500,000,104.75**	**100.00%**	**352**	**40.52**	**7.661**	**614**	**77.47**

DESCRIPTION OF THE TOTAL COLLATERAL

Original Loan-to-Value Ratios

RANGE OF ORIGINAL LOAN-TO-VALUE RATIOS (%)	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
<= 25.00	51	$ 4,423,463.90	0.29%	321	36.51	8.193	605	20.28
25.01 - 30.00	39	4,683,130.55	0.31	338	38.54	7.792	592	27.94
30.01 - 35.00	58	5,849,308.74	0.39	348	35.18	8.080	582	32.62
35.01 - 40.00	90	10,829,658.94	0.72	340	39.13	7.721	601	37.98
40.01 - 45.00	121	16,504,078.07	1.10	341	37.87	7.654	607	42.67
45.01 - 50.00	155	21,914,790.38	1.46	347	39.69	7.732	600	47.90
50.01 - 55.00	255	36,898,178.02	2.46	341	38.74	7.749	596	52.74
55.01 - 60.00	374	55,419,145.31	3.69	347	39.66	7.853	591	58.03
60.01 - 65.00	389	68,294,395.65	4.55	347	38.78	7.496	606	62.75
65.01 - 70.00	600	103,897,930.17	6.93	350	40.20	7.589	598	67.94
70.01 - 75.00	1,280	205,707,203.64	13.71	351	40.87	8.010	586	73.55
75.01 - 80.00	1,518	267,262,477.66	17.82	350	39.79	7.380	619	78.70
80.01 - 85.00	1,333	252,018,306.57	16.80	354	41.46	7.848	611	83.71
85.01 - 90.00	2,287	433,463,654.24	28.90	355	41.12	7.562	634	89.16
90.01 - 95.00	65	12,834,382.91	0.86	355	42.56	7.369	700	94.01
Total:	**8,615**	**$1,500,000,104.75**	**100.00%**	**352**	**40.52**	**7.661**	**614**	**77.47**

DESCRIPTION OF THE TOTAL COLLATERAL

FICO Score at Origination

RANGE OF FICO SCORES	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
500 - 519	454	$ 59,718,754.89	3.98%	355	42.15	9.089	509	65.71
520 - 539	776	110,184,187.84	7.35	355	41.72	9.111	529	72.25
540 - 559	957	143,229,810.66	9.55	355	40.36	8.533	551	74.18
560 - 579	809	127,155,491.74	8.48	354	41.13	8.270	569	76.74
580 - 599	805	131,256,512.37	8.75	354	40.84	8.063	589	78.23
600 - 619	940	156,473,886.76	10.43	351	40.83	7.676	609	78.21
620 - 639	1,179	226,509,050.44	15.10	352	40.29	7.365	629	79.83
640 - 659	1,256	240,221,828.83	16.01	349	39.92	7.013	649	79.65
660 - 679	923	180,441,804.77	12.03	347	39.78	6.820	668	78.39
680 - 699	230	52,193,512.17	3.48	352	40.68	6.796	690	81.73
700 - 719	127	32,625,477.31	2.18	355	40.02	6.591	708	79.11
720 - 739	62	16,627,806.48	1.11	353	39.79	6.556	728	80.64
740 - 759	49	10,862,642.95	0.72	336	40.07	6.283	749	81.40
760 - 779	31	8,439,357.20	0.56	344	38.59	6.428	768	80.03
780 - 799	11	2,588,917.21	0.17	359	38.07	6.405	787	75.99
800 - 819	6	1,471,063.13	0.10	359	43.46	6.953	803	80.99
Total:	**8,615**	**$1,500,000,104.75**	**100.00%**	**352**	**40.52**	**7.661**	**614**	**77.47**

Debt-to-Income Ratio

RANGE OF DEBT-TO-INCOME RATIOS (%)	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
<= 20.00	396	$ 58,245,847.90	3.88%	342	15.04	7.785	611	73.65
20.01 - 25.00	453	67,584,380.68	4.51	344	23.30	7.568	612	74.57
25.01 - 30.00	747	114,538,252.42	7.64	347	28.25	7.589	611	75.21
30.01 - 35.00	1,009	162,465,626.54	10.83	349	33.11	7.510	619	77.50
35.01 - 40.00	1,204	214,799,060.30	14.32	351	38.09	7.507	619	77.10
40.01 - 45.00	1,613	290,470,876.66	19.36	353	43.14	7.624	618	78.39
45.01 - 50.00	2,638	503,260,935.84	33.55	354	48.25	7.603	619	79.08
50.01 - 55.00	555	88,635,124.41	5.91	356	53.24	8.846	556	73.74
Total:	**8,615**	**$1,500,000,104.75**	**100.00%**	**352**	**40.52**	**7.661**	**614**	**77.47**

DESCRIPTION OF THE TOTAL COLLATERAL

Geographic Distribution

STATE	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
California	910	$ 247,914,658.63	16.53%	356	40.62	7.069	625	73.61
Florida	1,186	179,374,524.93	11.96	351	40.13	7.661	603	77.57
New York	508	129,738,228.30	8.65	352	42.35	7.627	619	73.84
New Jersey	439	98,428,830.28	6.56	357	41.22	8.145	609	75.77
Maryland	422	82,318,217.35	5.49	355	40.70	7.701	606	78.44
Massachusetts	325	80,082,367.73	5.34	356	41.76	6.495	641	78.13
Pennsylvania	493	66,000,886.89	4.40	346	40.31	7.790	603	78.82
Ohio	492	55,680,654.90	3.71	347	38.24	7.873	605	78.87
Illinois	325	50,841,420.06	3.39	353	41.61	8.827	601	78.72
Arizona	284	50,239,627.59	3.35	356	39.91	7.454	616	81.03
Texas	370	42,741,763.76	2.85	336	38.97	8.322	601	77.50
Washington	187	41,132,253.84	2.74	357	39.72	7.418	623	80.51
Wisconsin	250	34,331,064.63	2.29	348	40.41	7.924	632	82.34
Michigan	270	32,759,030.77	2.18	351	40.42	7.947	605	80.93
Minnesota	136	25,457,313.70	1.70	349	40.64	7.479	629	82.38
Georgia	168	23,676,771.79	1.58	350	37.12	8.562	614	82.00
Connecticut	115	22,827,404.69	1.52	353	40.98	7.765	606	78.25
Indiana	180	18,172,273.29	1.21	350	38.98	8.535	607	82.99
Nevada	81	17,622,152.95	1.17	346	39.65	7.355	618	76.64
Hawaii	60	17,021,200.17	1.13	351	40.42	7.077	630	72.47
Missouri	133	16,229,954.73	1.08	351	38.20	7.862	609	82.37
Louisiana	143	15,424,240.89	1.03	340	38.30	8.136	590	77.43
New Hampshire	81	14,661,625.68	0.98	350	40.72	7.572	610	76.64
North Carolina	114	13,976,232.54	0.93	346	39.98	9.117	589	81.40
Rhode Island	69	13,687,116.75	0.91	353	43.06	7.125	613	75.53
South Carolina	86	11,878,872.17	0.79	349	39.87	8.624	597	78.62
Colorado	65	10,442,638.68	0.70	352	38.12	7.502	619	80.84
Oregon	58	10,276,804.44	0.69	357	42.71	7.578	614	77.41
Maine	68	9,887,567.74	0.66	340	41.37	7.694	617	75.55
Tennessee	87	9,774,089.67	0.65	331	40.17	7.924	621	81.09
Mississippi	101	9,684,568.42	0.65	343	41.66	8.344	600	82.43
Alabama	65	6,338,051.89	0.42	349	40.34	8.564	621	83.08
Utah	37	6,103,577.30	0.41	355	42.63	7.682	614	83.63
Oklahoma	63	6,039,851.49	0.40	336	40.96	8.194	599	81.15
Delaware	43	5,803,561.09	0.39	352	40.79	7.801	596	76.89
Iowa	45	4,694,914.15	0.31	348	40.62	8.381	603	83.42
Kansas	37	3,976,140.44	0.27	343	38.89	8.353	611	82.38
Arkansas	28	3,388,247.61	0.23	353	44.03	8.559	615	83.01
Kentucky	25	2,761,104.37	0.18	325	37.15	7.927	624	81.58
Montana	17	2,263,254.27	0.15	339	38.87	9.244	587	79.71
District Of Columbia	11	1,572,365.15	0.10	359	37.66	7.792	578	63.15
Wyoming	14	1,546,239.97	0.10	338	41.29	9.012	604	81.70
Idaho	7	926,325.45	0.06	350	30.21	8.387	614	79.66
Alaska	4	905,440.97	0.06	359	43.00	7.473	638	86.38
Vermont	6	778,573.84	0.05	359	37.24	8.243	627	65.75
South Dakota	4	382,158.52	0.03	360	47.92	8.935	598	87.47
North Dakota	3	235,940.28	0.02	302	37.43	9.183	553	73.78
Total:	**8,615**	**$1,500,000,104.75**	**100.00%**	**352**	**40.52**	**7.661**	**614**	**77.47**

DESCRIPTION OF THE TOTAL COLLATERAL

Occupancy Status

OCCUPANCY STATUS*	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
Owner Occupied	8,353	$1,465,608,968.63	97.71%	352	40.55	7.642	613	77.48
Non-Owner Occupied	195	24,096,455.88	1.61	354	37.42	8.571	621	76.84
Second Home	67	10,294,680.24	0.69	354	43.65	8.184	632	76.85
Total:	**8,615**	**$1,500,000,104.75**	**100.00%**	**352**	**40.52**	**7.661**	**614**	**77.47**

*Based on mortgagor representation at origination.

Documentation Type

INCOME DOCUMENTATION	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
Full Documentation	6,762	$1,170,847,994.06	78.06%	351	40.28	7.551	615	78.02
Limited Documentation	1,196	205,482,979.07	13.70	353	40.57	7.952	604	77.46
Stated Documentation	657	123,669,131.62	8.24	357	42.70	8.219	614	72.21
Total:	**8,615**	**$1,500,000,104.75**	100.00%	**352**	**40.52**	**7.661**	**614**	**77.47**

Loan Purpose

PURPOSE	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
Refinance-Debt Consolidation Cash Out**	8,061	$1,410,824,122.47	94.05%	352	40.55	7.667	613	77.29
Refinance-Debt Consolidation No Cash Out***	401	60,662,118.66	4.04	347	40.30	7.646	628	80.09
Purchase	153	28,513,863.62	1.90	359	39.53	7.392	639	80.69
Total:	**8,615**	**$1,500,000,104.75**	**100.00%**	**352**	**40.52**	**7.661**	**614**	**77.47**

** Cash proceeds to the borrower inclusive of debt consolidation payments exceed 2% or $2,000 of the original principal balance of the related loan. Also includes all home equity loans originated in Texas with any cash proceeds.
*** Cash proceeds to the borrower inclusive of debt consolidation payments do not exceed 2% or $2,000 of the original principal balance of the related loan. Excludes home equity loans originated in Texas with any cash proceeds.

DESCRIPTION OF THE TOTAL COLLATERAL

Credit Grade

RISK CATEGORY	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
8A	206	$ 53,179,456.42	3.55%	350	40.05	6.442	739	79.99
7A	276	65,084,195.54	4.34	352	39.95	6.658	693	81.20
6A	858	169,720,052.03	11.31	347	39.61	6.757	668	78.51
5A	1,138	220,306,172.44	14.69	349	39.95	6.944	649	79.80
4A	1,012	197,053,926.94	13.14	351	40.42	7.277	630	80.17
3A	740	126,455,477.08	8.43	350	41.09	7.502	614	79.38
2A	945	154,528,963.96	10.30	353	39.84	7.769	603	78.28
A	1,298	213,084,643.80	14.21	354	40.43	8.125	570	77.73
B	1,152	165,593,222.84	11.04	355	42.46	9.138	548	74.29
C	841	116,699,610.26	7.78	356	41.63	8.915	538	68.14
D	149	18,294,383.44	1.22	355	38.65	9.331	524	54.97
Total:	**8,615**	**$1,500,000,104.75**	**100.00%**	**352**	**40.52**	**7.661**	**614**	**77.47**

Property Type

PROPERTY TYPE	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
Single Family	7,465	$1,269,489,746.62	84.63%	351	40.31	7.662	613	77.57
Pud	420	86,697,868.38	5.78	354	41.01	7.549	609	78.97
Two-to-Four Family	304	72,321,934.71	4.82	356	43.38	7.686	628	72.74
Condominium	294	52,789,632.18	3.52	356	40.55	7.645	621	78.88
Single Family Attached	99	12,746,025.23	0.85	344	40.36	8.261	589	76.56
Pud Attached	26	5,180,129.40	0.35	350	42.89	7.545	624	81.40
Manufactured Housing	7	774,768.23	0.05	359	42.66	7.768	632	68.67
Total:	**8,615**	**$1,500,000,104.75**	**100.00%**	**352**	**40.52**	**7.661**	**614**	**77.47**

DESCRIPTION OF THE TOTAL COLLATERAL

Prepayment Charge Term at Origination

PREPAYMENT CHARGE TERM AT ORIGINATION (months)	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
0	3,135	$ 579,379,231.68	38.63%	354	41.19	7.986	611	77.35
12	262	62,026,578.36	4.14	344	41.28	6.936	646	74.49
24	16	3,334,627.64	0.22	359	32.16	7.853	620	82.95
30	29	5,693,341.78	0.38	355	38.75	8.413	602	86.20
36	5,173	849,566,325.29	56.64	351	40.05	7.487	613	77.68
Total:	**8,615**	**$1,500,000,104.75**	**100.00%**	**352**	**40.52**	**7.661**	**614**	**77.47**

Conforming Balance

CONFORMING BALANCE	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
Conforming	8,099	$1,262,339,652.34	84.16%	351	40.42	7.757	609	77.00
Non-Conforming	516	237,660,452.41	15.84	355	41.04	7.150	637	79.96
Total:	**8,615**	**$1,500,000,104.75**	**100.00%**	**352**	**40.52**	**7.661**	**614**	**77.47**

DESCRIPTION OF THE TOTAL COLLATERAL

Maximum Mortgage Rates of the Adjustable-Rate Loans

RANGE OF MAXIMUM MORTGAGE RATES (%)	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
11.500 - 11.999	112	$ 30,204,314.39	2.78%	358	40.26	5.822	675	76.40
12.000 - 12.499	318	81,624,348.75	7.50	358	41.17	6.281	644	79.15
12.500 - 12.999	1,114	253,555,287.66	23.31	358	40.72	6.778	626	79.19
13.000 - 13.499	628	123,237,986.48	11.33	358	40.89	7.253	617	79.50
13.500 - 13.999	1,029	183,054,813.99	16.83	358	40.89	7.747	595	78.14
14.000 - 14.499	605	95,492,218.77	8.78	357	40.19	8.261	575	75.51
14.500 - 14.999	904	133,217,319.02	12.25	357	41.36	8.757	568	76.53
15.000 - 15.499	376	52,945,337.43	4.87	357	42.78	9.251	563	76.89
15.500 - 15.999	531	69,920,844.43	6.43	357	41.92	9.752	564	78.82
16.000 - 16.499	243	31,061,641.26	2.86	358	43.41	10.262	565	78.81
16.500 - 16.999	163	19,527,771.52	1.80	358	43.79	10.733	558	77.60
17.000 - 17.499	57	7,379,091.07	0.68	356	42.23	11.267	567	78.70
17.500 - 17.999	49	4,581,705.07	0.42	359	40.25	11.756	548	77.14
18.000 - 18.499	15	1,912,443.25	0.18	359	35.36	12.236	550	79.53
18.500 - 18.999	1	121,550.00	0.01	359	41.00	12.990	622	85.00
Total:	**6,145**	**$1,087,836,673.09**	**100.00%**	**358**	**41.13**	**7.847**	**600**	**78.13**

Minimum Mortgage Rates of the Adjustable-Rate Loans

RANGE OF MINIMUM MORTGAGE RATES (%)	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
5.500 - 5.999	112	$ 30,204,314.39	2.78%	358	40.26	5.822	675	76.40
6.000 - 6.499	318	81,624,348.75	7.50	358	41.17	6.281	644	79.15
6.500 - 6.999	1,114	253,555,287.66	23.31	358	40.72	6.778	626	79.19
7.000 - 7.499	628	123,237,986.48	11.33	358	40.89	7.253	617	79.50
7.500 - 7.999	1,029	183,054,813.99	16.83	358	40.89	7.747	595	78.14
8.000 - 8.499	605	95,492,218.77	8.78	357	40.19	8.261	575	75.51
8.500 - 8.999	904	133,217,319.02	12.25	357	41.36	8.757	568	76.53
9.000 - 9.499	376	52,945,337.43	4.87	357	42.78	9.251	563	76.89
9.500 - 9.999	531	69,920,844.43	6.43	357	41.92	9.752	564	78.82
10.000 - 10.499	243	31,061,641.26	2.86	358	43.41	10.262	565	78.81
10.500 - 10.999	163	19,527,771.52	1.80	358	43.79	10.733	558	77.60
11.000 - 11.499	57	7,379,091.07	0.68	356	42.23	11.267	567	78.70
11.500 - 11.999	49	4,581,705.07	0.42	359	40.25	11.756	548	77.14
12.000 - 12.499	15	1,912,443.25	0.18	359	35.36	12.236	550	79.53
12.500 - 12.999	1	121,550.00	0.01	359	41.00	12.990	622	85.00
Total:	**6,145**	**$1,087,836,673.09**	**100.00%**	**358**	**41.13**	**7.847**	**600**	**78.13**

DESCRIPTION OF THE TOTAL COLLATERAL

Margins of the Adjustable-Rate Loans

RANGE OF MORTGAGE MARGINS (%)	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
<=2.999	14	$ 3,460,496.92	0.32%	359	42.29	6.201	688	77.92
3.000 - 3.249	64	16,176,000.36	1.49	359	42.98	6.594	600	77.85
3.250 - 3.499	44	11,100,963.99	1.02	359	42.75	6.529	611	81.39
3.500 - 3.749	41	12,660,568.25	1.16	359	44.30	6.365	643	83.49
3.750 - 3.999	5	1,025,862.53	0.09	358	46.95	7.057	619	81.90
4.000 - 4.249	37	4,876,575.09	0.45	359	37.90	9.066	583	74.85
4.250 - 4.499	243	40,095,185.67	3.69	359	42.47	8.881	598	80.06
4.500 - 4.749	17	3,211,150.97	0.30	359	41.66	7.017	658	80.10
4.750 - 4.999	76	18,668,163.11	1.72	359	41.69	6.936	715	81.11
5.000 - 5.249	147	30,526,185.37	2.81	358	40.92	6.987	680	82.62
5.250 - 5.499	376	83,241,569.21	7.65	359	40.45	6.790	663	81.37
5.500 - 5.749	538	112,724,502.65	10.36	357	40.78	7.077	644	81.76
5.750 - 5.999	655	138,093,181.56	12.69	358	41.29	7.322	624	82.22
6.000 - 6.249	1,163	201,588,047.46	18.53	358	40.29	7.637	602	79.59
6.250 - 6.499	1,054	170,581,519.62	15.68	357	41.06	8.282	566	77.58
6.500 - 6.749	1,017	148,038,450.58	13.61	357	41.77	9.039	546	73.34
6.750 - 6.999	654	91,768,249.75	8.44	357	41.33	8.912	536	66.20
Total:	**6,145**	**$1,087,836,673.09**	**100.00%**	**358**	**41.13**	**7.847**	**600**	**78.13**

Next Rate Adjustment Date of the Adjustable-Rate Loans

NEXT RATE ADJUSTMENT DATE	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
March 1, 2007	10	$ 1,445,096.54	0.13%	355	35.34	8.006	560	76.48
April 1, 2007	34	6,732,552.91	0.62	356	39.55	7.841	611	80.80
May 1, 2007	53	10,450,193.99	0.96	357	40.74	7.464	614	77.47
June 1, 2007	243	35,151,279.02	3.23	356	39.47	7.787	582	73.46
July 1, 2007	4,675	844,726,007.94	77.65	358	41.36	7.884	598	78.23
August 1, 2007	258	40,239,338.35	3.70	359	41.54	8.221	600	78.17
September 1, 2007	1	75,376.00	0.01	360	44.00	8.100	596	90.00
March 1, 2008	1	97,111.27	0.01	355	50.00	7.200	616	64.48
April 1, 2008	4	946,482.18	0.09	356	45.83	7.926	602	82.56
May 1, 2008	8	1,053,967.37	0.10	357	33.28	7.460	603	62.71
June 1, 2008	36	4,452,572.73	0.41	355	35.62	7.816	585	70.13
July 1, 2008	767	135,711,116.56	12.48	357	40.46	7.537	614	78.98
August 1, 2008	55	6,755,578.23	0.62	357	38.76	8.221	601	79.09
Total:	**6,145**	**$1,087,836,673.09**	**100.00%**	**358**	**41.13**	**7.847**	**600**	**78.13**

DESCRIPTION OF THE TOTAL COLLATERAL

Initial Periodic Rate Cap of the Adjustable-Rate Loans

INITIAL PERIODIC RATE CAP (%)	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
2.000	6,145	$1,087,836,673.09	100.00%	358	41.13	7.847	600	78.13
Total:	**6,145**	**$1,087,836,673.09**	**100.00%**	**358**	**41.13**	**7.847**	**600**	**78.13**

Subsequent Periodic Rate Cap of the Adjustable-Rate Loans

SUBSEQUENT PERIODIC RATE CAP (%)	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
1.000	6,145	$1,087,836,673.09	100.00%	358	41.13	7.847	600	78.13
Total:	**6,145**	**$1,087,836,673.09**	**100.00%**	**358**	**41.13**	**7.847**	**600**	**78.13**

Insured AVM

INSURED AVM	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES(%)	FICO	OLTV (%)
Not-Insured AVM	6,635	$ 1,170,084,821.69	78.01%	354	40.96	7.809	607	78.90
Insured AVM	1,980	329,915,283.06	21.99	344	38.98	7.138	636	72.36
Total:	**8,615**	**$ 1,500,000,104.75**	**100.00%**	**352**	**40.52**	**7.661**	**614**	**77.47**

DESCRIPTION OF THE GROUP I COLLATERAL

Collateral Summary

Statistics given below are for the Mortgage Loans in the pool as of the Cut-off Date. Balances and percentages are based on the Cut-off Date scheduled balances of such Mortgage Loans (except in the case of FICO, which is determined at origination).

	Summary Statistics		Range (if applicable)
Number of Mortgage Loans:	8,024		
Aggregate Current Principal Balance:	$1,247,652,821.28		
Average Current Principal Balance:	$155,490.13		$59,033.87 - $561,814.37
Aggregate Original Principal Balance:	$1,248,759,303.00		
Average Original Principal Balance:	$155,628.03		$60,000.00 - $562,000.00
Fully Amortizing Mortgage Loans:	100.00%		
1st Lien:	100.00%		
Wtd. Avg. Mortgage Rates:	7.753%		5.500% - 12.990%
Wtd. Avg. Original Term to Maturity (months):	352		120 - 360
Wtd. Avg. Remaining Term to Maturity (months):	351		117 - 360
Wtd. Avg. Margin (ARM Loans Only):	5.867%		2.500% - 6.750%
Wtd. Avg. Maximum Mortgage Rate (ARM Loans Only):	13.938%		11.500% - 18.990%
Wtd. Avg. Minimum Mortgage Rate (ARM Loans Only):	7.938%		5.500% - 12.990%
Wtd. Avg. Original LTV:	76.98%		8.08 % - 95.00%
Wtd. Avg. Borrower FICO:	609		500 - 812
Geographic Distribution (Top 5):	FL	13.05%	
	CA	11.72%	
	NY	7.33%	
	NJ	6.68%	
	MD	5.54%	

DESCRIPTION OF THE GROUP I COLLATERAL

Collateral Type

COLLATERAL TYPE	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
2 Yr / 6 Mo Libor	4,287	$ 646,927,920.46	51.85%	357	41.44	8.170	582	76.80
2 Yr / 6 Mo Libor - 5 Yr IO	625	132,713,479.83	10.64	359	41.41	7.032	651	81.03
30 Yr Fixed - 5 Yr IO	226	45,082,070.66	3.61	359	39.61	6.952	672	78.45
3 Yr / 6 Mo Libor	650	90,685,871.33	7.27	356	39.93	7.956	589	77.46
3 Yr / 6 Mo Libor - 5 Yr IO	153	31,509,209.21	2.53	359	41.76	6.951	657	79.60
Fixed	2,083	300,734,269.79	24.10	330	38.79	7.316	642	74.94
Total:	**8,024**	**$1,247,652,821.28**	**100.00%**	**351**	**40.63**	**7.753**	**609**	**76.98**

Principal Balances at Origination

RANGE OF PRINCIPAL BALANCES AT ORIGINATION ($)	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF ORIGINATION ($)	% OF PRINCIPAL BALANCE AS OF ORIGINATION	REMAINING TERM TO MATURITY (months)*	DEBT-TO-INCOME (%)*	MORTGAGE RATES (%)*	FICO*	OLTV (%)*
50,000.01 - 100,000.00	2,309	$ 182,318,331.00	14.60%	341	38.49	8.661	591	72.49
100,000.01 - 150,000.00	2,237	277,697,815.00	22.24	347	39.62	8.016	600	76.86
150,000.01 - 200,000.00	1,491	258,821,545.00	20.73	352	40.80	7.675	609	77.41
200,000.01 - 250,000.00	883	197,440,207.00	15.81	355	41.03	7.527	613	77.33
250,000.01 - 300,000.00	633	173,095,768.00	13.86	356	42.06	7.238	624	78.97
300,000.01 - 350,000.00	368	119,084,040.00	9.54	355	41.90	7.187	625	79.01
350,000.01 - 400,000.00	72	26,188,170.00	2.10	358	43.48	7.334	632	78.18
400,000.01 - 450,000.00	16	6,786,577.00	0.54	352	47.14	7.409	635	78.94
450,000.01 - 500,000.00	10	4,657,250.00	0.37	359	44.38	6.718	628	78.84
500,000.01 - 550,000.00	3	1,555,000.00	0.12	359	46.41	6.734	656	85.32
550,000.01 - 600,000.00	2	1,114,600.00	0.09	359	44.48	9.119	697	89.96
Total:	**8,024**	**$1,248,759,303.00**	**100.00%**	**351**	**40.63**	**7.752**	**609**	**76.98**

*Based on the original balances of the Mortgage Loans.

DESCRIPTION OF THE GROUP I COLLATERAL

Principal Balance as of the Cut-Off Date

RANGE OF PRINCIPAL BALANCES AS OF THE CUT-OFF DATE ($)	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
50,000.01 - 100,000.00	2,313	$ 182,520,835.86	14.63%	341	38.49	8.660	591	72.49
100,000.01 - 150,000.00	2,234	277,165,768.19	22.21	347	39.63	8.016	600	76.86
150,000.01 - 200,000.00	1,492	258,837,001.03	20.75	353	40.81	7.675	609	77.42
200,000.01 - 250,000.00	882	197,129,439.63	15.80	355	41.00	7.525	613	77.34
250,000.01 - 300,000.00	634	173,317,128.88	13.89	356	42.05	7.242	624	78.93
300,000.01 - 350,000.00	367	118,753,527.27	9.52	356	41.89	7.183	625	79.04
350,000.01 - 400,000.00	71	25,824,382.62	2.07	358	43.66	7.345	633	78.36
400,000.01 - 450,000.00	16	6,781,775.83	0.54	352	47.14	7.410	635	78.94
450,000.01 - 500,000.00	10	4,654,890.86	0.37	359	44.38	6.718	628	78.85
500,000.01 - 550,000.00	3	1,553,656.74	0.12	359	46.41	6.734	656	85.32
550,000.01 - 600,000.00	2	1,114,414.37	0.09	359	44.48	9.119	697	89.96
Total:	**8,024**	**$1,247,652,821.28**	**100.00%**	**351**	**40.63**	**7.753**	**609**	**76.98**

Remaining Term to Maturity

RANGE OF MONTHS REMAINING	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
61 - 120	41	$ 4,320,010.64	0.35%	119	36.97	7.417	630	61.50
121 - 180	251	26,633,488.11	2.13	179	35.55	7.619	626	69.81
181 - 240	238	30,027,126.87	2.41	239	36.95	7.464	629	73.46
241 - 300	49	7,680,210.87	0.62	298	39.12	6.972	656	74.61
301 - 360	7,445	1,178,991,984.79	94.50	359	40.86	7.769	608	77.30
Total:	**8,024**	**$1,247,652,821.28**	**100.00%**	**351**	**40.63**	**7.753**	**609**	**76.98**

DESCRIPTION OF THE GROUP I COLLATERAL

Mortgage Rates

RANGE OF CURRENT MORTGAGE RATES (%)	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
5.500 - 5.999	170	$ 39,806,165.70	3.19%	345	38.52	5.838	691	74.40
6.000 - 6.499	552	118,127,803.99	9.47	347	39.26	6.286	658	76.56
6.500 - 6.999	1,563	292,006,276.19	23.40	352	40.11	6.772	636	78.11
7.000 - 7.499	899	149,062,599.06	11.95	349	40.32	7.250	624	77.89
7.500 - 7.999	1,449	218,677,530.89	17.53	351	40.67	7.747	604	77.20
8.000 - 8.499	735	99,098,076.58	7.94	351	40.72	8.256	578	74.72
8.500 - 8.999	1,032	138,650,804.65	11.11	353	41.29	8.755	571	75.94
9.000 - 9.499	416	53,763,274.31	4.31	355	42.36	9.251	562	75.79
9.500 - 9.999	582	68,041,316.54	5.45	352	42.15	9.744	561	77.59
10.000 - 10.499	275	32,879,992.30	2.64	356	42.85	10.261	563	78.20
10.500 - 10.999	204	22,067,310.12	1.77	351	43.07	10.737	552	76.58
11.000 - 11.499	71	8,478,335.16	0.68	347	42.08	11.268	562	76.78
11.500 - 11.999	60	5,145,143.34	0.41	355	41.74	11.747	546	76.50
12.000 - 12.499	15	1,726,642.45	0.14	359	38.28	12.224	552	78.68
12.500 - 12.999	1	121,550.00	0.01	359	41.00	12.990	622	85.00
Total:	**8,024**	**$1,247,652,821.28**	**100.00%**	**351**	**40.63**	**7.753**	**609**	**76.98**

DESCRIPTION OF THE GROUP I COLLATERAL

Original Loan-to-Value Ratios

RANGE OF ORIGINAL LOAN-TO-VALUE RATIOS (%)	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
<= 25.00	51	$ 4,423,463.90	0.35%	321	36.51	8.193	605	20.28
25.01 - 30.00	38	4,472,130.55	0.36	337	40.17	7.855	589	27.89
30.01 - 35.00	58	5,849,308.74	0.47	348	35.18	8.080	582	32.62
35.01 - 40.00	89	10,429,914.01	0.84	339	38.60	7.701	601	37.91
40.01 - 45.00	118	15,588,260.45	1.25	339	37.44	7.707	604	42.60
45.01 - 50.00	149	19,497,012.85	1.56	345	38.92	7.738	595	47.81
50.01 - 55.00	245	33,031,359.27	2.65	342	39.54	7.776	594	52.67
55.01 - 60.00	357	50,173,897.75	4.02	349	39.81	7.934	585	58.09
60.01 - 65.00	370	59,842,542.62	4.80	346	39.25	7.540	602	62.69
65.01 - 70.00	562	87,239,934.69	6.99	348	40.18	7.694	593	67.94
70.01 - 75.00	1,204	173,416,571.61	13.90	350	41.17	8.116	580	73.59
75.01 - 80.00	1,412	222,599,125.62	17.84	350	40.04	7.489	614	78.71
80.01 - 85.00	1,212	195,642,516.76	15.68	353	41.56	7.981	605	83.75
85.01 - 90.00	2,097	353,598,809.26	28.34	355	41.18	7.641	632	89.17
90.01 - 95.00	62	11,847,973.20	0.95	355	42.05	7.356	703	93.96
Total:	**8,024**	**$1,247,652,821.28**	**100.00%**	**351**	**40.63**	**7.753**	**609**	**76.98**

DESCRIPTION OF THE GROUP I COLLATERAL

FICO Score at Origination

RANGE OF FICO SCORES	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
500 - 519	443	$ 56,254,337.74	4.51%	355	41.97	9.095	509	65.24
520 - 539	747	99,368,541.21	7.96	354	42.20	9.119	529	71.93
540 - 559	926	131,412,348.88	10.53	355	40.68	8.553	551	74.17
560 - 579	779	115,700,195.80	9.27	354	41.42	8.314	569	76.40
580 - 599	762	112,616,252.36	9.03	353	41.25	8.103	589	78.13
600 - 619	895	137,822,222.36	11.05	350	40.49	7.718	609	78.27
620 - 639	1,065	175,140,440.20	14.04	350	40.12	7.384	629	79.20
640 - 659	1,142	190,138,435.78	15.24	347	39.76	7.046	649	79.04
660 - 679	834	142,464,587.85	11.42	347	39.99	6.854	668	77.88
680 - 699	197	38,102,813.49	3.05	350	40.38	6.932	690	82.35
700 - 719	105	22,329,036.09	1.79	353	40.14	6.638	708	80.20
720 - 739	48	9,877,001.82	0.79	349	41.07	6.657	728	80.72
740 - 759	42	8,200,481.05	0.66	334	39.77	6.377	749	83.74
760 - 779	25	5,770,146.31	0.46	337	39.48	6.370	767	80.09
780 - 799	9	1,553,917.21	0.12	359	38.33	6.550	786	73.57
800 - 819	5	902,063.13	0.07	359	39.34	6.514	804	78.51
Total:	**8,024**	**$1,247,652,821.28**	**100.00%**	**351**	**40.63**	**7.753**	**609**	**76.98**

Debt-to-Income Ratio

RANGE OF DEBT-TO-INCOME RATIOS (%)	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
<= 20.00	339	$ 40,496,865.79	3.25%	340	16.32	7.758	608	71.06
20.01 - 25.00	425	56,860,262.89	4.56	344	23.37	7.678	608	74.45
25.01 - 30.00	715	100,720,808.05	8.07	346	28.23	7.650	608	74.88
30.01 - 35.00	967	143,395,717.51	11.49	349	33.11	7.585	614	77.33
35.01 - 40.00	1,114	176,562,440.42	14.15	349	38.09	7.613	614	76.31
40.01 - 45.00	1,496	240,013,960.18	19.24	353	43.16	7.742	613	77.99
45.01 - 50.00	2,435	410,937,864.79	32.94	354	48.27	7.688	615	78.73
50.01 - 55.00	533	78,664,901.65	6.31	356	53.29	8.924	552	73.18
Total:	**8,024**	**$1,247,652,821.28**	**100.00%**	**351**	**40.63**	**7.753**	**609**	**76.98**

DESCRIPTION OF THE GROUP I COLLATERAL

Geographic Distribution

STATE	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
Florida	1,142	$ 162,816,977.70	13.05%	351	40.42	7.698	600	77.12
California	683	146,216,335.28	11.72	354	40.38	7.148	613	69.94
New York	421	91,429,522.97	7.33	352	42.40	7.763	612	71.81
New Jersey	404	83,287,172.26	6.68	357	41.46	8.207	604	74.59
Maryland	393	69,101,782.07	5.54	355	40.61	7.741	603	78.20
Massachusetts	293	65,737,707.02	5.27	356	41.57	6.501	641	77.50
Pennsylvania	484	62,721,258.39	5.03	345	40.00	7.823	601	78.65
Ohio	486	53,743,895.66	4.31	346	38.58	7.878	604	78.84
Illinois	317	47,003,817.94	3.77	352	41.55	8.883	598	78.33
Arizona	277	46,987,642.01	3.77	356	40.14	7.502	614	81.33
Texas	354	37,204,600.67	2.98	338	40.39	8.445	598	77.39
Wisconsin	247	33,136,550.01	2.66	348	40.37	7.970	630	82.26
Washington	167	31,617,468.72	2.53	356	40.27	7.461	614	80.81
Michigan	267	31,506,495.95	2.53	351	40.48	7.965	604	80.64
Minnesota	130	23,205,708.32	1.86	348	40.89	7.419	631	82.37
Georgia	159	19,990,878.19	1.60	349	38.29	8.561	616	81.43
Connecticut	110	19,990,473.41	1.60	352	40.41	7.749	608	78.04
Indiana	176	17,831,373.65	1.43	351	39.34	8.504	607	83.11
Hawaii	56	15,291,419.77	1.23	350	40.81	7.061	625	71.73
Nevada	76	15,215,595.41	1.22	344	41.05	7.390	613	76.55
Louisiana	141	14,895,128.54	1.19	339	39.33	8.154	590	77.36
Missouri	128	14,755,539.05	1.18	350	37.87	7.900	607	82.00
Rhode Island	69	13,687,116.75	1.10	353	43.06	7.125	613	75.53
New Hampshire	78	13,462,805.31	1.08	351	41.67	7.645	605	75.46
North Carolina	107	12,544,117.76	1.01	344	40.50	9.160	589	81.04
Maine	67	9,768,767.74	0.78	340	41.57	7.710	617	75.49
South Carolina	81	9,750,693.47	0.78	346	41.14	8.815	590	78.15
Mississippi	101	9,684,568.42	0.78	343	41.66	8.344	600	82.43
Colorado	62	9,560,867.53	0.77	352	38.71	7.535	620	80.62
Tennessee	86	9,402,361.37	0.75	336	39.86	7.996	619	81.01
Oregon	56	9,212,658.73	0.74	356	43.05	7.597	620	77.62
Alabama	65	6,338,051.89	0.51	349	40.34	8.564	621	83.08
Utah	37	6,103,577.30	0.49	355	42.63	7.682	614	83.63
Oklahoma	62	5,979,851.49	0.48	336	40.89	8.180	599	81.46
Delaware	43	5,803,561.09	0.47	352	40.79	7.801	596	76.89
Iowa	45	4,694,914.15	0.38	348	40.62	8.381	603	83.42
Kansas	37	3,976,140.44	0.32	343	38.89	8.353	611	82.38
Arkansas	27	2,900,198.09	0.23	352	43.20	9.015	590	83.61
Kentucky	25	2,761,104.37	0.22	325	37.15	7.927	624	81.58
Montana	16	1,987,078.21	0.16	336	41.91	8.819	593	78.98
District Of Columbia	11	1,572,365.15	0.13	359	37.66	7.792	578	63.14
Wyoming	14	1,546,239.97	0.12	338	41.29	9.012	604	81.70
Idaho	7	926,325.45	0.07	350	30.21	8.387	614	79.66
Alaska	4	905,440.97	0.07	359	43.00	7.473	638	86.38
Vermont	6	778,573.84	0.06	359	37.24	8.243	627	65.75
South Dakota	4	382,158.52	0.03	360	47.92	8.935	598	87.47
North Dakota	3	235,940.28	0.02	302	37.43	9.183	553	73.78
Total:	**8,024**	**$1,247,652,821.28**	**100.00%**	**351**	**40.63**	**7.753**	**609**	**76.98**

DESCRIPTION OF THE GROUP I COLLATERAL

Occupancy Status

OCCUPANCY STATUS*	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
Owner Occupied	7,779	$1,217,721,829.94	97.60%	351	40.65	7.736	609	76.99
Non-Owner Occupied	183	21,175,341.22	1.70	353	38.31	8.549	624	76.62
Second Home	62	8,755,650.12	0.70	353	43.86	8.120	633	75.87
Total:	**8,024**	**$1,247,652,821.28**	**100.00%**	**351**	**40.63**	**7.753**	**609**	**76.98**

*Based on mortgagor representation at origination.

Documentation Type

INCOME DOCUMENTATION	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
Full Documentation	6,322	$ 980,582,164.99	78.59%	350	40.37	7.653	611	77.54
Limited Documentation	1,101	166,885,524.52	13.38	352	40.93	8.034	600	77.06
Stated Documentation	601	100,185,131.77	8.03	356	42.70	8.262	612	71.32
Total:	**8,024**	**$1,247,652,821.28**	**100.00%**	**351**	**40.63**	**7.753**	**609**	**76.98**

Loan Purpose

PURPOSE	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
Refinance-Debt Consolidation Cash Out**	7,494	$1,168,458,578.44	93.65%	351	40.64	7.763	608	76.78
Refinance-Debt Consolidation No Cash Out***	386	54,129,378.75	4.34	347	40.57	7.723	621	79.83
Purchase	144	25,064,864.09	2.01	359	40.45	7.344	640	80.34
Total:	**8,024**	**$1,247,652,821.28**	**100.00%**	**351**	**40.63**	**7.753**	**609**	**76.98**

** Cash proceeds to the borrower inclusive of debt consolidation payments exceed 2% or $2,000 of the original principal balance of the related loan. Also includes all home equity loans originated in Texas with any cash proceeds.
*** Cash proceeds to the borrower inclusive of debt consolidation payments do not exceed 2% or $2,000 of the original principal balance of the related loan. Excludes home equity loans originated in Texas with any cash proceeds.

DESCRIPTION OF THE GROUP I COLLATERAL

Credit Grade

RISK CATEGORY	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
8A	164	$ 33,787,811.30	2.71%	346	40.34	6.494	741	81.24
7A	236	47,858,834.47	3.84	350	39.94	6.757	694	81.80
6A	772	133,340,938.28	10.69	346	39.88	6.786	668	78.08
5A	1,028	172,157,118.12	13.80	347	39.73	6.963	649	79.15
4A	911	151,269,262.56	12.12	350	40.16	7.288	630	79.55
3A	701	109,874,850.96	8.81	350	40.73	7.547	613	79.15
2A	894	133,106,757.10	10.67	352	40.18	7.821	603	78.20
A	1,240	189,301,256.19	15.17	354	40.56	8.144	570	77.43
B	1,114	150,892,942.27	12.09	354	42.92	9.153	547	74.18
C	818	108,311,911.83	8.68	355	41.71	8.906	539	68.15
D	146	17,751,138.20	1.42	355	39.01	9.350	523	55.00
Total:	**8,024**	**$1,247,652,821.28**	**100.00%**	**351**	**40.63**	**7.753**	**609**	**76.98**

Property Type

PROPERTY TYPE	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
Single Family	6,967	$1,054,214,107.07	84.50%	350	40.41	7.764	608	77.05
Pud	378	69,229,719.79	5.55	354	41.65	7.634	606	79.22
Two-to-Four Family	288	64,658,130.58	5.18	356	43.29	7.686	627	72.18
Condominium	272	43,845,278.72	3.51	355	40.30	7.612	621	78.72
Single Family Attached	96	11,750,191.66	0.94	343	40.41	8.301	582	75.63
Pud Attached	23	3,955,393.46	0.32	348	43.33	7.730	621	81.74
Total:	**8,024**	**$1,247,652,821.28**	**100.00%**	**351**	**40.63**	**7.753**	**609**	**76.98**

DESCRIPTION OF THE GROUP I COLLATERAL

Prepayment Charge Term at Origination

PREPAYMENT CHARGE TERM AT ORIGINATION (months)	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
0	2,912	$ 482,315,952.22	38.66%	354	41.33	8.054	607	76.85
12	224	45,633,510.74	3.66	344	41.05	7.058	638	72.62
24	12	1,369,674.43	0.11	359	41.47	8.397	631	84.44
30	25	4,487,152.17	0.36	354	39.95	8.439	602	86.12
36	4,851	713,846,531.72	57.22	350	40.13	7.588	609	77.28
Total:	**8,024**	**$1,247,652,821.28**	**100.00%**	**351**	**40.63**	**7.753**	**609**	**76.98**

Conforming Balance

CONFORMING BALANCE	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
Conforming	8,024	$1,247,652,821.28	100.00%	351	40.63	7.753	609	76.98
Total:	**8,024**	**$1,247,652,821.28**	**100.00%**	**351**	**40.63**	**7.753**	**609**	**76.98**

Maximum Mortgage Rates of the Adjustable-Rate Loans

RANGE OF MAXIMUM MORTGAGE RATES (%)	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
11.500 - 11.999	92	$ 21,767,541.08	2.41%	357	40.13	5.822	675	74.93
12.000 - 12.499	267	59,161,574.46	6.56	358	40.90	6.283	641	78.26
12.500 - 12.999	969	189,714,827.97	21.04	358	40.65	6.777	623	78.61
13.000 - 13.499	583	102,360,074.74	11.35	358	41.04	7.251	614	78.87
13.500 - 13.999	971	157,030,076.84	17.41	358	41.08	7.751	593	77.55
14.000 - 14.499	571	80,099,336.55	8.88	357	41.02	8.258	571	75.14
14.500 - 14.999	881	122,314,287.97	13.56	357	41.54	8.760	567	76.27
15.000 - 15.499	365	48,855,925.82	5.42	357	42.51	9.252	561	76.65
15.500 - 15.999	505	60,963,622.88	6.76	357	42.33	9.746	561	78.17
16.000 - 16.499	239	29,120,531.28	3.23	358	43.15	10.259	564	78.89
16.500 - 16.999	155	17,305,714.11	1.92	358	43.75	10.731	556	78.72
17.000 - 17.499	56	7,210,398.67	0.80	356	42.68	11.269	567	78.79
17.500 - 17.999	46	4,174,751.27	0.46	359	40.78	11.757	550	77.02
18.000 - 18.499	14	1,636,267.19	0.18	359	38.46	12.225	551	78.60
18.500 - 18.999	1	121,550.00	0.01	359	41.00	12.990	622	85.00
Total:	**5,715**	**$901,836,480.83**	**100.00%**	**358**	**41.29**	**7.938**	**595**	**77.59**

DESCRIPTION OF THE GROUP I COLLATERAL

Minimum Mortgage Rates of the Adjustable-Rate Loans

RANGE OF MINIMUM MORTGAGE RATES (%)	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
5.500 - 5.999	92	$ 21,767,541.08	2.41%	357	40.13	5.822	675	74.93
6.000 - 6.499	267	59,161,574.46	6.56	358	40.90	6.283	641	78.26
6.500 - 6.999	969	189,714,827.97	21.04	358	40.65	6.777	623	78.61
7.000 - 7.499	583	102,360,074.74	11.35	358	41.04	7.251	614	78.87
7.500 - 7.999	971	157,030,076.84	17.41	358	41.08	7.751	593	77.55
8.000 - 8.499	571	80,099,336.55	8.88	357	41.02	8.258	571	75.14
8.500 - 8.999	881	122,314,287.97	13.56	357	41.54	8.760	567	76.27
9.000 - 9.499	365	48,855,925.82	5.42	357	42.51	9.252	561	76.65
9.500 - 9.999	505	60,963,622.88	6.76	357	42.33	9.746	561	78.17
10.000 - 10.499	239	29,120,531.28	3.23	358	43.15	10.259	564	78.89
10.500 - 10.999	155	17,305,714.11	1.92	358	43.75	10.731	556	78.72
11.000 - 11.499	56	7,210,398.67	0.80	356	42.68	11.269	567	78.79
11.500 - 11.999	46	4,174,751.27	0.46	359	40.78	11.757	550	77.02
12.000 - 12.499	14	1,636,267.19	0.18	359	38.46	12.225	551	78.60
12.500 - 12.999	1	121,550.00	0.01	359	41.00	12.990	622	85.00
Total:	**5,715**	**$901,836,480.83**	**100.00%**	**358**	**41.29**	**7.938**	**595**	**77.59**

DESCRIPTION OF THE GROUP I COLLATERAL

Margins of the Adjustable-Rate Loans

RANGE OF MORTGAGE MARGINS (%)	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
<= 2.999	12	$ 2,525,496.92	0.28%	359	40.23	6.383	681	80.06
3.000 - 3.249	55	12,207,616.89	1.35	359	42.44	6.617	601	75.36
3.250 - 3.499	40	9,394,928.97	1.04	359	41.36	6.612	600	80.22
3.500 - 3.749	35	9,895,201.01	1.10	359	43.70	6.319	646	82.95
3.750 - 3.999	5	1,025,862.53	0.11	358	46.95	7.057	619	81.90
4.000 - 4.249	37	4,876,575.09	0.54	359	37.90	9.066	583	74.85
4.250 - 4.499	234	35,763,678.00	3.97	359	42.51	8.984	593	79.55
4.500 - 4.749	14	1,848,950.97	0.21	359	43.82	7.362	640	81.52
4.750 - 4.999	63	13,252,981.02	1.47	359	43.66	6.960	714	80.60
5.000 - 5.249	130	23,033,656.36	2.55	358	40.93	7.056	680	82.16
5.250 - 5.499	323	58,691,214.25	6.51	359	40.63	6.860	662	81.27
5.500 - 5.749	476	84,243,016.89	9.34	357	40.59	7.070	643	81.60
5.750 - 5.999	571	99,909,990.66	11.08	358	41.06	7.314	624	82.07
6.000 - 6.249	1,094	172,730,058.10	19.15	358	40.60	7.664	602	79.55
6.250 - 6.499	1,009	151,987,159.19	16.85	357	41.16	8.300	566	77.34
6.500 - 6.749	979	133,647,340.82	14.82	357	42.31	9.036	546	73.17
6.750 - 6.999	638	86,802,753.16	9.63	357	41.63	8.921	536	66.24
Total:	**5,715**	**$901,836,480.83**	**100.00%**	**358**	**41.29**	**7.938**	**595**	**77.59**

Next Rate Adjustment Date of the Adjustable-Rate Loans

NEXT RATE ADJUSTMENT DATE	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
March 1, 2007	10	$ 1,445,096.54	0.16%	355	35.34	8.006	560	76.48
April 1, 2007	29	4,319,302.92	0.48	356	44.45	8.019	598	79.52
May 1, 2007	48	8,013,194.00	0.89	357	40.69	7.612	602	76.14
June 1, 2007	232	31,002,324.95	3.44	355	39.50	7.793	576	72.67
July 1, 2007	4,358	704,503,769.53	78.12	358	41.48	7.971	594	77.73
August 1, 2007	234	30,282,336.35	3.36	359	42.41	8.365	590	77.63
September 1, 2007	1	75,376.00	0.01	360	44.00	8.100	596	90.00
March 1, 2008	1	97,111.27	0.01	355	50.00	7.200	616	64.48
April 1, 2008	3	542,748.61	0.06	356	48.68	8.726	566	77.03
May 1, 2008	8	1,053,967.37	0.12	357	33.28	7.460	603	62.71
June 1, 2008	36	4,452,572.73	0.49	355	35.62	7.816	585	70.13
July 1, 2008	709	110,804,574.33	12.29	357	40.70	7.664	608	78.46
August 1, 2008	46	5,244,106.23	0.58	357	38.43	8.237	594	78.68
Total:	**5,715**	**$901,836,480.83**	**100.00%**	**358**	**41.29**	**7.938**	**595**	**77.59**

DESCRIPTION OF THE GROUP I COLLATERAL

Initial Periodic Rate Cap of the Adjustable-Rate Loans

INITIAL PERIODIC RATE CAP (%)	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
2.000	5,715	$901,836,480.83	100.00%	358	41.29	7.938	595	77.59
Total:	**5,715**	**$901,836,480.83**	**100.00%**	**358**	**41.29**	**7.938**	**595**	**77.59**

Subsequent Periodic Rate Cap of the Adjustable-Rate Loans

SUBSEQUENT PERIODIC RATE CAP (%)	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
1.000	5,715	$901,836,480.83	100.00%	358	41.29	7.938	595	77.59
Total:	**5,715**	**$901,836,480.83**	**100.00%**	**358**	**41.29**	**7.938**	**595**	**77.59**

Insured AVM

INSURED AVM	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES(%)	FICO	OLTV%
Not-Insured AVM	6,151	$ 960,862,070.99	77.01%	353	41.13	7.913	602	78.50
Insured AVM	1,873	286,790,750.29	22.99	343	38.97	7.216	632	71.88
Total:	**8,024**	**$1,247,652,821.28**	**100.00%**	**351**	**40.63**	**7.753**	**609**	**76.98**

DESCRIPTION OF THE GROUP II COLLATERAL

Collateral Summary

Statistics given below are for the Mortgage Loans in the pool as of the Cut-off Date. Balances and percentages are based on the Cut-off Date scheduled balances of such Mortgage Loans (except in the case of FICO, which is determined at origination).

	Summary Statistics		Range (if applicable)
Number of Mortgage Loans:	591		
Aggregate Current Principal Balance:	$252,347,283.47		
Average Current Principal Balance:	$426,983.56		$60,000.00 - $913,500.00
Aggregate Original Principal Balance:	$252,479,804.00		
Average Original Principal Balance:	$427,207.79		$60,000.00 - $913,500.00
Fully Amortizing Mortgage Loans:	100.00%		
1st Lien:	100.00%		
Wtd. Avg. Mortgage Rates:	7.209%		5.500% - 12.300%
Wtd. Avg. Original Term to Maturity (months):	356		180 - 360
Wtd. Avg. Remaining Term to Maturity (months):	355		177 - 360
Wtd. Avg. Margin (ARM Loans Only):	5.624%		1.850% - 6.750%
Wtd. Avg. Maximum Mortgage Rate (ARM Loans Only):	13.406%		11.500% - 18.300%
Wtd. Avg. Minimum Mortgage Rate (ARM Loans Only):	7.406%		5.500% - 12.300%
Wtd. Avg. Original LTV:	79.87%		28.93% - 95.00%
Wtd. Avg. Borrower FICO:	636		502 - 802
Geographic Distribution (Top 5):	CA	40.30%	
	NY	15.18%	
	FL	6.56%	
	NJ	6.00%	
	MA	5.68%	

DESCRIPTION OF THE GROUP II COLLATERAL

Collateral Type

COLLATERAL TYPE	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
2 Yr / 6 Mo Libor	201	$ 83,764,086.22	33.19%	359	40.11	7.809	591	78.58
2 Yr / 6 Mo Libor - 5 Yr IO	161	75,414,358.24	29.89	359	40.88	7.088	653	83.02
30 Yr Fixed - 5 Yr IO	47	20,467,202.94	8.11	359	41.07	6.665	684	79.06
3 Yr / 6 Mo Libor	30	10,002,300.19	3.96	358	38.82	7.436	600	80.85
3 Yr / 6 Mo Libor - 5 Yr IO	38	16,819,447.61	6.67	359	39.82	6.803	659	81.72
Fixed	114	45,879,888.27	18.18	338	38.07	6.652	666	76.49
Total:	**591**	**$252,347,283.47**	**100.00%**	**355**	**39.98**	**7.209**	**636**	**79.87**

Principal Balances at Origination

RANGE OF PRINCIPAL BALANCES AT ORIGINATION ($)	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF ORIGINATION ($)	% OF PRINCIPAL BALANCE AS OF ORIGINATION	REMAINING TERM TO MATURITY (months)*	DEBT-TO-INCOME (%)*	MORTGAGE RATES (%)*	FICO*	OLTV (%)*
50,000.01 - 100,000.00	15	$ 1,061,247.00	0.42%	346	31.37	9.687	580	68.20
100,000.01 - 150,000.00	13	1,574,145.00	0.62	343	23.02	8.198	610	78.60
150,000.01 - 200,000.00	11	1,909,830.00	0.76	343	20.18	8.499	594	77.55
200,000.01 - 250,000.00	13	2,971,573.00	1.18	359	18.96	8.006	609	76.25
250,000.01 - 300,000.00	12	3,274,670.00	1.30	359	21.72	7.999	611	80.15
300,000.01 - 350,000.00	7	2,290,128.00	0.91	359	18.39	7.408	621	80.08
350,000.01 - 400,000.00	173	65,631,476.00	25.99	354	41.42	6.998	636	80.34
400,000.01 - 450,000.00	116	48,995,602.00	19.41	355	41.64	7.032	643	80.08
450,000.01 - 500,000.00	106	50,614,937.00	20.05	355	39.74	7.122	636	79.21
500,000.01 - 550,000.00	41	21,507,200.00	8.52	352	41.91	7.412	627	82.80
550,000.01 - 600,000.00	47	27,201,023.00	10.77	359	39.39	7.441	641	79.15
600,000.01 - 650,000.00	13	8,204,250.00	3.25	359	41.25	7.112	628	79.48
650,000.01 - 700,000.00	14	9,514,157.00	3.77	359	42.70	7.621	634	79.79
700,000.01 - 750,000.00	8	5,910,566.00	2.34	359	41.95	7.517	630	79.57
900,000.01 - 950,000.00	2	1,819,000.00	0.72	359	43.53	6.729	680	69.50
Total:	**591**	**$252,479,804.00**	**100.00%**	**355**	**39.97**	**7.208**	**636**	**79.86**

*Based on the original balances of the Mortgage Loans.

DESCRIPTION OF THE GROUP II COLLATERAL

Principal Balance as of the Cut-Off Date

RANGE OF PRINCIPAL BALANCES AS OF THE CUT-OFF DATE ($)	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
50,000.01 - 100,000.00	15	$ 1,060,842.89	0.42%	346	31.37	9.687	580	68.19
100,000.01 - 150,000.00	13	1,573,026.44	0.62	343	23.02	8.198	610	78.60
150,000.01 - 200,000.00	11	1,908,504.12	0.76	343	20.18	8.499	594	77.55
200,000.01 - 250,000.00	13	2,969,902.49	1.18	359	18.96	8.006	609	76.25
250,000.01 - 300,000.00	12	3,271,049.34	1.30	359	21.72	8.000	611	80.17
300,000.01 - 350,000.00	7	2,288,459.99	0.91	359	18.39	7.408	621	80.09
350,000.01 - 400,000.00	173	65,592,915.20	25.99	354	41.42	6.998	636	80.35
400,000.01 - 450,000.00	116	48,971,320.84	19.41	355	41.64	7.032	643	80.08
450,000.01 - 500,000.00	106	50,584,337.48	20.05	355	39.75	7.122	636	79.22
500,000.01 - 550,000.00	41	21,495,001.07	8.52	352	41.91	7.412	627	82.80
550,000.01 - 600,000.00	47	27,192,518.47	10.78	359	39.39	7.441	641	79.15
600,000.01 - 650,000.00	13	8,200,294.72	3.25	359	41.25	7.112	628	79.48
650,000.01 - 700,000.00	14	9,512,062.17	3.77	359	42.70	7.621	634	79.79
700,000.01 - 750,000.00	8	5,908,967.07	2.34	359	41.95	7.517	630	79.57
900,000.01 - 950,000.00	2	1,818,081.18	0.72	359	43.53	6.729	680	69.50
Total:	**591**	**$252,347,283.47**	**100.00%**	**355**	**39.98**	**7.209**	**636**	**79.87**

Remaining Term to Maturity

RANGE OF MONTHS REMAINING	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
121 - 180	11	$ 3,851,919.97	1.53%	179	29.27	6.678	639	75.80
181 - 240	4	1,729,780.22	0.69	239	38.87	6.704	650	77.13
241 - 300	2	843,936.42	0.33	298	33.05	6.818	676	80.94
301 - 360	574	245,921,646.86	97.45	359	40.17	7.222	635	79.95
Total:	**591**	**$252,347,283.47**	**100.00%**	**355**	**39.98**	**7.209**	**636**	**79.87**

DESCRIPTION OF THE GROUP II COLLATERAL

Mortgage Rates

RANGE OF CURRENT MORTGAGE RATES (%)	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
5.500 - 5.999	51	$ 22,278,359.54	8.83%	346	38.55	5.843	695	73.41
6.000 - 6.499	89	38,882,149.44	15.41	356	39.90	6.267	667	80.32
6.500 - 6.999	197	85,438,794.25	33.86	356	41.03	6.775	640	80.78
7.000 - 7.499	61	27,335,869.77	10.83	358	40.40	7.278	634	82.26
7.500 - 7.999	71	31,292,940.63	12.40	354	38.92	7.709	617	81.34
8.000 - 8.499	39	16,564,600.05	6.56	354	36.57	8.276	600	77.30
8.500 - 8.999	25	11,740,218.13	4.65	359	39.86	8.712	575	78.39
9.000 - 9.499	13	4,596,956.66	1.82	359	45.10	9.254	587	79.30
9.500 - 9.999	27	9,017,221.55	3.57	358	39.14	9.789	584	83.03
10.000 - 10.499	4	1,941,109.98	0.77	359	47.19	10.298	583	77.72
10.500 - 10.999	9	2,407,241.21	0.95	359	42.28	10.766	573	69.38
11.000 - 11.499	1	168,692.40	0.07	359	23.00	11.200	546	75.00
11.500 - 11.999	3	406,953.80	0.16	360	34.77	11.742	529	78.29
12.000 - 12.499	1	276,176.06	0.11	359	17.00	12.300	539	85.00
Total:	**591**	**$252,347,283.47**	**100.00%**	**355**	**39.98**	**7.209**	**636**	**79.87**

DESCRIPTION OF THE GROUP II COLLATERAL

Original Loan-to-Value Ratios

RANGE OF ORIGINAL LOAN-TO-VALUE RATIOS (%)	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
25.01 - 30.00	1	$ 211,000.00	0.08%	359	4.00	6.450	671	28.93
35.01 - 40.00	1	399,744.93	0.16	359	53.00	8.250	585	40.00
40.01 - 45.00	3	915,817.62	0.36	359	45.33	6.750	654	43.81
45.01 - 50.00	6	2,417,777.53	0.96	359	45.90	7.683	638	48.60
50.01 - 55.00	10	3,866,818.75	1.53	340	31.91	7.524	609	53.37
55.01 - 60.00	17	5,245,247.56	2.08	334	38.23	7.084	640	57.42
60.01 - 65.00	19	8,451,853.03	3.35	355	35.46	7.180	630	63.16
65.01 - 70.00	38	16,657,995.48	6.60	359	40.31	7.043	624	67.95
70.01 - 75.00	76	32,290,632.03	12.80	358	39.27	7.439	614	73.28
75.01 - 80.00	106	44,663,352.04	17.70	352	38.57	6.836	645	78.66
80.01 - 85.00	121	56,375,789.81	22.34	357	41.12	7.388	632	83.60
85.01 - 90.00	190	79,864,844.98	31.65	356	40.83	7.212	645	89.09
90.01 - 95.00	3	986,409.71	0.39	359	48.61	7.521	668	94.59
Total:	**591**	**$252,347,283.47**	**100.00%**	**355**	**39.98**	**7.209**	**636**	**79.87**

DESCRIPTION OF THE GROUP II COLLATERAL

FICO Score at Origination

RANGE OF FICO SCORES	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
500 - 519	11	$ 3,464,417.15	1.37%	359	44.92	8.993	509	73.45
520 - 539	29	10,815,646.63	4.29	359	37.37	9.041	531	75.19
540 - 559	31	11,817,461.78	4.68	353	36.74	8.312	553	74.29
560 - 579	30	11,455,295.94	4.54	359	38.14	7.829	570	80.15
580 - 599	43	18,640,260.01	7.39	356	38.34	7.824	590	78.87
600 - 619	45	18,651,664.40	7.39	352	43.31	7.367	609	77.76
620 - 639	114	51,368,610.24	20.36	358	40.87	7.297	629	81.99
640 - 659	114	50,083,393.05	19.85	354	40.51	6.889	649	81.96
660 - 679	89	37,977,216.92	15.05	351	39.01	6.694	669	80.31
680 - 699	33	14,090,698.68	5.58	357	41.48	6.430	690	80.05
700 - 719	22	10,296,441.22	4.08	359	39.76	6.490	710	76.73
720 - 739	14	6,750,804.66	2.68	359	37.93	6.407	728	80.52
740 - 759	7	2,662,161.90	1.05	342	41.02	5.992	749	74.19
760 - 779	6	2,669,210.89	1.06	359	36.67	6.553	770	79.90
780 - 799	2	1,035,000.00	0.41	359	37.68	6.186	787	79.61
800 - 819	1	569,000.00	0.23	359	50.00	7.650	802	84.93
Total:	**591**	**$252,347,283.47**	**100.00%**	**355**	**39.98**	**7.209**	**636**	**79.87**

Debt-to-Income Ratio

RANGE OF DEBT-TO-INCOME RATIOS (%)	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
<= 20.00	57	$ 17,748,982.11	7.03%	347	12.12	7.849	616	79.54
20.01 - 25.00	28	10,724,117.79	4.25	342	22.93	6.983	630	75.18
25.01 - 30.00	32	13,817,444.37	5.48	357	28.36	7.139	634	77.65
30.01 - 35.00	42	19,069,909.03	7.56	352	33.12	6.946	650	78.82
35.01 - 40.00	90	38,236,619.88	15.15	358	38.09	7.019	645	80.74
40.01 - 45.00	117	50,456,916.48	20.00	356	43.06	7.060	640	80.26
45.01 - 50.00	203	92,323,071.05	36.59	357	48.17	7.225	636	80.63
50.01 - 55.00	22	9,970,222.76	3.95	359	52.85	8.230	589	78.16
Total:	**591**	**$252,347,283.47**	**100.00%**	**355**	**39.98**	**7.209**	**636**	**79.87**

DESCRIPTION OF THE GROUP II COLLATERAL

Geographic Distribution

STATE	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
California	227	$101,698,323.35	40.30%	357	40.95	6.955	640	78.88
New York	87	38,308,705.33	15.18	353	42.21	7.304	636	78.70
Florida	44	16,557,547.23	6.56	353	37.20	7.301	628	81.94
New Jersey	35	15,141,658.02	6.00	353	39.93	7.802	638	82.27
Massachusetts	32	14,344,660.71	5.68	353	42.61	6.465	640	81.06
Maryland	29	13,216,435.28	5.24	359	41.13	7.489	620	79.73
Washington	20	9,514,785.12	3.77	359	37.88	7.275	653	79.53
Texas	16	5,537,163.09	2.19	323	29.42	7.494	620	78.23
Illinois	8	3,837,602.12	1.52	359	42.27	8.140	640	83.55
Georgia	9	3,685,893.60	1.46	359	30.75	8.567	601	85.11
Pennsylvania	9	3,279,628.50	1.30	359	46.18	7.165	631	81.94
Arizona	7	3,251,985.58	1.29	359	36.59	6.758	644	76.74
Connecticut	5	2,836,931.28	1.12	359	44.99	7.880	593	79.74
Nevada	5	2,406,557.54	0.95	358	30.79	7.131	653	77.23
Minnesota	6	2,251,605.38	0.89	359	38.15	8.102	605	82.54
South Carolina	5	2,128,178.70	0.84	359	34.06	7.751	628	80.78
Ohio	6	1,936,759.24	0.77	359	28.93	7.722	623	79.76
Hawaii	4	1,729,780.40	0.69	359	37.01	7.211	668	79.08
Missouri	5	1,474,415.68	0.58	359	41.55	7.487	625	86.16
North Carolina	7	1,432,114.78	0.57	359	35.49	8.737	589	84.53
Michigan	3	1,252,534.82	0.50	359	38.88	7.498	614	88.26
New Hampshire	3	1,198,820.37	0.48	340	30.07	6.759	670	89.96
Wisconsin	3	1,194,514.62	0.47	359	41.50	6.648	682	84.55
Oregon	2	1,064,145.71	0.42	359	39.79	7.413	560	75.50
Colorado	3	881,771.15	0.35	359	31.80	7.139	606	83.26
Louisiana	2	529,112.35	0.21	359	9.29	7.646	568	79.28
Arkansas	1	488,049.52	0.19	359	49.00	5.850	760	79.44
Tennessee	1	371,728.30	0.15	179	48.00	6.100	661	83.07
Indiana	4	340,899.64	0.14	316	20.25	10.144	575	76.87
Montana	1	276,176.06	0.11	359	17.00	12.300	539	85.00
Maine	1	118,800.00	0.05	360	25.00	6.400	655	80.00
Oklahoma	1	60,000.00	0.02	360	48.00	9.600	532	49.79
Total:	**591**	**$252,347,283.47**	**100.00%**	**355**	**39.98**	**7.209**	**636**	**79.87**

DESCRIPTION OF THE GROUP II COLLATERAL

Occupancy Status

OCCUPANCY STATUS*	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
Owner Occupied	574	$247,887,138.69	98.23%	355	40.07	7.182	636	79.87
Non-Owner Occupied	12	2,921,114.66	1.16	359	30.95	8.728	601	78.43
Second Home	5	1,539,030.12	0.61	359	42.46	8.549	626	82.38
Total:	**591**	**$252,347,283.47**	**100.00%**	**355**	**39.98**	**7.209**	**636**	**79.87**

*Based on mortgagor representation at origination.

Documentation Type

INCOME DOCUMENTATION	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
Full Documentation	440	$190,265,829.07	75.40%	354	39.83	7.027	640	80.47
Limited Documentation	95	38,597,454.55	15.30	358	39.02	7.600	619	79.21
Stated Documentation	56	23,483,999.85	9.31	359	42.74	8.036	624	76.04
Total:	**591**	**$252,347,283.47**	**100.00%**	**355**	**39.98**	**7.209**	**636**	**79.87**

Loan Purpose

PURPOSE	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
Refinance-Debt Consolidation Cash Out**	567	$242,365,544.03	96.04%	355	40.13	7.206	634	79.76
Refinance-Debt Consolidation No Cash Out***	15	6,532,739.91	2.59	348	38.06	7.009	686	82.18
Purchase	9	3,448,999.53	1.37	359	32.88	7.737	635	83.23
Total:	**591**	**$252,347,283.47**	**100.00%**	**355**	**39.98**	**7.209**	**636**	**79.87**

** Cash proceeds to the borrower inclusive of debt consolidation payments exceed 2% or $2,000 of the original principal balance of the related loan. Also includes all home equity loans originated in Texas with any cash proceeds.
*** Cash proceeds to the borrower inclusive of debt consolidation payments do not exceed 2% or $2,000 of the original principal balance of the related loan. Excludes home equity loans originated in Texas with any cash proceeds.

DESCRIPTION OF THE GROUP II COLLATERAL

Credit Grade

RISK CATEGORY	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
8A	42	$ 19,391,645.12	7.68%	357	39.54	6.351	735	77.82
7A	40	17,225,361.07	6.83	358	39.96	6.382	693	79.52
6A	86	36,379,113.75	14.42	351	38.60	6.653	669	80.06
5A	110	48,149,054.32	19.08	356	40.75	6.876	649	82.13
4A	101	45,784,664.38	18.14	356	41.28	7.244	630	82.23
3A	39	16,580,626.12	6.57	351	43.48	7.201	617	80.91
2A	51	21,422,206.86	8.49	356	37.76	7.446	606	78.74
A	58	23,783,387.61	9.42	355	39.37	7.971	574	80.11
B	38	14,700,280.57	5.83	359	37.75	8.993	551	75.43
C	23	8,387,698.43	3.32	359	40.60	9.039	536	68.09
D	3	543,245.24	0.22	359	26.98	8.680	540	54.11
Total:	**591**	**$252,347,283.47**	**100.00%**	**355**	**39.98**	**7.209**	**636**	**79.87**

Property Type

PROPERTY TYPE	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
Single Family	498	$215,275,639.55	85.31%	355	39.86	7.163	637	80.11
Pud	42	17,468,148.59	6.92	355	38.44	7.215	623	77.98
Condominium	22	8,944,353.46	3.54	359	41.78	7.803	625	79.68
Two-to-Four Family	16	7,663,804.13	3.04	359	44.11	7.686	632	77.46
Pud Attached	3	1,224,735.94	0.49	358	41.49	6.949	634	80.30
Single Family Attached	3	995,833.57	0.39	358	39.86	7.789	669	87.54
Manufactured Housing	7	774,768.23	0.31	359	42.66	7.768	632	68.67
Total:	**591**	**$252,347,283.47**	**100.00%**	**355**	**39.98**	**7.209**	**636**	**79.87**

DESCRIPTION OF THE GROUP II COLLATERAL

Prepayment Charge Term at Origination

PREPAYMENT CHARGE TERM AT ORIGINATION (months)	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
0	223	$ 97,063,279.46	38.46%	355	40.48	7.645	627	79.82
12	38	16,393,067.62	6.50	345	41.91	6.596	670	79.70
24	4	1,964,953.21	0.78	359	25.67	7.475	612	81.90
30	4	1,206,189.61	0.48	359	34.29	8.317	599	86.49
36	322	135,719,793.57	53.78	356	39.64	6.956	638	79.83
Total:	**591**	**$252,347,283.47**	**100.00%**	**355**	**39.98**	**7.209**	**636**	**79.87**

Conforming Balance

CONFORMING BALANCE	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
Conforming	75	$ 14,686,831.06	5.82%	354	22.73	8.162	607	78.31
Non-Conforming	516	237,660,452.41	94.18	355	41.04	7.150	637	79.96
Total:	**591**	**$252,347,283.47**	**100.00%**	**355**	**39.98**	**7.209**	**636**	**79.87**

Maximum Mortgage Rates of the Adjustable-Rate Loans

RANGE OF MAXIMUM MORTGAGE RATES (%)	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
11.500 - 11.999	20	$ 8,436,773.31	4.54%	359	40.62	5.821	677	80.20
12.000 - 12.499	51	22,462,774.29	12.08	359	41.86	6.276	653	81.50
12.500 - 12.999	145	63,840,459.69	34.32	359	40.94	6.778	633	80.90
13.000 - 13.499	45	20,877,911.74	11.22	359	40.11	7.266	632	82.62
13.500 - 13.999	58	26,024,737.15	13.99	359	39.76	7.726	610	81.74
14.000 - 14.499	34	15,392,882.22	8.28	359	35.88	8.276	599	77.46
14.500 - 14.999	23	10,903,031.05	5.86	359	39.33	8.719	574	79.34
15.000 - 15.499	11	4,089,411.61	2.20	359	46.00	9.236	579	79.87
15.500 - 15.999	26	8,957,221.55	4.82	358	39.08	9.791	584	83.26
16.000 - 16.499	4	1,941,109.98	1.04	359	47.19	10.298	583	77.72
16.500 - 16.999	8	2,222,057.41	1.19	359	44.05	10.747	577	68.91
17.000 - 17.499	1	168,692.40	0.09	359	23.00	11.200	546	75.00
17.500 - 17.999	3	406,953.80	0.22	360	34.77	11.742	529	78.29
18.000 - 18.499	1	276,176.06	0.15	359	17.00	12.300	539	85.00
Total:	**430**	**$186,000,192.26**	**100.00%**	**359**	**40.32**	**7.406**	**623**	**80.79**

DESCRIPTION OF THE GROUP II COLLATERAL

Minimum Mortgage Rates of the Adjustable-Rate Loans

RANGE OF MINIMUM MORTGAGE RATES (%)	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
5.500 - 5.999	20	$ 8,436,773.31	4.54%	359	40.62	5.821	677	80.20
6.000 - 6.499	51	22,462,774.29	12.08	359	41.86	6.276	653	81.50
6.500 - 6.999	145	63,840,459.69	34.32	359	40.94	6.778	633	80.90
7.000 - 7.499	45	20,877,911.74	11.22	359	40.11	7.266	632	82.62
7.500 - 7.999	58	26,024,737.15	13.99	359	39.76	7.726	610	81.74
8.000 - 8.499	34	15,392,882.22	8.28	359	35.88	8.276	599	77.46
8.500 - 8.999	23	10,903,031.05	5.86	359	39.33	8.719	574	79.34
9.000 - 9.499	11	4,089,411.61	2.20	359	46.00	9.236	579	79.87
9.500 - 9.999	26	8,957,221.55	4.82	358	39.08	9.791	584	83.26
10.000 - 10.499	4	1,941,109.98	1.04	359	47.19	10.298	583	77.72
10.500 - 10.999	8	2,222,057.41	1.19	359	44.05	10.747	577	68.91
11.000 - 11.499	1	168,692.40	0.09	359	23.00	11.200	546	75.00
11.500 - 11.999	3	406,953.80	0.22	360	34.77	11.742	529	78.29
12.000 - 12.499	1	276,176.06	0.15	359	17.00	12.300	539	85.00
Total:	**430**	**$186,000,192.26**	**100.00%**	**359**	**40.32**	**7.406**	**623**	**80.79**

DESCRIPTION OF THE GROUP II COLLATERAL

Margins of the Adjustable-Rate Loans

RANGE OF MORTGAGE MARGINS (%)	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
<= 2.999	2	$ 935,000.00	0.50%	359	47.86	5.710	705	72.15
3.000 - 3.249	9	3,968,383.47	2.13	359	44.66	6.525	598	85.51
3.250 - 3.499	4	1,706,035.02	0.92	359	50.42	6.074	668	87.83
3.500 - 3.749	6	2,765,367.24	1.49	359	46.46	6.529	635	85.43
4.250 - 4.499	9	4,331,507.67	2.33	359	42.12	8.033	644	84.27
4.500 - 4.749	3	1,362,200.00	0.73	359	38.74	6.548	682	78.17
4.750 - 4.999	13	5,415,182.09	2.91	359	36.87	6.878	715	82.36
5.000 - 5.249	17	7,492,529.01	4.03	359	40.89	6.775	678	84.05
5.250 - 5.499	53	24,550,354.96	13.20	359	40.01	6.622	665	81.61
5.500 - 5.749	62	28,481,485.76	15.31	359	41.32	7.097	645	82.26
5.750 - 5.999	84	38,183,190.90	20.53	359	41.90	7.341	626	82.62
6.000 - 6.249	69	28,857,989.36	15.52	359	38.43	7.478	605	79.81
6.250 - 6.499	45	18,594,360.43	10.00	358	40.22	8.137	571	79.53
6.500 - 6.749	38	14,391,109.76	7.74	359	36.66	9.067	546	74.88
6.750 - 6.999	16	4,965,496.59	2.67	359	36.08	8.756	539	65.56
Total:	**430**	**$186,000,192.26**	**100.00%**	**359**	**40.32**	**7.406**	**623**	**80.79**

DESCRIPTION OF THE GROUP II COLLATERAL

Next Rate Adjustment Date of the Adjustable-Rate Loans

NEXT RATE ADJUSTMENT DATE	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
April 1, 2007	5	$ 2,413,249.99	1.30%	356	30.78	7.523	636	83.10
May 1, 2007	5	2,436,999.99	1.31	357	40.92	6.976	657	81.84
June 1, 2007	11	4,148,954.07	2.23	358	39.20	7.741	625	79.33
July 1, 2007	317	140,222,238.41	75.39	359	40.78	7.444	619	80.73
August 1, 2007	24	9,957,002.00	5.35	360	38.91	7.783	628	79.80
April 1, 2008	1	403,733.57	0.22	356	42.00	6.850	650	90.00
July 1, 2008	58	24,906,542.23	13.39	358	39.38	6.974	637	81.30
August 1, 2008	9	1,511,472.00	0.81	360	39.91	8.165	628	80.51
Total:	**430**	**$186,000,192.26**	**100.00%**	**359**	**40.32**	**7.406**	**623**	**80.79**

Initial Periodic Rate Cap of the Adjustable-Rate Loans

INITIAL PERIODIC RATE CAP (%)	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
2.000	430	$186,000,192.26	100.00%	359	40.32	7.406	623	80.79
Total:	**430**	**$186,000,192.26**	**100.00%**	**359**	**40.32**	**7.406**	**623**	**80.79**

Subsequent Periodic Rate Cap of the Adjustable-Rate Loans

SUBSEQUENT PERIODIC RATE CAP (%)	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
1.000	430	$186,000,192.26	100.00%	359	40.32	7.406	623	80.79
Total:	**430**	**$186,000,192.26**	**100.00%**	**359**	**40.32**	**7.406**	**623**	**80.79**

Insured AVM

INSURED AVM	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES(%)	FICO	OLTV%
Not-Insured AVM	484	$ 209,222,750.70	82.91%	356	40.17	7.330	630	80.76
Insured AVM	107	43,124,532.77	17.09	353	39.03	6.618	660	75.54
Total:	**591**	**$ 252,347,283.47**	**100.00%**	**355**	**39.98**	**7.209**	**636**	**79.87**

DESCRIPTION OF THE IO COLLATERAL

Collateral Summary

Statistics given below are for the Mortgage Loans in the pool as of the Cut-off Date. Balances and percentages are based on the Cut-off Date scheduled balances of such Mortgage Loans (except in the case of FICO, which is determined at origination).

	Summary Statistics		Range (if applicable)
Number of Mortgage Loans:	1,250		
Aggregate Current Principal Balance:	$322,005,768.49		
Average Current Principal Balance:	$257,604.62		$60,000.00 - $913,500.00
Aggregate Original Principal Balance:	$322,029,544.00		
Average Original Principal Balance:	$257,623.64		$60,000.00 - $913,500.00
Fully Amortizing Mortgage Loans:	100.00%		
1st Lien:	100.00%		
Wtd. Avg. Mortgage Rates:	6.991%		5.500% - 12.990%
Wtd. Avg. Original Term to Maturity (months):	360		360 - 360
Wtd. Avg. Remaining Term to Maturity (months):	359		356 - 360
Wtd. Avg. Margin (ARM Loans Only):	5.328%		1.850% - 6.000%
Wtd. Avg. Maximum Mortgage Rate (ARM Loans Only):	13.024%		11.500% - 18.990%
Wtd. Avg. Minimum Mortgage Rate (ARM Loans Only):	7.024%		5.500% - 12.990%
Wtd. Avg. Original LTV:	80.91%		19.22% - 95.00%
Wtd. Avg. Borrower FICO:	658		620 - 805
Geographic Distribution (Top 5):	CA	32.74%	
	NJ	7.44%	
	FL	7.36%	
	NY	7.31%	
	MA	7.22%	

DESCRIPTION OF THE IO COLLATERAL

Collateral Type

COLLATERAL TYPE	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
2 Yr / 6 Mo Libor - 5 Yr IO	786	$208,127,838.07	64.63%	359	41.21	7.052	652	81.75
30 Yr Fixed - 5 Yr IO	273	65,549,273.60	20.36	359	40.07	6.862	676	78.64
3 Yr / 6 Mo Libor - 5 Yr IO	191	48,328,656.82	15.01	359	41.08	6.900	657	80.34
Total:	**1,250**	**$322,005,768.49**	**100.00%**	**359**	**40.96**	**6.991**	**658**	**80.91**

Principal Balances at Origination

RANGE OF PRINCIPAL BALANCES AT ORIGINATION ($)	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF ORIGINATION ($)	% OF PRINCIPAL BALANCE AS OF ORIGINATION	REMAINING TERM TO MATURITY (months)*	DEBT-TO-INCOME (%)*	MORTGAGE RATES (%)*	FICO*	OLTV (%)*
50,000.01 - 100,000.00	88	$ 7,254,402.00	2.25%	359	40.42	7.747	656	76.46
100,000.01 - 150,000.00	197	25,104,023.00	7.80	359	39.40	7.264	652	81.36
150,000.01 - 200,000.00	218	38,316,108.00	11.90	359	40.40	7.105	652	79.81
200,000.01 - 250,000.00	199	44,827,209.00	13.92	359	40.38	7.044	654	79.15
250,000.01 - 300,000.00	152	41,604,909.00	12.92	359	40.46	6.687	666	81.10
300,000.01 - 350,000.00	121	39,126,671.00	12.15	359	41.89	6.906	654	80.26
350,000.01 - 400,000.00	101	37,886,985.00	11.77	359	42.32	6.815	663	82.51
400,000.01 - 450,000.00	59	24,904,082.00	7.73	359	42.49	6.749	666	82.26
450,000.01 - 500,000.00	50	23,840,769.00	7.40	359	40.88	6.903	657	80.97
500,000.01 - 550,000.00	15	7,886,722.00	2.45	359	44.08	7.401	652	86.29
550,000.01 - 600,000.00	29	16,795,440.00	5.22	359	38.60	7.292	664	82.21
600,000.01 - 650,000.00	6	3,759,000.00	1.17	359	41.10	7.162	638	81.14
650,000.01 - 700,000.00	9	6,100,658.00	1.89	359	41.32	7.077	650	82.41
700,000.01 - 750,000.00	5	3,709,066.00	1.15	359	38.72	7.432	656	79.33
900,000.01 - 950,000.00	1	913,500.00	0.28	359	50.00	7.550	643	74.27
Total:	**1,250**	**$322,029,544.00**	**100.00%**	**359**	**40.96**	**6.991**	**658**	**80.90**

*Based on the original balances of the Mortgage Loans.

DESCRIPTION OF THE IO COLLATERAL

Principal Balance as of the Cut-Off Date

RANGE OF PRINCIPAL BALANCES AS OF THE CUT-OFF DATE ($)	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
50,000.01 - 100,000.00	88	$ 7,253,467.90	2.25%	359	40.42	7.747	656	76.46
100,000.01 - 150,000.00	197	25,102,194.04	7.80	359	39.40	7.264	652	81.36
150,000.01 - 200,000.00	218	38,311,238.61	11.90	359	40.40	7.105	652	79.81
200,000.01 - 250,000.00	199	44,822,926.04	13.92	359	40.38	7.044	654	79.15
250,000.01 - 300,000.00	153	41,900,183.00	13.01	359	40.47	6.692	666	80.95
300,000.01 - 350,000.00	120	38,824,488.77	12.06	359	41.89	6.903	654	80.41
350,000.01 - 400,000.00	101	37,883,189.90	11.76	359	42.32	6.815	663	82.51
400,000.01 - 450,000.00	59	24,903,715.51	7.73	359	42.49	6.749	666	82.26
450,000.01 - 500,000.00	50	23,840,432.43	7.40	359	40.88	6.903	657	80.97
500,000.01 - 550,000.00	15	7,886,722.00	2.45	359	44.08	7.401	652	86.29
550,000.01 - 600,000.00	29	16,795,272.86	5.22	359	38.60	7.292	664	82.21
600,000.01 - 650,000.00	6	3,758,713.44	1.17	359	41.10	7.162	638	81.14
650,000.01 - 700,000.00	9	6,100,657.99	1.89	359	41.32	7.077	650	82.41
700,000.01 - 750,000.00	5	3,709,066.00	1.15	359	38.72	7.432	656	79.33
900,000.01 - 950,000.00	1	913,500.00	0.28	359	50.00	7.550	643	74.27
Total:	**1,250**	**$322,005,768.49**	**100.00%**	**359**	**40.96**	**6.991**	**658**	**80.91**

Remaining Term to Maturity

RANGE OF MONTHS REMAINING	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
301 - 360	1,250	$322,005,768.49	100.00%	359	40.96	6.991	658	80.91
Total:	**1,250**	**$322,005,768.49**	**100.00%**	**359**	**40.96**	**6.991**	**658**	**80.91**

DESCRIPTION OF THE IO COLLATERAL

Mortgage Rates

RANGE OF CURRENT MORTGAGE RATES (%)	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
5.500 - 5.999	79	$ 24,327,502.62	7.55%	359	40.31	5.825	692	75.85
6.000 - 6.499	201	58,202,339.91	18.07	359	40.17	6.285	667	78.62
6.500 - 6.999	461	123,090,984.75	38.23	359	41.39	6.764	654	81.03
7.000 - 7.499	184	43,167,381.67	13.41	359	40.91	7.248	649	82.29
7.500 - 7.999	189	43,157,340.80	13.40	359	41.87	7.692	649	82.97
8.000 - 8.499	49	11,819,431.85	3.67	359	36.76	8.270	657	82.82
8.500 - 8.999	52	10,225,835.73	3.18	359	40.67	8.729	651	84.77
9.000 - 9.499	11	2,100,408.16	0.65	359	42.57	9.283	636	84.07
9.500 - 9.999	13	3,585,439.00	1.11	359	44.21	9.695	643	85.39
10.000 - 10.499	6	1,017,935.00	0.32	359	43.12	10.202	633	81.13
10.500 - 10.999	2	697,514.00	0.22	359	47.72	10.514	626	84.27
11.000 - 11.499	2	492,105.00	0.15	359	46.33	11.350	667	89.19
12.500 - 12.999	1	121,550.00	0.04	359	41.00	12.990	622	85.00
Total:	**1,250**	**$322,005,768.49**	**100.00%**	**359**	**40.96**	**6.991**	**658**	**80.91**

Original Loan-to-Value Ratios

RANGE OF ORIGINAL LOAN-TO-VALUE RATIOS (%)	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
<= 25.00	4	$ 552,464.00	0.17%	359	33.98	7.085	656	21.46
25.01 - 30.00	4	632,841.33	0.20	359	26.81	7.018	655	26.75
30.01 - 35.00	4	505,000.00	0.16	359	44.92	7.007	649	32.46
35.01 - 40.00	8	1,358,895.00	0.42	359	39.76	6.610	674	37.71
40.01 - 45.00	15	3,205,646.05	1.00	359	38.69	6.526	661	43.05
45.01 - 50.00	15	3,260,833.54	1.01	359	40.56	6.568	663	47.54
50.01 - 55.00	11	2,408,052.51	0.75	359	40.41	6.921	651	52.66
55.01 - 60.00	32	6,139,809.21	1.91	359	38.18	6.805	664	57.56
60.01 - 65.00	45	11,312,836.52	3.51	359	39.13	6.987	649	62.31
65.01 - 70.00	64	19,411,479.59	6.03	359	41.88	6.632	652	67.63
70.01 - 75.00	80	21,503,378.62	6.68	359	40.83	6.822	655	73.00
75.01 - 80.00	210	53,407,783.75	16.59	359	39.85	6.761	662	78.65
80.01 - 85.00	191	56,275,383.53	17.48	359	41.28	7.113	660	83.60
85.01 - 90.00	546	137,124,047.84	42.58	359	41.53	7.135	654	89.18
90.01 - 95.00	21	4,907,317.00	1.52	359	42.71	7.182	711	93.88
Total:	**1,250**	**$322,005,768.49**	**100.00%**	**359**	**40.96**	**6.991**	**658**	**80.91**

DESCRIPTION OF THE IO COLLATERAL

FICO Score at Origination

RANGE OF FICO SCORES	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
620 - 639	397	$101,499,180.70	31.52%	359	41.25	7.297	629	80.60
640 - 659	372	95,250,734.80	29.58	359	41.09	7.000	649	81.44
660 - 679	314	77,414,395.17	24.04	359	40.12	6.799	669	80.35
680 - 699	66	17,168,655.61	5.33	359	42.62	6.789	689	80.83
700 - 719	40	12,643,824.10	3.93	359	42.50	6.655	708	82.13
720 - 739	21	6,858,750.00	2.13	359	41.37	6.378	729	80.05
740 - 759	17	4,332,924.00	1.35	359	38.42	6.416	748	85.04
760 - 779	13	3,770,976.11	1.17	359	36.93	6.640	770	80.43
780 - 799	6	1,853,028.00	0.58	359	39.74	6.216	787	80.10
800 - 819	4	1,213,300.00	0.38	359	42.12	7.054	802	81.04
Total:	**1,250**	**$322,005,768.49**	**100.00%**	**359**	**40.96**	**6.991**	**658**	**80.91**

Debt-to-Income Ratio

RANGE OF DEBT-TO-INCOME RATIOS (%)	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
<= 20.00	30	$ 7,548,594.34	2.34%	359	14.48	7.411	657	75.42
20.01 - 25.00	52	13,274,475.59	4.12	359	23.24	6.786	659	78.91
25.01 - 30.00	90	20,263,432.68	6.29	359	28.44	6.908	662	80.20
30.01 - 35.00	147	34,284,155.07	10.65	359	33.16	6.821	658	80.88
35.01 - 40.00	191	49,646,635.80	15.42	359	38.12	6.974	658	80.55
40.01 - 45.00	262	67,752,403.11	21.04	359	42.97	7.035	657	80.96
45.01 - 50.00	473	127,630,621.90	39.64	359	48.35	7.035	656	81.64
50.01 - 55.00	5	1,605,450.00	0.50	359	52.55	6.556	676	82.33
Total:	**1,250**	**$322,005,768.49**	**100.00%**	**359**	**40.96**	**6.991**	**658**	**80.91**

DESCRIPTION OF THE IO COLLATERAL

Geographic Distribution

STATE	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
California	308	$105,417,969.15	32.74%	359	40.76	6.819	655	78.02
New Jersey	89	23,971,581.13	7.44	359	39.39	7.357	651	79.90
Florida	110	23,689,486.27	7.36	359	40.16	7.035	657	83.13
New York	68	23,546,655.99	7.31	359	44.07	7.138	670	78.41
Massachusetts	80	23,263,228.10	7.22	359	42.20	6.265	668	81.65
Maryland	75	17,780,405.40	5.52	359	39.51	7.092	652	83.43
Arizona	57	10,540,060.99	3.27	359	41.10	6.825	654	83.60
Washington	39	10,375,729.05	3.22	359	40.54	7.262	664	85.09
Illinois	35	8,598,528.13	2.67	359	41.11	7.634	656	82.96
Georgia	40	7,300,331.67	2.27	359	40.83	7.759	654	85.68
Pennsylvania	36	7,255,484.24	2.25	359	42.36	7.147	650	84.45
Michigan	38	6,883,584.59	2.14	359	41.83	7.112	659	85.68
Minnesota	29	6,545,919.99	2.03	359	40.60	6.988	665	84.51
Ohio	39	6,369,235.26	1.98	358	41.26	7.134	655	85.32
Nevada	22	5,665,525.99	1.76	359	36.54	6.941	658	78.97
Hawaii	13	4,278,902.28	1.33	359	43.06	6.770	665	72.12
Wisconsin	17	3,621,064.95	1.12	359	43.39	7.394	666	84.18
Connecticut	13	3,303,900.00	1.03	359	43.67	7.289	648	82.02
Colorado	16	2,879,455.00	0.89	359	38.06	6.737	663	82.21
Oregon	13	2,315,181.40	0.72	359	42.96	6.822	662	79.98
Tennessee	13	1,952,614.48	0.61	358	38.12	7.177	671	85.34
New Hampshire	8	1,774,685.00	0.55	358	40.54	7.431	670	83.86
Rhode Island	8	1,652,141.43	0.51	359	37.12	6.784	647	82.04
Missouri	9	1,415,672.67	0.44	359	41.50	6.919	652	86.49
South Carolina	7	1,415,477.00	0.44	359	41.48	7.527	650	84.41
Texas	8	1,402,621.47	0.44	359	41.37	7.159	648	83.38
Alabama	11	1,294,170.00	0.40	358	40.80	7.683	670	84.70
Maine	5	1,253,143.66	0.39	359	39.83	6.972	657	83.45
North Carolina	6	1,111,910.00	0.35	359	35.41	6.798	654	87.12
Indiana	9	1,047,622.00	0.33	358	42.90	7.622	658	88.37
Delaware	3	674,279.00	0.21	359	40.58	6.919	654	82.07
Louisiana	4	538,493.26	0.17	359	43.40	6.781	647	78.31
Utah	3	483,700.00	0.15	359	46.69	6.924	675	91.65
Wyoming	3	379,119.00	0.12	359	44.69	7.063	652	84.49
Kansas	2	361,000.00	0.11	357	48.73	8.585	643	86.62
Kentucky	2	290,500.00	0.09	359	37.94	7.187	638	88.06
Montana	2	281,400.00	0.09	359	45.38	9.060	669	88.83
Alaska	1	225,600.00	0.07	359	39.00	7.450	638	80.00
Oklahoma	2	196,117.94	0.06	358	43.23	8.043	626	77.96
Mississippi	2	181,650.00	0.06	358	38.33	7.888	645	86.76
District Of Columbia	1	126,224.00	0.04	359	27.00	6.600	642	82.50
South Dakota	1	117,898.00	0.04	359	46.00	6.750	648	90.00
Vermont	1	100,000.00	0.03	359	41.00	7.400	648	71.69
Iowa	1	67,500.00	0.02	356	41.00	7.990	677	90.00
Arkansas	1	60,000.00	0.02	360	38.00	8.600	663	85.71
Total:	**1,250**	**$322,005,768.49**	**100.00%**	**359**	**40.96**	**6.991**	**658**	**80.91**

DESCRIPTION OF THE IO COLLATERAL

Occupancy Status

OCCUPANCY STATUS*	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
Owner Occupied	1,230	$318,263,445.54	98.84%	359	40.95	6.982	658	80.89
Second Home	20	3,742,322.95	1.16	359	42.30	7.721	657	82.36
Total:	**1,250**	**$322,005,768.49**	**100.00%**	**359**	**40.96**	**6.991**	**658**	**80.91**

*Based on mortgagor representation at origination.

Documentation Type

INCOME DOCUMENTATION	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
Full Documentation	982	$251,893,812.67	78.23%	359	40.93	6.908	659	81.45
Limited Documentation	148	38,788,283.32	12.05	359	39.92	7.030	653	80.18
Stated Documentation	120	31,323,672.50	9.73	359	42.48	7.609	655	77.43
Total:	**1,250**	**$322,005,768.49**	**100.00%**	**359**	**40.96**	**6.991**	**658**	**80.91**

Loan Purpose

PURPOSE	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
Refinance-Debt Consolidation Cash Out**	1,147	$300,604,782.42	93.35%	359	40.98	6.987	657	80.84
Refinance-Debt Consolidation No Cash Out***	59	12,544,226.51	3.90	359	39.63	7.006	669	83.14
Purchase	44	8,856,759.56	2.75	359	42.17	7.108	654	80.11
Total:	**1,250**	**$322,005,768.49**	**100.00%**	**359**	**40.96**	**6.991**	**658**	**80.91**

** Cash proceeds to the borrower inclusive of debt consolidation payments exceed 2% or $2,000 of the original principal balance of the related loan. Also includes all home equity loans originated in Texas with any cash proceeds.
*** Cash proceeds to the borrower inclusive of debt consolidation payments do not exceed 2% or $2,000 of the original principal balance of the related loan. Excludes home equity loans originated in Texas with any cash proceeds.

DESCRIPTION OF THE IO COLLATERAL

Credit Grade

RISK CATEGORY	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
8A	77	$ 23,042,955.21	7.16%	359	40.45	6.487	742	81.05
7A	80	22,295,153.61	6.92	359	41.93	6.690	694	81.92
6A	298	73,395,965.17	22.79	359	39.85	6.764	669	80.44
5A	342	88,506,255.64	27.49	359	41.17	6.959	649	81.49
4A	358	91,169,756.89	28.31	359	41.80	7.257	630	80.95
3A	22	5,760,053.00	1.79	359	42.56	7.280	658	83.15
2A	73	17,835,628.97	5.54	359	39.10	7.654	642	77.49
Total:	**1,250**	**$322,005,768.49**	**100.00%**	**359**	**40.96**	**6.991**	**658**	**80.91**

Property Type

PROPERTY TYPE	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
Single Family	1,056	$269,579,722.11	83.72%	359	40.56	6.970	657	80.85
Two-to-Four Family	61	19,310,039.84	6.00	359	45.44	7.125	657	76.96
Pud	59	14,853,145.97	4.61	359	40.91	6.976	663	83.04
Condominium	61	14,746,704.00	4.58	359	41.52	7.142	667	83.96
Pud Attached	8	2,099,174.00	0.65	358	46.67	7.107	655	83.78
Single Family Attached	5	1,416,982.57	0.44	358	42.39	7.550	664	86.60
Total:	**1,250**	**$322,005,768.49**	**100.00%**	**359**	**40.96**	**6.991**	**658**	**80.91**

Prepayment Charge Term at Origination

PREPAYMENT CHARGE TERM AT ORIGINATION (months)	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
0	482	$125,379,244.43	38.94%	359	41.28	7.262	658	81.34
12	31	9,819,527.43	3.05	359	41.30	6.757	676	78.26
24	6	1,594,689.00	0.50	359	41.02	7.139	652	86.22
30	4	887,000.00	0.28	359	32.63	6.766	651	86.39
36	727	184,325,307.63	57.24	359	40.77	6.819	657	80.68
Total:	**1,250**	**$322,005,768.49**	**100.00%**	**359**	**40.96**	**6.991**	**658**	**80.91**

DESCRIPTION OF THE IO COLLATERAL

Conforming Balance

CONFORMING BALANCE	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
Conforming	1,016	$212,247,573.30	65.91%	359	40.92	7.010	657	80.22
Non-Conforming	234	109,758,195.19	34.09	359	41.04	6.954	660	82.23
Total:	**1,250**	**$322,005,768.49**	**100.00%**	**359**	**40.96**	**6.991**	**658**	**80.91**

Maximum Mortgage Rates of the Adjustable-Rate Loans

RANGE OF MAXIMUM MORTGAGE RATES (%)	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
11.500 - 11.999	65	$ 20,079,856.71	7.83%	359	40.82	5.798	682	76.56
12.000 - 12.499	146	41,490,027.45	16.18	359	40.91	6.280	655	80.13
12.500 - 12.999	361	97,765,593.69	38.12	359	41.60	6.760	651	81.15
13.000 - 13.499	153	36,140,030.37	14.09	359	40.87	7.249	648	82.92
13.500 - 13.999	138	34,271,048.93	13.36	359	42.03	7.693	647	83.13
14.000 - 14.499	39	9,818,198.85	3.83	359	35.48	8.295	658	83.83
14.500 - 14.999	42	9,213,522.73	3.59	359	40.70	8.742	650	85.10
15.000 - 15.499	11	2,100,408.16	0.82	359	42.57	9.283	636	84.07
15.500 - 15.999	12	3,351,439.00	1.31	359	44.01	9.701	641	85.06
16.000 - 16.499	5	915,200.00	0.36	359	44.03	10.219	631	81.25
16.500 - 16.999	2	697,514.00	0.27	359	47.72	10.514	626	84.27
17.000 - 17.499	2	492,105.00	0.19	359	46.33	11.350	667	89.19
18.500 - 18.999	1	121,550.00	0.05	359	41.00	12.990	622	85.00
Total:	**977**	**$256,456,494.89**	**100.00%**	**359**	**41.19**	**7.024**	**653**	**81.48**

DESCRIPTION OF THE IO COLLATERAL

Minimum Mortgage Rates of the Adjustable-Rate Loans

RANGE OF MINIMUM MORTGAGE RATES (%)	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
5.500 - 5.999	65	$ 20,079,856.71	7.83%	359	40.82	5.798	682	76.56
6.000 - 6.499	146	41,490,027.45	16.18	359	40.91	6.280	655	80.13
6.500 - 6.999	361	97,765,593.69	38.12	359	41.60	6.760	651	81.15
7.000 - 7.499	153	36,140,030.37	14.09	359	40.87	7.249	648	82.92
7.500 - 7.999	138	34,271,048.93	13.36	359	42.03	7.693	647	83.13
8.000 - 8.499	39	9,818,198.85	3.83	359	35.48	8.295	658	83.83
8.500 - 8.999	42	9,213,522.73	3.59	359	40.70	8.742	650	85.10
9.000 - 9.499	11	2,100,408.16	0.82	359	42.57	9.283	636	84.07
9.500 - 9.999	12	3,351,439.00	1.31	359	44.01	9.701	641	85.06
10.000 - 10.499	5	915,200.00	0.36	359	44.03	10.219	631	81.25
10.500 - 10.999	2	697,514.00	0.27	359	47.72	10.514	626	84.27
11.000 - 11.499	2	492,105.00	0.19	359	46.33	11.350	667	89.19
12.500 - 12.999	1	121,550.00	0.05	359	41.00	12.990	622	85.00
Total:	**977**	**$256,456,494.89**	**100.00%**	**359**	**41.19**	**7.024**	**653**	**81.48**

Margins of the Adjustable-Rate Loans

RANGE OF MORTGAGE MARGINS (%)	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
<= 2.999	13	$ 3,294,163.00	1.28%	359	42.86	6.211	688	77.31
3.000 - 3.249	2	336,000.00	0.13	359	43.19	6.310	647	77.15
3.250 - 3.499	8	2,398,690.00	0.94	359	43.61	6.229	648	85.40
3.500 - 3.749	26	8,963,017.84	3.49	359	45.36	6.261	655	83.70
3.750 - 3.999	4	895,544.00	0.35	358	45.92	6.868	632	82.17
4.000 - 4.249	2	421,800.00	0.16	359	41.81	6.990	644	84.46
4.250 - 4.499	30	7,525,034.29	2.93	359	40.26	7.688	657	82.81
4.500 - 4.749	7	2,044,319.00	0.80	359	40.20	6.640	672	77.53
4.750 - 4.999	36	10,111,159.86	3.94	359	42.11	6.814	732	82.69
5.000 - 5.249	72	17,398,651.18	6.78	359	41.10	6.860	680	83.21
5.250 - 5.499	201	54,414,577.88	21.22	359	40.25	6.700	664	81.71
5.500 - 5.749	268	68,475,838.25	26.70	359	41.47	7.055	645	80.56
5.750 - 5.999	241	62,875,193.43	24.52	359	41.47	7.316	630	82.08
6.000 – 6.249	67	17,302,506.16	6.75	359	38.97	7.585	644	78.79
Total:	**977**	**$256,456,494.89**	**100.00%**	**359**	**41.19**	**7.024**	**653**	**81.48**

DESCRIPTION OF THE IO COLLATERAL

Next Rate Adjustment Date of the Adjustable-Rate Loans

NEXT RATE ADJUSTMENT DATE	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
April 1, 2007	11	$ 3,849,998.43	1.50%	356	36.15	7.447	647	84.08
May 1, 2007	28	6,549,771.27	2.55	357	40.47	7.107	647	80.89
June 1, 2007	31	7,444,032.61	2.90	358	42.72	7.110	654	81.83
July 1, 2007	677	178,800,585.76	69.72	359	41.46	7.019	652	81.84
August 1, 2007	39	11,483,450.00	4.48	360	38.48	7.375	648	79.92
April 1, 2008	2	633,233.57	0.25	356	44.17	7.684	643	88.19
May 1, 2008	4	551,986.99	0.22	357	35.08	7.057	645	55.26
June 1, 2008	4	904,344.63	0.35	358	40.07	6.691	676	82.95
July 1, 2008	173	44,713,234.63	17.44	359	41.05	6.908	657	80.34
August 1, 2008	8	1,525,857.00	0.59	360	43.61	6.405	679	84.52
Total:	**977**	**$256,456,494.89**	**100.00%**	**359**	**41.19**	**7.024**	**653**	**81.48**

Initial Periodic Rate Cap of the Adjustable-Rate Loans

INITIAL PERIODIC RATE CAP (%)	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
2.000	977	$256,456,494.89	100.00%	359	41.19	7.024	653	81.48
Total:	**977**	**$256,456,494.89**	**100.00%**	**359**	**41.19**	**7.024**	**653**	**81.48**

Subsequent Periodic Rate Cap of the Adjustable-Rate Loans

SUBSEQUENT PERIODIC RATE CAP (%)	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES (%)	FICO	OLTV (%)
1.000	977	$256,456,494.89	100.00%	359	41.19	7.024	653	81.48
Total:	**977**	**$256,456,494.89**	**100.00%**	**359**	**41.19**	**7.024**	**653**	**81.48**

Insured AVM

INSURED AVM	NUMBER OF MORTGAGE LOANS	PRINCIPAL BALANCE AS OF THE CUT-OFF DATE ($)	% OF PRINCIPAL BALANCE AS OF THE CUT-OFF DATE	REMAINING TERM TO MATURITY (months)	DEBT-TO-INCOME (%)	MORTGAGE RATES(%)	FICO	OLTV (%)
Not-Insured AVM	781	$214,449,598.38	66.60%	359	41.64	7.092	658	83.80
Insured AVM	469	107,556,170.11	33.40	359	39.61	6.788	658	75.13
Total:	**1,250**	**$322,005,768.49**	**100.00%**	**359**	**40.96**	**6.991**	**658**	**80.91**

ANNEX II

ASSUMED MORTGAGE LOAN CHARACTERISTICS

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Annex II
Assumed Mortgage Loan Characteristics

Group	Cut Off Date Balance ($)	Gross Mortgage Rate (%)	Original Term to Maturity (months)	Remaining Term to Maturity (months)	Mos. To Next Adj. Date (months)	Gross Margin (%)	Initial Periodic Rate Cap (%)	Periodic Rate Cap (%)	Minimum Mortgage Rate (%)	Maximum Mortgage Rate (%)	Remaining IO Term to Maturity (months)
1	99,401.98	7.6500	180	178	22	6.2500	2.0000	1.0000	7.6500	13.6500	0
1	69,597.63	8.1000	180	178	22	6.5000	2.0000	1.0000	8.1000	14.1000	0
1	1,054,177.83	8.5733	180	179	23	6.1784	2.0000	1.0000	8.5733	14.5733	0
1	167,535.13	8.5193	180	179	23	6.6488	2.0000	1.0000	8.5193	14.5193	0
1	59,845.68	9.3000	180	179	23	6.2500	2.0000	1.0000	9.3000	15.3000	0
1	723,006.60	7.6984	180	179	23	6.1714	2.0000	1.0000	7.6984	13.6984	0
1	60,000.00	8.4500	180	180	24	6.0000	2.0000	1.0000	8.4500	14.4500	0
1	62,286.82	9.6500	180	178	34	6.5000	2.0000	1.0000	9.6500	15.6500	0
1	63,823.88	8.5500	180	179	35	6.0000	2.0000	1.0000	8.5500	14.5500	0
1	61,885.87	8.9900	180	179	35	6.2500	2.0000	1.0000	8.9900	14.9900	0
1	349,173.32	8.4013	180	179	35	6.6747	2.0000	1.0000	8.4013	14.4013	0
1	100,000.00	7.7500	180	180	36	6.0000	2.0000	1.0000	7.7500	13.7500	0
1	105,766.70	8.5500	240	238	22	6.2500	2.0000	1.0000	8.5500	14.5500	0
1	159,268.82	8.2500	240	238	22	6.5000	2.0000	1.0000	8.2500	14.2500	0
1	132,881.91	6.8500	240	238	22	6.2500	2.0000	1.0000	6.8500	12.8500	0
1	1,648,316.55	8.3393	240	239	23	6.2687	2.0000	1.0000	8.3393	14.3393	0
1	116,893.01	6.6000	240	239	23	6.2500	2.0000	1.0000	6.6000	12.6000	0
1	224,951.34	6.8093	240	239	23	5.8814	2.0000	1.0000	6.8093	12.8093	0
1	61,097.38	8.1000	240	239	23	5.2500	2.0000	1.0000	8.1000	14.1000	0
1	96,356.42	9.0500	240	239	23	6.7500	2.0000	1.0000	9.0500	15.0500	0
1	2,275,511.21	7.9841	240	239	23	6.1568	2.0000	1.0000	7.9841	13.9841	0
1	98,000.00	9.9000	240	240	24	6.5000	2.0000	1.0000	9.9000	15.9000	0
1	265,451.48	7.1752	240	239	35	5.6438	2.0000	1.0000	7.1752	13.1752	0
1	123,016.11	6.7500	240	239	35	6.0000	2.0000	1.0000	6.7500	12.7500	0
1	156,695.79	8.3895	240	239	35	6.0355	2.0000	1.0000	8.3895	14.3895	0
1	701,911.02	7.6199	240	239	35	6.0393	2.0000	1.0000	7.6199	13.6199	0
1	641,901.16	8.5368	360	355	19	6.4852	2.0000	1.0000	8.5368	14.5368	0
1	322,014.97	8.1322	360	355	19	6.0100	2.0000	1.0000	8.1322	14.1322	0
1	1,602,621.44	8.9882	360	355	19	6.3026	2.0000	1.0000	8.9882	14.9882	0
1	1,189,204.76	9.3479	360	356	20	6.3548	2.0000	1.0000	9.3479	15.3479	0
1	714,050.00	7.9980	360	356	20	4.9363	2.0000	1.0000	7.9980	13.9980	56
1	264,000.00	6.4000	360	356	20	5.2500	2.0000	1.0000	6.4000	12.4000	56
1	77,078.93	8.9900	360	356	20	6.7500	2.0000	1.0000	8.9900	14.9900	0
1	1,410,076.94	8.5459	360	356	20	6.2571	2.0000	1.0000	8.5459	14.5459	0
1	146,730.06	9.4000	360	356	20	6.2500	2.0000	1.0000	9.4000	15.4000	0
1	162,669.19	7.8500	360	356	20	6.7500	2.0000	1.0000	7.8500	13.8500	0
1	1,465,179.43	8.3471	360	356	20	6.2322	2.0000	1.0000	8.3471	14.3471	0
1	721,698.44	6.6465	360	356	20	5.0909	2.0000	1.0000	6.6465	12.6465	56
1	1,611,462.69	8.1427	360	357	21	5.6394	2.0000	1.0000	8.1427	14.1427	0
1	2,282,633.58	7.2232	360	357	21	5.2369	2.0000	1.0000	7.2232	13.2232	57
1	260,000.00	6.8500	360	357	21	5.5000	2.0000	1.0000	6.8500	12.8500	57
1	63,643.64	8.9500	360	357	21	6.7500	2.0000	1.0000	8.9500	14.9500	0
1	156,759.00	9.3500	360	357	21	6.5000	2.0000	1.0000	9.3500	15.3500	0
1	2,781,368.54	7.9573	360	357	21	6.1785	2.0000	1.0000	7.9573	13.9573	0
1	172,758.00	7.1645	360	357	21	5.6212	2.0000	1.0000	7.1645	13.1645	57
1	162,305.99	6.7500	360	357	21	5.7500	2.0000	1.0000	6.7500	12.7500	57
1	1,703,896.22	7.1773	360	357	21	5.6938	2.0000	1.0000	7.1773	13.1773	57
1	7,596,716.95	8.0671	360	358	22	5.6284	2.0000	1.0000	8.0671	14.0671	0
1	1,256,520.00	7.0324	360	358	22	5.2450	2.0000	1.0000	7.0324	13.0324	58

Group	Cut Off Date Balance ($)	Gross Mortgage Rate (%)	Original Term to Maturity (months)	Remaining Term to Maturity (months)	Mos. To Next Adj. Date (months)	Gross Margin (%)	Initial Periodic Rate Cap (%)	Periodic Rate Cap (%)	Minimum Mortgage Rate (%)	Maximum Mortgage Rate (%)	Remaining IO Term to Maturity (months)
1	554,431.69	7.7961	360	358	22	5.0881	2.0000	1.0000	7.7961	13.7961	0
1	194,732.50	6.2000	360	358	22	5.2500	2.0000	1.0000	6.2000	12.2000	58
1	173,850.00	8.7500	360	358	22	5.5000	2.0000	1.0000	8.7500	14.7500	58
1	77,928.96	9.9000	360	358	22	6.0000	2.0000	1.0000	9.9000	15.9000	0
1	457,767.54	7.2300	360	358	22	6.0758	2.0000	1.0000	7.2300	13.2300	0
1	7,380,914.80	8.2935	360	358	22	6.3347	2.0000	1.0000	8.2935	14.2935	0
1	149,755.79	9.0202	360	358	22	6.3501	2.0000	1.0000	9.0202	15.0202	0
1	196,805.08	10.9077	360	358	22	6.6647	2.0000	1.0000	10.9077	16.9077	0
1	119,838.08	7.9900	360	358	22	6.0000	2.0000	1.0000	7.9900	13.9900	0
1	9,343,998.65	7.5812	360	358	22	6.2318	2.0000	1.0000	7.5812	13.5812	0
1	2,150,850.48	7.1177	360	358	22	5.4233	2.0000	1.0000	7.1177	13.1177	58
1	253,000.00	6.3500	360	358	22	5.7500	2.0000	1.0000	6.3500	12.3500	58
1	1,259,599.24	7.2184	360	358	22	5.6112	2.0000	1.0000	7.2184	13.2184	58
1	288,703,628.82	8.4617	360	359	23	5.8178	2.0000	1.0000	8.4617	14.4617	0
1	55,815,073.30	7.3395	360	359	23	5.2438	2.0000	1.0000	7.3395	13.3395	59
1	9,845,437.15	7.1893	360	359	23	6.0016	2.0000	1.0000	7.1893	13.1893	0
1	875,102.00	7.0108	360	359	23	5.6017	2.0000	1.0000	7.0108	13.0108	59
1	564,023.71	8.9400	360	359	23	6.1065	2.0000	1.0000	8.9400	14.9400	0
1	364,839.00	7.0094	360	359	23	5.5152	2.0000	1.0000	7.0094	13.0094	59
1	2,196,757.17	8.8878	360	359	23	6.2694	2.0000	1.0000	8.8878	14.8878	0
1	16,583,821.69	8.2979	360	359	23	6.1617	2.0000	1.0000	8.2979	14.2979	0
1	17,849,763.35	8.0514	360	359	23	6.0579	2.0000	1.0000	8.0514	14.0514	0
1	1,560,084.27	8.9882	360	359	23	6.3262	2.0000	1.0000	8.9882	14.9882	0
1	9,522,960.74	8.2721	360	359	23	6.1653	2.0000	1.0000	8.2721	14.2721	0
1	8,152,155.88	8.0831	360	359	23	6.0284	2.0000	1.0000	8.0831	14.0831	0
1	6,986,242.40	8.0825	360	359	23	6.1638	2.0000	1.0000	8.0825	14.0825	0
1	398,159.18	8.2601	360	359	23	6.6253	2.0000	1.0000	8.2601	14.2601	0
1	349,712.54	6.9900	360	359	23	6.0000	2.0000	1.0000	6.9900	12.9900	0
1	227,363,262.36	7.8335	360	359	23	6.2199	2.0000	1.0000	7.8335	13.8335	0
1	4,798,258.00	7.0771	360	359	23	5.5001	2.0000	1.0000	7.0771	13.0771	59
1	1,022,533.00	7.2432	360	359	23	5.3941	2.0000	1.0000	7.2432	13.2432	59
1	2,557,607.00	6.7731	360	359	23	5.1828	2.0000	1.0000	6.7731	12.7731	59
1	277,599.00	6.5833	360	359	23	5.5000	2.0000	1.0000	6.5833	12.5833	59
1	53,498,797.38	6.7001	360	359	23	5.4894	2.0000	1.0000	6.7001	12.7001	59
1	7,519,067.00	8.2567	360	360	24	5.8489	2.0000	1.0000	8.2567	14.2567	0
1	1,424,510.00	7.0804	360	360	24	5.1035	2.0000	1.0000	7.0804	13.0804	60
1	130,500.00	6.9900	360	360	24	5.7490	2.0000	1.0000	6.9900	12.9900	0
1	314,500.00	8.9030	360	360	24	6.0135	2.0000	1.0000	8.9030	14.9030	0
1	766,400.00	8.2640	360	360	24	6.0699	2.0000	1.0000	8.2640	14.2640	0
1	133,803.00	9.4919	360	360	24	6.5258	2.0000	1.0000	9.4919	15.4919	0
1	3,325,896.00	8.0287	360	360	24	6.3060	2.0000	1.0000	8.0287	14.0287	0
1	509,200.00	6.2600	360	360	24	5.3415	2.0000	1.0000	6.2600	12.2600	60
1	97,111.27	7.2000	360	355	31	6.0000	2.0000	1.0000	7.2000	13.2000	0
1	229,500.00	9.1500	360	356	32	6.0000	2.0000	1.0000	9.1500	15.1500	56
1	161,703.01	7.5817	360	356	32	4.8424	2.0000	1.0000	7.5817	13.5817	0
1	243,159.08	8.5500	360	356	32	6.7500	2.0000	1.0000	8.5500	14.5500	0
1	59,890.17	8.5000	360	357	33	3.0000	2.0000	1.0000	8.5000	14.5000	0
1	204,000.00	7.0500	360	357	33	5.5000	2.0000	1.0000	7.0500	13.0500	57
1	442,090.22	7.8222	360	357	33	6.0945	2.0000	1.0000	7.8222	13.8222	0
1	347,986.99	7.0615	360	357	33	5.5280	2.0000	1.0000	7.0615	13.0615	57
1	126,935.15	9.4153	360	358	34	6.0000	2.0000	1.0000	9.4153	15.4153	0
1	348,000.00	5.7500	360	358	34	3.5000	2.0000	1.0000	5.7500	11.7500	58

Group	Cut Off Date Balance ($)	Gross Mortgage Rate (%)	Original Term to Maturity (months)	Remaining Term to Maturity (months)	Mos. To Next Adj. Date (months)	Gross Margin (%)	Initial Periodic Rate Cap (%)	Periodic Rate Cap (%)	Minimum Mortgage Rate (%)	Maximum Mortgage Rate (%)	Remaining IO Term to Maturity (months)
1	66,707.60	11.5500	360	358	34	6.7500	2.0000	1.0000	11.5500	17.5500	0
1	1,697,657.45	8.1921	360	358	34	6.2994	2.0000	1.0000	8.1921	14.1921	0
1	242,476.91	9.1036	360	358	34	6.1594	2.0000	1.0000	9.1036	15.1036	0
1	115,276.87	7.3500	360	358	34	6.0000	2.0000	1.0000	7.3500	13.3500	0
1	1,380,924.78	7.7294	360	358	34	6.1651	2.0000	1.0000	7.7294	13.7294	0
1	233,863.00	7.3500	360	358	34	5.5000	2.0000	1.0000	7.3500	13.3500	58
1	322,481.63	7.2297	360	358	34	5.4821	2.0000	1.0000	7.2297	13.2297	58
1	15,861,920.34	7.5911	360	359	35	4.3134	2.0000	1.0000	7.5911	13.5911	0
1	11,274,749.93	6.8558	360	359	35	4.4020	2.0000	1.0000	6.8558	12.8558	59
1	174,000.00	6.7000	360	359	35	5.7470	2.0000	1.0000	6.7000	12.7000	59
1	93,452.65	7.6500	360	359	35	6.0000	2.0000	1.0000	7.6500	13.6500	0
1	503,541.76	8.2904	360	359	35	5.9787	2.0000	1.0000	8.2904	14.2904	0
1	180,000.00	7.3000	360	359	35	5.7500	2.0000	1.0000	7.3000	13.3000	59
1	979,369.90	8.7581	360	359	35	6.0675	2.0000	1.0000	8.7581	14.7581	0
1	3,529,429.52	8.2325	360	359	35	6.0973	2.0000	1.0000	8.2325	14.2325	0
1	453,329.11	8.4469	360	359	35	5.8880	2.0000	1.0000	8.4469	14.4469	0
1	3,693,104.82	8.4624	360	359	35	6.2194	2.0000	1.0000	8.4624	14.4624	0
1	785,863.68	7.6133	360	359	35	5.7696	2.0000	1.0000	7.6133	13.6133	0
1	2,470,054.77	8.2587	360	359	35	6.0081	2.0000	1.0000	8.2587	14.2587	0
1	52,281,066.56	7.9372	360	359	35	6.1229	2.0000	1.0000	7.9372	13.9372	0
1	695,399.00	7.1390	360	359	35	5.4440	2.0000	1.0000	7.1390	13.1390	59
1	108,000.00	7.3000	360	359	35	5.2500	2.0000	1.0000	7.3000	13.3000	59
1	285,300.00	6.5732	360	359	35	5.2496	2.0000	1.0000	6.5732	12.5732	59
1	351,275.00	8.4440	360	359	35	5.8599	2.0000	1.0000	8.4440	14.4440	59
1	173,000.00	6.9500	360	359	35	4.9980	2.0000	1.0000	6.9500	12.9500	59
1	16,581,649.00	6.9461	360	359	35	5.4480	2.0000	1.0000	6.9461	12.9461	59
1	405,779.00	7.8809	360	360	36	5.2646	2.0000	1.0000	7.8809	13.8809	0
1	170,350.00	7.9361	360	360	36	6.0000	2.0000	1.0000	7.9361	13.9361	0
1	2,940,509.23	8.5385	360	360	36	6.1626	2.0000	1.0000	8.5385	14.5385	0
1	1,342,082.83	7.4515	120	119	N/A	N/A	N/A	N/A	N/A	N/A	0
1	241,179.90	8.0930	120	119	N/A	N/A	N/A	N/A	N/A	N/A	0
1	62,141.99	6.9900	120	118	N/A	N/A	N/A	N/A	N/A	N/A	0
1	492,488.83	7.3385	120	119	N/A	N/A	N/A	N/A	N/A	N/A	0
1	256,179.91	6.7199	120	118	N/A	N/A	N/A	N/A	N/A	N/A	0
1	68,805.62	9.6000	120	119	N/A	N/A	N/A	N/A	N/A	N/A	0
1	1,925,590.32	7.3640	120	119	N/A	N/A	N/A	N/A	N/A	N/A	0
1	5,389,436.36	8.1615	180	179	N/A	N/A	N/A	N/A	N/A	N/A	0
1	298,037.51	6.6201	180	178	N/A	N/A	N/A	N/A	N/A	N/A	0
1	1,375,612.17	6.6415	180	179	N/A	N/A	N/A	N/A	N/A	N/A	0
1	948,427.29	7.0018	180	179	N/A	N/A	N/A	N/A	N/A	N/A	0
1	1,679,134.01	7.6546	180	178	N/A	N/A	N/A	N/A	N/A	N/A	0
1	59,652.93	9.9900	180	178	N/A	N/A	N/A	N/A	N/A	N/A	0
1	816,553.72	8.1536	180	179	N/A	N/A	N/A	N/A	N/A	N/A	0
1	797,403.73	6.4677	180	178	N/A	N/A	N/A	N/A	N/A	N/A	0
1	1,236,725.48	7.5321	180	179	N/A	N/A	N/A	N/A	N/A	N/A	0
1	400,693.79	7.2373	180	179	N/A	N/A	N/A	N/A	N/A	N/A	0
1	10,248,950.62	7.4138	180	178	N/A	N/A	N/A	N/A	N/A	N/A	0
1	5,007,656.06	7.5724	240	238	N/A	N/A	N/A	N/A	N/A	N/A	0
1	216,533.11	6.0500	240	239	N/A	N/A	N/A	N/A	N/A	N/A	0
1	1,811,072.66	7.2373	240	238	N/A	N/A	N/A	N/A	N/A	N/A	0
1	179,666.86	7.3000	240	239	N/A	N/A	N/A	N/A	N/A	N/A	0
1	436,869.25	7.8579	240	238	N/A	N/A	N/A	N/A	N/A	N/A	0

Group	Cut Off Date Balance ($)	Gross Mortgage Rate (%)	Original Term to Maturity (months)	Remaining Term to Maturity (months)	Mos. To Next Adj. Date (months)	Gross Margin (%)	Initial Periodic Rate Cap (%)	Periodic Rate Cap (%)	Minimum Mortgage Rate (%)	Maximum Mortgage Rate (%)	Remaining IO Term to Maturity (months)
1	802,643.23	7.5180	240	239	N/A	N/A	N/A	N/A	N/A	N/A	0
1	76,957.38	8.8500	240	239	N/A	N/A	N/A	N/A	N/A	N/A	0
1	1,405,955.98	7.7285	240	239	N/A	N/A	N/A	N/A	N/A	N/A	0
1	777,384.25	6.4693	240	238	N/A	N/A	N/A	N/A	N/A	N/A	0
1	890,265.48	7.0915	240	239	N/A	N/A	N/A	N/A	N/A	N/A	0
1	249,513.89	7.2462	240	239	N/A	N/A	N/A	N/A	N/A	N/A	0
1	12,052,325.71	7.2454	240	239	N/A	N/A	N/A	N/A	N/A	N/A	0
1	2,218,053.87	7.0738	300	298	N/A	N/A	N/A	N/A	N/A	N/A	0
1	1,093,070.50	6.8440	300	299	N/A	N/A	N/A	N/A	N/A	N/A	0
1	209,218.03	6.4500	300	299	N/A	N/A	N/A	N/A	N/A	N/A	0
1	408,643.12	6.9596	300	299	N/A	N/A	N/A	N/A	N/A	N/A	0
1	280,237.48	7.3967	300	298	N/A	N/A	N/A	N/A	N/A	N/A	0
1	298,724.90	6.9043	300	299	N/A	N/A	N/A	N/A	N/A	N/A	0
1	133,688.94	6.7000	300	298	N/A	N/A	N/A	N/A	N/A	N/A	0
1	2,978,263.96	6.9136	300	299	N/A	N/A	N/A	N/A	N/A	N/A	0
1	56,102,229.10	7.4080	360	359	N/A	N/A	N/A	N/A	N/A	N/A	0
1	13,064,526.17	6.8881	360	359	N/A	N/A	N/A	N/A	N/A	N/A	59
1	671,011.21	6.5716	360	358	N/A	N/A	N/A	N/A	N/A	N/A	0
1	23,502,291.79	7.0025	360	359	N/A	N/A	N/A	N/A	N/A	N/A	0
1	3,873,631.00	7.1501	360	359	N/A	N/A	N/A	N/A	N/A	N/A	59
1	227,889.72	8.3684	360	359	N/A	N/A	N/A	N/A	N/A	N/A	0
1	687,825.57	8.1217	360	359	N/A	N/A	N/A	N/A	N/A	N/A	0
1	347,000.00	6.8687	360	359	N/A	N/A	N/A	N/A	N/A	N/A	59
1	3,846,104.45	7.5878	360	359	N/A	N/A	N/A	N/A	N/A	N/A	0
1	11,991,326.28	7.6976	360	359	N/A	N/A	N/A	N/A	N/A	N/A	0
1	406,408.15	8.4039	360	359	N/A	N/A	N/A	N/A	N/A	N/A	0
1	5,997,828.33	8.1469	360	359	N/A	N/A	N/A	N/A	N/A	N/A	0
1	5,226,336.40	6.9121	360	358	N/A	N/A	N/A	N/A	N/A	N/A	0
1	11,672,210.51	7.2858	360	359	N/A	N/A	N/A	N/A	N/A	N/A	0
1	2,831,291.57	7.3928	360	359	N/A	N/A	N/A	N/A	N/A	N/A	0
1	118,405,689.26	7.2303	360	359	N/A	N/A	N/A	N/A	N/A	N/A	0
1	518,129.47	7.5683	360	359	N/A	N/A	N/A	N/A	N/A	N/A	59
1	2,149,898.16	7.0526	360	359	N/A	N/A	N/A	N/A	N/A	N/A	59
1	92,650.00	8.7500	360	359	N/A	N/A	N/A	N/A	N/A	N/A	59
1	1,791,012.00	6.6344	360	359	N/A	N/A	N/A	N/A	N/A	N/A	59
1	1,631,081.00	7.0902	360	359	N/A	N/A	N/A	N/A	N/A	N/A	59
1	217,800.00	7.2050	360	359	N/A	N/A	N/A	N/A	N/A	N/A	59
1	21,396,189.97	6.9396	360	359	N/A	N/A	N/A	N/A	N/A	N/A	59
2	82,599.30	9.9500	180	179	35	6.2500	2.0000	1.0000	9.9500	15.9500	0
2	1,651,500.00	7.6811	360	356	20	5.5634	2.0000	1.0000	7.6811	13.6811	56
2	475,375.29	6.8500	360	356	20	6.2500	2.0000	1.0000	6.8500	12.8500	0
2	1,994,749.99	7.4550	360	356	20	5.7158	2.0000	1.0000	7.4550	13.4550	56
2	1,601,850.00	8.0360	360	357	21	5.6848	2.0000	1.0000	8.0360	14.0360	57
2	2,871,999.99	7.0102	360	357	21	5.5128	2.0000	1.0000	7.0102	13.0102	57
2	987,756.59	9.2126	360	358	22	6.4626	2.0000	1.0000	9.2126	15.2126	0
2	1,804,081.86	7.8991	360	358	22	5.0277	2.0000	1.0000	7.8991	13.8991	58
2	419,504.82	8.6500	360	358	22	6.4980	2.0000	1.0000	8.6500	14.6500	0
2	379,362.79	6.9000	360	358	22	6.0000	2.0000	1.0000	6.9000	12.9000	0
2	192,000.00	7.8500	360	358	22	6.0000	2.0000	1.0000	7.8500	13.8500	58
2	982,498.00	7.0842	360	358	22	5.3583	2.0000	1.0000	7.0842	13.0842	58
2	46,896,323.01	8.0013	360	359	23	5.7654	2.0000	1.0000	8.0013	14.0013	0
2	26,500,798.00	7.4859	360	359	23	5.2278	2.0000	1.0000	7.4859	13.4859	59

Group	Cut Off Date Balance ($)	Gross Mortgage Rate (%)	Original Term to Maturity (months)	Remaining Term to Maturity (months)	Mos. To Next Adj. Date (months)	Gross Margin (%)	Initial Periodic Rate Cap (%)	Periodic Rate Cap (%)	Minimum Mortgage Rate (%)	Maximum Mortgage Rate (%)	Remaining IO Term to Maturity (months)
2	908,953.21	8.1210	360	359	23	6.3975	2.0000	1.0000	8.1210	14.1210	0
2	600,000.00	6.4000	360	359	23	5.2500	2.0000	1.0000	6.4000	12.4000	59
2	391,528.17	6.9900	360	359	23	6.0000	2.0000	1.0000	6.9900	12.9900	0
2	212,991.34	8.9900	360	359	23	6.2500	2.0000	1.0000	8.9900	14.9900	0
2	251,778.74	6.6500	360	359	23	6.0000	2.0000	1.0000	6.6500	12.6500	0
2	987,437.10	8.8025	360	359	23	6.4044	2.0000	1.0000	8.8025	14.8025	0
2	1,085,629.06	7.7776	360	359	23	5.9638	2.0000	1.0000	7.7776	13.7776	0
2	384,862.42	10.9900	360	359	23	6.7490	2.0000	1.0000	10.9900	16.9900	0
2	29,970,456.91	7.4247	360	359	23	6.0851	2.0000	1.0000	7.4247	13.4247	0
2	678,000.00	6.9900	360	359	23	5.4990	2.0000	1.0000	6.9900	12.9900	59
2	964,400.00	7.6347	360	359	23	5.5559	2.0000	1.0000	7.6347	13.6347	59
2	378,000.00	6.5500	360	359	23	5.7500	2.0000	1.0000	6.5500	12.5500	59
2	32,577,506.96	6.6108	360	359	23	5.4616	2.0000	1.0000	6.6108	12.6108	59
2	570,000.00	7.4000	360	360	24	5.5000	2.0000	1.0000	7.4000	13.4000	60
2	412,000.00	6.4500	360	360	24	5.9980	2.0000	1.0000	6.4500	12.4500	0
2	2,046,007.00	7.1312	360	360	24	5.7029	2.0000	1.0000	7.1312	13.1312	60
2	403,823.62	6.8500	360	356	32	5.5000	2.0000	1.0000	6.8500	12.8500	56
2	599,555.92	10.8500	360	358	34	6.5000	2.0000	1.0000	10.8500	16.8500	0
2	1,793,898.50	6.3365	360	359	35	3.3077	2.0000	1.0000	6.3365	12.3365	0
2	2,551,267.54	6.3825	360	359	35	3.9133	2.0000	1.0000	6.3825	12.3825	59
2	199,661.44	9.9900	360	359	35	6.5000	2.0000	1.0000	9.9900	15.9900	0
2	360,000.00	6.4000	360	359	35	5.2500	2.0000	1.0000	6.4000	12.4000	59
2	299,768.28	7.3000	360	359	35	6.0000	2.0000	1.0000	7.3000	13.3000	0
2	7,027,075.67	7.3312	360	359	35	6.0696	2.0000	1.0000	7.3312	13.3312	0
2	13,505,683.00	6.8909	360	359	35	5.3713	2.0000	1.0000	6.8909	12.8909	59
2	2,066,984.12	6.7342	180	179	N/A	N/A	N/A	N/A	N/A	N/A	0
2	398,588.06	5.7000	180	179	N/A	N/A	N/A	N/A	N/A	N/A	0
2	1,303,748.49	6.6797	180	179	N/A	N/A	N/A	N/A	N/A	N/A	0
2	923,158.08	6.7470	240	239	N/A	N/A	N/A	N/A	N/A	N/A	0
2	820,549.50	6.6305	240	239	N/A	N/A	N/A	N/A	N/A	N/A	0
2	844,019.98	6.8176	300	298	N/A	N/A	N/A	N/A	N/A	N/A	0
2	6,447,575.99	7.1976	360	359	N/A	N/A	N/A	N/A	N/A	N/A	0
2	5,405,992.00	6.8153	360	359	N/A	N/A	N/A	N/A	N/A	N/A	59
2	10,602,897.99	6.7200	360	359	N/A	N/A	N/A	N/A	N/A	N/A	0
2	4,293,755.00	6.3913	360	359	N/A	N/A	N/A	N/A	N/A	N/A	59
2	456,000.00	7.6000	360	359	N/A	N/A	N/A	N/A	N/A	N/A	59
2	749,554.31	7.3135	360	359	N/A	N/A	N/A	N/A	N/A	N/A	0
2	488,049.52	5.8500	360	359	N/A	N/A	N/A	N/A	N/A	N/A	0
2	463,100.93	6.7500	360	359	N/A	N/A	N/A	N/A	N/A	N/A	0
2	783,514.62	6.6734	360	359	N/A	N/A	N/A	N/A	N/A	N/A	0
2	19,988,016.55	6.4275	360	359	N/A	N/A	N/A	N/A	N/A	N/A	0
2	411,000.00	6.6000	360	359	N/A	N/A	N/A	N/A	N/A	N/A	59
2	9,900,592.50	6.6622	360	359	N/A	N/A	N/A	N/A	N/A	N/A	59

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ANNEX III

INTEREST RATE SWAP SCHEDULE

Distribution Date	Base Calculation Amount ($)
September 2005	6,000,000.00
October 2005	5,947,256.14
November 2005	5,878,449.50
December 2005	5,793,585.29
January 2006	5,692,788.95
February 2006	5,576,311.63
March 2006	5,444,533.60
April 2006	5,297,966.34
May 2006	5,137,253.10
June 2006	4,963,535.31
July 2006	4,782,300.10
August 2006	4,594,376.23
September 2006	4,413,967.70
October 2006	4,240,771.39
November 2006	4,074,494.55
December 2006	3,914,856.50
January 2007	3,761,588.05
February 2007	3,614,431.07
March 2007	3,473,138.04
April 2007	3,337,471.56
May 2007	3,207,204.00
June 2007	3,081,906.56
July 2007	2,960,184.86
August 2007	2,635,109.72
September 2007	2,354,591.98
October 2007	2,112,085.03
November 2007	1,902,720.58
December 2007	1,824,860.99
January 2008	1,750,356.83
February 2008	1,679,041.21
March 2008	1,610,782.69
April 2008	1,545,434.23
May 2008	1,482,866.65
June 2008	1,422,956.65
July 2008	1,365,586.60
August 2008	1,310,644.24
September 2008	1,258,036.55
October 2008	1,207,645.85
November 2008	1,159,374.59
December 2008	1,113,129.69
January 2009	1,068,822.32
February 2009	1,026,367.67
March 2009	985,685.54
April 2009	946,697.78
May 2009	909,330.61
June 2009	873,513.55
July 2009	839,179.30
August 2009	806,263.62
September 2009	774,705.13
October 2009	744,445.22
November 2009	715,427.90
December 2009	687,599.69
January 2010	660,909.52
February 2010	635,308.58
March 2010	610,750.25

No one is authorized to give information or to make representations in connection with this offering other than those contained in this prospectus and the other disclosure documents. You must not rely on any unauthorized information or representation. This prospectus and the other disclosure documents do not constitute an offer or solicitation with regard to the certificates if it is illegal to make such an offer or solicitation to you under state law. By delivering this prospectus and the other disclosure documents at any time, no one implies that the information contained in these documents is correct after their dates.

The Securities and Exchange Commission has not approved or disapproved the certificates or determined if this prospectus is truthful and complete. Any representation to the contrary is a criminal offense.

TABLE OF CONTENTS

Information Circular

$1,029,937,000
(Approximate)

FannieMae®

Guaranteed Grantor Trust Pass-Through Certificates

Fannie Mae Grantor Trust 2005-T4

PROSPECTUS

UBS Investment Bank

JPMorgan

(Co-Lead Underwriters)

Deutsche Bank Securities

(Co-Manager)

Morgan Stanley

(Co-Manager)

August 23, 2005