Docket #2813 Date Filed: 2/1/2013

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re RESIDENTIAL CAPITAL, LLC, *et al.*, Debtors.	Case No. 12-12020 (MG) Chapter 11 Jointly Administered

DECLARATION OF LaSHANN M. DeARCY IN FURTHER SUPPORT OF DEBTORS' MOTION PURSUANT TO FED. R. BANKR. P. 9019 FOR APPROVAL OF THE RMBS SETTLEMENT AGREEMENTS

I, LaSHANN M. DeARCY, declare:

1. I am a member of the Bar of the State of New York and admitted to practice before this Court. I am an attorney at the law firm Morrison & Foerster LLP, counsel for Residential Capital, LLC and its affiliated debtors and debtors-in-possession.

2. I submit this declaration in further support of Debtors' Motion Pursuant to Fed. R. Bankr. P. 9019 for Approval of the RMBS Settlement Agreements, and to put before the Court documents referred to in Debtors' Reply Brief Re Iridium Factors in Support of Motion for Approval of RMBS Settlement Agreements and Debtors' Reply Brief Re Non-Iridium Issues in Support of Motion for Approval of RMBS Settlement Agreements.

3. Attached hereto as Exhibit 1 is a true and correct copy of excerpts from the Transcript of the Hearing in the matter of *In re: Residential Capital, LLC, et al.*, No. 12-12020 (MG) (Bankr. S.D.N.Y.), held on September 19, 2012.

4. Attached hereto as Exhibit 2 is a true and correct copy of a Private Label Securities Analysis spreadsheet for 2004 to 2007 (RC-9019_00093194).

5. Attached hereto as Exhibit 3 is a true and correct copy of excerpts from the Deposition Transcript of Bradford Cornell, *In re: Residential Capital, LLC, et al.*, No. 12-12020 (MG) (Bankr. S.D.N.Y.), dated December 21, 2012.

6. Attached hereto as Exhibit 4 is a true and correct copy of a presentation titled "ResCap Private Label Securities Rep and Warrant Settlement Discussion Supporting Information," presented at the May 9, 2012 Residential Capital, LLC Board of Directors Meeting (RC-9019_00054001-05).

7. Attached hereto as Exhibit 5 is a true and correct copy of an email from John Moon to Talcott Franklin, Kathy Patrick, Gary Lee, and others, dated November 16, 2012.

8. Attached hereto as Exhibit 6 is a true and correct copy of a spreadsheet titled "PLS Analysis – Draft" (RC-9019_00093195).

9. Attached hereto as Exhibit 7 is a true and correct copy of a letter from Kathy Patrick to William Solomon, dated October 17, 2011 (II_RESCAP0000086-89).

10. Attached hereto as Exhibit 8 is a true and correct copy of the GMACM Home Equity Loan Trust 2004-HE2 Mortgage Loan Purchase Agreement, dated March 30, 2004 (RC00057431-66).

11. Attached hereto as Exhibit 9 is a true and correct copy of a letter from William Solomon to Kathy Patrick, dated October 21, 2011 (II_RESCAP0000083).

12. Attached hereto as Exhibit 10 is a true and correct copy of a letter from Tammy Hamzehpour to Kathy Patrick, dated October 26, 2011 (II_RESCAP0000093).

13. Attached hereto as Exhibit 11, is a true and correct copy of an email from David Sheeren to Kathy Patrick, Tim Devine, Scott Humphries, and others, dated February 17, 2012 (ALLY_0142810-12).

14. Attached hereto as Exhibit 12 is a true and correct copy of an email from David Sheeren to Tim Devine, Kathy Patrick, and Scott Humphries, dated March 22, 2012 (ALLY_0159888-89).

15. Attached hereto as Exhibit 13 is a true and correct copy of an email from John Ruckdaschel to Kathy Patrick, and others, dated April 16, 2012 (RC-9019_00047796-97).

16. Attached hereto as Exhibit 14 is a true and correct copy of an email from Tim Devine to Tammy Hamzehpour, John Ruckdaschel, and others, dated April 16, 2012 (RC-9019_00061412).

17. Attached hereto as Exhibit 15 is a true and correct copy of a presentation titled "DRAFT Litigation Claims," dated April 19, 2012 (RC-9019_00093236-71).

18. Attached hereto as Exhibit 16 is a true and correct copy of a presentation titled "Discussion Materials," dated May 3, 2012 (RC-9019_00047844-54).

19. Attached hereto as Exhibit 17 is a true and correct copy of an email from Tim Devine to Tammy Hamzehpour, dated April 23, 2012 (RC-9019_00061443).

20. Attached hereto as Exhibit 18 is a true and correct copy of a presentation titled "Discussion Materials," dated April 25, 2012 (RC-9019_00047830-41).

21. Attached hereto as Exhibit 19 is a true and correct copy of an email chain between Tim Devine, John Ruckdaschel, Gary Lee, and others, dated April 30, 2012 (RC-9019_00061485-87).

22. Attached hereto as Exhibit 20 is a true and correct copy of an email chain between Ray Schrock, Keith Wofford, Kathy Patrick, Tim Devine, Gary Lee, and others, dated May 1, 2012 to May 2, 2012 (RC-9019_00049010-14).

23. Attached hereto as Exhibit 21 is a true and correct copy of an email from John Ruckdaschel to Kathy Patrick, and others, dated April 27, 2012 (Ally_PEO_0028925-26).

24. Attached hereto as Exhibit 22 is a true and correct copy of an email from Gary Lee to Keith Wofford, Kathy Patrick, and others, dated May 3, 2012 (ALLY_0143690-91).

25. Attached hereto as Exhibit 23 is a true and correct copy of an email from Gary Lee to Tammy Hamzehpour and Tim Devine, dated May 4, 2012 (RC-9019_00049082).

26. Attached hereto as Exhibit 24 is a true and correct copy of an email from Kathy Patrick to Gary Lee, dated May 7, 2012 (RC-9019_00049153).

27. Attached hereto as Exhibit 25 is a true and correct copy of an email from Gary Lee to Tammy Hamzehpour, Tim Devine, and others, dated May 7, 2012 (RC-9019_00060340).

28. Attached hereto as Exhibit 26 is a true and correct copy of an email from Gary Lee to Tammy Hamzehpour, Tim Devine, and others, dated May 7, 2012 (RC-9019_00060345-46).

29. Attached hereto as Exhibit 27 is a true and correct copy of an email from Jeff Cancelliere to Tammy Hamzehpour, Tim Devine, Gary Lee, and others, dated May 7, 2012 (RC-9019_00061349-51).

30. Attached hereto as Exhibit 28 is a true and correct copy of an email from Tim Devine to Mark Renzi, Gary Lee, Tammy Hamzehpour, and others, dated May 7, 2012 (RC-9019_00049155-56).

31. Attached hereto as Exhibit 29 is a true and correct copy of an email from Tim Devine to Tammy Hamzehpour, Gary Lee, and others, dated May 9, 2012 (RC-9019_00049197).

32. Attached hereto as Exhibit 30 is a true and correct copy of the Declaration of Zachary Trumpp in Support of Debtors' Motion Pursuant to Section 8.4 of the Modified Third

Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and its Affiliated Debtors and Sections 105(A), 502(C) and 1142(B) of the Bankruptcy Code to Estimate the Amounts of Claims Filed by Indenture Trustees on Behalf of Issuers of Residential Mortgage-Backed Securities or Purposes of Establishing Reserves, *In re Lehman Bros. Holdings Inc., et al.*, No. 08-13555 (JMP) (Bankr. S.D.N.Y. Jan. 12, 2012), (RC-9091_00003933-41).

33. Attached hereto as Exhibit 31 is a true and correct copy of an email chain between Jamie Levitt, Gary Lee, Scott Humphries, Kathy Patrick, and others, dated May 12, 2012 (RC-9019_00050583-85).

34. Attached hereto as Exhibit 32 is a true and correct copy of an email chain between David Beck, Jamie Levitt, Gary Lee, Daniel Clark, Noah Ornstein, and others, dated May 10, 2012 (RC-9019_00050246-48).

35. Attached hereto as Exhibit 33 is a true and correct copy of an email from Jamie Levitt to Talcott Franklin, Jerry Phelps, and others, dated May 13, 2012 (RC-9019_00045562-604).

36. Attached hereto as Exhibit 34 is a true and correct copy of an email from Tim Devine to Gary Lee and Tammy Hamzehpour, dated April 17, 2012 (RC-9019_00048956-57).

37. Attached hereto as Exhibit 35 is a true and correct copy of an email from Tim Devine to Tammy Hamzehpour and Gary Lee, dated April 19, 2012 (RC-9019_00048958).

38. Attached hereto as Exhibit 36 is a true and correct copy of an email from Tim Devine to Gary Lee, and others, dated May 9, 2012 (RC-9019_00049196).

39. Attached hereto as Exhibit 37 is a true and correct copy of an email from Tim Devine to Gary Lee, and others, dated May 10, 2012 (RC-9019_00049486-91).

40. Attached hereto as Exhibit 38 is a true and correct copy of excerpts from the Deposition Transcript of Timothy Devine, *In re: Residential Capital, LLC, et al.*, No. 12-12020 (MG) (Bankr. S.D.N.Y.), dated November 19, 2012.

41. Attached hereto as Exhibit 39 is a true and correct copy of an email from Jamie Levitt to Talcott Franklin, and others, dated May 12, 2012 (RC-9019_00048118).

42. Attached hereto as Exhibit 40 is a true and correct copy of an email chain between Jamie Levitt, Talcott Franklin, Jerry Phelps, Gary Lee, and others, dated May 3, 2012 to May 5, 2012 (RC-9019_00061586-90).

43. Attached hereto as Exhibit 41 is a true and correct copy of an email chain between Talcott Franklin, Jerry Phelps, Jamie Levitt, and others, dated May 13, 2012 (RC-9019_00048666-68).

44. Attached hereto as Exhibit 42 is a true and correct copy of an email chain between Ray Schrock, Gary Lee, Tim Devine, and others, dated May 9, 2012 (RC-9019_00049216-17).

45. Attached hereto as Exhibit 43 is a true and correct copy of an email from Tim Devine to Tammy Hamzehpour, dated April 23, 2012 (RC-9019_00061874).

46. Attached hereto as Exhibit 44 is a true and correct copy of an email from Tim Devine to Gary Lee, and others, dated May 8, 2012 (RC-9019_00060347-49).

47. Attached hereto as Exhibit 45 is a true and correct copy of an email from Tim Devine to Anthony Princi, Scott Humphries, Kathy Patrick, Jamie Levitt, and others, dated May 13, 2012 (RC-9019_00051061-62).

48. Attached hereto as Exhibit 46 is a true and correct copy of an email from Tim Devine to Gary Lee, Jamie Levitt, Noah Ornstein, John Ruckdaschel, and others, dated May 12, 2012 (RC-9019_00050455-56).

49. Attached hereto as Exhibit 47 is a true and correct copy of excerpts from the Deposition Transcript of C.J. Brown, *In re: Residential Capital, LLC, et al.*, No. 12-12020 (MG) (Bankr. S.D.N.Y.), dated December 18, 2012.

50. Attached hereto as Exhibit 48 is a true and correct copy of excerpts from the Deposition Transcript of Dorian G. Whealdon, *MBIA Insurance Corporation v. Residential Funding Company, LLC*, Index No. 603552/2008, (N.Y.S. Sup. Ct.), dated June 7, 2011 (RC-9019_00039256-339).

51. Attached hereto as Exhibit 49 is a true and correct copy of the GMACM Home Equity Loan Trust 2004-HE4 Mortgage Loan Purchase Agreement, dated October 28, 2004 (RC00057507-47).

52. Attached hereto as Exhibit 50 is a true and correct copy of the RFMSII Home Equity Loan Trust 2006-HSA4 Home Equity Loan Purchase Agreement, dated July 28, 2006 (RC00062567-95).

53. Attached hereto as Exhibit 51 is a true and correct copy of excerpts from the Deposition Transcript of J. F. Morrow, *In re: Residential Capital, LLC, et al.*, No. 12-12020 (MG) (Bankr. S.D.N.Y.), dated December 17, 2012.

54. Attached hereto as Exhibit 52 is a true and correct copy of an Ally Financial, Inc. Audit Committee presentation titled "Mortgage Contingencies Review with Disclosure Benchmarking," dated July 27, 2011 (RC40021335-63).

55. Attached hereto as Exhibit 53 is a true and correct copy of an Ally Accounting Policy, dated March 8, 2012 (RC-9019_00093818-31).

56. Attached hereto as Exhibit 54 is a true and correct copy of a Residential Capital, LLC Audit Committee presentation titled "Supplemental Materials," dated April 27, 2012 (RC40074012-27).

57. Attached hereto as Exhibit 55 is a true and correct copy of the Settlement Amount Opinion of Brian Lin, *In the Matter of the Application of the Bank of New York Mellon*, No. 651786/2011 (N.Y. Sup. Ct. June 29, 2011) (RC-9019_00003924-32).

58. Attached hereto as Exhibit 56 is a true and correct copy of the Settlement and Plan Sponsor Agreement between Residential Capital, LLC, and certain of its direct and indirect subsidiaries, and Ally Financial Inc., *In re: Residential Capital, LLC, et al.*, No. 12-12020 (MG) (Bankr. S.D.N.Y. May 14, 2012), ECF No. 6-8.

59. Attached hereto as Exhibit 57 is a true and correct copy of the Plan Support Agreement entered into by Residential Capital, LLC, and certain of its direct and indirect subsidiaries, Ally Financial Inc., and Consenting Claimants as of May 13, 2012, *In re: Residential Capital, LLC, et al.*, No. 12-12020 (MG) (Bankr. S.D.N.Y. June 11, 2012), ECF No. 318-3.

60. Attached hereto as Exhibit 58 is a true and correct copy of the Third Amended and Restated RMBS Trust Settlement Agreement between Residential Capital, LLC, and its direct and indirect subsidiaries, and the Kathy Patrick Group of Institutional Investors, entered into as of September 21, 2012, *In re: Residential Capital, LLC, et al.*, No. 12-12020 (MG) (Bankr. S.D.N.Y. Oct. 19, 2012), ECF No. 1887-2.

61. Attached hereto as Exhibit 59 is a true and correct copy of the Third Amended and Restated RMBS Trust Settlement Agreement between Residential Capital, LLC, and its direct and indirect subsidiaries, and the Talcott Franklin Group of Institutional Investors, entered

into as of September 20, 2012, *In re: Residential Capital, LLC, et al.*, No. 12-12020 (MG) (Bankr. S.D.N.Y. Oct. 19, 2012), ECF No. 1887-3.

62. Attached hereto as Exhibit 60 is a true and correct copy of the Complaint in *Financial Guaranty Insurance Co. v. Ally Fin., Inc., et al.*, No. 12-cv-1818 (S.D.N.Y. Mar. 12, 2012).

63. Attached hereto as Exhibit 61 is a true and correct copy of the Complaint in *MBIA Insurance Corporation v. GMAC Mortg., LLC*, No. 10600837/2010 (N.Y. Sup. Ct. Apr. 1, 2010).

64. Attached hereto as Exhibit 62 is a true and correct copy of the Complaint in *MBIA Insurance Corporation v. Residential Funding Co., LLC*, No. 08603552/2008 (N.Y. Sup. Ct. Mar. 19, 2010).

65. Attached hereto as Exhibit 63 is a true and correct copy of excerpts from the RALI Series 2006-QO4 Trust 8-K, containing the Standard Terms of the Pooling and Servicing Agreement for the RALI 2006-QO4 Trust, dated April 1, 2006.

66. Attached hereto as Exhibit 64 is a true and correct copy of excerpts from the Residential Asset Securities Corporation 8-K, containing the Standard Terms of the Pooling and Servicing Agreement for the RASC 2005-EMX5 Trust, dated January 13, 2006.

67. Attached hereto as Exhibit 65 is a true and correct copy of excerpts from the Residential Funding Mortgage Securities II, Inc. 8-K, containing the Home Equity Loan Trust 2007-HSA3 Indenture Agreement, dated May 30, 2007.

68. Attached hereto as Exhibit 66 is a true and correct copy of the Order Pursuant to Section 8.4 of the Modified Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and its Affiliated Debtors and Sections 105(A), 502(C) and 1142(B) of the Bankruptcy Code Estimating the Amounts of Claims Filed by Indenture Trustees on Behalf of Issuers of

Residential Mortgage-Backed Securities for Purposes of Establishing Reserves, *In re Lehman Bros. Holdings Inc., et al.*, No. 08-13555 (JMP) (Bankr. S.D.N.Y. Feb. 22, 2012), ECF No. 25643.

69. Attached hereto as Exhibit 67 is a true and correct copy of the November 2012 Post-Effective Operating Report, *In re Lehman Bros. Holdings Inc., et al.*, No. 08-13555 (JMP) (Bankr. S.D.N.Y. Dec. 26, 2012), ECF No. 33396.

70. Attached hereto as Exhibit 68 is a true and correct copy of the First Post-Confirmation Operating Report, *In re Lehman Bros. Holdings Inc., et al.*, No. 08-13555 (JMP) (Bankr. S.D.N.Y. Apr. 27, 2012), ECF No. 27648.

71. Attached hereto as Exhibit 69 is a true and correct copy of the Declaration of Kathy D. Patrick in Support of Steering Committee Investors' Statement in Support of Settlement and Response to Settlement Objections, *In re: Residential Capital, LLC, et al.*, No. 12-12020 (MG) (Bankr. S.D.N.Y. Oct. 5, 2012), ECF No. 1740-5.

72. Attached hereto as Exhibit 70 is a true and correct copy of Minutes for the Residential Capital, LLC Board of Directors Meeting held on December 5, 2008 (RC40005939-42).

73. Attached hereto as Exhibit 71 is a true and correct copy of Minutes for the Residential Capital, LLC Board of Directors Meeting held on February 24, 2010 (RC40018736-38).

74. Attached hereto as Exhibit 72 is a true and correct copy of Minutes for the Residential Capital, LLC Board of Directors Meeting held on November 5, 2010 (RC40018844-48).

75. Attached hereto as Exhibit 73 is a true and correct copy of Minutes for the Residential Capital, LLC Board of Directors Meeting held on January 27, 2011 (RC40018417-22).

76. Attached hereto as Exhibit 74 is a true and correct copy of Minutes for the Residential Capital, LLC Board of Directors Meeting held on May 6, 2011 (RC40018456-60).

77. Attached hereto as Exhibit 75 is a true and correct copy of Minutes for the Residential Capital, LLC Board of Directors Meeting held on July 1, 2011 (RC40018628-33).

78. Attached hereto as Exhibit 76 is a true and correct copy of Minutes for the Residential Capital, LLC Board of Directors Meeting held on October 4, 2011 (RC40018690-91).

79. Attached hereto as Exhibit 77 is a true and correct copy of Minutes for the Residential Capital, LLC Audit Committee Meeting held on November 4, 2011 (RC40021793-97).

80. Attached hereto as Exhibit 78 is a true and correct copy of Minutes for the Residential Capital, LLC Board of Directors Meeting held on November 25, 2011 (RC40018712-14).

81. Attached hereto as Exhibit 79 is a true and correct copy of Minutes for the Residential Capital, LLC Board of Directors Meeting held on December 22, 2010 (40018857-63).

82. Attached hereto as Exhibit 80 is a true and correct copy of Minutes for the Residential Capital, LLC Audit Committee Meeting held on August 3, 2011 (RC40020613-15).

83. Attached hereto as Exhibit 81 is a true and correct copy of materials for the Residential Capital, LLC Audit Committee Meeting held on January 30, 2012 (RC40021854-91).

84. Attached hereto as Exhibit 82 is a true and correct copy of materials for the Residential Capital, LLC Audit Committee Meeting held on May 1, 2012 (RC40022273-367).

85. Attached hereto as Exhibit 83 is a true and correct copy of Minutes for the Residential Capital, LLC Board of Directors Meeting held on January 25, 2012. (RC40019194-95).

86. Attached hereto as Exhibit 84 is a true and correct copy of Minutes for the Residential Capital, LLC Board of Directors Meeting held on May 9, 2012 (RC-9019_00054006-07).

87. Attached hereto as Exhibit 85 is a true and correct copy of the Amended and Restated RMBS Trust Settlement Agreement between Residential Capital, LLC, and its direct and indirect subsidiaries, and the Kathy Patrick Group of Institutional Investors, entered into as of May 13, 2012, *In re: Residential Capital, LLC, et al.*, No. 12-12020 (MG) (Bankr. S.D.N.Y. Aug. 15, 2012), ECF No. 1176-2.

88. Attached hereto as Exhibit 86 is a true and correct copy of the Amended and Restated RMBS Trust Settlement Agreement between Residential Capital, LLC, and its direct and indirect subsidiaries, and the Talcott Franklin Group of Institutional Investors, entered into as of May 13, 2012, *In re: Residential Capital, LLC, et al.*, No. 12-12020 (MG) (Bankr. S.D.N.Y. Aug. 15, 2012), ECF No. 1176-3.

89. Attached hereto as Exhibit 87 is a true and correct copy of the Proof of Claim filed by MBIA Insurance Corporation, *In re: Residential Capital, LLC, et al.*, No. 12-12020 (MG) (Bankr. S.D.N.Y. Nov. 16, 2012), Claim # 5847.

90. Attached hereto as Exhibit 88 is a true and correct copy of the Proof of Claim filed by FGIC, *In re: Residential Capital, LLC, et al.*, No. 12-12020 (MG) (Bankr. S.D.N.Y. Nov. 16, 2012), Claim # 4870.

91. Attached hereto as Exhibit 89 is a true and correct copy of excerpts from the 2007-HSA3 Home Equity Loan Trust 8-K, containing the 2007-HSA3 Home Equity Loan Purchase Agreement, dated May 30, 2007.

92. Attached hereto as Exhibit 90 is a true and correct copy of the 2007-HSA3 Home Equity Loan Trust Insurance Agreement, dated May 30, 2007.

93. Attached hereto as Exhibit 91 is a true and correct copy of the Insurance and Indemnity Agreement for the Home Equity Mortgage Asset-Backed Pass-Through Certificates, Series 2005-EMX5, dated December 16, 2005.

94. Attached hereto as Exhibit 92 is a true and correct copy of the Complaint in *Financial Guaranty Insurance Co. v. Residential Capital, LLC, et al.*, No. 12-cv-01658-PAC (S.D.N.Y. Mar. 6, 2012).

95. Attached hereto as Exhibit 93 is a true and correct copy of the Insurance and Indemnity Agreement for the GMACM Mortgage Asset-Backed Pass-Through Certificates, Series 2005-RS9, dated November 29, 2005 (RC00067566-97).

96. Attached hereto as Exhibit 94 is a true and correct copy of the Insurance Agreement for the GMACM Home Equity Loan-Backed Term Notes, Series 2007-HE1, dated March 1, 2007 (RC00067598-667).

97. Attached hereto as Exhibit 95 is a true and correct copy of a letter from Sean O'Neal to Larren Nashelsky, dated August 21, 2012 (RC-9019_00070186-88).

98. Attached hereto as Exhibit 96 is a true and correct copy of excerpts from the Transcript of the Hearing in the matter of *In re: Residential Capital, LLC, et al.*, No. 12-12020 (MG) (Bankr. S.D.N.Y.), held on September 11, 2012.

99. Attached hereto as Exhibit 97 is a true and correct copy of the Series 2006-RP2 Pooling and Servicing Agreement, dated April 1, 2006 (RC-9019_00000416-665).

100. Attached hereto as Exhibit 98, is a true and correct copy of excerpts from the Residential Funding Mortgage Securities II 8-K, containing the Home Equity Loan Trust 2006-HSA4 Indenture Agreement, dated July 28, 2006.

101. Attached hereto as Exhibit 99 is a true and correct copy of a summary of emails authored by Gary Lee that were withheld by the Debtors as privileged, *In re: Residential Capital, LLC, et al.*, No. 12-12020 (MG) (Bankr. S.D.N.Y.).

102. Attached hereto as Exhibit 100 is a true and correct copy of a Memo to File from Accounting Policy Re Legal/Rep and Warrant – Range of Reasonably Possible Loss Disclosure Considerations – Q1 2012, dated April 27, 2012 (RC-9019_00093832–35).

103. Attached hereto as Exhibit 101 is a true and correct copy of excerpts from the Deposition Transcript of Jeffrey Cancelliere, *In re: Residential Capital, LLC, et al.*, No. 12-12020 (MG) (Bankr. S.D.N.Y.), dated November 14, 2012.

104. Attached hereto as Exhibit 102 is a true and correct copy of the Proposed Order Granting Debtors' Motion Pursuant to Fed. R. Bankr. P. 9019 for Approval of the RMBS Trust Settlement Agreements, *In re: Residential Capital, LLC, et al.*, No. 12-12020 (MG) (Bankr. S.D.N.Y. Oct. 19, 2012), ECF No. 1887-1.

Dated: New York, NY
January 15, 2013

MORRISON & FOERSTER LLP

By: /s/ LaShann M. DeArcy

LaShann M. DeArcy
1290 Avenue of the Americas
New York, NY 10104-0050
212.468.8000

Exhibit 1

In Re:

RESIDENTIAL CAPITAL, LLC, et al.

September 19, 2012

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eScribers, LLC

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2 UNITED STATES BANKRUPTCY COURT

3 SOUTHERN DISTRICT OF NEW YORK

4 Case No. 12-12020-mg

5 -x

6 In the Matter of:

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8 RESIDENTIAL CAPITAL, LLC, et al.,

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10 Debtors.

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14 United States Bankruptcy Court

15 One Bowling Green

16 New York, New York

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18 September 19, 2012

19 10:10 AM

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22 B E F O R E:

23 HON. MARTIN GLENN

24 U.S. BANKRUPTCY JUDGE

25

1 MR. ECKSTEIN: Happy New Year, Judge.
2 THE COURT: Thank you, you too.
3 MR. ECKSTEIN: I'm trying to sort out where I think it
4 makes the most sense to go. I think I'd like to first deal
5 with Ms. Patrick's comments, because I view those, in some
6 respects, as threshold issues.
7 I am -- the committee respects the goal that Ms.
8 Patrick has in moving this forward swiftly; and the committee
9 understands the Court's intention to move this hearing forward
10 as quickly as possible. And this is not an attempt to delay or
11 derail the consideration of the settlement. That said --
12 THE COURT: Well, that's a theme that's been echoed
13 for quite some time, including in some of the status reports.
14 MR. ECKSTEIN: Your Honor, that doesn't change our
15 view that this is such a pervasive settlement, and it has such
16 overwhelming implications for the outcome of the case and a
17 plan, that it would be preferable if this was dealt with in a
18 plan.
19 I understand Your Honor's observations that that's not
20 going to be the way this is going to be considered, and so be
21 it. But it's correct that our view is that this should ideally
22 be folded into a plan. And in fact, if you go back to the way
23 this was structured by the debtor initially, they contemplated
24 that this would be done in conjunction with a plan. And I
25 think there's a lot of merit to that. But if that's not the

way the case is going to proceed now, we understand that.

The question -- the threshold question, however, that I think Your Honor raised and discussed with Ms. Patrick is, is there an absolute requirement that this proceed on November 5th. I believe that there's no question on all sides of this case, parties have been working very diligently to deal with these issues.

As Mr. Princi knows, as Ms. Levitt knows, and as Ms. Patrick knows, we have been talking about, for example, discovery going back prior to the entry of the scheduling order. And each of those individuals have personally requested me and my partners that we defer the filing of formal discovery with respect to the settlement process until we could: A, consider the substance of the settlement; B, deal with it informally. And we accommodated those requests.

And the reason that the discovery was served at the end of August was in response to requests by the debtors' counsel and by Ms. Patrick that we not proceed precipitously with those discovery requests. I was personally implored on multiple occasions to do that. I discussed this issue with the parties going back in July, whether or not this was or was not proper discovery. So to now suggest that we delayed --

THE COURT: Let me just stop you for a second. Okay? Let's assume that I conclude it's proper discovery. Okay? But so where does that take us now?

I think the debtor was concerned that they had a PSA agreement with Kathy and not with our group, and that, therefore, if they accommodated that request, they would create a voting block at the parent-company level that would support their plan. So I think, putting it another way, it's collusion; putting it another way, we want to put some sunshine on something that doesn't look good, doesn't smell right, and it's hard to explain.

THE COURT: Okay. Make it really simple for me. What is it that you're seeking in discovery that you believe you have not received so far?

MR. MOLONEY: We would like them to produce discovery related to the HoldCo election, how it was arrived at and why it was changed, and why it's changed again, including the names of the people who were involved in the most recent change, who approved it and who negotiated it. We would like discovery as to the basis for the claim which they are now preserving and which they have now set an amount of at 8.7 billion dollars. And we would like to be sure that the e-mail productions they produce include the e-mails of all the people who they've identified in these interrogatories as having been involved in negotiation or approval of this deal, which is about thirteen.

THE COURT: Okay; thank you, Mr. Moloney.

MR. MOLONEY: Thank you.

THE COURT: Who else wants to be heard?

of the settlement. And what I'm hearing from Mr. Moloney and Mr. Shore is exactly this is why it's relevant.

MR. PRINCI: Judge --

THE COURT: Okay. Why don't you go confer with Mr. Wofford and Ms. Patrick?

MR. PRINCI: Okay, Judge. I'm sorry, but I need to be able to address to the Court the underlying fact --

THE COURT: No, you need to --

MR. PRINCI: -- that you accept --

THE COURT: -- go talk to them. I'm taking a ten-minute recess.

(Recess from 12:31 p.m. until 12:44 p.m.)

THE COURT: Please be seated.

Mr. Princi?

MR. PRINCI: Your Honor, what a difference a recess can make.

So we have some good news. And first, I do want to clarify, Judge. I was misunderstanding you, as my colleagues immediately yelled at me when we took the recess. So what I do understand and what Ms. Patrick understands the Court was asking to consider, we do think is in the best interests of the ResCap LLC estate. And so -- but I don't get -- what we've now agreed to -- what we're going to further amend the agreement to reflect, so I don't get that potentially wrong, I'm going to let Ms. Patrick put that on the record.

MS. PATRICK: Mr. Wofford walked away with my notepad, so I'll do it from memory.

THE COURT: You want to wait for Mr. Wofford to come back?

MS. PATRICK: Well, yeah. I have it.

THE COURT: We can wait for him to come back.

MS. PATRICK: Thank you, because I wrote it down very carefully --

THE COURT: Let's make sure we get it --

MS. PATRICK: -- to address the Court's concerns. Thank you, sir.

THE COURT: -- make sure we get it right.

MS. PATRICK: Thank you.

THE COURT: Go ahead --

MS. PATRICK: All right.

THE COURT: -- Ms. Patrick.

MS. PATRICK: On behalf of the steering committee investors, we will agree to take out the fixed amount of the claim against the holding company. All parties will reserve all rights with regard to the amount and substance of the RMBS trust's claims against the holding company. They file their proofs of claim. People can object to them on that basis.

But we will also agree that while we must prove the amount of the claim, any liability proved will be capped regardless of the evidence at 8.7 billion dollars, which I

1 believe was what the Court suggested. We think it was fine.
2 It was always fine with us, so --
3 THE COURT: That's what I was trying to suggest.
4 MS. PATRICK: Yes. Well, we heard you, And I hope we
5 got it right. I think that, in that event, Your Honor, should
6 take the issue of needing to prove alter ego or anything off
7 the table, because it reserves everything for another day, but
8 gives the senior unsecured holders the benefit knowing that
9 the --
10 THE COURT: All right.
11 MS. PATRICK: -- claim is capped at not more than.
12 THE COURT: Thank you, Ms. Patrick.
13 MR. MOLONEY: Your Honor, can I respond?
14 THE COURT: Come on, Mr. Moloney. What can you object
15 to?
16 MR. MOLONEY: I don't. I think --
17 THE COURT: Oh, how about that?
18 MR. MOLONEY: Your Honor, I think this --
19 THE COURT: I'm sorry, I don't mean to tease. This is
20 an important issue.
21 MR. MOLONEY: No, it is important, and I think Your
22 Honor got us to the right place to take --
23 THE COURT: Just identify yourself for the record.
24 MR. MOLONEY: Tom Moloney for the record, for
25 Wilmington Trust.

Exhibit 2

Privilege and Confidential
Attorney - Client Privilege
For Discussion Purposes Only
Do Not Distribute
WORKING DRAFT - Continued refinements made due to additional research and developments

REDACTED

Exhibit 3

UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

In re:

RESIDENTIAL CAPITAL, LLC, et al.,

Debtors

Case No. 12-12020 (MG)

Chapter 11

Jointly Administered

DEPOSITION OF BRADFORD CORNELL

DATE: December 21, 2012

HUDSON REPORTING & VIDEO, INC.

124 West 30th Street, 2nd Fl.

New York, New York 10001

Tel: 212-273-9911 Fax: 212-273-9915

TRANSCRIPT of the deposition, said deposition being conducted pursuant to Rules Governing Civil Practice in the Superior Court of New Jersey, by and before MARK IUZZOLINO, Certified Court Reporter, License No. X101103, at the offices of Morrison Foerster, LLP, 1290 6th Avenue, New York, NY on December 21, 2012, commencing at 10:11 a.m.

Q. You don't know one way or the other?
A. Correct.
Q. You didn't consider the possibility that plaintiffs in this case would demand the face value of all the loans back as the remedy that they're entitled to?
MR. BENTLEY: Objection to form.
A. Well, I was aware that it was a possibility. It's not a possibility that I analyzed.
Q. In paragraph 28 you tell us in the first sentence that you set out to measure incremental losses caused by underwriting defects. Is that correct?
A. Yes.
Q. Why did you do that?
A. Because that's all I had data on.
Q. Is that the way damages are calculated in a breach-of-contract case?
MR. BENTLEY: Objection to form.
A. Well, the way I understood it, they would be calculated as damages caused by breaches. Now, breaches in underwriting defects are presuming -- presumably overlapping concepts, but they are not identical, so I'm

Is measuring incremental damages or incremental losses the right approach in a breach-of-contract case?

MR. BENTLEY: Objection to form.

A. You would have to ask Mr. Bentley and his colleagues that.

Q. Are you aware of any Court that has adopted your approach to doing a regression analysis to see what impact the financial crisis had on mortgage values?

A. I haven't looked one way or the other.

Q. As far as you know, you're blazing the trail?

MR. BENTLEY: Objection to form.

A. Well, this is -- I mean, regression analysis is undoubtedly used in all sorts of economic studies. But in this particular application to try to set a horizon, I kind of doubt that anyone's had the call to do that prior.

Q. Can I ask you to turn to page -- or paragraph 43? I'm focused on the first couple of sentences where you describe for us the question that you posed for yourself and

Q. Have you studied any of the cases that say a plaintiff doesn't have to prove loss causation in a rep and warranty case like this?

MR. BENTLEY: Objection. Asked and answered.

A. No, I've not studied that.

Q. Did you look at Judge Rakoff's decision in Assured Guaranty?

MR. BENTLEY: Same objection.

A. I think that was one of the ones that was brought up in the discussion. I didn't read the whole decision, but I recall a reference to that in discussions with the Kramer Levin attorneys.

Q. Is the work you did consistent with Judge Rakoff's decision in Assured Guaranty?

MR. BENTLEY: Objection to form.

A. I couldn't tell you.

Q. Is your work consistent with Judge Otty's decision in the Syncora case?

MR. BENTLEY: Objection to form.

A. Same answer: I couldn't tell you.

Q. In any event, you didn't attempt to model or design your work to be consistent with those two cases, did you?

A. Not specifically, no.

Q. I may have asked you this, but if not, let me ask it again.

Did you review the plaintiff's brief in connection with this motion?

MR. BENTLEY: Which brief are you talking about?

MR. RAINS: By the Steering Committee.

Q. The Steering Committee's brief in support of this motion.

A. I think so, but I can't tell you for sure.

Q. Do you recall reading the section in their brief on how they would approach loss causation?

A. No, I don't recall.

Q. Do you understand, sir, that in there view, at least, they don't have to prove loss causation?

A. I was aware that there was that alternative position, yes.

Q. You didn't attempt to analyze that perspective, did you?

MR. BENTLEY: Objection to form.

A. Not directly, no.

Q. And is it true, sir, that if the Court sides with the Steering Committee and its position on the loss causation, your opinion would be irrelevant?

MR. BENTLEY: Objection to form.

A. Well, it might be possible to go back through my report and opinion and take out certain parts and make it relevant, but as it currently stands, it could not be used.

Q. Could I ask you to turn to paragraph 43? This is the same sentence we were looking at before the break where you told us the question that you framed. There's another part of it I'd like you to help me understand.

You focus in your analysis -- as you say here in your question, you focus on fault. Right?

A. Yes.

Q. What you tested was the risk of fault?

A. Yes.

Q. But earlier in your report, all the way back to paragraph 28, another sentence we

1 so?
2 A. Well, I've done --
3 MR. BENTLEY: Objection to form.
4 A. -- I've done a lot of things in the
5 bases, and some of them measure loss, so I'm
6 not sure that's right.
7 Q. In paragraph 43 when you describe
8 your regression analysis, you tell us you
9 linked to risk of default.
10 That's true. Correct?
11 A. In the regression that was pure
12 probability of default, yes.
13 Q. Let me ask you to turn to a different
14 section of your report. I'm now back -- I'm
15 looking at paragraph 68.
16 Would you take a moment to review
17 that, please?
18 A. Yes.
19 Q. I wanted to ask you some questions
20 about a few of the numbers that appear in that
21 paragraph. The first number that shows up is a
22 number that you call "lifetime loan losses" of
23 $42 billion.
24 Do you see that reference?
25 A. Yes.

Q. You got that number from Mr. Sillman?
A. Yes.
Q. You call it the "midpoint" in the range of aggregate losses that he estimated. Correct?
A. Yes.
Q. Did you review the methodology that Mr. Sillman used to come up with his aggregate loss range?
A. Yes.
Q. Did you find anything wrong with it?
A. As per what it was, no, I don't think I did. I don't think I found any indication of errors as to the number it was. It didn't include, for example, an horizon, but he didn't say that did it, so I didn't find a problem with it.
Q. Right. He didn't purport to apply any discounts. Correct?
A. Correct.
Q. He tried to calculate only what is the maximum -- or what is the predicted amount of losses that the owners of these securities will incur over their lifetime. Right?
A. That's right.

Q. And you didn't find any problem with the work he did to calculate that number?

A. I don't recall finding problems with that.

Q. And that's why you use it in your report. Right?

A. Well, I use it as an example attributable to Sillman. But, as I said, when I looked at it, I did not find a problem with that number for lifetime losses. I recall that it was 30 billion of realized losses and another 15 or so that would be realized.

Q. Are you going to offer your own opinion at trial on lifetime aggregate losses?

A. Well, as I sit here now, I can't tell you anything I'd do beyond what's in my report. At this point I haven't made an independent estimate of that.

Q. The next number that appears just a few lines down is the number 16.5 billion.

Can you tell us what that is?

A. If you go to the footnote, I think it gives you the exact calculation.

Q. Footnote 35?

A. Yes.

A. So I think that the 16 is just 36.6 applied to 45.2.

Q. So, in your view, the 16.5 billion is a number that tells us the total aggregate losses that will be suffered on that portion of the loans for which Mr. Morrow found material defects?

A. Ignoring any horizon elements or causation offsets, yes.

Q. Right. And I say -- obviously he didn't look at all 1.6 million loans. It's projecting his material defects work out over the entire loan population. Right?

A. That's right.

Q. So if -- let me say this differently to make sure I have it.

You, in your opinion, talk about the setoffs: loss causation, statute of limitations, and election of revenues. Right?

A. Well, there's also the time horizon effect, which reduces them as well.

Q. Isn't that loss causation?

A. Oh, you're calling that -- well, I was calling the crash offset "loss causation" and the horizon "the horizon." But if you put

Q. And so, the 6 billion number, is it fair to say that your analysis concludes that if the Court were to find that that election-of-remedies defense was valid as you calculate it, that would reduce the claim size down to 6 billion without regard to any other defenses?

A. Yes, if you just took Sillman's data and applied that.

Q. Understand.

Okay. Let's go back. We were talking a moment ago about Mr. Green's, Professor Green's critique of your regression analysis, and we were talking about whether moving groups of loans from the sample each month in the regression analysis, whether that affected whether each succeeding sample was a random sample.

Do you recall that?

A. Yes.

Q. All right. And did you do any kind of analysis or study to determine whether or not, in each month after you reviewed loans, whether the remaining loan sample was still random such that you could have statistically

Exhibit 4

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ResCap

Steve Abreu
Jonathan Ilany
John Mack
Tom Marano
Ted Smith
Pam West
Jim Whitlinger

Residential Capital, LLC Board of Directors Meeting
Wednesday, May 9, 2012, 3:00 pm (ET)
Dial-in No.: 866-203-0920 / International No.: 206-445-0056
Conference Code: 53396-93036

A special telephonic meeting of the ResCap Board of Directors will be held Wednesday, May 9, 2012, at 3:00 pm (ET). An agenda is attached. Supporting materials will be distributed just before the meeting.

Please let me know if you are unable to participate. Feel free to contact me by phone (313.656.6301) or email (cathy.quenneville@ally.com) should you have any questions. Thank you.

Cathy Quenneville
Secretary
5/9/12

cc: Tammy Hamzehpour
Morrison Cohen
Morrison & Foerster

EXHIBIT
Expert
9019-12
11/20/12
PENGAD 800-631-6989

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Residential Capital, LLC
Board of Directors
Wednesday, May 9, 2012, 3:00 pm (ET)

Agenda

	Length	Start
1. **Proposed Legal Settlement**	(30 min)	3:00 pm
2. **Project Bounce Update**	(30 min)	3:30 pm

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ResCap Private Label Securities
Rep & Warrant Settlement Discussion
Supporting Information
May 9th, 2012

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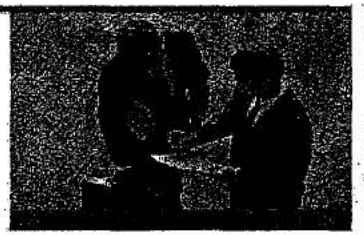
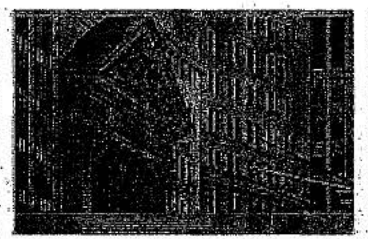
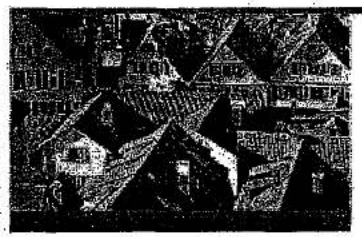

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RESCAP

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2004-2007 PLS R&W Analysis

		A	B	C	D
			ResCap Issued Deals		
			ResCap Issuance	KP Group	% of Total Issue
1	Deal Collat (a)	Original Balance	226,029.3	171,250.8	76%
2		Current Balance	63,284.8	49,238.1	78%
		% Delinquent	28%	29%	
3		Cume Loss To Date	29,891.9	22,694.1	76%
4		Projected Loss	14,225.7	10,937.4	77%
5		Est Lifetime Loss	44,117.5	33,631.5	76%
6		Est Lifetime Loss % of Orig Bal	19.5%	19.6%	
13	Settle Amt	**ResCap Settlement - 19.72% Defect**	**8,700.0**	**6,632.1**	**76%**
14		Lehman Claim Amount - 35% Defect	15,441.1	11,771.0	76%
15		BofA Baseline - 36% Defect	15,882.3	12,107.4	76%

(a) Collateral and Bond information sourced from Intex files

Key Notes:

1) KP's investor group covers 82% of RFC issued non-wrapped deals and 88% of GMACM issued non-wrapped deals
2) KP's investor group covers 63% of RFC issued wrapped deals and 28% of GMACM issued wrapped deals
3) REDACTED
4) ResCap projected losses based on third party vendor model (ADCO LDM), and the model was calibrated to fit ResCap collateral performance by product/vintage
5) ResCap projected severity based on Moody's baseline HPI forecast and ADCO model loss estimations
6) There could be amounts conceded if the true defect rate is below the 19.72% based on actual loan file reviews and application of litigation defenses.
7) Lehman bankruptcy estimated claim amount for plan voting based on 35% defect rate. The defect rate could be higher as claims are resolved.
8) BofA proposed settlement defect rate set at 36% prior to litigation adjustments
9) KP has factored into the analysis the estimated recovery amount through bankruptcy, as well as third party releases.

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FOR SETTLEMENT DISCUSSION PURPOSES ONLY
SUBJECT TO MATERIAL CHANGE

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RC-9019_00054005

Exhibit 5

From: John G. Moon <JMoon@mw-law.com>
Sent: Friday, November 16, 2012 5:27 PM
To: Franklin,Talcott; 'kpatrick@gibbsbruns.com'; Lee, Gary S.; 'Pfleming@morganlewis.com'; 'keith.wofford@ropesgray.com'; 'cohen@sewkis.com'; 'jgoodchild@morganlewis.com'; 'jgarrity@morganlewis.com'; 'binder@sewkis.com'; 'vrubinstein@loeb.com'; 'wcurchack@loeb.com'
Cc: Claire Huene
Subject: In re Residential Capital, LLC et al., Case No. 12-12020 (MG)--Notice of Intent

Dear Counsel,

We represent Triaxx Prime CDO 2006-1, LLC, Triaxx Prime CDO 2006-2, LLC, and Triaxx Prime CDO 2007-1, LLC (collectively "Triaxx") in the captioned matter.

Reference is made to Debtors' Motion Pursuant to Fed. R. Bankr. P. 9019 for Approval of the RMBS Trust Settlement Agreements [Docket No. 320] and Debtors' Supplemental Motions Pursuant to Fed. R. Bankr. P. 9019 for Approval of the RMBS Trust Settlement Agreements [Docket Nos. 1176, 1887] (together, the "9019 Motion").

Triaxx hereby provides notice of intent to object to the 9019 Motion on the ground that the amount of the Allowed Claim should be at a minimum be $11.3 billion as a preliminary indication, and the amount of $8.7 billion falls outside the range of reasonableness as it relates to RMBS trust certificate holders. Triaxx reserves all rights to modify, amend, revise, or supplement its contentions regarding the amount of the Allowed Claim as part of its objection to the 9019 Motion.

Very truly yours,

John G. Moon Partner
Miller | Wrubel
570 Lexington Avenue | New York, NY 10022
(212) 336-3507 (Direct Phone) | (212) 336-3555 (Fax)
jmoon@mw-law.com | www.mw-law.com

This message is intended only for the use of the Addressee and may contain information that is privileged and confidential. If you are not the intended recipient, you are hereby notified that any dissemination of this communication is strictly prohibited. If you have received this communication in error, please erase all copies of the message and its attachments and notify us immediately.

Exhibit 6

REDACTED

Exhibit 7

Kathy D. Patrick
kpatrick@gibbsbruns.com
713.751.5253

October 17, 2011

Via Federal Express

William B. Solomon, Jr., Esq.
General Counsel
Ally Financial Inc.
200 Renaissance Center
Detroit, Michigan 48265

Dear Mr. Solomon:

This firm represents investment advisers and holders of Residential Mortgage Backed Securities (RMBS) issued and/ or underwritten by Ally Financial Inc. and/or its affiliates ("Ally"). The aggregate outstanding balance of the 242 Ally deals in which our clients collectively hold 25% or more of the voting rights of a class in that deal, exceeds $51 billion. The aggregate outstanding balance of the 173 Ally deals in which our clients collectively hold 50% or more of the voting rights of a class in that deal, exceeds $36 billion.

There is widespread, readily available evidence suggesting that large numbers of mortgages securing the certificates held by our clients were sold or deposited into the RMBS pools based on false and/or fraudulent representations and warranties by the mortgage originators, sellers and/or depositors. This evidence includes, but is certainly not limited to:

- excessive early default and foreclosure rates experienced in the underlying mortgage pools;

- a loan-level analysis of Ally RMBS conducted by the Federal Housing Finance Agency (FHFA), which revealed that up to 13% of the mortgage loans in Ally RMBS breached owner-occupancy representations and warranties, and that up to 49% of the mortgage loans in Ally RMBS breached Loan-to-Value representations and warranties[1];

[1] Our clients collectively hold 25% or more of the voting rights of a class in 18 of the 21 Ally deals which FHFA analyzed.

- MBIA's lawsuits against Ally, reporting that its loan-level analysis of various Ally RMBS showed that high numbers of mortgages in the pools were ineligible at origination[2];

- detailed allegations in securities cases against Ally, which suggest widespread deficiencies in Ally's underwriting practices, including inaccurate representations and warranties regarding important loan characteristics such as borrower incomes and home appraisals[3];

- substantial downgrades of the certificates by credit rating agencies; and

- Ally's own apparent acknowledgement that it is potentially liable for violations of representations and warranties in Ally RMBS, evidenced by its $829 million reserve for repurchase liabilities as of June 30, 2011, which relates "primarily" to non-GSE exposure,[4] as well as its statement that such liabilities are "most significant for loans originated and sold between 2004 through 2008, specifically the 2006 and 2007 vintages ***that were originated and sold prior to enhanced underwriting standards and risk-mitigation actions implemented in 2008 and forward***."[5]

In addition, there is widespread, readily available evidence suggesting that Ally, as servicer and/or master servicer of mortgage loans securing the certificates held by our clients, has failed to observe and perform the covenants and agreements imposed on it by the governing agreements, and has failed to meet its duty to prudently service those mortgage loans, including, but certainly not limited to:

- Ally's admittedly flawed and "embarrassing"[6] mortgage loan servicing and foreclosure practices, including deficient document signing practices, leading to Ally's foreclosure suspension and review in Fall 2010;

- Ally's April 2011 consent order with the Board of Governors of the Federal Reserve System and the FDIC, which alleged that, in connection with certain

---

[2] MBIA has reported that 89% of adversely selected loans from 3 separate GMAC securitizations were not originated in material compliance with GMAC's underwriting guidelines or representations and warranties. *See* Complaint ¶ 6, *MBIA Ins. Co. v. GMAC Mortg., LLC*, No. 600837/2010 (N.Y. Sup. Ct.). MBIA has also reported that 93% of adversely selected loans from 5 separate RFC securitizations were not originated or acquired in material compliance with RFC's representations and warranties. *See* Complaint ¶ 46, *MBIA Ins. Co. v. Residential Funding Co., LLC*, No. 603552/2008 (N.Y. Sup. Ct.).

[3] *See, e.g.*, Complaint, *Mass. Mut. Life Ins. Co. v. Residential Funding Co.*, LLC, No. 3:11-cv-30035 (D. Mass.).

[4] *See* Ally Financial Inc.'s Second Quarter 2011 Form 10-Q at 83.

[5] *See id.* at 81 (emphasis added).

[6] *See* Dakin Campbell and Natalie Doss, *Ally Will Keep ResCap, 'Screwed Up' Using Robosigners*, BLOOMBERG NEWS, Nov. 3, 2010.

foreclosures of loans in Ally's servicing portfolio, Ally engaged in "unsafe or unsound banking practices" because, among other reasons, Ally filed or caused to be filed in courts inaccurate affidavits, filed or caused to be filed in courts or in land record offices improperly notarized mortgage-related documents, litigated or initiated foreclosure proceedings without ensuring proper assignment and possession of promissory notes or mortgage documents, failed to devote adequate resources to foreclosure processes, failed to ensure timely, effective, and efficient communication with borrowers with respect to loss mitigation and foreclosure activities, failed to subject its foreclosure processes to adequate oversight, internal controls, policies, and procedures, and failed to sufficiently oversee third parties handling foreclosure-related services;

- ongoing investigations by state attorneys general and other government agencies into Ally's mortgage loan servicing and foreclosure-related practices;

- evidence of wholly avoidable and unnecessary servicing fees to maintain mortgaged property, which have resulted from Ally's flawed mortgage loan servicing and foreclosure practices; and

- Ally's apparent failure to notify other parties to the governing agreements of mortgage loans in the pools that violated representations and warranties at the time they were sold into the pools, and its apparent failure to enforce the sellers' obligations to cure, substitute, or repurchase such loans, as Ally is required to do under the governing agreements.

Based on this and other evidence, our clients believe that large numbers of ineligible loans were sold or deposited into, and remain in, the RMBS pools securing the certificates. Under the governing agreements, Ally has substantial repurchase liability for such loans. Our clients further believe that Ally's failure to observe and perform the covenants and agreements imposed on it by the governing agreements, and to meet its duty to prudently service those mortgages, may constitute a servicer event of default under the governing agreements.

Our clients are not willing to suffer further losses resulting from ineligible loans in the pools and improper servicing of the loans in the pools, and they wish to seek a resolution of repurchase and servicing claims with Ally. As such, our clients hope and anticipate that Ally will begin a constructive dialogue with them regarding the concerns raised by this letter. If, however, Ally proves to be an obstacle to their efforts to mitigate such losses, our clients fully intend to exercise their rights under the governing agreements—including the issuance of binding instructions to Trustees—to pursue enforcement of repurchase and servicing claims against Ally.

Should Ally wish to begin a constructive dialogue regarding these issues, please make appropriately senior legal and business personnel available to meet with me and various of our clients on Thursday, October 27, 2011. To arrange the details of this meeting, please contact me as soon as possible.

Very truly yours,

Kathy Patrick

Exhibit 8

EXECUTION COPY

RESIDENTIAL ASSET MORTGAGE PRODUCTS, INC.,

as Purchaser,

GMAC MORTGAGE CORPORATION,

as Seller and Servicer,

WALNUT GROVE MORTGAGE LOAN TRUST 2003-A,

as Seller,

GMACM HOME EQUITY LOAN TRUST 2004-HE2,

as Issuer,

and

WELLS FARGO BANK, N.A.,

as Indenture Trustee

MORTGAGE LOAN PURCHASE AGREEMENT

Dated as of March 30, 2004

DOCSLA1:468935.5

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CONFIDENTIAL RC00057432

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EXHIBIT 3 FORM OF ADDITION NOTICE ..... Exhibit 3-1

This Mortgage Loan Purchase Agreement (the "Agreement"), dated as of March 30, 2004, is made among GMAC Mortgage Corporation, as seller ("GMACM") and as servicer (in such capacity, the "Servicer"), Walnut Grove Mortgage Loan Trust 2003-A, as seller ("WG Trust" and, together with GMACM, each a "Seller" and collectively, the "Sellers"), Residential Asset Mortgage Products, Inc., as purchaser (the "Purchaser"), GMACM Home Equity Loan Trust 2004-HE2, as issuer (the "Issuer"), and Wells Fargo Bank, N.A., as indenture trustee (the "Indenture Trustee").

WITNESSETH:

WHEREAS, GMACM, in the ordinary course of its business acquires and originates mortgage loans and acquired or originated all of the mortgage loans listed on the Mortgage Loan Schedule attached as Schedule I hereto (the "Mortgage Loans");

WHEREAS, GMACM sold a portion of the Initial Mortgage Loans (the "WG Trust Initial Mortgage Loans") and intends to sell a portion of the Subsequent Mortgage Loans to be sold by WG Trust hereunder, to Walnut Grove Funding, Inc ("Walnut Grove"), pursuant to a Mortgage Loan Purchase Agreement (the "Walnut Grove Purchase Agreement"), dated as of January 31, 2003 (each date of sale, a "Prior Transfer Date") among Walnut Grove, as purchaser, GMACM, as seller, WG Trust, as Issuer and Bank One, National Association, as trustee;

WHEREAS, Walnut Grove sold the WG Trust Initial Mortgage Loans to WG Trust pursuant to a Trust Agreement, dated as of January 31, 2003, between Walnut Grove, as depositor and Wilmington Trust Company, as owner trustee;

WHEREAS, GMACM owns the Cut-Off Date Principal Balances and the Related Documents for the portion of Initial Mortgage Loans identified on the Mortgage Loan Schedule - A attached as Exhibit 1-A hereto (the "GMACM Initial Mortgage Loans"), including rights to (a) any property acquired by foreclosure or deed in lieu of foreclosure or otherwise, and (b) the proceeds of any insurance policies covering the GMACM Initial Mortgage Loans;

WHEREAS, WG Trust owns the Cut-Off Date Principal Balances and the Related Documents for the WG Trust Initial Mortgage Loans identified on the Mortgage Loan Schedule-B attached as Exhibit 1-B hereto (the "WG Trust Initial Mortgage Loans"), , including rights to (a) any property acquired by foreclosure or deed in lieu of foreclosure or otherwise, and (b) the proceeds of any insurance policies covering the WG Trust Initial Mortgage Loans;

WHEREAS, the parties hereto desire that: (i) GMACM sell the Cut-Off Date Principal Balances of the GMACM Initial Mortgage Loans to the Purchaser on the Closing Date pursuant to the terms of this Agreement together with the Related Documents, (ii) WG Trust sell the Cut-Off Date Principal Balances of the WG Trust Initial Mortgage Loans to the Purchaser on the Closing Date pursuant to the terms of this Agreement together with the Related Documents, (iii) the Sellers may sell Subsequent Mortgage Loans to the Issuer on one or more Subsequent Transfer Dates pursuant to the terms of the related Subsequent Transfer Agreement, and (iv) the related Seller and GMACM make certain representations and warranties on the Closing Date and on each Subsequent Transfer Date;

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WHEREAS, pursuant to the Trust Agreement, the Purchaser will sell the Initial Mortgage Loans and transfer all of its rights under this Agreement to the Issuer on the Closing Date;

WHEREAS, pursuant to the terms of the Servicing Agreement, the Servicer will service the Mortgage Loans;

WHEREAS, pursuant to the terms of the Trust Agreement, the Issuer will issue the Certificates;

WHEREAS, pursuant to the terms of the Indenture, the Issuer will issue the Notes, secured by the Trust Estate;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. For all purposes of this Agreement, except as otherwise expressly provided herein or unless the context otherwise requires, capitalized terms not otherwise defined herein shall have the meanings assigned to such terms in the Definitions contained in Appendix A to the indenture dated as of March 30, 2004 (the "Indenture"), between the Issuer and the Indenture Trustee, which is incorporated by reference herein. All other capitalized terms used herein shall have the meanings specified herein.

Section 1.2 Other Definitional Provisions. All terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein.

As used in this Agreement and in any certificate or other document made or delivered pursuant hereto or thereto, accounting terms not defined in this Agreement or in any such certificate or other document, and accounting terms partly defined in this Agreement or in any such certificate or other document, to the extent not defined, shall have the respective meanings given to them under generally accepted accounting principles. To the extent that the definitions of accounting terms in this Agreement or in any such certificate or other document are inconsistent with the meanings of such terms under generally accepted accounting principles, the definitions contained in this Agreement or in any such certificate or other document shall control.

The words "hereof," "herein," "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement; Section and Exhibit references contained in this Agreement are references to Sections and Exhibits in or to this Agreement unless otherwise specified; the term "including" shall mean "including without limitation"; "or" shall include "and/or"; and the term "proceeds" shall have the meaning ascribed thereto in the UCC.

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The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as the feminine and neuter genders of such terms.

Any agreement, instrument or statute defined or referred to herein or in any instrument or certificate delivered in connection herewith means such agreement, instrument or statute as from time to time amended, modified or supplemented and includes (in the case of agreements or instruments) references to all attachments thereto and instruments incorporated therein; references to a Person are also to its permitted successors and assigns.

ARTICLE II

SALE OF MORTGAGE LOANS AND RELATED PROVISIONS

Section 2.1 Sale of Initial Mortgage Loans.

(a) GMACM, by the execution and delivery of this Agreement, does hereby sell, assign, set over, and otherwise convey to the Purchaser, without recourse, all of its right, title and interest in, to and under the following, wherever located: (i) the GMACM Initial Mortgage Loans (including the Cut-Off Date Principal Balances of the GMACM Initial Mortgage Loans now existing), all interest accruing thereon, all monies due or to become due thereon, and all collections in respect thereof received on or after the Cut-Off Date (other than interest thereon in respect of any period prior to the Cut-Off Date); (ii) the interest of GMACM in any insurance policies in respect of the GMACM Initial Mortgage Loans; and (iii) all proceeds of the foregoing.

(b) WG Trust, by the execution and delivery of this Agreement, does hereby sell, assign, set over, and otherwise convey to the Purchaser, without recourse, all of its right, title and interest in, to and under the following, and wherever located: (i) the WG Trust Initial Mortgage Loans (including the Cut-Off Date Principal Balances of the WG Initial Mortgage Loans now existing), all interest accruing thereon, all monies due or to become due thereon, and all collections in respect thereof received on or after the Cut-Off Date (other than interest thereon in respect of any period prior to the Cut-Off Date); (ii) the WG Trust's interest in any insurance policies in respect of the WG Trust Initial Mortgage Loans; and (iii) all proceeds of the foregoing.

In addition, the Issuer shall deposit with the Indenture Trustee from proceeds of the issuance of the Securities on the Closing Date (i) the Original Pre-Funded Amount for deposit in the Pre-Funding Account and (ii) the Interest Coverage Amount for deposit in the Capitalized Interest Account.

(c) In connection with the conveyance by GMACM of the GMACM Initial Mortgage Loans and any Subsequent Mortgage Loans, GMACM further agrees, at its own expense, on or prior to the Closing Date with respect to the Principal Balances of the GMACM Initial Mortgage Loans and on or prior to the related Subsequent Cut-Off Date in the case of such Subsequent Mortgage Loans sold by it, to indicate in its books and records that the GMACM Initial Mortgage Loans have been sold to the Purchaser pursuant to this Agreement, and, in the

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case of the Subsequent Mortgage Loans, to the Issuer pursuant to the related Subsequent Transfer Agreement, and to deliver to the Purchaser true and complete lists of all of the Mortgage Loans sold by GMACM specifying for each Mortgage Loan (i) its account number and (ii) its Cut-Off Date Principal Balance or Subsequent Cut-Off Date Principal Balance. The Mortgage Loan Schedule indicating such information with respect to the Mortgage Loans sold by GMACM shall be marked as Exhibit 1-A to this Agreement and is hereby incorporated into and made a part of this Agreement.

(d) In connection with the conveyance by WG Trust of the WG Trust Initial Mortgage Loans and any Subsequent Mortgage Loans, such Seller further agrees, at its own expense, on or prior to the Closing Date with respect to the Principal Balances of such WG Trust Initial Mortgage Loans and on or prior to the related Subsequent Cut-Off Date in the case of such Subsequent Mortgage Loans sold by it, to indicate in its books and records that the respective WG Trust Initial Mortgage Loans have been sold to the Purchaser pursuant to this Agreement, and, in the case of the Subsequent Mortgage Loans, to the Issuer pursuant to the related Subsequent Transfer Agreement. GMACM, as Servicer of the Mortgage Loans sold by WG Trust, agrees to deliver to the Purchaser true and complete lists of all of the Mortgage Loans sold by each Seller specifying for each Mortgage Loan (i) its account number and (ii) its Cut-Off Date Principal Balance or Subsequent Cut-Off Date Principal Balance. The Mortgage Loan Schedule indicating such information with respect to the Mortgage Loans sold by WG Trust shall be marked as Exhibit 1-B to this Agreement and is hereby incorporated into and made a part of this Agreement.

(e) In connection with the conveyance by GMACM of the GMACM Initial Mortgage Loans and any Subsequent Mortgage Loans sold by it and the conveyance by WG Trust of the WG Trust Initial Mortgage Loans and any Subsequent Mortgage Loans sold by such Seller, GMACM shall, (A) with respect to each related Mortgage Loan, on behalf of the Purchaser deliver to, and deposit with the Custodian, at least five (5) Business Days before the Closing Date in the case of an Initial Mortgage Loan, and, on behalf of the Issuer, three (3) Business Days prior to the related Subsequent Transfer Date in the case of a Subsequent Mortgage Loan, the original Mortgage Note endorsed or assigned without recourse in blank (which endorsement shall contain either an original signature or a facsimile signature of an authorized officer of GMACM or GMAC Bank) or, with respect to any Mortgage Loan as to which the original Mortgage Note has been permanently lost or destroyed and has not been replaced, a Lost Note Affidavit, and any modification agreement or amendment to such Mortgage Note and (B) except as provided in clause (A) with respect to the Mortgage Notes, deliver the Mortgage Files to the Servicer.

Within the time period for the review of each Mortgage Note set forth in Section 2.2 of the Custodial Agreement, if a material defect in any Mortgage Note is discovered which may materially and adversely affect the value of the related Mortgage Loan, or the interests of the Indenture Trustee (as pledgee of the Mortgage Loans), the Noteholders or the Certificateholders in such Mortgage Loan, including GMACM's failure to deliver the Mortgage Note to the Custodian on behalf of the Indenture Trustee, GMACM shall cure such defect, repurchase the related Mortgage Loan at the Repurchase Price or substitute an Eligible Substitute Loan therefor upon the same terms and conditions set forth in Section 3.1 hereof for breaches of representations and warranties as to the Mortgage Loans, provided that a Seller shall have the

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option to substitute an Eligible Substitute Mortgage Loan or Loans for such Mortgage Loan only if such substitution occurs within two years following the Closing Date. If a material defect in any of the documents in the Mortgage File held by the Servicer is discovered which may materially and adversely affect the value of the related Mortgage Loan, or the interests of the Indenture Trustee (as pledgee of the Mortgage Loans), the Noteholders or the Certificateholders in such Mortgage Loan, including GMACM's failure to deliver such documents to the Servicer on behalf of the Indenture Trustee, GMACM shall cure such defect, repurchase the related Mortgage Loan at the Repurchase Price or substitute an Eligible Substitute Loan therefor upon the same terms and conditions set forth in Section 3.1 hereof for breaches of representations and warranties as to the Mortgage Loans, provided that a Seller shall have the option to substitute an Eligible Substitute Mortgage Loan or Loans for such Mortgage Loan only if such substitution occurs within two years following the Closing Date.

Upon sale of the Initial Mortgage Loans, the ownership of each Mortgage Note, each related Mortgage and the contents of the related Mortgage File shall be vested in the Purchaser and the ownership of all records and documents with respect to the Initial Mortgage Loans that are prepared by or that come into the possession of any Seller, as a seller of the Initial Mortgage Loans hereunder or by GMACM in its capacity as Servicer under the Servicing Agreement shall immediately vest in the Purchaser, and shall be promptly delivered to the Servicer in the case of the documents in possession of WG Trust and retained and maintained in trust by GMACM as the Servicer (except for the Mortgage Notes, which shall be retained by the Custodian) at the will of the Purchaser, in such custodial capacity only. Each Seller's records will accurately reflect the sale of each Initial Mortgage Loan sold by it to the Purchaser.

The Purchaser hereby acknowledges its acceptance of all right, title and interest to the property conveyed to it pursuant to this Section 2.1.

(f) The parties hereto intend that the transactions set forth herein constitute a sale by the Sellers to the Purchaser of each of the Sellers' right, title and interest in and to their respective Mortgage Loans and other property as and to the extent described above. In the event the transactions set forth herein are deemed not to be a sale, each Seller hereby grants to the Purchaser a security interest in all of such Seller's right, title and interest in, to and under all accounts, chattel papers, general intangibles, payment intangibles, contract rights, certificates of deposit, deposit accounts, instruments, documents, letters of credit, money, advices of credit, investment property, goods and other property consisting of, arising under or related to the Mortgage Loans and such other property, to secure all of such Seller's obligations hereunder, and this Agreement shall and hereby does constitute a security agreement under applicable law. Each Seller agrees to take or cause to be taken such actions and to execute such documents, including without limitation the filing of any continuation statements with respect to the UCC-1 financing statements filed with respect to the Mortgage Loans by the Purchaser on the Closing Date, and any amendments thereto required to reflect a change in the name or corporate structure of such Seller or the filing of any additional UCC-1 financing statements due to the change in the principal office or jurisdiction of incorporation of such Seller, as are necessary to perfect and protect the Purchaser's and its assignees' interests in each Mortgage Loan and the proceeds thereof. The Servicer shall file any such continuation statements on a timely basis.

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(g) In connection with the assignment of any Mortgage Loan registered on the MERS® System, GMACM further agrees that it will cause, at GMACM's own expense, as soon as practicable after the Closing Date, the MERS® System to indicate that such Mortgage Loans have been assigned by GMACM to the Indenture Trustee in accordance with this Agreement or the Trust Agreement for the benefit of the Noteholders by including (or deleting, in the case of Mortgage Loans which are repurchased in accordance with this Agreement) in such computer files (a) the specific code which identifies the Indenture Trustee as the assignee of such Mortgage Loan and (b) the series specific code in the field "Pool Field" which identifies the series of the Notes issued in connection with such Mortgage Loans. GMACM agrees that it will not alter the codes referenced in this paragraph with respect to any Mortgage Loan during the term of this Agreement unless and until such Mortgage Loan is repurchased in accordance with the terms of this Agreement.

Section 2.2 Sale of Subsequent Mortgage Loans.

(a) Subject to the conditions set forth in paragraphs (b) and (c) below (the satisfaction of which (other than the conditions specified in paragraphs (b)(i), (b)(ii) and (b)(iii)) shall be evidenced by an Officer's Certificate of GMACM dated the date of the related Subsequent Transfer Date), in consideration of the Issuer's payment of the purchase price provided for in Section 2.3 on one or more Subsequent Transfer Dates using amounts on deposit in the Pre-Funding Account, each Seller may, on the related Subsequent Transfer Date, sell, transfer, assign, set over and convey without recourse to the Issuer but subject to the other terms and provisions of this Agreement all of the right, title and interest of such Seller in and to (i) Subsequent Mortgage Loans identified on the related Mortgage Loan Schedule attached to the related Subsequent Transfer Agreement delivered by GMACM on such Subsequent Transfer Date (ii) all money due or to become due on such Subsequent Mortgage Loan and all collections received on and after the related Subsequent Cut-Off Date and (iii) all items with respect to such Subsequent Mortgage Loans to be delivered pursuant to Section 2.1 above and the other items in the related Mortgage Files; provided, however, that the Seller of a Subsequent Mortgage Loan reserves and retains all right, title and interest in and to principal received and interest accruing on such Subsequent Mortgage Loan prior to the related Subsequent Cut-Off Date. Any transfer to the Issuer by a Seller of Subsequent Mortgage Loans shall be absolute, and is intended by the Issuer and such Seller to constitute and to be treated as a sale of such Subsequent Mortgage Loans by such Seller to the Issuer. In the event that any such transaction is deemed not to be a sale, GMACM and WG Trust hereby grant to the Issuer as of each Subsequent Transfer Date a security interest in all of GMACM's or WG Trust's, as applicable, right, title and interest in, to and under all accounts, chattel papers, general intangibles, payment intangibles, contract rights, certificates of deposit, deposit accounts, instruments, documents, letters of credit, money, advices of credit, investment property, goods and other property consisting of, arising under or related to the related Subsequent Mortgage Loans and such other property, to secure all of GMACM's or WG Trust's obligations hereunder, and this Agreement shall constitute a security agreement under applicable law. Each Seller agrees to take or cause to be taken such actions and to execute such documents, including the filing of all necessary UCC-1 financing statements filed in the State of Delaware and the Commonwealth of Pennsylvania (which shall be submitted for filing as of the related Subsequent Transfer Date), any continuation statements with respect thereto and any amendments thereto required to reflect a change in the name or corporate structure of such Seller or the filing of any additional UCC-1 financing statements due to the

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change in the principal office or jurisdiction of incorporation of such Seller, as are necessary to perfect and protect the interests of the Issuer and its assignees in each Subsequent Mortgage Loan and the proceeds thereof. The Servicer shall file any such continuation statements on a timely basis.

The Issuer on each Subsequent Transfer Date shall acknowledge its acceptance of all right, title and interest to the related Subsequent Mortgage Loans and other property, existing on the Subsequent Transfer Date and thereafter created, conveyed to it pursuant to this Section 2.2.

The Issuer shall be entitled to all scheduled principal payments due on and after each Subsequent Cut-Off Date, all other payments of principal due and collected on and after each Subsequent Cut-Off Date, and all payments of interest on any related Subsequent Mortgage Loans, minus that portion of any such interest payment that is allocable to the period prior to the related Subsequent Cut-Off Date.

(b) Either Seller may transfer to the Issuer Subsequent Mortgage Loans and the other property and rights related thereto described in Section 2.2(a) above during the Pre-Funding Period, and the Issuer shall cause to be released funds from the Pre-Funding Account, only upon the satisfaction of each of the following conditions on or prior to the related Subsequent Transfer Date:

(i) such Seller or GMACM, as Servicer, shall have provided the Indenture Trustee and the Rating Agencies with a timely Addition Notice substantially in the form of Exhibit 3, which notice shall be given no later than seven Business Days prior to the related Subsequent Transfer Date, and shall designate the Subsequent Mortgage Loans to be sold to the Issuer, the aggregate Principal Balance of such Subsequent Mortgage Loans as of the related Subsequent Cut-Off Date, and any other information reasonably requested by the Indenture Trustee with respect to such Subsequent Mortgage Loans;

(ii) such Seller shall have delivered to the Indenture Trustee a duly executed Subsequent Transfer Agreement substantially in the form of Exhibit 2, (A) confirming the satisfaction of each condition precedent and representations specified in this Section 2.2(b) and in Section 2.2(c) and in the related Subsequent Transfer Agreement and (B) including a Mortgage Loan Schedule listing the Subsequent Mortgage Loans;

(iii) as of each Subsequent Transfer Date, as evidenced by delivery to the Indenture Trustee of the Subsequent Transfer Agreement in the form of Exhibit 2, the respective Seller shall not be insolvent, made insolvent by such transfer or aware of any pending insolvency; and

(iv) such sale and transfer shall not result in a material adverse tax consequence to the Issuer or, due to any action or inaction on the part of the respective Seller to the Securityholders.

The obligation of the Issuer to purchase a Subsequent Mortgage Loan on any Subsequent Transfer Date is subject to the following conditions: (i) each such Subsequent Mortgage Loan must satisfy the representations and warranties specified in the related Subsequent Transfer Agreement and this Agreement; (ii) neither Seller has selected such Subsequent Mortgage Loans

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in a manner that it reasonably believes is adverse to the interests of the Noteholders; and (iii) as of the related Subsequent Cut-Off Date each Subsequent Mortgage Loan will satisfy the following criteria: (A) such Subsequent Mortgage Loan may not be 30 or more days contractually delinquent as of the related Subsequent Cut-Off Date; (B) the original stated term to maturity of such Subsequent Mortgage Loan will not exceed 360 months; (C) such Subsequent Mortgage Loan must have an outstanding Principal Balance of at least $1,000 and not more than $750,000 as of the related Subsequent Cut-Off Date; (D) such Subsequent Mortgage Loan will be underwritten substantially in accordance with the criteria set forth under "Description of the Mortgage Loans — Underwriting Standards" in the Prospectus Supplement; (E) such Subsequent Mortgage Loan must have a CLTV at origination of no more than 100.00%; (F) the remaining term to stated maturity of such Subsequent Mortgage Loan must not extend beyond April 1, 2033; (G) such Subsequent Mortgage Loan must be secured by a mortgage in a first or second lien position; (H) such Subsequent Mortgage Loan must not have an interest rate below 3.875%; (I) such Subsequent Mortgage Loan shall not provide for negative amortization; and (J) following the purchase of such Subsequent Mortgage Loans by the Issuer, the Mortgage Loans included in the Trust Estate must have a weighted average interest rate of at least 7.778%, a weighted average Principal Balance of not more than $34,959.80, a concentration in any one state of not more than 29.48%, and a weighted average remaining term to maturity, as of each Subsequent Cut-Off Date, that does not vary materially from the Initial Mortgage Loans included initially in the Trust Estate. Neither of the Sellers shall transfer Subsequent Mortgage Loans with the intent to mitigate losses on Mortgage Loans previously transferred; and

(c) Within five Business Days after each Subsequent Transfer Date, GMACM shall deliver to the Rating Agencies and the Indenture Trustee a copy of the Mortgage Loan Schedule reflecting the Subsequent Mortgage Loans in electronic format.

Section 2.3 Payment of Purchase Price.

(a) The sale of the Initial Mortgage Loans shall take place on the Closing Date, subject to and simultaneously with the deposit of the Initial Mortgage Loans into the Trust Estate, the deposit of the Original Pre-Funded Amount and the Interest Coverage Amount into the Pre-Funding Account and the Capitalized Interest Account, respectively, and the issuance of the Securities. The purchase price (the "Purchase Price") for the GMACM Initial Mortgage Loans to be paid by the Purchaser to GMACM on the Closing Date shall be an amount equal to $449,500,327.40 in immediately available funds, together with the Certificates, in respect of the Cut-Off Date Principal Balances thereof. The Purchase Price for the WG Trust Initial Mortgage Loans to be paid by the Purchaser to WG Trust on the Closing Date shall be an amount equal to $82,826,823.18 in immediately available funds, in respect of the Cut-Off Date Principal Balances thereof. The Purchase Price paid for any Subsequent Mortgage Loan by the Indenture Trustee from funds on deposit in the Pre-Funding Account, at the direction of the Issuer, shall be one-hundred percent (100%) of the Subsequent Cut-Off Date Principal Balance thereof (as identified on the Mortgage Loan Schedule attached to the related Subsequent Transfer Agreement provided by GMACM).

(b) In consideration of the sale of the GMACM Initial Mortgage Loans by GMACM to the Purchaser on the Closing Date, the Purchaser shall pay to GMACM on the Closing Date by wire transfer of immediately available funds to a bank account designated by

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GMACM, the amount specified above in paragraph (a) for the GMACM Initial Mortgage Loans; provided, that such payment may be on a net funding basis if agreed by GMACM and the Purchaser. In consideration of the sale of any Subsequent Mortgage Loan by GMACM to the Issuer, the Issuer shall pay to GMACM by wire transfer of immediately available funds to a bank account designated by GMACM, the amount specified above in paragraph (a) for each Subsequent Mortgage Loan sold by GMACM.

(c) In consideration of the sale of the WG Trust Initial Mortgage Loans by WG Trust to the Purchaser on the Closing Date, the Purchaser shall pay to WG Trust on the Closing Date by wire transfer of immediately available funds to a bank account designated by WG Trust, the amount specified above in paragraph (a) for the WG Trust Initial Mortgage Loans; provided, that such payment may be on a net funding basis if agreed by WG Trust and the Purchaser. In consideration of the sale of any Subsequent Mortgage Loan by WG Trust to the Issuer, the Issuer shall pay to WG Trust by wire transfer of immediately available funds to a bank account designated by WG Trust, the amount specified above in paragraph (a) for each Subsequent Mortgage Loan sold by WG Trust.

ARTICLE III

REPRESENTATIONS AND WARRANTIES; REMEDIES FOR BREACH

Section 3.1 Seller Representations and Warranties.

(a) GMACM represents and warrants to the Purchaser, as of the Closing Date and as of each Subsequent Transfer Date (or if otherwise specified below, as of the date so specified) that as to GMACM:

(i) GMACM is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction governing its creation and existence and is or will be in compliance with the laws of each state in which any Mortgaged Property is located to the extent necessary to ensure the enforceability of each Mortgage Loan;

(ii) GMACM has the power and authority to make, execute, deliver and perform its obligations under this Agreement and each Subsequent Transfer Agreement to which it is a party and all of the transactions contemplated under this Agreement and each such Subsequent Transfer Agreement, and has taken all necessary corporate action to authorize the execution, delivery and performance of this Agreement and each such Subsequent Transfer Agreement;

(iii) GMACM is not required to obtain the consent of any other Person or any consents, licenses, approvals or authorizations from, or registrations or declarations with, any governmental authority, bureau or agency in connection with the execution, delivery, performance, validity or enforceability of this Agreement or any Subsequent Transfer Agreement, except for such consents, licenses, approvals or authorizations, or registrations or declarations, as shall have been obtained or filed, as the case may be;

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(iv) The execution and delivery of this Agreement and any Subsequent Transfer Agreement by GMACM and its performance and compliance with the terms of this Agreement and each such Subsequent Transfer Agreement will not violate GMACM's Certificate of Incorporation or Bylaws or constitute a material default (or an event which, with notice or lapse of time, or both, would constitute a material default) under, or result in the material breach of, any material contract, agreement or other instrument to which GMACM is a party or which may be applicable to GMACM or any of its assets;

(v) No litigation before any court, tribunal or governmental body is currently pending, or to the knowledge of GMACM threatened, against GMACM or with respect to this Agreement or any Subsequent Transfer Agreement that in the opinion of GMACM has a reasonable likelihood of resulting in a material adverse effect on the transactions contemplated by this Agreement or any Subsequent Transfer Agreement;

(vi) This Agreement and each Subsequent Transfer Agreement to which it is a party, constitutes a legal, valid and binding obligation of GMACM, enforceable against GMACM in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by general principles of equity (whether considered in a proceeding at law or in equity) or by public policy with respect to indemnification under applicable securities laws;

(vii) This Agreement constitutes a valid transfer and assignment to the Purchaser of all right, title and interest of GMACM in and to the GMACM Initial Mortgage Loans, including the Cut-Off Date Principal Balances with respect to the GMACM Initial Mortgage Loans, all monies due or to become due with respect thereto, and all proceeds of such Cut-Off Date Principal Balances with respect to the GMACM Initial Mortgage Loans; and

(viii) GMACM is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or governmental agency, which default might have consequences that would materially and adversely affect the condition (financial or otherwise) or operations of GMACM or its properties or might have consequences that would materially adversely affect its performance hereunder;

(b) GMACM represents and warrants to the Purchaser, with respect to each Initial Mortgage Loan as of the Closing Date (or if otherwise specified below, as of the date so specified) and with respect to each Subsequent Mortgage Loan as of the related Subsequent Transfer Date (or if otherwise specified below, as of the date so specified) that:

(i) The information set forth in the Mortgage Loan Schedule with respect to each Mortgage Loan or the Mortgage Loans is true and correct in all material respects as of the date or dates respecting which such information is initially furnished;

(ii) With respect to each of the WG Trust Initial Mortgage Loans or, as applicable, any the Subsequent Mortgage Loans sold by WG Trust, as of each respective Prior Transfer Date: (A) the related Mortgage Note and the Mortgage had not been assigned or

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pledged, except for any assignment or pledge that had been satisfied and released, (B) immediately prior to the assignment of such Mortgage Loans to WG Trust, GMACM had good title thereto and (C) immediately prior to such assignment, GMACM was the sole owner and holder of the Mortgage Loan free and clear of any and all liens, encumbrances, pledges, or security interests (other than, with respect to any Mortgage Loan in a second lien position, the lien of the related first mortgage) of any nature and had full right and authority, under all governmental and regulatory bodies having jurisdiction over the ownership of the applicable Mortgage Loan, to sell and assign the same pursuant to the Purchase Agreement;

(iii) With respect to each of the GMACM Initial Mortgage Loans or, as applicable, any Subsequent Mortgage Loans sold by GMACM as of each respective Subsequent Transfer Date: (A) the related Mortgage Note and the Mortgage have not been assigned or pledged, except for any assignment or pledge that has been satisfied and released, (B) immediately prior to such assignment of the Mortgage Loans to the Purchaser (or to the Issuer in the case of the Subsequent Mortgage Loans sold by GMACM), GMACM had good title thereto and (C) GMACM is the sole owner and holder of the Mortgage Loan free and clear of any and all liens, encumbrances, pledges, or security interests (other than, with respect to any Mortgage Loan in a second lien position, the lien of the related first mortgage) of any nature and has full right and authority, under all governmental and regulatory bodies having jurisdiction over the ownership of the applicable Mortgage Loans, to sell and assign the same pursuant to this Agreement or the related Subsequent Transfer Agreement, as applicable;

(iv) To the best of GMACM's knowledge, there is no valid offset, defense or counterclaim of any obligor under any Mortgage Note or Mortgage;

(v) To the best of GMACM's knowledge, there is no delinquent recording or other tax or fee or assessment lien against any related Mortgaged Property;

(vi) To the best of GMACM's knowledge, there is no proceeding pending or threatened for the total or partial condemnation of the related Mortgaged Property;

(vii) To the best of GMACM's knowledge, there are no mechanics' or similar liens or claims which have been filed for work, labor or material affecting the related Mortgaged Property which are, or may be liens prior or equal to, or subordinate with, the lien of the related Mortgage, except liens which are fully insured against by the title insurance policy referred to in clause (xi);

(viii) As of the Cut-Off Date or related Subsequent Cut-Off Date, no Mortgage Loan was 30 days or more delinquent in payment of principal or interest;

(ix) With respect to the GMACM Initial Mortgage Loans or, as applicable, any Subsequent Mortgage Loans, the related Mortgage File contains or will contain, in accordance with the definition of Mortgage File, each of the documents and instruments specified to be included therein in the definition of "Mortgage File" in Appendix A to the Indenture (it being understood that the Custodian maintains the Mortgage Note related to each Mortgage File and the Servicer maintains the remainder of the items to be included in the Mortgage File pursuant to the terms of this Agreement);

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(x) To the best of GMACM's knowledge, the related Mortgage Note and the related Mortgage at the time it was made complied in all material respects with applicable local, state and federal laws, including, but not limited to, applicable predatory lending laws;

(xi) A title search or other assurance of title customary in the relevant jurisdiction was obtained with respect to each Mortgage Loan;

(xii) None of the Mortgaged Properties is a mobile home or a manufactured housing unit that is not permanently attached to its foundation;

(xiii) As of the Cut-Off Date, no more than approximately 29.48%, 6.63%, 5.86% and 5.38% of the Mortgage Loans by Cut-Off Date Principal Balance are secured by Mortgaged Properties located in California, New York, Florida and Massachusetts, respectively;

(xiv) As of the Cut-Off Date or Subsequent Cut-Off Date, the Combined Loan-to-Value Ratio for each Mortgage Loan was not in excess of 100.00%;

(xv) GMACM has not transferred the GMACM Initial Mortgage Loans to the Purchaser with any intent to hinder, delay or defraud any of its creditors;

(xvi) Within a loan type, and except as required by applicable law, each Mortgage Note and each Mortgage is an enforceable obligation of the related Mortgagor;

(xvii) To the best knowledge of GMACM, the physical property subject to each Mortgage is free of material damage and is in acceptable repair;

(xviii) GMACM has not received a notice of default of any mortgage loan related to a Mortgaged Property which has not been cured by a party other than the Servicer;

(xix) None of the Mortgage Loans are subject to Section 32 of the Home Ownership and Equity Protection Act of 1994 ("HOEPA");

(xx) None of the Mortgage Loans is a reverse mortgage loan;

(xxi) No Mortgage Loan has an original term to maturity in excess of 300 months or a maturity date later than April 1, 2033;

(xxii) All of the Mortgage Loans are fixed rate and are fully amortizing. As of the Cut-off Date, the Loan Rates on the Mortgage Loans range between 3.875% per annum and 15.275% per annum. As of the Cut-Off Date, the weighted average Loan Rate for the Initial Mortgage Loans is approximately 7.778% per annum. The weighted average remaining term to stated maturity of the Initial Mortgage Loans as of the Cut-Off Date is approximately 204 months;

(xxiii) (A) Each Mortgaged Property consists of a single parcel of real property with a single family or two- to four-family residence erected thereon, or an individual

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condominium unit or a unit in a planned development; (B) with respect to the Mortgage Loans (a) approximately 15.72% (by Cut-Off Date Principal Balance) are secured by real property improved by individual condominium units or a unit in a planned development, (b) approximately 82.12% (by Cut-Off Date Principal Balance) are secured by real property with a single family residence erected thereon, (c) approximately 1.77% (by Cut-Off Date Principal Balance) are secured by real property with a two- to four-family residence erected thereon and (d) none are secured by real property improved by manufactured housing;

(xxiv) As of the Cut-Off Date no Initial Mortgage Loan had a principal balance in excess of $300,000;

(xxv) Approximately 84.43% of the Initial Mortgage Loans, by aggregate Principal Balance as of the Cut-Off Date, are secured by second liens;

(xxvi) Each Initial Mortgage Loan constitutes a "qualified mortgage" under Section 860G(a)(3)(A) of the Code and Treasury Regulation Section 1.860G-2(a)(1);

(xxvii) Other than with respect to a payment default, there is no material default, breach, violation or event of acceleration existing under the terms of any Mortgage Note or Mortgage and, to the best of GMACM's knowledge, no event which, with notice and expiration of any grace or cure period, would constitute a material default, breach, violation or event of acceleration under the terms of any Mortgage Note or Mortgage, and no such material default, breach, violation or event of acceleration has been waived by GMACM involved in originating or servicing the related Mortgage Loan;

(xxviii)No instrument of release or waiver has been executed by GMACM or, to the best knowledge of GMACM, by any other person, in connection with the Mortgage Loans, and no Mortgagor has been released by GMACM or, to the best knowledge of GMACM, in whole or in part from its obligations in connection therewith;

(xxix) With respect to each Mortgage Loan secured by a second lien, either (a) no consent for such Mortgage Loan was required by the holder or holders of the related prior lien, (b) such consent has been obtained and is contained in the related Mortgage File or (c) no consent for such Mortgage Loan was required by relevant law;

(xxx) With respect to each Mortgage Loan, to the extent permitted by applicable law, the related Mortgage contains a customary provision for the acceleration of the payment of the unpaid principal balance of the Mortgage Loan in the event the related Mortgaged Property is sold without the prior consent of the mortgagee thereunder;

(xxxi) None of the Initial Mortgage Loans originated between October 1, 2002 and March 7, 2003 are secured by Mortgaged Properties located in the State of Georgia, and no Subsequent Mortgage Loan shall be secured by Mortgaged Properties located in the State of Georgia if such Mortgage Loan was originated prior to March 7, 2003 and subsequent to October 1, 2002;

(xxxii) No Mortgage Loan is a "high-cost home loan" as defined in the Georgia Fair Lending Act, as amended, the New York Predatory Lending Law, codified as

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N.Y. Banking Law §6-I, N.Y. Gen. Bus. Law §771-a, and N.Y. Real Prop. Acts Law §1302, the Arkansas Home Loan Protection Act, as amended, the Kentucky Revised Statutes §360.100, as amended, the Florida Fair Lending Act, as amended, the Washington, DC Act, the Home Loan Protection Act of 2002, as amended, the Home Ownership Security Act of New Jersey, as amended, the Home Loan Protection Act of New Mexico, as amended, the applicable laws of the State of Maine, codified as Maine Laws 2003, House Bill 383, as amended, the applicable laws of the State of Nevada, codified as Nev. A.B. 284 (2003), as amended, the applicable laws of the City of Los Angeles, codified as L.A. Mun. Code § 162.00 et seq., as amended, or the applicable laws of the City of New York, codified as N.Y. City Bill 67-A (2002);

(xxxiii) GMACM used no selection procedures that identified Mortgage Loans as being less desirable or valuable than other comparable mortgage loans originated or acquired by GMACM under the GMACM Home Equity Program. The Mortgage Loans are representative of GMACM's portfolio of fixed rate mortgage loans that were originated under the GMACM Home Equity Program; and

(xxxiv) No Mortgage Loan provides for payments that are subject to reduction by withholding taxes levied by foreign (non-United States) sovereign government.

With respect to this Section 3.1(b), representations made by GMACM with respect to the WG Trust Initial Mortgage Loans, made as of the Cut-Off Date or the Closing Date or with respect to the Subsequent Mortgage Loans sold by WG Trust and made as of the Subsequent Cut-Off Date or the Subsequent Transfer Date, are made by GMACM in its capacity as Servicer. Representations made by GMACM with respect to the WG Trust Initial Mortgage Loans or the Subsequent Mortgage Loans sold by WG Trust and made as of any other date, are made by GMACM in its capacity as Seller.

(c) WG Trust represents and warrants to the Purchaser, as of the Closing Date and as of each Subsequent Transfer Date (or if otherwise specified below, as of the date so specified) that as to WG Trust:

(i) WG Trust is a Delaware statutory trust duly organized, validly existing and in good standing under the laws of the State of Delaware;

(ii) WG Trust has the power and authority to make, execute, deliver and perform its obligations under this Agreement and each Subsequent Transfer Agreement to which it is a party and all of the transactions contemplated under this Agreement and each such Subsequent Transfer Agreement, and has taken all necessary action to authorize the execution, delivery and performance of this Agreement and each such Subsequent Transfer Agreement;

(iii) WG Trust is not required to obtain the consent of any other Person or any consents, licenses, approvals or authorizations from, or registrations or declarations with, any governmental authority, bureau or agency in connection with the execution, delivery, performance, validity or enforceability of this Agreement or any Subsequent Transfer Agreement, except for such consents, licenses, approvals or authorizations, or registrations or declarations, as shall have been obtained or filed, as the case may be;

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(iv) The execution and delivery of this Agreement and any Subsequent Transfer Agreement by WG Trust and its performance and compliance with the terms of this Agreement and each such Subsequent Transfer Agreement will not violate WG Trust's organizational documents or constitute a material default (or an event which, with notice or lapse of time, or both, would constitute a material default) under, or result in the material breach of, any material contract, agreement or other instrument to which WG Trust is a party or which may be applicable to WG Trust or any of its assets

(v) No litigation before any court, tribunal or governmental body is currently pending, or to the knowledge of WG Trust threatened, against WG Trust or with respect to this Agreement or any Subsequent Transfer Agreement that in the opinion of WG Trust has a reasonable likelihood of resulting in a material adverse effect on the transactions contemplated by this Agreement or any Subsequent Transfer Agreement;

(vi) This Agreement and each Subsequent Transfer Agreement to which it is a party constitutes a legal, valid and binding obligation of WG Trust, enforceable against WG Trust in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by general principles of equity (whether considered in a proceeding at law or in equity) or by public policy with respect to indemnification under applicable securities laws;

(vii) This Agreement constitutes a valid transfer and assignment to the Purchaser of all right, title and interest of WG Trust in and to the WG Trust Initial Mortgage Loans, including the Cut-Off Date Principal Balances with respect to the WG Trust Initial Mortgage Loans, all monies due or to become due with respect thereto, and all proceeds of such Cut-Off Date Principal Balances with respect to the WG Trust Initial Mortgage Loans; and this Agreement and the related Subsequent Transfer Agreement, when executed, will constitute a valid transfer and assignment to the Issuer of all right, title and interest of WG Trust in and to the related Subsequent Mortgage Loans, including the Cut-Off Date Principal Balances of the Subsequent Mortgage Loans, all monies due or to become due with respect thereto, and all proceeds of such Subsequent Cut-Off Date Principal Balances and such funds as are from time to time deposited in the Custodial Account (excluding any investment earnings thereon) as assets of the Trust and all other property specified in the definition of "Trust" as being part of the corpus of the Trust conveyed to the Purchaser by WG Trust; and

(viii) WG Trust is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or governmental agency, which default might have consequences that would materially and adversely affect the condition (financial or otherwise) or operations of WG Trust or its properties or might have consequences that would materially adversely affect its performance hereunder.

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(d) WG Trust represents and warrants to the Purchaser, with respect to each WG Trust Initial Mortgage Loan as of the Closing Date (or if otherwise specified below, as of the date so specified) and with respect to each Subsequent Mortgage Loan sold by WG Trust as of the related Subsequent Transfer Date (or if otherwise specified below, as of the date so specified) that:

(i) With respect to the WG Trust Initial Mortgage Loans or, as applicable, any Subsequent Mortgage Loans sold by WG Trust: (A) the related Mortgage Note and the Mortgage have not been assigned or pledged, except for any assignment or pledge that has been satisfied and released, (B) immediately prior to the assignment of such Mortgage Loans to the Purchaser (or to the Issuer in the case of the Subsequent Mortgage Loans sold by WG Trust), WG Trust had good title thereto and (C) WG Trust is the sole owner and holder of the Mortgage Loan free and clear of any and all liens, encumbrances, pledges, or security interests (other than, with respect to any Mortgage Loan in a second lien position, the lien of the related first mortgage) of any nature and has full right and authority, under all governmental and regulatory bodies having jurisdiction over the ownership of the applicable Mortgage Loans, to sell and assign the same pursuant to this Agreement;

(ii) For each WG Trust Initial Mortgage Loan or, as applicable, any Subsequent Mortgage Loans sold by WG Trust, the related Mortgage File contains or will contain each of the documents and instruments specified to be included therein in the definition of "Mortgage File" in Appendix A to the Indenture (it being understood that the Custodian maintains the Mortgage Note related to each Mortgage File and the Servicer maintains the remainder of the items to be included in the Mortgage File pursuant to the terms of this Agreement);

(iii) WG Trust has not transferred the WG Trust Initial Mortgage Loans to the Purchaser with any intent to hinder, delay or defraud any of its creditors; and

(iv) No instrument of release or waiver has been executed by WG Trust in connection with the WG Trust Initial Mortgage Loans, and no Mortgagor has been released by WG Trust, in whole or in part, from its obligations in connection therewith.

(e) Remedies. Upon discovery by either Seller or GMACM or upon notice from the Purchaser, the Issuer, the Owner Trustee, the Indenture Trustee or the Custodian, as applicable, of a breach of such Seller's or GMACM's respective representations or warranties in paragraphs (a) or (c) above that materially and adversely affects the interests of the Securityholders in any Mortgage Loan, GMACM or WG Trust, as applicable, shall, within 90 days of its discovery or its receipt of notice of such breach, either (i) cure such breach in all material respects or (ii) to the extent that such breach is with respect to a Mortgage Loan or a Related Document, either (A) repurchase such Mortgage Loan from the Issuer at the Repurchase Price, or (B) substitute one or more Eligible Substitute Loans for such Mortgage Loan, in each case in the manner and subject to the conditions and limitations set forth below.

Upon discovery by either Seller or GMACM or upon notice from the Purchaser, the Issuer, GMACM, the Owner Trustee, the Indenture Trustee or the Custodian, as applicable, of a breach of a Seller's or GMACM's representations or warranties in paragraphs (b) or (d) above,

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with respect to any Mortgage Loan, or upon the occurrence of a Repurchase Event, that materially and adversely affects the interests of the Securityholders or the Purchaser in such Mortgage Loan (notice of which shall be given to the Purchaser by the respective Seller or GMACM, if it discovers the same), notwithstanding such Seller's or GMACM's lack of knowledge with respect to the substance of such representation and warranty, such Seller or GMACM, as the case may be, shall, within 90 days after the earlier of its discovery or receipt of notice thereof or, if such breach has the effect of making the Mortgage Loan fail to be a "qualified mortgage" within the meaning of Section 860G of the Internal Revenue Code, within 90 days after the discovery thereof by either such Seller, the Servicer, the Issuer, the Owner Trustee, the Indenture Trustee or the Purchaser, either cure such breach or Repurchase Event in all material respects or either (i) repurchase such Mortgage Loan from the Issuer at the Repurchase Price, or (ii) substitute one or more Eligible Substitute Loans for such Mortgage Loan, in each case in the manner and subject to the conditions set forth below, provided that the Seller shall have the option to substitute an Eligible Substitute Mortgage Loan or Loans for such Mortgage Loan only if such substitution occurs within two years following the Closing Date. The Repurchase Price for any such Mortgage Loan repurchased by such Seller or GMACM shall be deposited or caused to be deposited by the Servicer into the Custodial Account. Any purchase of a Mortgage Loan due to a Repurchase Event shall be the obligation of GMACM.

In furtherance of the foregoing, if GMACM or the Seller that repurchases or substitutes a Mortgage Loan is not a member of MERS and the Mortgage is registered on the MERS® System, GMACM, at its own expense and without any right of reimbursement, shall cause MERS to execute and deliver an assignment of the Mortgage in recordable form to transfer the Mortgage from MERS to GMACM or the Seller and shall cause such Mortgage to be removed from registration on the MERS® System in accordance with MERS' rules and regulations.

In the event that either Seller elects to substitute an Eligible Substitute Loan or Loans for a Deleted Loan pursuant to this Section 3.1, such Seller shall deliver to the Custodian on behalf of the Issuer, with respect to such Eligible Substitute Loan or Loans, the original Mortgage Note, endorsed as required under the definition of "Mortgage File" and shall deliver the other documents required to be part of the Mortgage File to the Servicer. No substitution will be made in any calendar month after the Determination Date for such month. Monthly Payments due with respect to Eligible Substitute Loans in the month of substitution shall not be part of the Trust Estate and will be retained by the Servicer and remitted by the Servicer to such Seller on the next succeeding Payment Date, provided that a payment equal to the applicable Monthly Payment for such month in respect of the Deleted Loan has been received by the Issuer. For the month of substitution, distributions to the Note Payment Account pursuant to the Servicing Agreement will include the Monthly Payment due on a Deleted Loan for such month and thereafter such Seller shall be entitled to retain all amounts received in respect of such Deleted Loan. The Servicer shall amend or cause to be amended the Mortgage Loan Schedule to reflect the removal of such Deleted Loan and the substitution of the Eligible Substitute Loan or Loans and the Servicer shall deliver the amended Mortgage Loan Schedule to the Owner Trustee, the Indenture Trustee. Upon such substitution, the Eligible Substitute Loan or Loans shall be subject to the terms of this Agreement and the Servicing Agreement in all respects, GMACM shall be deemed to have made the representations and warranties with respect to the Eligible Substitute Loan contained herein set forth in Section 3.1(b) (other than clauses (xiii) and (xxi) through (xxv) thereof), and, if the Seller is WG Trust, WG Trust shall be deemed to have made the

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representations and warranties set forth in Section 3.1(d), in each case, as of the date of substitution, and the related Seller shall be deemed to have made a representation and warranty that each Mortgage Loan so substituted is an Eligible Substitute Loan as of the date of substitution. In addition, GMACM shall be obligated to repurchase or substitute for any Eligible Substitute Loan as to which a Repurchase Event has occurred as provided herein. In connection with the substitution of one or more Eligible Substitute Loans for one or more Deleted Loans, the Servicer shall determine the amount (such amount, a "Substitution Adjustment Amount"), if any, by which the aggregate principal balance of all such Eligible Substitute Loans as of the date of substitution is less than the aggregate principal balance of all such Deleted Loans (after application of the principal portion of the Monthly Payments due in the month of substitution that are to be distributed to the Note Payment Account in the month of substitution). Such Seller shall deposit the amount of such shortfall into the Custodial Account on the date of substitution, without any reimbursement therefor.

Upon receipt by the Indenture Trustee on behalf of the Issuer and the Custodian of written notification, signed by a Servicing Officer, of the deposit of such Repurchase Price or of such substitution of an Eligible Substitute Loan (together with the complete related Mortgage File) and deposit of any applicable Substitution Adjustment Amount as provided above, the Custodian, on behalf of the Indenture Trustee, shall (i) release to such Seller or GMACM, as the case may be, the related Mortgage Note for the Mortgage Loan being repurchased or substituted for, (ii) cause the Servicer to release to such Seller any remaining documents in the related Mortgage File which are held by the Servicer, and(iii) the Indenture Trustee on behalf of the Issuer shall execute and deliver such instruments of transfer or assignment prepared by the Servicer, in each case without recourse, as shall be necessary to vest in such Seller or GMACM, as the case may be, or its respective designee such Mortgage Loan released pursuant hereto and thereafter such Mortgage Loan shall not be an asset of the Issuer.

It is understood and agreed that the obligation of each Seller to cure any breach, or to repurchase or substitute for any Mortgage Loan as to which such a breach has occurred and is continuing, shall constitute the sole remedy respecting such breach available to the Purchaser, the Issuer, the Certificateholders (or the Owner Trustee on behalf of the Certificateholders) and the Noteholders (or the Indenture Trustee on behalf of the Noteholders) against such Seller.

It is understood and agreed that the representations and warranties set forth in this Section 3.1 shall survive delivery of the respective Mortgage Notes to the Issuer or the Custodian.

ARTICLE IV

SELLERS' COVENANTS

Section 4.1 Covenants of the Sellers. Each Seller hereby covenants that, except for the transfer hereunder and, as of any Subsequent Transfer Date, it will not sell, pledge, assign or transfer to any other Person, or grant, create, incur or assume any Lien on any Mortgage Loan, or any interest therein. Each Seller shall notify the Issuer (in the case of the Initial Mortgage Loans, as assignee of the Purchaser), of the existence of any Lien (other than as provided above) on any Mortgage Loan immediately upon discovery thereof; and each Seller shall defend the right, title

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and interest of the Issuer (in the case of the Initial Mortgage Loans, as assignee of the Purchaser) in, to and under the Mortgage Loans against all claims of third parties claiming through or under such Seller; provided, however, that nothing in this Section 4.1 shall be deemed to apply to any Liens for municipal or other local taxes and other governmental charges if such taxes or governmental charges shall not at the time be due and payable or if either Seller shall currently be contesting the validity thereof in good faith by appropriate Proceedings.

ARTICLE V

SERVICING

Section 5.1 Servicing. GMACM shall service the Mortgage Loans pursuant to the terms and conditions of the Servicing Agreement.

ARTICLE VI

INDEMNIFICATION BY THE SELLER WITH RESPECT TO THE MORTGAGE LOANS

Section 6.1 Limitation on Liability of the Sellers. None of the directors, officers, employees or agents of either GMACM or WG Trust shall be under any liability to the Purchaser or the Issuer, it being expressly understood that all such liability is expressly waived and released as a condition of, and as consideration for, the execution of this Agreement and any Subsequent Transfer Agreement. Except as and to the extent expressly provided in the Servicing Agreement with respect to GMACM (and only to the extent in its capacity as Servicer), the Sellers shall not have any obligation to indemnify the Issuer, the Owner Trustee, the Indenture Trustee or the Securityholders. Any Seller and any director, officer, employee or agent of such Seller may rely in good faith on any document of any kind prima facie properly executed and submitted by any Person respecting any matters arising hereunder.

ARTICLE VII

TERMINATION

Section 7.1 Termination. The obligations and responsibilities of the parties hereto shall terminate upon the termination of the Trust Agreement.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 8.1 Amendment. This Agreement may be amended from time to time by the parties hereto by written agreement), provided that the Servicer and the Indenture Trustee shall have received an Opinion of Counsel to the effect that such amendment will not result in an Adverse REMIC Event.

Section 8.2 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW

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YORK AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

Section 8.3 Notices. All demands, notices and communications hereunder shall be in writing and shall be deemed to have been duly given if personally delivered at or mailed by registered mail, postage prepaid, addressed as follows:

(i) if to GMACM:

GMAC Mortgage Corporation
100 Witmer Road
Horsham, Pennsylvania 10944
Attention: Barry Bier, Executive Vice President
Re: GMACM Home Equity Loan Trust 2004-HE2;

(ii) if to the Purchaser:

Residential Asset Mortgage Products, Inc.
8400 Normandale Lake Boulevard
Minneapolis, Minnesota 55437
Attention: President
Re: GMACM Home Equity Loan Trust 2004-HE2;

(iii) if to the Indenture Trustee:

Wells Fargo Bank, N.A.
P.O. Box 98
Columbia, Maryland 21046
Attention: Corporate Trust Services
Re: GMACM Home Equity Loan Trust 2004-HE2 Trust;

(iv) if to the Issuer:

c/o Wilmington Trust Company, as Owner Trustee
Rodney Square North
1100 North Market Street
Wilmington, Delaware 19890-0001
Re: GMACM Home Equity Loan Trust 2004-HE2; or

(v) if to WG Trust:

Walnut Grove Mortgage Loan Trust 2003-A
c/o Wilmington Trust Company
1100 North Market Street
Wilmington, Delaware 19890
Attention: Walnut Grove Mortgage Loan
Trust 2003-A
Re: GMACM Home Equity Loan Trust 2004-HE2;

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or, with respect to any of the foregoing Persons, at such other address as may hereafter be furnished to the other foregoing Persons in writing.

Section 8.4 Severability of Provisions. If any one or more of the covenants, agreements, provisions or terms of this Agreement shall be held invalid for any reason whatsoever, then such covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants, agreements, provisions or terms of this Agreement and shall in no way affect the validity of enforceability of the other provisions of this Agreement.

Section 8.5 Relationship of Parties. Nothing herein contained shall be deemed or construed to create a partnership or joint venture among the parties hereto, and the services of GMACM shall be rendered as an independent contractor and not as agent for the Purchaser.

Section 8.6 Counterparts. This Agreement may be executed in any number of counterparts, each of which, when so executed, shall be deemed to be an original and such counterparts, together, shall constitute one and the same agreement.

Section 8.7 Further Agreements. The parties hereto each agree to execute and deliver to the other such additional documents, instruments or agreements as may be necessary or appropriate to effectuate the purposes of this Agreement.

Section 8.8 Intention of the Parties. It is the intention of the parties hereto that the Purchaser will be purchasing on the Closing Date, and the Sellers will be selling on the Closing Date, the Initial Mortgage Loans, rather than the Purchaser providing a loan to the Sellers secured by the Initial Mortgage Loans on the Closing Date; and that the Issuer will be purchasing on each Subsequent Transfer Date, and the Sellers will be selling on each Subsequent Transfer Date, the related Subsequent Mortgage Loans, rather than the Issuer providing a loan to the Sellers secured by the related Subsequent Mortgage Loans on each Subsequent Transfer Date. Accordingly, the parties hereto each intend to treat this transaction for federal income tax purposes as (i) a sale by the Sellers, and a purchase by the Purchaser, of the Initial Mortgage Loans on the Closing Date and (ii) a sale by the Sellers, and a purchase by the Issuer, of the related Subsequent Mortgage Loans on each Subsequent Transfer Date. The Purchaser and the Issuer shall each have the right to review the Mortgage Loans and the Related Documents to determine the characteristics of the Mortgage Loans which will affect the federal income tax consequences of owning the Mortgage Loans, and each Seller shall cooperate with all reasonable requests made by the Purchaser or the Issuer in the course of such review.

Section 8.9 Successors and Assigns; Assignment of this Agreement.

(a) This Agreement shall bind and inure to the benefit of and be enforceable by the parties hereto and their respective permitted successors and assigns. The obligations of each Seller under this Agreement cannot be assigned or delegated to a third party without the consent of the Purchaser, which consent shall be at the Purchaser's sole discretion; provided, that each Seller may assign its obligations hereunder to any Affiliate of such Seller, to any Person succeeding to the business of such Seller, to any Person into which such Seller is merged and to any Person resulting from any merger, conversion or consolidation to which such Seller is a

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party. The parties hereto acknowledge that the Purchaser is acquiring the Mortgage Loans for the purpose of contributing them to the GMACM Home Equity Loan Trust 2004-HE2.

(b) As an inducement to the Purchaser and the Issuer to purchase the Mortgage Loans, each Seller acknowledges and consents to (i) the assignment by the Purchaser to the Issuer of all of the Purchaser's rights against either Seller pursuant to this Agreement insofar as such rights relate to the Mortgage Loans transferred to the Issuer and to the enforcement or exercise of any right or remedy against either Seller pursuant to this Agreement by the Issuer, (ii) the enforcement or exercise of any right or remedy against such Seller pursuant to this Agreement by or on behalf of the Issuer and (iii) the Issuer's pledge of its interest in this Agreement to the Indenture Trustee and the enforcement by the Indenture Trustee of any such right or remedy against either Seller following an Event of Default under the Indenture. Such enforcement of a right or remedy by the Issuer, the Owner Trustee or the Indenture Trustee, as applicable, shall have the same force and effect as if the right or remedy had been enforced or exercised by the Purchaser or the Issuer directly.

Section 8.10 Survival. The representations and warranties made herein by each Seller and the provisions of Article VI hereof shall survive the purchase of the Mortgage Loans hereunder.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, the parties hereto have caused their names to be signed to this Mortgage Loan Purchase Agreement by their respective officers thereunto duly authorized as of the day and year first above written.

RESIDENTIAL ASSET MORTGAGE PRODUCTS, INC., as Purchaser

By: _____
Name: Patricia C. Taylor
Title: Vice President

GMAC MORTGAGE CORPORATION, as Seller and Servicer

By: _____
Name: Sandy Blitzer
Title: Vice President

WALNUT GROVE MORTGAGE LOAN TRUST 2003-A, as Seller

By: WILMINGTON TRUST COMPANY, not in its individual capacity but solely as Owner Trustee

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties hereto have caused their names to be signed to this Mortgage Loan Purchase Agreement by their respective officers thereunto duly authorized as of the day and year first above written.

RESIDENTIAL ASSET MORTGAGE PRODUCTS, INC., as Purchaser

By: _____
Name: Patricia C. Taylor
Title: Vice President

GMAC MORTGAGE CORPORATION, as Seller and Servicer

By: _____
Name: Sandy Blitzer
Title: Vice President

WALNUT GROVE MORTGAGE LOAN TRUST 2003-A, as Seller

By: WILMINGTON TRUST COMPANY, not in its individual capacity but solely as Owner Trustee

By: _____
Name: Kathleen A. Pedotti
Title: Trust Services Officer

GMACM HOME EQUITY LOAN TRUST 2004-HE2, as Issuer

By: WILMINGTON TRUST COMPANY,
not in its individual capacity but solely as Owner Trustee

By: _____
Name:
Title: Financial Services Officer

WELLS FARGO BANK, N.A., as Indenture Trustee

By: _____
Name:
Title:

GMACM HOME EQUITY LOAN TRUST 2004-HE2, as Issuer

By: WILMINGTON TRUST COMPANY,
not in its individual capacity but solely as
Owner Trustee

By: _____
Name:
Title:

WELLS FARGO BANK, N.A., as Indenture Trustee

By: _____
Name: Ruth Fussell
Title: Vice President

EXHIBIT 1

MORTGAGE LOAN SCHEDULE

[On File with GMACM and Servicer]

EXHIBIT 2
FORM OF SUBSEQUENT TRANSFER AGREEMENT

(a) Pursuant to this Subsequent Transfer Agreement No. (the "Agreement"), dated as of , , between _____, as seller (the "Seller"), and GMACM Home Equity Loan Trust 2004-HE2, as issuer (the "Issuer"), and pursuant to the mortgage loan purchase agreement dated as of March 30, 2004 (the "Mortgage Loan Purchase Agreement"), among the Seller, as a seller and servicer, Walnut Grove Mortgage Loan Trust 2003-A, as a seller, Residential Asset Mortgage Products, Inc., as purchaser (the "Purchaser"), the Issuer and Wells Fargo Bank, N.A., as indenture trustee (the "Indenture Trustee"), the Seller and the Issuer agree to the sale by the Seller and the purchase by the Issuer of the mortgage loans listed on the attached Schedule of Subsequent Mortgage Loans (the "Subsequent Mortgage Loans").

Capitalized terms used and not defined herein have their respective meanings as set forth in Appendix A to the indenture dated as of March 30, 2004, between the Issuer and the Indenture Trustee, which meanings are incorporated by reference herein. All other capitalized terms used herein shall have the meanings specified herein.

Section 1. Sale of Subsequent Mortgage Loans.

(a) The Seller does hereby sell, transfer, assign, set over and convey to the Issuer, without recourse, all of its right, title and interest in and to the Subsequent Mortgage Loans, all principal received and interest accruing on the Subsequent Mortgage Loans on and after the Subsequent Cut-Off Date, all monies due or to become due relating to such Subsequent Mortgage Loans and all items with respect to the Subsequent Mortgage Loans to be delivered pursuant to Section 2.2 of the Mortgage Loan Purchase Agreement; provided, however, that the Seller reserves and retains all right, title and interest in and to principal received and interest accruing on the Subsequent Mortgage Loans prior to the Subsequent Cut-Off Date. The Seller, contemporaneously with the delivery of this Agreement, has delivered or caused to be delivered to the Indenture Trustee each item set forth in Section 2.2 of the Mortgage Loan Purchase Agreement.

The transfer to the Issuer by the Seller of the Subsequent Mortgage Loans identified on the Mortgage Loan Schedule shall be absolute and is intended by the parties hereto to constitute a sale by the Seller to the Issuer on the Subsequent Transfer Date of all the Seller's right, title and interest in and to the Subsequent Mortgage Loans, and other property as and to the extent described above, and the Issuer hereby acknowledges such transfer. In the event the transactions set forth herein shall be deemed not to be a sale, the Seller hereby grants to the Issuer as of the Subsequent Transfer Date a security interest in all of the Seller's right, title and interest in, to and under all accounts, chattel papers, general intangibles, payment intangibles, contract rights, certificates of deposit, deposit accounts, instruments, documents, letters of credit, money, advices of credit, investment property, goods and other property consisting of, arising under or related to the Subsequent Mortgage Loans, and such other property, to secure all of the Issuer's obligations hereunder, and this Agreement shall constitute a security agreement under applicable law. The Seller agrees to take or cause to be taken such actions and to execute such documents, including without limitation the filing of all necessary UCC-1 financing statements filed in the

State of Delaware and the Commonwealth of Pennsylvania (which shall be submitted for filing as of the Subsequent Transfer Date), any continuation statements with respect thereto and any amendments thereto required to reflect a change in the name or corporate structure of the Seller or the filing of any additional UCC-1 financing statements due to the change in the principal office or jurisdiction of incorporation of the Seller, as are necessary to perfect and protect the Issuer's interests in each Subsequent Mortgage Loan and the proceeds thereof.

(b) The expenses and costs relating to the delivery of the Subsequent Mortgage Loans, this Agreement and the Mortgage Loan Purchase Agreement shall be borne by the Seller.

(c) Additional terms of the sale are set forth on Attachment A hereto.

Section 2. Representations and Warranties; Conditions Precedent.

(a) The Seller hereby affirms the representations and warranties made by it and set forth in Section 3.1 of the Mortgage Loan Purchase Agreement that relate to the Seller or the Subsequent Mortgage Loans as of the date hereof. The Seller hereby confirms that each of the conditions set forth in Section 2.2(b) of the Mortgage Loan Purchase Agreement are satisfied as of the date hereof and further represents and warrants that each Subsequent Mortgage Loan complies with the requirements of this Agreement and Section 2.2(c) of the Mortgage Loan Purchase Agreement. GMACM, as Servicer of the Subsequent Mortgage Loans hereby affirms the representations and warranties made by it regarding the Subsequent Mortgage Loans as set forth in Section 3.1 of the Mortgage Loan Purchase Agreement.

(b) The Seller is solvent, is able to pay its debts as they become due and has capital sufficient to carry on its business and its obligations hereunder; it will not be rendered insolvent by the execution and delivery of this Instrument or by the performance of its obligations hereunder nor is it aware of any pending insolvency; no petition of bankruptcy (or similar insolvency proceeding) has been filed by or against the Seller prior to the date hereof.

(c) All terms and conditions of the Mortgage Loan Purchase Agreement relating to the Subsequent Mortgage Loans are hereby ratified and confirmed; provided, however, that in the event of any conflict the provisions of this Agreement shall control over the conflicting provisions of the Mortgage Loan Purchase Agreement.

Section 3. Recordation of Instrument. To the extent permitted by applicable law or a memorandum thereof if permitted under applicable law, this Agreement is subject to recordation in all appropriate public offices for real property records in all of the counties or other comparable jurisdictions in which any or all of the properties subject to the related Mortgages are situated, and in any other appropriate public recording office or elsewhere, such recordation to be effected by the Servicer at the Noteholders' expense on direction of the Majority Noteholders, but only when accompanied by an Opinion of Counsel to the effect that such recordation materially and beneficially affects the interests of the Noteholders or is necessary for the administration or servicing of the Subsequent Mortgage Loans.

Section 4. **GOVERNING LAW. THIS INSTRUMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK**

AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

Section 5. Counterparts. This Instrument may be executed in counterparts, each of which, when so executed, shall be deemed to be an original and together shall constitute one and the same instrument.

Section 6. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the Seller and the Issuer and their respective successors and assigns.

GMAC MORTGAGE CORPORATION,
as Seller

By: _____
Name:
Title:

GMACM HOME EQUITY LOAN TRUST 2004-HE2, as Issuer

By: WILMINGTON TRUST COMPANY,
not in its individual capacity but solely as
Owner Trustee

By: _____
Name:
Title:

Attachments

A. Additional terms of sale.
B. Schedule of Subsequent Mortgage Loans.
C. Seller's Officer's Certificate.

GMACM HOME EQUITY LOAN TRUST 2004-HE2

ATTACHMENT A TO FORM OF SUBSEQUENT TRANSFER AGREEMENT

_____, ____

A.

1. Subsequent Cut-Off Date:
2. Pricing Date:
3. Subsequent Transfer Date:
4. Aggregate Principal Balance of the Subsequent Mortgage Loans as of the Subsequent Cut-Off Date:
5. Purchase Price: 100.00%

B.

As to all Subsequent Mortgage Loans:

1.	Longest stated term to maturity:	_____ months
2.	Minimum Loan Rate:	_____ %
3.	Maximum Loan Rate:	_____ %
4.	WAC of all Subsequent Mortgage Loans:	_____ %
5.	WAM of all Subsequent Mortgage Loans:	_____ %
6.	Largest Principal Balance:	$_____
7.	Non-owner occupied Mortgaged Properties:	_____ %
8.	[_____] zip code concentrations:	__% and __ %
9.	Condominiums:	_____ %
10.	Single-family:	_____ %
11.	Weighted average term since origination:	_____%
12.	Principal balance of Subsequent Mortgage Loans with respect to which the Mortgagor is an employee of GMACM or an affiliate of GMACM:	$_____
13.	Number of Subsequent Mortgage Loans with respect to which the Mortgagor is an employee of GMACM or an affiliate of GMACM:	_____

Exhibit 2-4

DOCSLA1:468935.5

EXHIBIT 3

FORM OF ADDITION NOTICE

DATE:

Wells Fargo Bank, N.A.
9062 Old Annapolis Road
Columbia, Maryland 21045
Attn: Corporate Trust Services-GMACM
Home Equity Loan Trust 2004-HE2

Moody's Investors Service, Inc.
99 Church Street
New York, New York 10007

Wilmington Trust Company
1100 North Market Street
Wilmington, Delaware 19890

Standard & Poor's, a division of The McGraw-Hill Companies, Inc.
26 Broadway
New York, New York 10004-1064

Re: GMACM Home Equity Loan Trust 2004-HE2

Ladies and Gentlemen:

Pursuant to Section 2.2 of the mortgage loan purchase agreement dated as of March 30, 2004 (the "Purchase Agreement"), among GMAC Mortgage Corporation, as the Seller and Servicer, Residential Asset Mortgage Products, Inc., as Purchaser, GMACM Home Equity Loan Trust 2004-HE2, as Issuer and Wells Fargo Bank, N.A., as Indenture Trustee, the Seller has designated the Subsequent Mortgage Loans identified on the Mortgage Loan Schedule attached hereto to be sold to the Issuer on _____, ____, with an aggregate Principal Balance of $_____. Capitalized terms not otherwise defined herein have the meaning set forth in the Appendix A to the indenture dated as of March 30, 2004, between the Issuer and the Indenture Trustee.

Please acknowledge your receipt of this notice by countersigning the enclosed copy in the space indicated below and returning it to the attention of the undersigned.

Very truly yours,

GMAC MORTGAGE CORPORATION,
as Seller

By: _____
Name:
Title:

DOCSLA1:468935.5

CONFIDENTIAL RC00057465

ACKNOWLEDGED AND AGREED:

WELLS FARGO BANK, N.A.,
as Indenture Trustee

By:_____
Name:
Title:

Exhibit 9

ally

William B. Solomon, Jr.
Group Vice President and General Counsel

October 21, 2011

Via Federal Express

Kathy Patrick, Esq.
Gibbs & Bruns LLP
1100 Louisiana
Suite 5300
Houston, TX 77002

Dear Ms. Patrick:

I am in receipt of your October 17, 2011 letter. None of the transactions that you describe in your letter involved Ally Financial Inc., so it would be inappropriate to engage you on the issues.

For your information, the General Counsel of Residential Funding Corporation and GMAC Mortgage is Tammy Hamzehpour, whose address is 1100 Virginia Drive, Fort Washington, Pennsylvania 19034.

Sincerely,

200 Renaissance Center Mail Code: 482-B09-B11 Detroit, MI 48265
Phone: 313-656-6128 Fax: 313-656-6124 E-mail: william.b.solomon@ally.com

Exhibit 10

GMAC Mortgage

October 26, 2011

VIA FEDERAL EXPRESS

Kathy Patrick, Esq.
Gibbs & Bruns LLP
1100 Louisiana
Suite 5300
Houston, TX 77002

Dear Ms. Patrick,

Bill Solomon of Ally Financial Inc. has referred to me your letter of October 17, 2011, requesting a meeting. I will not be able to meet with you in the very near term as your letter suggests, but members of my litigation team and I would be available to meet in our Minneapolis offices on either November 21st, 22nd or 23rd. We would not have business personnel attend the meeting.

Please let me know your preference for one of the above dates and we will finalize arrangements.

Best regards,

GMAC MORTGAGE, LLC

Tammy Hamzehpour
General Counsel

GMAC Mortgage, LLC
1100 Virginia Drive
Mail Code 190-FTW-L95
Fort Washington, PA 19034
Tel. 215-682-1307
E-mail: tammy.hamzehpour@gmacm.com

Exhibit 11

From: Devine, Timothy
Sent: Saturday, February 18, 2012 2:06 AM
To: David Sheeren; Kathy D. Patrick; Scott A. Humphries
Cc: Hagens, David; Hamzehpour, Tammy; Ruckdaschel, John
Subject: RE: Ally Materials

Thanks David, Kathy and Scott.

Timothy A. Devine
Chief Counsel - Litigation
Ally Financial Inc. Legal Staff
200 Renaissance Center
M/C: 482-B09-B11
Detroit, MI 48265
(313) 656-3477

From: David Sheeren [mailto:dsheeren@gibbsbruns.com]
Sent: Friday, February 17, 2012 2:57 PM
To: Kathy D. Patrick; Devine, Timothy; Scott A. Humphries
Cc: Hagens, David; Hamzehpour, Tammy; Ruckdaschel, John
Subject: RE: Ally Materials

All:

I have attached the executed confidentiality agreement, tolling agreement, and exhibits thereto.

Best regards,
David

David Sheeren
Gibbs & Bruns LLP
1100 Louisiana, Suite 5300
Houston, Texas 77002
713.751.5207 (o)
713.459.6278 (c)

From: Kathy D. Patrick
Sent: Friday, February 17, 2012 1:02 PM
To: Devine, Timothy; Scott A. Humphries
Cc: Hagens, David; Hamzehpour, Tammy; David Sheeren; Ruckdaschel, John
Subject: RE: Ally Materials

Great. We'll get them signed and send you the completed document by pdf. Thanks much. KP

From: Devine, Timothy [mailto:Timothy.Devine@ally.com]
Sent: Friday, February 17, 2012 1:00 PM
To: Scott A. Humphries; Kathy D. Patrick
Cc: Hagens, David; Hamzehpour, Tammy; David Sheeren; Ruckdaschel, John
Subject: RE: Ally Materials

PRIVILEGED AND CONFIDENTIAL

Scott and Kathy:

We approve of the three substitutions and the two corrections described below.

Will you please attach the proper Exhibits, reflecting those changes, to the agreements you are executing and send us the whole package by pdf and original?

We want to avoid any confusion in the future as to which Exhibits are operative.

Thanks.

Tim

Timothy A. Devine
Chief Counsel - Litigation
Ally Financial Inc. Legal Staff
200 Renaissance Center
M/C: 482-B09-B11
Detroit, MI 48265
(313) 656-3477

From: Scott A. Humphries [mailto:SHumphries@gibbsbruns.com]
Sent: Monday, February 13, 2012 2:22 PM
To: Devine, Timothy
Subject: RE: Ally Materials

Yes, Tim, that'd be fine, thanks.

I'm sorry to hear about your loss.

Scott

From: Devine, Timothy [mailto:Timothy.Devine@ally.com]
Sent: Monday, February 13, 2012 1:14 PM
To: Scott A. Humphries
Cc: Kathy D. Patrick; David Sheeren
Subject: RE: Ally Materials

Thank you Scott.

I'm just back in the office after being out suddenly most of last week. We have had a death in the family.

I did see the note before I left and am eager to dig into it. I will be inclined to accommodate here and to process for final execution with the right parties included. We want to get the agreements properly in place.

I suggest though at very first glance that there may be two parts to the conversation. One, getting these agreements finalized so we can begin the next phase of our discussion. Two, though, we will want to discuss how to treat any similar changes going forward.

Do you mind if I review these tonight, circulate them internally to my teammates, and be back later in the week?

Tim

Timothy A. Devine
Chief Counsel - Litigation
Ally Financial Inc. Legal Staff
200 Renaissance Center
M/C: 482-B09-B11
Detroit, MI 48265
(313) 656-3477

From: Scott A. Humphries [mailto:shumphries@gibbsbruns.com]
Sent: Monday, February 06, 2012 5:53 PM
To: Devine, Timothy
Cc: Kathy D. Patrick; David Sheeren; shumphries@gibbsbruns.com
Subject: FW: Ally Materials

Good afternoon Tim,

Many thanks for the signed documents. I apologize, but upon reviewing our holdings data , we've realized we have the three substitutions for the deal list (3 to drop, 3 to add), as well as two corrections of the formal names of our clients on the list we sent you (Commerzbank and Prudential). Both changes are attached in the form of new exhibits. We're comfortable substituting these for the old exhibits if you'll confirm your agreement to do so as well (so you don't have to resign on your end). Just let me know, and we'll send back our countersignatures.

I've also attached our holdings data here.

Thanks,
Scott

Scott A. Humphries
Gibbs & Bruns LLP 1100 Louisiana, Suite 5300, Houston, Texas 77002
713.751.5248 (o) * **shumphries@gibbsbruns.com** * **www.gibbsbruns.com**

AllyDeals OMITTED 2012-01-20	AllyDeals ADDED 2012-02-01
GMACM 2005-HE3	RASC 2006-EMX6
RAMP 2005-EFC7	RASC 2006-EMX3
RAMP 2005-RS9	RASC 2005-AHL3

Exhibit 12

From: David Sheeren <dsheeren@gibbsbruns.com>
Sent: Thursday, March 22, 2012 2:09 PM
To: Devine, Timothy
Cc: Kathy D. Patrick; Scott A. Humphries
Subject: Data Template

Tim:

Attached, please find a template for the RMBS pool data and a blank sheet for the most frequent repurchase reps.

Thanks,
David

David Sheeren
Gibbs & Bruns LLP
1100 Louisiana, Suite 5300
Houston, Texas 77002
713.751.5207 (o)
713.459.6278 (c)

Confidential

Collateral Type	Deal Count	Number of Loans	Percentage Alleging Breach	Percentage Repurchased	Deal Original Balance	Deal Current Balance	< 12 months Del	12-24 months Del	25-36 months Del	36+ months Del	60+ Days Del	Performing Balance	Liquidated	Total Realized Losses	Current Projected Trust Losses	Trailing 3 Month Severity	Modified but Performing	Percentage Future Default Rate on Performing	Percentage Future Default Rate on 60+ Delinquent	Percentage Future Default Rate on Modified but Performing
Prime																				
	2005																			
	2006																			
	2007																			
	2008																			
Subprime																				
	2005																			
	2006																			
	2007																			
	2008																			
Alt-A																				
	2005																			
	2006																			
	2007																			
	2008																			
Option ARM																				
	2005																			
	2006																			
	2007																			
	2008																			

Exhibit 13

From: Lee, Gary S.
Sent: 4/16/2012 12:02:39 PM
To: Levitt, Jamie A.; Princi, Anthony; Newton, James A.; Lee, Gary S.
Subject: FW: CONFIDENTIAL: Data Template
Attachments Kathy Patrick Submission Templates 2012_4_16.xls

From: Ruckdaschel, John
Sent: Monday, April 16, 2012 10:59 AM
To: kpatrick@gibbsbruns.com <kpatrick@gibbsbruns.com>
Cc: Hamzehpour, Tammy; Devine, Timothy; Smith, Bradley - (Dorsey & Whitney); Zellmann, Patty - MN
Subject: CONFIDENTIAL: Data Template

THIS EMAIL IS CONFIDENTIAL AND SUBJECT TO THE CONFIDENTIALITY AGREEMENT.

Hi, Kathy. Attached is the template populated with aggregated data we have been able to pull together over the past few weeks.

We have included various footnotes to provide clarification on certain of the columns. This is a big project for our business folks and some of the concepts or data points may be tracked by our servicing team in a different way than the template would call for. For example, they have information readily available for historic 90 + delinquencies (columns H, I, J and K), but not 60 + as originally suggested in the template. As a result, we would be happy to put together a meeting or call with the business to walk through all such items to the extent you and your colleagues have questions.

Please let us know your thoughts. Looking forward to our discussion.

Regards,

John G. Ruckdaschel
Ally | Legal – Capital Markets and Treasury
8400 Normandale Lake Blvd., Suite 350
Minneapolis, Minnesota 55437
T + 952 857-7251 | F + 952 857-7505
John.Ruckdaschel@ally.com

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REDACTED

Series	Year	Product
2005-AA1	2005	Alt-A
2005-AF1	2005	Alt-A
2005-AR1	2005	Prime
2005-AR2	2005	Prime
2005-AR3	2005	Prime
2005-AR4	2005	Prime
2005-AR5	2005	Prime
2005-AR6	2005	Prime
2005-J1	2005	Prime
2006-AR1	2006	Prime
2006-AR2	2006	Prime
2005-HI1	2005	HEL
2005-HI2	2005	HEL
2005-HI3	2005	HEL
2005-HS1	2005	HEL
2005-HS2	2005	HEL
2006-HI1	2006	HEL
2006-HI2	2006	HEL
2006-HI5	2006	HEL
2006-HSA2	2006	HEL
2005-HE1	2005	HEL
2005-HE2	2005	HEL
2006-HE2	2006	HEL
2007-HE3	2007	HEL
2006-HI3	2006	HEL
2006-HI4	2006	HEL
2007-HSA2	2007	HEL
2007-HSA3	2007	HEL
2006-HLTV1	2006	HEL

Footnote (8) data fields includes only 205 of the 234 transactions being requested.

The above listed transactions (29) are NOT included in the footnote (8) submission. This detail was not available for the following two subsets:

1.) 2nd lien securitization transactions
2.) GMACM Residential (RESI) legacy securitization transactions.

Exhibit 14

From: Cancelliere, Jeff - PA
Sent: 4/16/2012 10:25:14 AM
To: Devine, Timothy; Hamzehpour, Tammy; Ruckdaschel, John; Mongelluzzo, John - PA; Kushman, Todd; Zellmann, Patty - MN; Hreshko, Michele - PA
Cc: Rosten, Linda
Subject: RE: Amherst

Tim, do you have any info on what bond classes they own?

Jeff Cancelliere
Mortgage Risk
1100 Virginia Drive| Fort Washington, PA| 19034
(215)734-5853 (p) | (215) 749-2975 (Mobile)
Jeff.Cancelliere@gmacrescap.com

From: Devine, Timothy
Sent: Monday, April 16, 2012 10:16 AM
To: Hamzehpour, Tammy; Ruckdaschel, John; Mongelluzzo, John - PA; Kushman, Todd; Cancelliere, Jeff - PA; Zellmann, Patty - MN; Hreshko, Michele - PA
Cc: Rosten, Linda
Subject: Amherst

PRIVILEGED AND CONFIDENTIAL

Talcott Franklin, counsel for Amherst on RALI 2006QO7, called me this morning to relay a settlement demand from Amherst. I will note from the outset that the nature of the demand is not clear as to some of the normal elements: scope, timing, source of funds, etc. But for the consideration of the team I want to relay the demand, such as it is, and suggest we caucus tomorrow or Wednesday.

This is the same deal, by the way, that is subject to DB's request for tolling agreement and DB's put back.

The basis for the demand, according to Franklin, is a review by Amherst of some 263 files, including those they have put back to us.

They claim to be finding what they call a "defect rate" of 50% on rep 4(f).

Franklin is not well-informed as to the definition or scope of "defect" – as, for example, he was unable to answer whether Amherst includes performing loans among "defective" loans.

In any event, the demand Franklin transmitted is for resolution of Amherst's purported rep and warrant claims for $32,259,148.00. Franklin claims that this is a settlement at what Amherst describes as 5.7% of its collateral losses in the securitization.

He did not provide much more detail than this but I'm happy to answer questions in the mean time.

I'll ask Linda R to pull together a call in the next day or two.

Thanks.

Tim

Timothy A. Devine
Chief Counsel - Litigation
Ally Financial Inc. Legal Staff
200 Renaissance Center
M/C: 482-B09-B11
Detroit, MI 48265
(313) 656-3477

Exhibit 15

CONFIDENTIAL - PROFESSIONAL EYES' ONLY

FOR SETTLEMENT DISCUSSION PURPOSES ONLY

GMAC ResCap

DRAFT Litigation Claims

For Settlement Purposes Only – Subject to FRE 408
Attorney Client Privilege
April 19, 2012

PENGAD 800-631-6989
EXHIBIT
904433
11/8/12

CONFIDENTIAL - PROFESSIONAL EYES' ONLY

Limitations and Scope

Limitations of Report

- *The information contained herein has been prepared based upon financial and other data provided to FTI Consulting, Inc. ("FTI") from the management and staff of Residential Capital, LLC. ("ResCap" or the "Company"), its contract staff and advisors, or from other public sources FTI deemed to be reliable. FTI further relied on the assurance of management and staff of the Company and its advisors that they were unaware of any facts that would make the information provided to FTI by them incomplete or misleading.*
- *FTI has not subjected the information contained herein to an audit in accordance with generally accepted auditing or attestation standards or the Statement on Standards for Prospective Financial Information issued by the AICPA. Further, the work involved did not include a detailed review of any transactions, and cannot be expected to identify errors, irregularities or illegal acts, including fraud or defalcations that may exist. Accordingly, FTI cannot express an opinion or any other form of assurance on, and assumes no responsibility for, the accuracy or correctness of the historical information or the completeness and achievability of the projected financial data, information and assessments upon which the enclosed report (the "Report") is presented.*
- *This Report is preliminary and for illustrative purposes only and is subject to further revision which may result in material changes.*

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RC-9019_00093237

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Executive Summary | Key Base Case Assumptions

REDACTED

RC-9019_00093238

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REDACTED

FOR SETTLEMENT DISCUSSION PURPOSES ONLY

CONFIDENTIAL - PROFESSIONAL EYES' ONLY

REDACTED

RC-9019_00093240

CONFIDENTIAL - PROFESSIONAL EYES' ONLY

REDACTED

RC-9019_00093241

CONFIDENTIAL - PROFESSIONAL EYES' ONLY

REDACTED

RC-9019_00093242

CONFIDENTIAL - PROFESSIONAL EYES' ONLY

REDACTED

RC-9019_00093243

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REDACTED

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FOR SETTLEMENT DISCUSSION PURPOSES ONLY

REDACTED

CONFIDENTIAL - PROFESSIONAL EYES' ONLY

FOR SETTLEMENT DISCUSSION PURPOSES ONLY

REDACTED

RC-9019_00093246

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Appendix

RC-9019_00093247

CONFIDENTIAL - PROFESSIONAL EYES' ONLY

REDACTED

RC-9019_00093248

CONFIDENTIAL - PROFESSIONAL EYES' ONLY

REDACTED

RC-9019_00093249

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FOR SETTLEMENT DISCUSSION PURPOSES ONLY

REDACTED

RC-9019_00093250

CONFIDENTIAL - PROFESSIONAL EYES' ONLY

FOR SETTLEMENT DISCUSSION PURPOSES ONLY

REDACTED

CONFIDENTIAL - PROFESSIONAL EYES' ONLY

REDACTED

RC-9019_00093252

CONFIDENTIAL - PROFESSIONAL EYES' ONLY

REDACTED

RC-9019_00093253

GMAC ResCap

DRAFT Litigation Claims

For Settlement Purposes Only – Subject to FRE 408
Attorney Client Privilege
April 19, 2012

CONFIDENTIAL - PROFESSIONAL EYES' ONLY

CONFIDENTIAL - PROFESSIONAL EYES' ONLY

Limitations and Scope

Limitations of Report

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- *FTI has not subjected the information contained herein to an audit in accordance with generally accepted auditing or attestation standards or the Statement on Standards for Prospective Financial Information issued by the AICPA. Further, the work involved did not include a detailed review of any transactions, and cannot be expected to identify errors, irregularities or illegal acts, including fraud or defalcations that may exist. Accordingly, FTI cannot express an opinion or any other form of assurance on, and assumes no responsibility for, the accuracy or correctness of the historical information or the completeness and achievability of the projected financial data, information and assessments upon which the enclosed report (the "Report") is presented.*
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- *Each person that should obtain and read this Report agrees to the following terms:*
  - *The reader acknowledges that much of the information contained within this Report is non-public and should be considered confidential.*
  - *The reader agrees that he/she does not acquire any rights as a result of such access that it would not otherwise have had and acknowledges that FTI does not assume any duties or obligations to the reader in connection with such access.*
  - *The reader agrees to release FTI and its personnel from any claim by the reader that arises as a result of the reader having inappropriate and/or unlawful access to the Report.*
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RC-9019_00093257

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FOR SETTLEMENT DISCUSSION PURPOSES ONLY

REDACTED

[redacted]

[redacted]

CONFIDENTIAL - PROFESSIONAL EYES' ONLY

REDACTED

RC-9019_00093259

CONFIDENTIAL - PROFESSIONAL EYES' ONLY

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CONFIDENTIAL - PROFESSIONAL EYES' ONLY

FOR SETTLEMENT DISCUSSION PURPOSES ONLY

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CONFIDENTIAL - PROFESSIONAL EYES' ONLY

FOR SETTLEMENT DISCUSSION PURPOSES ONLY

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RC-9019_00093262

CONFIDENTIAL - PROFESSIONAL EYES' ONLY

FOR SETTLEMENT DISCUSSION PURPOSES ONLY

REDACTED

CONFIDENTIAL - PROFESSIONAL EYES' ONLY

FOR SETTLEMENT DISCUSSION PURPOSES ONLY

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CONFIDENTIAL - PROFESSIONAL EYES' ONLY

Appendix

RC-9019_00093265

CONFIDENTIAL - PROFESSIONAL EYES' ONLY

FOR SETTLEMENT DISCUSSION PURPOSES ONLY

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CONFIDENTIAL - PROFESSIONAL EYES' ONLY

REDACTED

RC-9019_00093267

CONFIDENTIAL - PROFESSIONAL EYES' ONLY

FOR SETTLEMENT DISCUSSION PURPOSES ONLY

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RC-9019_00093271

Exhibit 16

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SUBJECT TO MATERIAL CHANGE

GMAC ResCap

Discussion Materials

For Settlement Purposes Only – Subject to FRE 408

May 3, 2012

CENTERVIEW PARTNERS

ATTORNEY – CLIENT PRIVILEGE
PREPARED IN ANTICIPATION OF LITIGATION

FTI CONSULTING

RC-9019_00047844

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RC-9019_00047845

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SUBJECT TO MATERIAL CHANGE

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SUBJECT TO MATERIAL CHANGE

REDACTED

RC-9019_00047847

CONFIDENTIAL

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SUBJECT TO MATERIAL CHANGE

REDACTED

RC-9019_00047848

CONFIDENTIAL

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SUBJECT TO MATERIAL CHANGE

REDACTED

RC-9019_00047849

CONFIDENTIAL

FOR SETTLEMENT DISCUSSION PURPOSES ONLY
SUBJECT TO MATERIAL CHANGE

REDACTED

RC-9019_00047850

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FOR SETTLEMENT DISCUSSION PURPOSES ONLY
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RC-9019_00047851

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RC-9019_00047852

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SUBJECT TO MATERIAL CHANGE

REDACTED

RC-9019_00047853

CONFIDENTIAL

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SUBJECT TO MATERIAL CHANGE

REDACTED

RC-9019_00047854

Exhibit 17

Outlook E-mail

From: Hamzehpour, Tammy
Sent: 4/23/2012 8:54:01 PM
To: Devine, Timothy
Subject: RE: Prep for KP

Yes, let's walk through it tomorrow. I'm fine with not raising her expectations, so long as (to your point) there are analytics to support what we would show her. I can't speak as to the proposed settlement with AFI, as MoFo is much closer to that than I am. We can cover in the same conversation.

Tammy

-----Original Message-----
From: Devine, Timothy
Sent: Monday, April 23, 2012 8:38 PM
To: Hamzehpour, Tammy
Subject: Prep for KP

Tammy:

Thinking of waterfall for KP.

Would like to recommend 3, 4, 6 rather than 4, 5, 6 as low medium high. Thought is that we creat flexibility for discussion re potential losses beyond reserves. I will provide analytics to demonstrate how one could get to 3, 4 or 6. Point is not to persuade KP that such range is correct. She will have strong instinct to dispute it as unrealistically low. We are ok with her informing us otherwise, so long as she comes away knowing that ratcheting up those ranges leads automatially to lower percentage recoveries, by simple math in light of afact that there will only be X or Y real dollars available. What we will sell, though, is basedon strength of Gary's waterfall presentation as btwn GMACM and RFC in the two scenarios. The message to her will be clear - get on board.

Finally, I recommend we use 750 million rather than one billion as potential AFI contribution. I don't have basis to say it should be a billion, and it would be better to leave some room for negotiation. If we want to use a billion we will need clearance from AFI and I haven't spoken to Mike.

I recommend we take advantage of tomorrow's meeting of you, me, Kirkland and MoFo to run through the KP draft slides. Your thoughts?

Thanks.

Tim

EXHIBIT
9019-79
11/13/12
PENGAD 800-631-6989

Exhibit 18

Outlook E-mail

From: Renzi, Mark
Sent: 4/30/2012 9:07:56 PM
To: Timothy.Devine@ally.com; Levitt, Jamie A.; Lee, Gary S.
Cc: Nolan, William; Park, Liz; Szymik, Filip; Renzi, Mark
Subject: RE: Bounce - Discussion Materials (04-25-12)_Distribution File.pptx
Attachments Bounce - Discussion Materials (04-25-12)_Distribution File v1.pdf

---

Tim, Jamie and Gary,

Attached please find the presentation that we reviewed with Kathy Patrick last week and please forward to the appropriate parties. Please note the following caveats:

- The presentation has been prepared based upon financial and other data provided to FTI Consulting, Inc. ("FTI") from the management and staff of Residential Capital, LLC. ("ResCap" or the "Company"),

- The presentation is preliminary and for illustrative purposes only and is subject to further revision which may result in material changes.

- The presentation contains material nonpublic information regarding the Company and is being provided on a strictly confidential and privileged basis.

Let us know if this is ok to send out or if you have any changes.

Regards,

Mark A. RENZI <<Bounce - Discussion Materials (04-25-12)_Distribution File v1.pdf>>
Managing Director | Corporate Finance

F T I Consulting
617.897.1528 direct
617.785.0177 mobile
617.897.1510 fax
Mark.Renzi@FTIConsulting.com

200 State Street, 8th Floor

Boston, MA 02109

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PENGAD 800-631-6989
EXHIBIT
9019 19
11/7/12

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SUBJECT TO MATERIAL CHANGE

GMAC ResCap

Discussion Materials

For Settlement Purposes Only – Subject to FRE 408

April 25, 2012

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SUBJECT TO MATERIAL CHANGE

REDACTED

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SUBJECT TO MATERIAL CHANGE

REDACTED

RC-9019_00047840

CONFIDENTIAL – PROFESSIONALS' EYES ONLY

FOR SETTLEMENT DISCUSSION PURPOSES ONLY
SUBJECT TO MATERIAL CHANGE

REDACTED

RC-9019_0004784

Exhibit 19

From: Devine, Timothy
Sent: 4/30/2012 4:02:03 PM
To: Lee, Gary S.; Ruckdaschel, John
Cc: Hamzehpour, Tammy; Thompson, William - Legal Dept - PA; Cieri, Richard M.; Schrock, Ray C.; Zellmann, Patty - MN; Levitt, Jamie A.; mark.renzi@fticonsulting.com
Subject: RE: Kathy Patrick, FHFA, MBIA, etc

Good. Thanks.

Let's set FHFA for Wednesday aftn, 1 – 3 pm, and target MBIA and FGIC for Thursday morning in separate 60 minute meetings. Thanks. Tim

Timothy A. Devine
Chief Counsel - Litigation
Ally Financial Inc. Legal Staff
200 Renaissance Center
M/C: 482-B09-B11
Detroit, MI 48265
(313) 656-3477

From: Lee, Gary S. [mailto:GLee@mofo.com]
Sent: Monday, April 30, 2012 3:51 PM
To: Ruckdaschel, John; Devine, Timothy
Cc: Hamzehpour, Tammy; Thompson, William - Legal Dept - PA; Cieri, Richard M.; Schrock, Ray C.; Zellmann, Patty - MN; Levitt, Jamie A.; mark.renzi@fticonsulting.com
Subject: RE: Kathy Patrick, FHFA, MBIA, etc

Thanks John (defer to Tim and Tammy here).

Tim, I had a call from Kathy who laid out what she wants in the next deck (and asked if it can be delivered before the meeting with her clients):

1. A one page document which shows where the collateral sits (by legal entity) and who has rights to it (Ally, JSBs etc). We have this already.

2. Extend the waterfall up to Rescap LLC and down to Ally and JSBs (we have this too). She wants to see how the deficiency claim arises.

Mark, can you circulate 1 and 2 to this group.

She indicated that her group has 9 non-wrapped GMACM deals and wants to see a PLS recovery at GMACM. I asked her to be specific on what she thought the percentage was and she will come back to us with numbers.

She is going to call you re FHFA and Freddie.

Regards,

Gary S. Lee
Morrison & Foerster LLP
1290 Avenue of the Americas
New York, NY 10104-0050
T. 212.468.8042
F. 212.468.7900
glee@mofo.com

From: Ruckdaschel, John [mailto:John.Ruckdaschel@ally.com]
Sent: Monday, April 30, 2012 3:23 PM
To: Devine, Timothy; Lee, Gary S.
Cc: Hamzehpour, Tammy; Thompson, William - Legal Dept - PA; Cieri, Richard M.; Schrock, Ray C.; Zellmann, Patty - MN; Levitt, Jamie A.
Subject: RE: Kathy Patrick, FHFA, MBIA, etc

Hi, all. Attached is what Cancellieri was able to put together (first attachment) on Friday. I would like to send it to KP, so please let me know that is OK. The only change from what you have seen previously is the aggregated numbers in the lower right-hand table now include by loan count, as well as principal balance.

As far as Scott Humphries' additional question (second attachment), Jeff is running the search and will have an update for me at the end of today. You'll recall that he thought it could be done, but would take a few days and might not be reliable.

John G. Ruckdaschel
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From: Devine, Timothy
Sent: Monday, April 30, 2012 12:46 PM
To: Lee, Gary S.; Ruckdaschel, John
Cc: Hamzehpour, Tammy; Thompson, William - Legal Dept - PA; Cieri, Richard M.; Schrock, Ray C.; Zellmann, Patty - MN; Levitt, Jamie A.
Subject: Kathy Patrick, FHFA, MBIA, etc

John R:

Will you please provide update to the team re: any additional data KP has requested re GSE repurchase experience, etc.?

Gary:

(1) What if anything do we need from KP to update our deck for a KP Steering Committee presentation?

(2) In light of all we know now, (a) do you need more info to help clarify monolines waterfall picture and (b) what is the monolines waterfall picture? ☺

All:

I know FHFA is hoping for a meeting Wednesday. I think we should target a KP Steering Committee meeting for same day, along with one-hour sessions with MBIA and FGIC respectively. Does that work for you all? Is that workable from a workload/prep perspective?

Depending on feedback from you all, I can reach out to KP, to MBIA, and to FHFA to confirm. I don't have any sort of longstanding relationship with FGIC inhouse counsel or businessperson, so we might ask our trial counsel to ask their inhouse counsel to call me or Tammy or Bill T.

Thanks.

Tim

Timothy A. Devine
Chief Counsel - Litigation
Ally Financial Inc. Legal Staff
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Detroit, MI 48265
(313) 656-3477

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Exhibit 20

From: Schrock, Ray C.
Sent: 5/2/2012 7:26:46 PM
To: Wofford, Keith H.; 'Kathy D. Patrick'; Lee, Gary S.; Devine, Timothy; Powell, Jeff; Donovan, Daniel T.
Cc: Cieri, Richard M.; Martin, D. Ross; Scott A. Humphries; David Sheeren; #PROJECTRODEO
Subject: RE: Steering Committee (Confidential/Subject to FRE 408)

Hey Keith,

Hope you are well. I've cc'd the relevant K&E parties.

We're representing the parent, so we'll defer to ResCap on doc distributions, etc. Please keep us in the loop. Happy to facilitate.

Be good.

Ray.

Ray C. Schrock
KIRKLAND & ELLIS LLP
601 Lexington Avenue
New York, NY 10022
(Tel) (212) 446-4828
(Fax) (212) 446-4900
(Cell) (917) 446-1009
ray.schrock@kirkland.com

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From: Wofford, Keith H. [mailto:Keith.Wofford@ropesgray.com]
Sent: Wednesday, May 02, 2012 6:22 PM
To: 'Kathy D. Patrick'; Lee, Gary S.; Devine, Timothy
Cc: Cieri, Richard M.; Schrock, Ray C.; Martin, D. Ross; Scott A. Humphries; David Sheeren
Subject: RE: Steering Committee

Dear ResCap/Ally Group:

We are digesting the package with Kathy and preparing for some of the expected questions for our group:

In that connection, we would request that you provide us with as many of the following as possible, as soon as possible (and of course without prejudice to further requests):

1. A current organizational chart of Ally, ResCap and their respective subsidiaries

2. All debt and security documents for the money-borrowed debt of ResCap and its subsidiaries, including the junior secured bonds, Ally/intercompany debt, and the legacy unsecured bonds (reflecting the exit consents done at the time of the exchanges)

3. De-consolidated financials for year-end 2009, 2010, 2011, and if available, quarter-ends for those years as well. Audited if available, otherwise unaudited.

4. Sources and uses (historical) of the outstanding Ally loan amounts and any other intercompany balances

5. Expected sources and uses of the DIP financing

6. Any tax sharing or tax allocation agreements between Ally and ResCap/subsidiaries, and any payments under such agreements.

I expect that we will ask for more as the discussions progress, but please let us know on the foregoing items.

Many thanks.

Regards,
Keith

Keith H. Wofford
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T +1 212 841 8816 | M +1 917 570 5071 | F +1 646 728 1664
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keith.wofford@ropesgray.com
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From: Kathy D. Patrick [mailto:kpatrick@gibbsbruns.com]
Sent: Wednesday, May 02, 2012 4:54 PM
To: Lee, Gary S.; Devine, Timothy
Cc: Cieri, Richard M.; Schrock, Ray C.; Wofford, Keith H.; Martin, D. Ross; Scott A. Humphries; Kathy D. Patrick; David Sheeren
Subject: RE: Steering Committee

Gary and All:

The presentation is helpful, but we still cannot see how the collateral packages tie into the lien creditors—and we need to understand that. Ross and Keith will come back to you with a list of the additional documents we need (i.e. deconsolidated financials and indentures and security agreements for the debt), but please plan to address those issues tomorrow.

Thanks,

KP

From: Lee, Gary S. [mailto:GLee@mofo.com]
Sent: Wednesday, May 02, 2012 11:14 AM
To: Lee, Gary S.; Kathy D. Patrick; Devine, Timothy
Cc: Rosten, Linda; Cieri, Richard M.; Schrock, Ray C.
Subject: RE: Steering Committee

Kathy, attached is the deck we are presenting tomorrow at 4. Can you have your SC members sign NDAs before you share the materials and please note the following caveats:

The presentation has been prepared based upon financial and other data provided to FTI Consulting, Inc. ("FTI") from the management and staff of Residential Capital, LLC. ("ResCap" or the "Company").

The presentation is preliminary and for illustrative purposes only and is subject to further revision which may result in material changes.

The presentation contains material nonpublic information regarding the Company and is being provided on a strictly confidential and privileged basis.

Gary S. Lee
Morrison & Foerster LLP
1290 Avenue of the Americas
New York, NY 10104-0050
T. 212.468.8042
F. 212.468.7900
glee@mofo.com

From: Lee, Gary S.
Sent: Tuesday, May 01, 2012 5:00 PM
To: 'Kathy D. Patrick'; Devine, Timothy
Cc: Rosten, Linda; Cieri, Richard M.; Schrock, Ray C.
Subject: RE: Steering Committee

Kathy, 4pm Thurs is going to work - Tim will send you an invite for a webinar.

I will forward a revised presentation deck for circulation to your SC (who need to sign NDAs before its delivered to them by you). We will run through the deck Thurs with the SC (it contains the additional info we discussed yesterday).

Gary S. Lee
Morrison & Foerster LLP
1290 Avenue of the Americas
New York, NY 10104-0050
T. 212.468.8042
F. 212.468.7900
glee@mofo.com

From: Kathy D. Patrick [mailto:kpatrick@gibbsbruns.com]
Sent: Tuesday, May 01, 2012 3:44 PM
To: Devine, Timothy
Cc: Rosten, Linda; Lee, Gary S.; Cieri, Richard M.; Schrock, Ray C.
Subject: RE: Steering Committee

One of our key Steering Cmte members is not available until 4 Eastern. Could that work?

From: Devine, Timothy [mailto:Timothy.Devine@ally.com]
Sent: Tuesday, May 01, 2012 2:31 PM
To: Kathy D. Patrick
Cc: Rosten, Linda; Lee, Gary S.; Cieri, Richard M.; Schrock, Ray C.
Subject: RE: Steering Committee

Yes Eastern. Thanks. Tim

Timothy A. Devine
Chief Counsel - Litigation
Ally Financial Inc. Legal Staff
200 Renaissance Center
M/C: 482-B09-B11
Detroit, MI 48265
(313) 656-3477

From: Kathy D. Patrick [mailto:kpatrick@gibbsbruns.com]
Sent: Tuesday, May 01, 2012 3:31 PM
To: Devine, Timothy
Cc: Rosten, Linda; Lee, Gary S.; Cieri, Richard M.; Schrock, Ray C.
Subject: RE: Steering Committee

Eastern, yes? Will check and confirm. KP

From: Devine, Timothy [mailto:Timothy.Devine@ally.com]
Sent: Tuesday, May 01, 2012 2:28 PM
To: Kathy D. Patrick
Cc: Rosten, Linda; Lee, Gary S.; Cieri, Richard M.; Schrock, Ray C.
Subject: Steering Committee

Kathy:

Please let us know if 3 pm – 4 pm Thursday works for a web meeting with the steering committee.

Thanks again.

Tim

Timothy A. Devine
Chief Counsel - Litigation
Ally Financial Inc. Legal Staff
200 Renaissance Center
M/C: 482-B09-B11
Detroit, MI 48265
(313) 656-3477

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Exhibit 21

From: Ruckdaschel, John
Sent: Friday, April 27, 2012 4:16 PM
To: Kathy D. Patrick
Cc: Hamzehpour, Tammy; Devine, Timothy; Smith, Bradley - (Dorsey & Whitney); Zellmann, Patty - MN
Subject: RE: CONFIDENTIAL: Data Template

Hi, Kathy. We are discussing internally, but I note the table on the lower right hand side of what I sent you previously (I believe I've successfully pasted it below), which is the aggregate numbers in millions by principal balance. REDACTED

REDACTED

GSE Repurchase Requests 04-08 Vintage			
	Original Balance (MM)		
Vintage	Delivered	Repurchased	% of Issuance
REDACTED			

John G. Ruckdaschel
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From: Kathy D. Patrick [mailto:kpatrick@gibbsbruns.com]
Sent: Friday, April 27, 2012 10:20 AM
To: Ruckdaschel, John
Cc: Hamzehpour, Tammy; Devine, Timothy; Smith, Bradley - (Dorsey & Whitney); Zellmann, Patty - MN
Subject: RE: CONFIDENTIAL: Data Template

John –

Any word on the rest of the GSE Data or when we might schedule a call regarding the withdrawal rates?

Thanks,

Kathy

Kathy Patrick
Gibbs & Bruns LLP | 1100 Louisiana Suite 5300 | Houston TX 77002
713.751.5253 o.| 713.750.0903 f. | www.gibbsbruns.com
kpatrick@gibbsbruns.com

From: Ruckdaschel, John [mailto:John.Ruckdaschel@ally.com]
Sent: Monday, April 16, 2012 10:59 AM
To: Kathy D. Patrick
Cc: Hamzehpour, Tammy; Devine, Timothy; Smith, Bradley - (Dorsey & Whitney); Zellmann, Patty - MN
Subject: CONFIDENTIAL: Data Template

THIS EMAIL IS CONFIDENTIAL AND SUBJECT TO THE CONFIDENTIALITY AGREEMENT.

Hi, Kathy. Attached is the template populated with aggregated data we have been able to pull together over the past few weeks.

We have included various footnotes to provide clarification on certain of the columns. This is a big project for our business folks and some of the concepts or data points may be tracked by our servicing team in a different way than the template would call for. For example, they have information readily available for historic 90 + delinquencies (columns H, I, J and K), but not 60 + as originally suggested in the template. As a result, we would be happy to put together a meeting or call with the business to walk through all such items to the extent you and your colleagues have questions.

Please let us know your thoughts. Looking forward to our discussion.

Regards,

John G. Ruckdaschel
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Minneapolis, Minnesota 55437
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Exhibit 22

From: Lee, Gary S. <GLee@mofo.com>
Sent: Thursday, May 03, 2012 12:14 PM
To: ross.martin@ropesgray.com; rkielty@centerviewpartners.com
Cc: keith.wofford@ropesgray.com; kpatrick@gibbsbruns.com; Devine, Timothy; mpuntus@centerviewpartners.com; mark.renzi@fticonsulting.com; Hamzehpour, Tammy; Lee, Gary S.
Subject: Re: Fwd: Steering Committee (Confidential/Subject to FRE 408)

Ross. We are going to give you access to the data room we set up for the bondholders which will have all that you want (and much more). Can you liase with Ryan Kielty (of Centerview) on access on who will want to go into the dataroom. You will need to sign an NDA (and Kathy can give that to you).

I am free to speak at 130 today if that works.

Regards,

------Original Message------
From: Martin, D. Ross
To: Gary Lee
Cc: Wofford, Keith H.
Subject: Fwd: Steering Committee (Confidential/Subject to FRE 408)
Sent: May 3, 2012 7:24 AM

Gary,

It's been a long time since Genuity. Good to see (by email so far) you again.

Should we get a call together today to get started on this?

-- Ross

Begin forwarded message:

From: "Schrock, Ray C." <rschrock@kirkland.com<mailto:rschrock@kirkland.com>>
Date: May 2, 2012 7:26:46 PM EDT
To: "Wofford, Keith H." <Keith.Wofford@ropesgray.com<mailto:Keith.Wofford@ropesgray.com>>, "'Kathy D. Patrick'" <kpatrick@gibbsbruns.com<mailto:kpatrick@gibbsbruns.com>>, "Lee, Gary S." <GLee@mofo.com<mailto:GLee@mofo.com>>, "Devine, Timothy" <Timothy.Devine@ally.com<mailto:Timothy.Devine@ally.com>>, "Powell, Jeff" <jpowell@kirkland.com<mailto:jpowell@kirkland.com>>, "Donovan, Daniel T." <ddonovan@kirkland.com<mailto:ddonovan@kirkland.com>>
Cc: "Cieri, Richard M." <rcieri@kirkland.com<mailto:rcieri@kirkland.com>>, "Martin, D. Ross" <Ross.Martin@ropesgray.com<mailto:Ross.Martin@ropesgray.com>>, "Scott A. Humphries" <SHumphries@gibbsbruns.com<mailto:SHumphries@gibbsbruns.com>>, David Sheeren <dsheeren@gibbsbruns.com<mailto:dsheeren@gibbsbruns.com>>, #PROJECTRODEO <ProjectRodeo@Kirkland.com<mailto:ProjectRodeo@Kirkland.com>>
Subject: RE: Steering Committee (Confidential/Subject to FRE 408)

Hey Keith,

Hope you are well. I've cc'd the relevant K&E parties.

We're representing the parent, so we'll defer to ResCap on doc distributions, etc. Please keep us in the loop. Happy to facilitate.

Be good.

Ray.

Ray C. Schrock
KIRKLAND & ELLIS LLP
601 Lexington Avenue

------Original Message Truncated------

Gary S. Lee
Morrison & Foerster LLP
1290 Avenue of the Americas
New York, NY 10104-0050
T. 212.468.8042
F. 212.468.7900
glee@mofo.com

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Exhibit 23

Outlook E-mail

From: Devine, Timothy
Sent: 5/4/2012 11:53:56 AM
To: Lee, Gary S.; Hamzehpour, Tammy
Subject: Re: Kathy Patrick

Our notes match. This is very good new. Thank you very much Gary for terrific work.

From: Lee, Gary S. <GLee@mofo.com>
To: Devine, Timothy; Hamzehpour, Tammy
Sent: Fri May 04 11:50:34 2012
Subject: Kathy Patrick

Tim, following on our calls-meetings with KP, what she proposed today is as follows:

1. Rescap and the KP group will settle all claims (including servicing and contract claims) other than securities claims (which she does not control).

2. The settlement will be effectuated through a motion under Rule 9019 of the Bankruptcy Code (on notice and subject to a hearing). The motion will be filed as early as possible in the Rescap case (possibly on day 1).

3. In exchange, Rescap will give the KP group an allowed claim that will be characterised as a cure payment (ie to cure loan repurchases and service defects).

4. The KP group will enter into a plan support agreement which would support the DIP, sale, sale process, servicing, shared services and plan releases provided that Ally contributes no less than $x in cash.

5. KP also intimated a willingness to do a back-stop deal with Ally in the event the plan fails (ie only a sale occurs and the releases fail). In other words she is willing to agree a deal with Ally even if the third party releases-settlement through a plan fail.

We will work on drafting a settlement agreement and PSA and expect a number of calls-meetings with her and her bankruptcy counsel over the next few days.

Gary S. Lee
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PENGAD 800-631-6989
EXHIBIT
9019-83
11/13/12

Exhibit 24

From: Kathy D. Patrick
Sent: 5/7/2012 8:57:15 PM
To: Lee, Gary S.; Kathy D. Patrick
Subject: Re: I'm on with client now. Free up at 9.

OK. Just got off with my clients.

Please flag for yours that the number you suggested is a problem. At a defect rate of 22 percent, the stated claim is 10.0 billion. That insulates the settlement substantially from objectors because it is certainly within the realm of reason. I can deliver a deal at 10 bn. Please get your last and best.

Kathy D. Patrick
Gibbs & Bruns, L.L.P.

From: Lee, Gary S. [mailto:GLee@mofo.com]
Sent: Monday, May 07, 2012 07:40 PM
To: Kathy D. Patrick
Subject: I'm on with client now. Free up at 9.

Gary S. Lee
Morrison & Foerster LLP
1290 Avenue of the Americas
New York, NY 10104-0050
T. 212.468.8042
F. 212.468.7900
glee@mofo.com

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Exhibit 25

From: Lee, Gary S.
Sent: 5/7/2012 9:08:39 PM
To: Devine, Timothy; Hamzehpour, Tammy; rcieri@kirkland.com; rschrock@kirkland.com; Cancelliere, Jeff - PA; mark.renzi@fticonsulting.com; Thompson, William - Legal Dept - PA; Delehey, Lauren - PA; Ruckdaschel, John
Cc: Nashelsky, Larren M.; Lee, Gary S.
Subject: KP

KP - after several calls this evening - has come back at 10bn (all in pls and rw) with a 22pc defect rate. Her view is that she can get her clients there, its within industry benchmark etc. She doesn't think there's much room but is asking for last and best. She thinks this number allows her to dis-arm other rmbs holders as this ties to other rmbs defect rates. Mark, can we do a separate model with wrapped at 18pc of total, 10bn total, 3pc pls at gmac - in addition to the other model you are doing for KP. Want to see what this does to to GUCs and JSBs. Happy to discuss-hear views.

Gary S. Lee
Morrison & Foerster LLP
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F. 212.468.7900
glee@mofo.com

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Exhibit 26

Exhibit 27

Exhibit 28

Exhibit 29

From: Lee, Gary S.
Sent: 5/9/2012 9:12:19 AM
To: 'Timothy.Devine@ally.com'; 'tammy.hamzehpour@ally.com'; 'john.ruckdaschel@ally.com'; 'rcieri@kirkland.com'; 'rschrock@kirkland.com'; Levitt, Jamie A.; 'jeff.cancelliere@gmacrescap.com'; 'William.Thompson@ally.com'; 'Lauren.Delehy@gmacrescap.com'; 'mark.renzi@fticonsulting.com'
Cc: Lee, Gary S.
Subject: Re: Talcott Franklin

We can send him a revised agreement and psa when we get next draft from kp.

Gary S. Lee
Morrison & Foerster LLP
1290 Avenue of the Americas
New York, NY 10104-0050
T. 212.468.8042
F. 212.468.7900
glee@mofo.com

From: Devine, Timothy
To: Hamzehpour, Tammy ; Ruckdaschel, John ; Cieri, Richard M. ; Lee, Gary S.; Schrock, Ray C. ; Levitt, Jamie A.; Cancelliere, Jeff - PA ; Thompson, William - Legal Dept - PA ; Delehey, Lauren - PA ; Renzi, Mark
Sent: Wed May 09 09:04:24 2012
Subject: Talcott Franklin

Good news.

Talcott Franklin called me.

He is very favorably inclined to support and participate in what we're doing.

He says he can move quickly, but he has not yet obtained client support – given his very diffuse client pool. He is confident he can deliver.

He is, on his own, speaking with trustee DB on potential mechanics of a potential deal. I told him I assume he will do what he needs to do subject to all the nda and other considerations to be in position to deliver instructions to trustees, etc. as any settlement will require.

Jeff C: will you please update the team as to how much more participation in RFC and GMACM that Talcott Franklin's participation would deliver?

I let him know that there are deals moving quickly and that he should be prepared to show full support. He stated that he sees the value in the plan we have developed and that the alternatives are all much worse.

I told him that the BK lawyers will be in best position from our side to tell him how to manifest his support.

I think he would like to sign something pre-petition. I certainly am not the right person to negotiate that with him. As you recall, we sent him a draft of the settlement agreement and PSA early on.

I would appreciate feedback as to next steps.

Thanks.

Tim

Timothy A. Devine
Chief Counsel - Litigation
Ally Financial Inc. Legal Staff
200 Renaissance Center
M/C: 482-B09-B11
Detroit, MI 48265
(313) 656-3477

Exhibit 30

WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007
Alfredo R. Perez

Attorneys for Debtors
and Debtors in Possession

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	**Chapter 11 Case No.**
	:	
LEHMAN BROTHERS HOLDINGS INC., *et al.*	:	**08-13555 (JMP)**
	:	
Debtors.	:	**(Jointly Administered)**

DECLARATION OF ZACHARY TRUMPP IN SUPPORT OF DEBTORS' MOTION PURSUANT TO SECTION 8.4 OF THE MODIFIED THIRD AMENDED JOINT CHAPTER 11 PLAN OF LEHMAN BROTHERS HOLDINGS INC. AND ITS AFFILIATED DEBTORS AND SECTIONS 105(a), 502(c) AND 1142(b) OF THE BANKRUPTCY CODE TO ESTIMATE THE AMOUNTS OF CLAIMS FILED BY INDENTURE TRUSTEES ON BEHALF OF ISSUERS OF RESIDENTIAL MORTGAGE-BACKED SECURITIES OR PURPOSES OF ESTABLISHING RESERVES

Pursuant to 28 U.S.C. §1746, I, Zachary Trumpp, declare:

1. I am over 18 years of age and have personal knowledge of all of the facts set forth in this declaration and if called upon to testify as a witness, I could testify to the truth of the matters set forth herein.

2. I submit this Declaration in support of the *Motion Pursuant to Section 8.4 of the Modified Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and Its Affiliated Debtors and Sections105(a), 502(c) and 1142(b) of the Bankruptcy Code to Estimate the Amounts of Claims Filed by Indenture Trustees on Behalf of Issuers of Residential Mortgage-Backed Securities For Purposes of Establishing Reserves*, (the "Motion").[1]

[1] All capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Motion.

3. I am currently employed by LAMCO LLC ("LAMCO"), a wholly-owned subsidiary of Lehman Brothers Holdings Inc. ("LBHI"). I was previously employed by LBHI, and before that, by Aurora Loan Services LLC ("Aurora").

4. As the Vice President of Loss Management at Aurora, one of my responsibilities was the development and establishment of a department that was responsible for identifying residential mortgage loans with the potential for breaches, having the potential breaches reviewed either internally or externally by a forensic due diligence provider, determining which breaches were material and adverse, and pursuing remedies on claims on behalf of Aurora and LBHI against third-party residential mortgage loan sellers and originators. This work was performed on LBHI's whole loan portfolio and the universe of residential mortgage backed securitizations developed by the Debtors. During my tenure in this position, my team reviewed thousands of loans and resolved several billion dollars worth of claims on behalf of Aurora, LBHI, and Debtor developed securitizations. As such, I have direct and personal knowledge of the claims universe and remediation thereof within the Lehman residential mortgage platform.

5. In my role at LBHI and now LAMCO, I am responsible for the validation of the claims against the Debtors' estate as well as the pursuit and resolution of downstream claims against the entities that sold loans to LBHI. In this role, I have continued to develop first-hand experience with the nature and quality of loans that LBHI purchased or originated, the types of breaches that exist in the loans, and the ultimate success that Lehman experiences in resolving these claim.

6. I am familiar with the approximately 300 claims that have been filed against LBHI and Structured Assets Securities Corporation ("SASCO") asserting claims in the aggregate amount of approximately $37 billion (the "Claims"). The asserted amount of the Claims greatly

exceeds the probable liability of LBHI and SASCO for the Claims. I participated in the development of the methodology described herein for the calculation of the estimates of the amounts of the Claims for reserve purposes under the Modified Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and its Affiliated Debtors (the "Plan").

The Claims

7. The Claims are based on alleged breaches of representations and warranties related to the origination and delivery of residential mortgage loans to securitization trusts. In connection with the transfer of the loans by SASCO to the securitization trusts, LBHI and/or SASCO made certain representations and warranties regarding the nature and quality of certain of the loans and the delivery of the loans into the securitization. The loan purchase agreements and trust agreements pursuant to which the trusts acquired the loans (the "Governing Agreements") from SASCO typically provide that the trustee may seek a contractually defined "Repurchase Price" in the event there are breaches of representations and warranties. In order to assert a claim for the "Repurchase Price," the Governing Agreements require the trustee to establish that (a) a breach of a representation and warranty exists; (b) the breach was material; (c) the breach adversely impaired the value of the mortgage loan; and (d) the trustee provided prompt notice of the breach to the Debtors.

8. The asserted amounts of the Claims are drastically overstated for several reasons: (a) in most cases, the Indenture Trustees filed duplicate claims against LBHI and SASCO on behalf of the same securitization; (b) the Claims largely do not identify breaches of representations and warranties with respect to certain loans, nor do they set forth any of the other elements of contractual liability of the Debtors; (c) the Claims are asserted in amounts that bear no correlation to existing or expected breaches and resulting damages; (d) the Claims fail to

distinguish between Debtors' direct representations and warranties and representations and warranties by third-party sellers for which the Debtors are not liable; and (e) there is no basis for the Claims to be secured claims.

9. Prior to the Commencement Date, the Debtors and their subsidiaries acquired residential mortgages that were ultimately sold to securitization trusts in three ways: (a) loans were originated by subsidiaries of LBHI ("Lehman Originated Loans"), (b) subsidiaries of LBHI acquired loans from small banks or mortgage lenders on an ongoing basis pursuant to standardized loan purchase and broker agreements ("Bank Originated Loans"), and (c) loans were acquired by LBHI or its subsidiaries from large mortgage lenders in bulk purchases of a pool of loans ("Transferor Originated Loans"). Loans originated or acquired by subsidiaries were typically transferred to LBHI which subsequently transferred these loans to SASCO. SASCO then securitized such loans and transferred loans to various securitization trusts.

10. In connection with the transfer of loans to the securitization trusts, LBHI typically made certain representations or warranties regarding the nature or quality of the loans. While in some instances LBHI may have made a very limited number of representations and warranties for Transferor Originated Loans to the trusts, LBHI also assigned all of the representations and warranties that the originator or initial seller made when it sold the loans to a subsidiary of LBHI – which mirrored those limited number of representations and warranties made by LBHI on those same set of loans. In my experience, when a representation and warranty was made by both LBHI and the initial seller, the trust's sole recourse was to the initial seller, not LBHI. Approximately 70% of the loans in the securitization trusts subject to the Claims are Transferor Originated Loans.

11. SASCO also made representations and warranties that the loan files contained

RC-9019_00003936

certain documents and information. SASCO may have potential liability if the loan files were missing required documents. While some Trustees have provided certain "document exception" reports that may be evidence of document deficiencies in certain loan files, the Trustees have not (a) stated a claim based on document deficiencies, (b) identified which loans in these reports have the kind of deficiencies that would entitle the trusts to a remedy, or (c) otherwise complied with the contractual requirements necessary to force a cure or repurchase of any of the loans.

The Estimated Reserve Amount

12. LAMCO has determined a reasonable methodology for calculating the estimated liability of LBHI and SASCO under the Claims. The Debtors propose to apply the methodology uniformly to all of the Claims. Generally, the methodology estimates the liability of LBHI and SASCO based on assumptions regarding the percentage of loans that will ultimately default, the recovery rates on the loans that default, the percentage of defaulted loans for which a potential breach of a representation and warranty exists, and the percentage of loans for which the trustee will be able to establish that such breach is valid and materially affects the value of the mortgage loan. I have worked with the Debtors to develop the factors, assumptions and percentages included in the methodology based on (a) my and my co-workers' extensive experience reviewing loans and breaches of representations and warranties and seeking to affirmatively collect from third parties for their breaches of representations and warranties as detailed in Paragraphs 3 and 4 above, (b) review of internal data on residential mortgage loan default rates, recovery rates, breach rates and validation rates for loans similar to the loans held by the securitization trust, and (c) internal models developed by the Debtors. In order to calculate the reserve estimates, and given the variability of actual loan performance and potential liability for the Claims, the Debtors calculated the reserve estimates using a range of assumptions.

13. Below is a description of the methodology utilized by the Debtors to calculate the Estimated Reserve Amounts. The below description includes certain assumptions that result in reaching the Debtors' high end estimates (the "High Estimate") of the Claim amounts:

14. Step 1: In order to calculate the Estimated Reserve Amounts for each Claim, the Debtors began with the aggregate unpaid principal balance of the loans held by each securitization trust as of September 25, 2011 (the "UPB"). This amount represents the maximum potential liability of the Debtors. The Debtors obtained this information from various sources, including Intex, which is a subscription based securitization data source. If Intex did not contain the UPB for a particular deal, the Debtors then looked to the monthly trustee remittance statements.

15. Step 2: The Debtors multiplied the UPB for each securitization trust by 45% which, for the High Estimate, represents the assumption regarding the percentage of loans that have or will incur a default.

16. Step 3: The result from Step 2 is multiplied by the "severity factor" which takes into account the estimate of losses on the loans that are currently delinquent or will go delinquent in the future. This step is necessary because a default on a loan does not mean that the securitization trust will not recover any amounts from a sale of a defaulted loan, a foreclosure or other remedial action. The severity factor that is used for the High Estimate is a 55% loss rate.

17. Step 4: The cumulative losses that have already been incurred for the loans in each securitization are added to the result of Step 3. This adds the current and existing losses to the amount of future losses estimated by this methodology. The Debtors obtained the cumulative losses for each securitization trust from Intex or the monthly trust remittance reports.

18. Step 5: The result of Step 4 is multiplied by the percentage of the UPB for each

securitization trust that relates to Lehman-Originated Loans and Bank-Originated Loans. This calculation is necessary because as discussed above, the trusts should be seeking recourse against the originator or initial seller, and not LBHI, for the Transferor Originated Loans. Therefore this portion of the calculation excludes from the estimated liability any losses that relate to the Transferor Originated Loans. The Debtors were unable to identify the number of Lehman Originated Loans and Bank Originated Loans for 19 of the more than 400 securitizations subject to the Claims. For the purposes of these calculations, an estimate of 30% was used for those deals. This represents a close approximation to the average of Lehman-Originated Loans and Bank-Originated Loans in SASCO-issued securitizations.

19. Step 6: Not all defaults and losses are the result of breaches of representations and warranties. In many cases when a default occurs with respect to a loan there are not breaches of representations and warranties. To account for such scenario, the calculation of the High Rate assumes that 35% of the losses are caused by a breach of a representation or warranty. Therefore the result of Step 5 is multiplied by 35%.

20. Step 7: Based upon my historical experience reviewing loans and my experience both pursuing and defending representation and warranty claims in my various positions of employment since 2005, following the identification of a breach of a representation or warranty, the rate of breached loans that are "validated," meaning they meet every element required for repurchase and/or indemnification under the Governing Agreements, is approximately 40% for the High Rate. Under the Governing Agreements, the elements required for repurchase and/or indemnification are that such a breach was material, that the trustee provided notice of the breach to the Debtors, that the trust suffered damages as a result of the breach, and that the trust could seek recourse against LBHI. *See* Trust Agreement, § 2.04. Therefore, the result from Step 6 is

multiplied by 40%. **The result of Step 7 represents the High Rate, which the Debtors propose to use at the Estimated Reserve Amount for each Claim. The aggregate amount of the Estimated Reserve Amounts using the High Rate is approximately $2.4 billion.**

21. As indicated, the above calculations take into account certain assumptions. The Debtors believe that such rates included in the High Rate are on the high-end of probable results and are thus conservative. Therefore, the Debtors also calculated the reserve amounts using lower rates, which may ultimately be closer to the ultimate default, severity, breach and validation rates. For the low-end of the Debtors' estimates of the range of potential liability for the Claims, the Debtors utilized a 25% default rate, 45% severity rate, 30% breach rate and 30% validation rate. **The aggregate amount of the Estimated Reserve Amounts using the Low Rate is approximately $1.1 billion.**

22. For securitizations issued prior to January 1, 2003, the Debtors do not believe LBHI or SASCO have any liability for breaches of representations and warranty. This conclusion is based on advice of counsel that there is six year statute of limitations in the State of New York for asserting claims of this type.

23. The methodology described above is one that we have used consistently the past several years for estimating the potential breaches in any particular securitization on behalf of LBHI and SASCO.

24. LBHI and SASCO made separate and distinct different types of representations and warranties to the securitization trusts. LBHI typically made representations and warranties relating to the origination and quality of the loans, while SASCO typically made representations and warranties relating to the delivery of a complete loan file including any and all collateral documents (e.g., promissory notes, mortgages/deeds of trusts, title insurance policies). It is

significantly more likely that there would be breaches of the type of representations and warranties made by LBHI than of the type made by SASCO. If SASCO did breach representations regarding the delivery of documents, typically, the breaches are cured with non-monetary remedies such as re-executing certain documents and/or providing affidavits, rather than paying monetary damages. As discussed above, the Indenture Trustees generally filed a claim against both LBHI and SASCO relating to each securitization trust. As a result, the Debtors' have allocated the estimates for reserve for the claim of each securitization trust as between LBHI and SASCO, with 95% allocated to LBHI and 5% to SASCO. If a Claim for a particular securitization was filed only against LBHI and not SASCO, the Estimated Reserve Amount was allocated entirely to the Claim against LBHI. Conversely, if a Claim for a particular securitization was filed only against SASCO and not LBHI, the Estimated Reserve Amount was allocated entirely to the Claim against SASCO.

25. In my business judgment, the above methodology and all assumptions included therein represents a reasonable and fair basis to estimate the potential liability of LBHI and SASCO under the Claims. The above methodologies provide for a range of liability for LBHI from $1,103,992,894 to $2,283,140,539 and for SASCO allocation is $58,387,327 to $119,044,871. The Debtors have selected the conservative estimate on the high end of the range for the purposes of establishing the reserve amounts for the Claims.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct to the best of my knowledge.

Dated: January 12, 2012

/s/ Zachary Trumpp
Zachary Trumpp

Exhibit 31

Outlook E-mail

From: Levitt, Jamie A.
Sent: 5/12/2012 11:30:12 PM
To: Newton, James A.; Princi, Anthony; Clark, Daniel E.; 'Ornstein, Noah'
Cc: Lee, Gary S.
Subject: RE: RMBS Trust Settlement - Rule 408 Communication

Settlement Agreement is easy. They took our changes except for the following.

2.03 -- we need to ask them to add "sole and exclusive" before "purposes of enforcing" (this is new)

3.02 - they inserted their new "purchasers and assigns" language -- this is on hold while we raise the covenant idea.

4.02 -- they took back out "successors, assigns, pledges etc" in the no inconsistent diretions provision -- this however goes hand in hand with teh purchasers and assigns compromise -- so I think it's correct. ??

6.02(a) -- Tony/Noah -- do we need to ask them to add that attorneys fees are paid pursuant to the terms of the Plan?? (this is new)

7.01 - they took out again the general release -- and instead tied it to any claims "under the Governing Agreements" I think we want a broader release.

8.01 -- need to ask them to change "arising" to "that first arise" (this is new)

From: Lee, Gary S.
Sent: Saturday, May 12, 2012 10:55 PM
To: Levitt, Jamie A.; Princi, Anthony
Cc: Newton, James A.
Subject: Fw: RMBS Trust Settlement - Rule 408 Communication

Can you take a look.

Gary S. Lee
Morrison & Foerster LLP
1290 Avenue of the Americas
New York, NY 10104-0050
T. 212.468.8042
F. 212.468.7900
glee@mofo.com

From: Scott A. Humphries <SHumphries@gibbsbruns.com>
To: rcieri@kirkland.com <rcieri@kirkland.com>; Devine, Timothy <Timothy.Devine@ally.com>; Lee, Gary S.
Cc: Ross.Martin@ropesgray.com <Ross.Martin@ropesgray.com>; Kathy D. Patrick <kpatrick@gibbsbruns.com>; Scott A. Humphries <SHumphries@gibbsbruns.com>
Sent: Sat May 12 22:52:54 2012
Subject: RE: RMBS Trust Settlement - Rule 408 Communication

Gentlemen,

Attached are the revisions Kathy mentioned. These also include the other, minor comments that were discussed among Ropes and Mofo today.

Thanks, Scott

From: Kathy D. Patrick
Sent: Saturday, May 12, 2012 7:50 PM
To: rcieri@kirkland.com; Devine, Timothy; Gary S. Lee (GLee@mofo.com)
Cc: Kathy D. Patrick; Scott A. Humphries; Martin, D. Ross [Ross.Martin@ropesgray.com]
Subject: RMBS Trust Settlement - Rule 408 Communication

Rick, Gary and Tim:

We spent a long time on the phone with our clients this afternoon and evening. Scott will shortly send you revisions that reflect where our clients landed. There were many issues of great sensitivity to them, but I believe we have arrived at a resolution that is consistent with what I discussed this afternoon with Rick and Tim. Specifically:

1. Plan Support

Our clients are prepared to sign a plan support agreement that includes the contemplated release of individual investors' securities or fraud claims against Ally, *provided that*: a) all parties acknowledge the right of individual investment advisers' clients to intervene to contest any such release, and b) all parties acknowledge that the investment advisors do not own those claims and thus are neither compromising nor releasing them in any of the agreements they sign. This will permit all of our clients and the investment advisers to:

a. Ensure they do not release or purport to release what they do not own;
b. Express their support for a settlement that they believe is in the best interests of all Certificateholders; and,
c. Ensure that any release granted to Ally affects all investors equally and, if granted, will be implemented only upon Ally's performance of its commitments under the Plan.

This is the most we can do given the limitations on our clients' authority, but it was sufficient in Bank of America. We believe it should be sufficient here.
We also understand, and Thrivent will require, that its separate resolution with you will be accomplished *before* the Plan Support Agreement is signed. Please confirm this will happen.

2. Maintenance of Holdings

Your lockup proposal is a deal breaking issue for our clients. Our clients have thousands of individual clients; others have portfolios that must be managed to meet stated investment objectives. A prospective lockup of bonds simply will not (and can never) work for them. Though there are many reasons why a sale might be necessary, our clients do *not* intend to pursue sales for the purpose of defeating or undermining their obligations under these agreements. History has also demonstrated that our clients have been entirely faithful to the obligations they assumed under the Bank of America settlement agreement. They have advocated zealously for the approval of that settlement for over a year. This has been true even of those investors who are advisers for others and who stand to gain nothing for themselves from the exercise. With the exception of the Maiden Lane Portfolios, whose liquidation was contemplated by the Bank of America settlement, we confirmed this afternoon that our clients have not engaged in large scale selling of

their portfolios even though their Countrywide securities have gone up in price.

Our clients can and will agree to do what they did in Bank of America: they will maintain holdings in at least one trust so as to ensure they retain standing. Though it should not be necessary, they also can and will agree that they will not sell for the purpose of undermining their obligations under the Plan Support Agreement. Our clients can and will agree to advocate publicly and openly for this settlement in court. Our clients cannot, and will not, do more than that.

3. Fortress Sale

The Fortress Sale is a condition to the Ally Settlement. The Ally Settlement is--in turn--a condition to the Plan our clients are agreeing to support. So long as the termination of the Ally Settlement or the Fortress Settlement are events of termination for our clients, and are made express (not inherent) termination events, that should largely suffice to address our earlier concerns. We therefore propose that we: a) make those conditions express, such that their failure permits our clients or the Trustees to terminate; and, b) that we agree on a simple, mechanical process in which we send you our clients' signatures in trust, pending the execution of the Fortress and Ally Agreements. Once the Fortress Agreement is signed, we will authorize you to affix our clients' signatures to it and we can all proceed.

4. Rule 2019 Confidentiality

The disclosure of our clients' holdings is a matter of confidential and proprietary information. We had earlier requested that the Debtors undertake to seek an order providing that those holdings would be confidential for all creditors; though this request was refused at the time, we trust this will not be an ongoing problem given the matters discussed above. It would be most unfortunate if obduracy on this essential requirement were to become an impediment to what otherwise appears capable of being accomplished.

Please advise us promptly whether these changes will work. I have one final call with my clients tomorrow at 1:30 Central and we *must* have final terms before that time. If you need to reach me this evening, please send me an email and I will call you back.

Thanks,

Kathy

Exhibit 32

From: Ornstein, Noah
Sent: 5/10/2012 11:32:02 PM
To: Lee, Gary S.; Clark, Daniel E.; Levitt, Jamie A.; Newton, James A.
Subject: RE: Kathy Patrick PSA and Settlement Agreement - Privileged and Confidential

Any claim that can come back to Ally/ResCap needs to be released. Re Ally, while we are looking for third-party releases in the plan, rather not rely on the plan but cut it off in the settlement.

Noah J. Ornstein
Kirkland & Ellis LLP
300 North LaSalle | Chicago, IL 60654
p. (312) 862-2122 | f. (312) 862-2200

From: Lee, Gary S. [mailto:GLee@mofo.com]
Sent: Thursday, May 10, 2012 10:15 PM
To: Clark, Daniel E.; Levitt, Jamie A.; Newton, James A.; Ornstein, Noah
Subject: RE: Kathy Patrick PSA and Settlement Agreement - Privileged and Confidential

for now keep in the securities in 5.01 as part of the class and clarify in 5.02 that securities claims are included (ie released). the 2 paras conflict on that point.

Also, if you look at talcotts agreement it seems to me that there are a host of claims they want to bring against third parties that may have indemnity rights against rescap or ally. those claims have to be released here too Jamie (add whatever talcott refuses to release). Noah, how do you think we should be addressing these indemnity claims which are going to come up.

Gary S. Lee
Morrison & Foerster LLP
1290 Avenue of the Americas
New York, NY 10104-0050
T. 212.468.8042
F. 212.468.7900
glee@mofo.com

From: Clark, Daniel E.
Sent: Thursday, May 10, 2012 11:09 PM
To: Levitt, Jamie A.; Lee, Gary S.; Newton, James A.
Subject: RE: Kathy Patrick PSA and Settlement Agreement - Privileged and Confidential

I think that this may avoid some of the math, and get us to the same place:

Section 5.01 <u>The Allowed Claim</u>. ResCap hereby makes an irrevocable offer to settle, expiring at 5:00 p.m. prevailing New York time on the date that is forty five (45) days after the Petition Date, with each of the Trusts that agrees to the terms of this Settlement Agreement. In consideration for such agreement, ResCap will provide a general unsecured claim of not more than $8,700,000,000 (the "<u>Maximum Allowed Claim</u>") which shall cover (i) any Trusts accepting the offer to settle contained in this Section 5.01, subject to the provisions of this Settlement Agreement and (ii) any Credit Enhancer asserting claims against ResCap or Ally arising out of the Governing Agreements [, and (iii) any claims of the Trusts or their respective Investors against ResCap or Ally for violations of the securities or anti-fraud laws of the United States or of any state] (collectively, the "<u>Total Claimant Pool</u>"). The portion of the Maximum Allowed Claim which ResCap will allow shall be limited by the percentage of claims available to the Total Claim Pool that are made in the Bankruptcy Court. Such percentage multiplied by the Maximum Allowed Claim shall be the "<u>Allowed Claim</u>." Accordingly, each claim, including those of any settling Trust, shall be valued *pro rata* based on its relative share of total outstanding value, and

each claim shall be *pari passu* with the claims of all other general unsecured creditors of ResCap or the relevant ResCap subsidiary.

Section 5.02 Each accepting Trust's share of the Allowed Claim shall be in full and complete satisfaction of any and all claims the trustee may have under the Governing Agreements against ResCap, including but not limited to demands for ResCap to (A) repurchase or substitute for allegedly defective Mortgage Loans, (B) make any payment as compensation or restitution for allegedly defective Mortgage Loans, (C) make any payment or compensation for allegedly defective documentation with respect to any Mortgage Loan, (D) make any payment as compensation or restitution for any defective servicing practices, and (E) take any other action regarding or otherwise be responsible for the allegedly defective Mortgage Loans; *provided, however*, that the offer to settle set forth herein shall not and does not include any settlement, release, waiver, or discharge of any claims of the Trusts or their respective Investors against ResCap for violations of the securities or anti-fraud laws of the United States or of any state. The Allowed Claim shall not be subject to offset, counterclaim, subordination and the order approving this settlement shall constitute full allowance in each of the relevant ResCap entity's respective estates.

From: Levitt, Jamie A.
Sent: Thursday, May 10, 2012 10:44 PM
To: 'David A. Beck'; Clark, Daniel E.; Jennifer A.L. Battle; nornstein@kirkland.com; Lee, Gary S.
Cc: Newton, James A.; Jeffrey A. Lipps
Subject: RE: Kathy Patrick PSA and Settlement Agreement - Privileged and Confidential

Thanks Dave. Here's the landscape:

Total OPB: $226B
KP Group: $171B

Total Estimated Loss: $44B
KP Group Estimated Loss: $33B

Total Allowed Claim: $8.7B
KP Group: $6.6B

The Allowed Claim covers all R/W -- monoline and trustee. So my understanding is that outside of KP's $6.6B (based on her group's OPB and Loss) is both monoline claims and trustee claims, for trusts she doesn't control or bring in.

Gary, please weigh in if I have this wrong. The drafting of your ratchet idea is proving to be a difficult task.

From: David A. Beck [mailto:beck@CarpenterLipps.com]
Sent: May 10, 2012 10:35 PM
To: Levitt, Jamie A.; Clark, Daniel E.; Jennifer A.L. Battle; nornstein@kirkland.com
Cc: Newton, James A.; Jeffrey A. Lipps
Subject: RE: Kathy Patrick PSA and Settlement Agreement - Privileged and Confidential

As I understood from Noah and Dan, we're trying to make two adjustments:

1. Take off the $8.7 billion a number based on where the monolines reject the deal. This is A and looks just at the monoline wrapped world.

2. You then have to adjust the resulting number based on the percentage of the total universe which rejects the deal based on Kathy's schedule. If we don't adjust this amount based on how the $8.7 is racheted down, you end up taking too much off.

It may make sense to talk this through on the phone so we're all on the same page.

-David

From: Levitt, Jamie A. [JLevitt@mofo.com]

Sent: Thursday, May 10, 2012 10:19 PM
To: David A. Beck; Clark, Daniel E.; Jennifer A.L. Battle; nornstein@kirkland.com
Cc: Newton, James A.; Jeffrey A. Lipps
Subject: RE: Kathy Patrick PSA and Settlement Agreement - Privileged and Confidential

I don't understand why we are tying this to wrapped deals only?

From: David A. Beck [mailto:beck@CarpenterLipps.com]
Sent: May 10, 2012 10:17 PM
To: Clark, Daniel E.; Jennifer A.L. Battle; nornstein@kirkland.com
Cc: Newton, James A.; Levitt, Jamie A.; Jeffrey A. Lipps
Subject: RE: Kathy Patrick PSA and Settlement Agreement - Privileged and Confidential

In following up on the conversation I just had with Dan Clark and Noah Ornstein on the phone, and with no pride of authorship, I think Section 5.02 should be revised to read as listed below. I've got brackets here for two spots were we need to plug in actual numbers. I also think we should walk through the formula with some hypothetical numbers and see if this is working in the way you want the ratchet to work. Please feel free to call me if you want to discuss at (614) 668-1064. Attorney fee adjuster will follow in a separate email.

Section 5.02 Reductions to Allowed Claim. The amount of the Allowed Claim shall be reduced by (A) an amount equal to the product of [total $ of outstanding debt wrapped by the monolines] times the percentage of the total debt outstanding for the trusts wrapped by the monolines which reject the deal times [Percentage Allowed Claim is of total debt currently outstanding] plus (B) an amount equal to (i) the sum of the Allocated Allowed Claims attributable to each Trust identified on Exhibit C that fail to accept the offer to settle described in Section 5.01 within the applicable time period times times (ii) 1 minus the percentage of total debt outstanding for trusts wrapped by monolines which reject the deal.

This is assuming that Kathy's exhibit gives an actual allocation and not just refers to having some valuation mechanism.

****
IRS Circular 230 Disclosure:
To ensure compliance with requirements imposed by the U.S. Internal Revenue Service, we inform you that any tax advice contained in this communication (including any attachments) was not intended or written to be used, and cannot be used, by any taxpayer for the purpose of (1) avoiding tax-related penalties under the U.S. Internal Revenue Code or (2) promoting, marketing or recommending to another party any tax-related matters addressed herein.

The information contained in this communication is confidential, may be attorney-client privileged, may constitute inside information, and is intended only for the use of the addressee. It is the property of Kirkland & Ellis LLP or Kirkland & Ellis International LLP. Unauthorized use, disclosure or copying of this communication or any part thereof is strictly prohibited and may be unlawful. If you have received this communication in error, please notify us immediately by return e-mail or by e-mail to postmaster@kirkland.com, and destroy this communication and all copies thereof, including all attachments.
****

Exhibit 33

From: Clark, Daniel E.
Sent: 5/13/2012 10:32:53 PM
To: Levitt, Jamie A.; 'Talcott J. Franklin'; 'Jerry Phelps'
Cc: Lee, Gary S.; 'Timothy.Devine@ally.com'; 'nornstein@kirkland.com'; Princi, Anthony; 'rcieri@kirkland.com'
Subject: RE: Execution Copies -- CONFIDENTIAL AND FOR SETTLEMENT PURPOSES ONLY
Attachments TF Settlement Agreement 5-13-12 - Execution Copy.pdf; Talcott Frankling PSA - Execution Copy.pdf

---

All -
Attach please find new execution copies. There was a glitch in the signature and notice pages. No other changes were made.

Thanks,
Dan Clark

Daniel E. Clark
Associate
Morrison & Foerster LLP
1290 Avenue of the Americas
New York, New York 10104
(212)336-4386

<<...>> <<...>>

From: Levitt, Jamie A.
Sent: Sunday, May 13, 2012 9:58 PM
To: 'Talcott J. Franklin'; Jerry Phelps
Cc: Lee, Gary S.; 'Timothy.Devine@ally.com'; 'nornstein@kirkland.com'; Princi, Anthony; 'rcieri@kirkland.com'
Subject: Execution Copies -- CONFIDENTIAL AND FOR SETTLEMENT PURPOSES ONLY

Tal and Jerry:

Attached are execution copies of the Settlement Agreement and Plan Support Agreement. Exhibits will follow in separate emails, to the extent you don't already have them.

Please send signature pages.

Thanks.

Jamie

<< File: TF Settlement Agreement 5-13-12 - Execution Copy - 2.pdf >> << File: Talcott Frankling PSA - Execution Copy - 1.pdf >>

EXECUTION COPY

RMBS TRUST SETTLEMENT AGREEMENT

This RMBS Trust Settlement Agreement is entered into as of May 13, 2012, by and between Residential Capital, LLC and its direct and indirect subsidiaries (collectively, "ResCap" or the "Debtors"), on the one hand, and the Institutional Investors (as defined below), on the other hand (the "Settlement Agreement"). Each of ResCap and the Institutional Investors may be referred to herein as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, certain ResCap entities were the Seller, Depositor, Servicer and/or Master Servicer for the securitizations identified on the attached Exhibit A (the "Trusts");

WHEREAS, certain ResCap entities are parties to certain applicable Pooling and Servicing Agreements, Assignment and Assumption Agreements, Indentures, Mortgage Loan Purchase Agreements and/or other agreements governing the Trusts (the "Governing Agreements"), and certain ResCap entities have, at times, acted as Master Servicer and/or Servicer for the Trusts pursuant to certain of the Governing Agreements;

WHEREAS, pursuant to the Governing Agreements, certain ResCap entities have contributed or sold loans into the Trusts (the "Mortgage Loans");

WHEREAS, the Institutional Investors have alleged that certain loans held by the Trusts were originally contributed in breach of representations and warranties contained in the Governing Agreements, allowing the Investors in such Trusts to seek to compel the trustee or indenture trustee (each, a "Trustee") to take certain actions with respect to those loans, and further have asserted past and continuing covenant breaches and defaults by various ResCap entities under the Governing Agreements;

WHEREAS, the Institutional Investors have indicated their intent under the Governing Agreements for each Trust in which the Institutional Investors collectively hold or are authorized investment managers for holders of at least 25% of a particular tranche of the Securities (as defined below) held by such Trust either to seek action by the Trustee for such Trust or to pursue claims, including but not limited to claims to compel ResCap to cure the alleged breaches of representations and warranties, and ResCap disputes such claims and allegations of breach and waives no rights, and preserves all of its defenses, with respect to such allegations and putative cure requirements;

WHEREAS, the Institutional Investors are jointly represented by Talcott Franklin P.C.; Miller, Johnson, Snell & Cummiskey, P.L.C.; and Carter Ledyard & Milburn LLP, and have, through counsel, engaged in arm's length settlement negotiations with ResCap that included the exchange of confidential materials;

WHEREAS, ResCap contemplates filing petitions for relief under chapter 11 of the Bankruptcy Code (the "Chapter 11 Cases") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court");

WHEREAS, ResCap and the Institutional Investors have reached agreement on a plan support agreement (the "Plan Support Agreement") pursuant to which the Institutional Investors will support the confirmation of a chapter 11 plan for ResCap;

WHEREAS, Ally Financial Inc. and its subsidiaries and affiliates, other than ResCap (collectively, "Ally") have agreed to a settlement with ResCap in return for releases of any alleged claims held by ResCap and certain third parties against Ally;

WHEREAS, ResCap and the Institutional Investors have reached agreement concerning all claims under the Governing Agreements; and

WHEREAS, the Parties therefore enter into this Settlement Agreement to set forth their mutual understandings and agreements for terms for resolving the disputes regarding the Governing Agreements.

AGREEMENT

NOW, THEREFORE, after good faith, arm's length negotiations without collusion, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to the following terms:

ARTICLE I. DEFINITIONS.

As used in this Settlement Agreement, in addition to the terms otherwise defined herein, the following terms shall have the meanings set forth below (the definitions to be applicable to both the singular and the plural forms of each term defined if both forms of such term are used in this Settlement Agreement). Any capitalized terms not defined in this Settlement Agreement shall have the definition given to them in the Governing Agreements.

Section 1.01 "Bankruptcy Code" shall mean title 11 of the United States Code;

Section 1.02 "Direction" shall mean the direction by the Institutional Investors, to the extent permitted by the Governing Agreements, directing any Trustee to take or refrain from taking any action; *provided*, *however*, that in no event shall the Institutional Investors be required to provide a Trustee with any security or indemnity for action or inaction taken at the direction of the Institutional Investors and the Institutional Investors shall not be required to directly or indirectly incur any costs, fees, or expenses to compel any action or inaction by a Trustee, except that the Institutional Investors shall continue to retain contingency counsel;

Section 1.03 "Effective Date" shall have the meaning ascribed in Section 2.01;

Section 1.04 "Governmental Authority" shall mean any United States or foreign government, any state or other political subdivision thereof, any entity exercising executive, legislative, judicial, regulatory, or administrative functions of or pertaining to the foregoing, or

any other authority, agency, department, board, commission, or instrumentality of the United States, any State of the United States or any political subdivision thereof or any foreign jurisdiction, and any court, tribunal, or arbitrator(s) of competent jurisdiction, and any United States or foreign governmental or non-governmental self-regulatory organization, agency, or authority (including the New York Stock Exchange, Nasdaq, and the Financial Industry Regulatory Authority);

Section 1.05 "Institutional Investors" shall mean the authorized investment managers and Investors identified in the attached signature pages;

Section 1.06 "Investors" shall mean all certificateholders, bondholders and noteholders in the Trusts, and their successors in interest, assigns, pledgees, and/or transferees;

Section 1.07 "Person" shall mean any individual, corporation, company, partnership, limited liability company, joint venture, association, trust, or other entity, including a Governmental Authority;

Section 1.08 "Petition Date" means the date on which ResCap files petitions under chapter 11 of the Bankruptcy Code;

Section 1.09 "Plan" has the meaning ascribed to it in the Plan Support Agreement; and

Section 1.10 "Restructuring" shall have the meaning ascribed to it in the Plan Support Agreement.

ARTICLE II. SETTLEMENT PROCESS.

Section 2.01 Effective Date. This Settlement Agreement shall be effective immediately except as to the granting of allowed claims to the Trusts and the releases set forth herein. The claims allowance and releases shall only be effective, with respect to Trusts that timely accept the compromise, on the date on which the Bankruptcy Court enters an order approving the settlement contemplated hereby (the "Effective Date").

Section 2.02 Bankruptcy Court Approval. The Debtors shall (a) orally present this Settlement Agreement in court on the Petition date, including the agreed amount of the Allowed Claim (as defined below), (b) file a motion in the Bankruptcy Court as soon as practicable, but in no event later than fourteen (14) days after the Petition Date, seeking authority to perform under this Settlement Agreement and for approval of this Settlement Agreement and the compromise contained herein, and (c) obtain an order from the Bankruptcy Court approving such motion by the earlier of (i) 60 days after the Petition Date and (ii) the date on which the Disclosure Statement is approved by the Bankruptcy Court. The Trustee for each Trust may accept the offer of a compromise contemplated by this Settlement Agreement in writing pursuant to a form of acceptance to be included in the proposed order for approval of this Settlement Agreement to be submitted to the Bankruptcy Court.

Section 2.03 Standing. The Debtors agree that the Institutional Investors are parties in interest in the chapter 11 cases of ResCap for the purposes of enforcing rights and complying with obligations under this Settlement Agreement and the Plan Support Agreement.

ARTICLE III. REPRESENTATIONS AND WARRANTIES.

Section 3.01 Holdings and Authority. Lead counsel to the Institutional Investors, Talcott Franklin P.C., has represented to ResCap that its clients have, or will have as of 45 days from the Petition Date, aggregate holdings of securities of greater than 25% of the voting rights in one or more classes of the securities, certificates or other instruments backed by the mortgages held by each of the Covered Trusts (as defined in the Plan Support Agreement). Each Institutional Investor represents that (i) it has the authority to take the actions contemplated by this Settlement Agreement, to the extent that it has the authority with respect to any other entities, account holders, or accounts for which or on behalf of which it is signing this Settlement Agreement, and (ii) it holds, or is the authorized investment manager for the holders of, the securities listed in a schedule (the "Schedule"), which Schedule will be provided to ResCap no later than 45 days after the Petition Date and will list the securities in the respective amounts set forth therein by CUSIP number, and which Schedule is accurate as of the date it is provided by the Institutional Investors or Talcott Franklin P.C. The Parties agree that the aggregate amounts of Securities collectively held by the Institutional Investors for each Trust may be disclosed publicly, but that the individual holdings shall remain confidential, subject to review only by ResCap, Ally, the Bankruptcy Court, the Office of the United States Trustee, and any official committee of creditors that may be appointed in the Chapter 11 Cases.

Section 3.02 Purchasers and Assigns. The Institutional Investors collectively hold, or will hold as of 45 days after the Petition date, Securities representing in aggregate 25% of the voting rights in one or more classes of Securities of the Covered Trusts. The Institutional Investors, collectively, shall maintain holdings aggregating 25% of the voting rights in one or more classes of Securities of not less than 80% of the Covered Trusts (the "Requisite Holdings") until the earliest of: (i) confirmation of the Plan, (ii) December 31, 2012, (iii) a Consenting Claimant Termination Event, (iv) a Debtor Termination Event, or (v) an Ally Termination Event; provided, however, that any reduction in Requisite Holdings caused by exclusion of one or more trusts due to the exercise of Voting Rights by a third party guarantor or financial guaranty provider shall not be considered in determining whether the Requisite Holdings threshold has been met. If the Requisite Holdings are not maintained, each of Ally and ResCap shall have the right to terminate the Settlement Agreement, but neither Ally nor ResCap shall terminate the Settlement Agreement before it has conferred in good faith with the Institutional Investors concerning whether termination is warranted. For the avoidance of doubt, other than as set forth above, this Settlement Agreement shall not restrict the right of any Institutional Investor to sell or exchange any Securities issued by a Trust free and clear of any encumbrance. The Institutional Investors will not sell any of the Securities for the purpose of avoiding their obligations under this Settlement Agreement, and each Institutional Investor commits to maintain at least one position in one of the Securities in one of the Trusts until the earliest of the dates set forth above.

If the Debtor or Ally reach a similar agreement to this with another bondholder group, the Debtor and Ally will include a substantially similar proportionate holdings requirement in that agreement as contained herein.

ARTICLE IV. DIRECTION TO TRUSTEES AND INDENTURE TRUSTEES.

Section 4.01 Direction to Trustees and Indenture Trustees. The relevant Institutional Investors for each Trust shall, by the time of the filing of a motion to approve this Settlement Agreement, provide the relevant Trustee with Direction to accept the settlement and compromises set forth herein. The Institutional Investors hereby agree to confer in good faith with ResCap as to any further or other Direction that may be reasonably necessary to effectuate the settlement contemplated herein, including those actions listed in Section 3.1 of the Plan Support Agreement, filing motions and pleadings with the Bankruptcy Court and making statements in open court in support of the Restructuring.

Section 4.02 No Inconsistent Directions. Except for providing instructions in accordance with Section 4.01, the Institutional Investors agree that (i) between the date hereof and the Effective Date, with respect to the Securities on the Holdings Schedule, they will not, individually or collectively, direct, vote for, or take any other action that they may have the right or the option to take under the Governing Agreements or to join with any other holders or the trustee of any note, bond or other security issued by the Trusts, to cause the Trustees to enforce (or seek derivatively to enforce) any representations and warranties regarding the Mortgage Loans or the servicing of the Mortgage Loans, and (ii) to the extent that any of the Institutional Investors have already taken any such action, the applicable Institutional Investor will promptly rescind or terminate such action. Nothing in the foregoing shall restrict the ability of the Institutional Investors to demand that any other Investor who seeks to direct the Trustee for a Trust post any indemnity or bond required by the Governing Agreements for the applicable Trust.

Section 4.03 Amendments to Governing Agreements Regarding Financing of Advances. The Institutional Investors agree to use commercially reasonable efforts (which shall not require the giving of any indemnity or other payment obligation or expenditure of out-of-pocket funds) to negotiate any request by the Debtors or the Trustees for Trusts that are being assumed, and if any Trustee shall require a vote of the certificate or note holders with respect thereto, shall vote in favor of (to the extent agreement is reached) any amendment to the relevant Governing Agreements and related documents requested by the Debtors in order to permit "Advances" (as it or any similar term may be defined in the Governing Agreements) to be financeable and to make such other amendments thereto as may be reasonably requested by the Debtors in accordance with any agreement to acquire all or substantially all of the Debtors' servicing assets pursuant to the Restructuring and the Plan, so long as such changes would not cause material financial detriment to the Trusts, their respective trustees, certificate or note holders, or the Institutional Investors.

CONFIDENTIAL – PROFESSIONALS' EYES ONLY RC-9019_00045567

ARTICLE V. ALLOWANCE OF CLAIM.

Section 5.01 The Allowed Claim. ResCap hereby makes an irrevocable offer to settle, expiring at 5:00 p.m. prevailing New York time on the date that is forty five (45) days after the Petition Date, with each of the Trusts that timely agrees to the terms of this Settlement Agreement (the "Accepting Trusts"). In consideration for such agreement, ResCap will provide a general unsecured claim of $8,700,000,000 (the "Total Allowed Claim"). For the avoidance of doubt, the Total Allowed Claim shall be shared among any Trusts accepting the offer contained in this Section 5.01, subject to the provisions of this Settlement Agreement. Any Trusts accepting the offer contained in this Section 5.01, subject to the provisions of this Settlement Agreement shall be allowed claims in an amount calculated as set forth below (the "Allowed Claim"), but in no case shall the amount of the Allowed Claim exceed $8,700,000,000. The amount of the Allowed Claim shall equal (i) $8,700,000,000, less (ii) $8,700,000,000 multiplied by the percentage represented by (a) the total dollar amount of original principal balance for the Trusts not accepting the offer outlined above, divided by (b) the total dollar amount of original principal balance for all Trusts.

Section 5.02 Waiver of Setoff and Recoupment. By accepting the offer to settle contained in Section 5.01, each accepting Trust irrevocably waives any right to setoff and/or recoupment such Trust may have against Ally and ResCap.

ARTICLE VI. ALLOCATION OF ALLOWED CLAIM.

Section 6.01 The Allocation Schedule. The allocation of the amounts of the Allowed Claim as to each Trust (each, an "Allocated Allowed Claim"), is set forth on Exhibit B hereto.

Section 6.02 Legal Fees.

(a) ResCap and the Institutional Investors agree that Talcott Franklin P.C.; Miller, Johnson, Snell & Cummiskey, P.L.C.; and Carter Ledyard & Milburn LLP shall, on the Effective Date of the Plan, be paid legal fees as follows, as an integrated and nonseverable part of this Settlement Agreement. First, Talcott Franklin P.C.; Miller, Johnson, Snell & Cummiskey, P.L.C.; and Carter Ledyard & Milburn LLP, as counsel to the Institutional Investors, shall be allocated by ResCap without conveyance to the Trustees the percentages of the Allowed Claim set forth on Exhibit C, without requirement of submitting any form of estate retention or fee application, for their work relating to these cases and the settlement. Second, the Debtors and Institutional Investors may further agree at any time, that the Debtors may pay Talcott Franklin P.C.; Miller, Johnson, Snell & Cummiskey, P.L.C.; and Carter Ledyard & Milburn LLP in cash, in an amount that Talcott Franklin P.C.; Miller, Johnson, Snell & Cummiskey, P.L.C.; and Carter Ledyard & Milburn LLP respectively agree is equal to the cash value of their respective portions of the Allowed Claim, and in any such event, no estate retention application, fee application or further order of the Bankruptcy Court shall be required as a condition of the Debtors making such agreed payment. Third, the Debtors agree and the settlement

approval order shall provide that the amount of the Allowed Claim payable to Talcott Franklin P.C.; Miller, Johnson, Snell & Cummiskey, P.L.C.; and Carter Ledyard & Milburn LLP may be reduced to a separate claim stipulation for convenience of the parties.

(b) In the event that, prior to acceptance of this compromise by a Trustee for a Trust other than an original Covered Trust (as defined in the Plan Support Agreement), counsel to Investors in such Trust cause a direction to be given by more than 25% of the holders of a tranche of such Trust to accept this compromise, then the same provisions as contained in Section 6.02(a) shall apply to such counsel, solely as to the amounts allocated to such Trust. Such counsel shall be entitled to a share of the fee for such trust equal to the ratio of (a) 25% minus the percentage of such tranche held by Institutional Investors divided by (b) 25%. Counsel would be required to identify itself and satisfy the Debtors and Institutional Investors as to the holdings of client-investors and that counsel caused such directions.

ARTICLE VII. RELEASES.

Section 7.01 Releases. Except as set forth in Article VIII, as of the Effective Date, with respect to each and every Trust for whom the Trustee accepts the compromise contemplated by this Settlement Agreement, the Investors, Trustee, Trust, and any Persons claiming by, through or on behalf of such Trustee (including Institutional Investors claiming derivatively) or such Trust (collectively, the "Releasors"), irrevocably and unconditionally grant a full, final, and complete release, waiver, and discharge of all alleged or actual claims, demands to repurchase, demands to cure, demands to substitute, counterclaims, defenses, rights of setoff, rights of rescission, liens, disputes, liabilities, losses, debts, costs, expenses, obligations, demands, claims for accountings or audits, alleged events of default, damages, rights, and causes of action of any kind or nature whatsoever, whether asserted or unasserted, known or unknown, suspected or unsuspected, fixed or contingent, in contract, tort, or otherwise, secured or unsecured, accrued or unaccrued, whether direct or derivative, arising under law or equity, against ResCap that arise under the Governing Agreements. Such released claims include, but are not limited to, claims arising out of and/or relating to (i) the origination, sale, or delivery of Mortgage Loans to the Trusts, including the representations and warranties made in connection with the origination, sale, or delivery of Mortgage Loans to the Trusts or any alleged obligation of ResCap to repurchase or otherwise compensate the Trusts for any Mortgage Loan on the basis of any representations or warranties or otherwise or failure to cure any alleged breaches of representations and warranties, (ii) the documentation of the Mortgage Loans held by the Trusts including with respect to allegedly defective, incomplete, or non-existent documentation, as well as issues arising out of or relating to recordation, title, assignment, or any other matter relating to legal enforceability of a Mortgage or Mortgage Note, or any alleged failure to provide notice of such defective, incomplete or non-existent documentation, (iii) the servicing of the Mortgage Loans held by the Trusts (including any claim relating to the timing of collection efforts or foreclosure efforts, loss mitigation, transfers to subservicers, advances, servicing advances, or

claims that servicing includes an obligation to take any action or provide any notice towards, or with respect to, the possible repurchase of Mortgage Loans by the applicable Master Servicer, Seller, or any other Person), (iv) setoff or recoupment under the Governing Agreements against ResCap, and (v) any loan seller that either sold loans to ResCap or AFI that were sold and transferred to such Trust or sold loans directly to such Trust, in all cases prior to the Petition Date (collectively, all such claims being defined as the "Released Claims"). For the avoidance of doubt, this release does not include individual direct claims for securities fraud or other disclosure-related claims arising from the purchase or sale of Securities.

Section 7.02 Release of Claims Against Investors. Except as set forth in Article VIII, as of the Effective Date, ResCap irrevocably and unconditionally grants to the Investors a full, final, and complete release, waiver, and discharge of all alleged or actual claims from any claim it may have under or arising out of the Governing Agreements. For the avoidance of doubt, nothing in this provision shall affect Ally's rights in any way.

Section 7.03 Agreement Not to Pursue Relief from the Stay. The Institutional Investors agree that neither they nor their successors in interest, assigns, pledges, delegates, affiliates, subsidiaries, and/or transferees, will seek relief from the automatic stay imposed by section 362 of the Bankruptcy Code in order to institute, continue or otherwise prosecute any action relating to the Released Claims; provided, however, nothing contained herein shall preclude the Institutional Investors or their advised clients from seeking any such relief with respect to direct claims for securities fraud or other disclosure-related claims arising from the purchase or sale of Securities. ResCap reserves its rights and defenses therewith.

Section 7.04 Inclusion of Accepting Trustees in Plan Exculpation Provisions. The Trustees of any Trust accepting the offer to settle described in Section 5.01 and their respective counsel shall be entitled to the benefit of any plan exculpation provision, if any, included in the Plan, which exculpation shall be no less favorable than the plan exculpation provisions extended to similarly situated creditors or parties in interest who are parties to any plan support agreement with ResCap.

Section 7.05 Servicing of the Mortgage Loans. Except as provided in Section 8.01, the release and waiver in Article VII includes all claims based in whole or in part on any actions, inactions, or practices of the Master Servicer, Servicer, or Subservicer as to the servicing of the Mortgage Loans held by the Trusts prior to the Petition Date. Provided, the foregoing language is not intended to release any claims against any person other than ResCap and Ally; provided, further, that the applicable Institutional Investor shall indemnify (i) any direct or indirect subsidiary of ResCap that is not a Debtor and/or (ii) Ally, against any and all harm in connection with any Institutional Investor pursuing such claim.

ARTICLE VIII. CLAIMS NOT RELEASED

Section 8.01 Administration of the Mortgage Loans. The releases and waivers in Article VII herein do not include claims that first arise after the Effective Date which are based

in whole or in part on any actions, inactions, or practices of the Master Servicer, Servicer, or Subservicer as to the servicing of the Mortgage Loans held by the Trusts in their aggregation and remittance of Mortgage Loan Payments, accounting for principal and interest, and preparation of tax-related information, in connection with the Mortgage Loans and the ministerial operation and administration of the Trusts and the Mortgage Loans held by the Trusts, for which the Master Servicer, Servicer, or Subservicer received servicing fees, unless, as of the date hereof, the Institutional Investors, have or should have knowledge of the actions, inactions, or practices of ResCap in connection with such matters.

Section 8.02 Financial-Guaranty Provider Rights and Obligations. To the extent that any third party guarantor or financial-guaranty provider with respect to any Trust has rights or obligations independent of the rights or obligations of the Investors, the Trustees, or the Trusts, the releases and waivers in Article VII are not intended to and shall not release such rights.

Section 8.03 Settlement Agreement Rights. The Parties do not release or waive any rights or claims against each other to enforce the terms of this Settlement Agreement or the Allowed Claim.

Section 8.04 Disclosure Claims. The releases and waivers in Article VII do not include any claims based on improper disclosures under federal or state securities law.

Section 8.05 Reservation of Rights. Notwithstanding anything in this Settlement Agreement to the contrary, the Institutional Investors have not waived their right to file an objection to a motion of the holders of the ResCap 9 5/8% bonds requesting payment of any interest on account of their ResCap 9 5/8% bond claims that may be due and owing after the Petition Date.

ARTICLE IX. RELEASE OF UNKNOWN CLAIMS.

Each of the Parties acknowledges that it has been advised by its attorneys concerning, and is familiar with, California Civil Code Section 1542 and expressly waives any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to the provisions of the California Civil Code Section 1542, including that provision itself, which reads as follows:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH, IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

The Parties acknowledge that inclusion of the provisions of this Article IX to this Settlement Agreement was a material and separately bargained for element of this Settlement Agreement.

ARTICLE X. OTHER PROVISIONS

Section 10.01 Voluntary Agreement. Each Party acknowledges that it has read all of the terms of this Settlement Agreement, has had an opportunity to consult with counsel of its own choosing or voluntarily waived such right and enters into this Settlement Agreement voluntarily and without duress.

Section 10.02 No Admission of Breach or Wrongdoing. ResCap has denied and continues to deny any breach, fault, liability, or wrongdoing. This denial includes, but is not limited to, breaches of representations and warranties, violations of state or federal securities laws, and other claims sounding in contract or tort in connection with any securitizations, including those for which ResCap was the Seller, Servicer and/or Master Servicer. Neither this Settlement Agreement, whether or not consummated, any proceedings relating to this Settlement Agreement, nor any of the terms of the Settlement Agreement, whether or not consummated, shall be construed as, or deemed to be evidence of, an admission or concession on the part of ResCap with respect to any claim or of any breach, liability, fault, wrongdoing, or damage whatsoever, or with respect to any infirmity in any defense that ResCap has or could have asserted.

Section 10.03 No Admission Regarding Claim Status. ResCap expressly states that in the event this Settlement Agreement is not consummated or is terminated prior to the Effective Date, then neither this Settlement Agreement, nor any proceedings relating to this Settlement Agreement, nor any of the terms of the Settlement Agreement, shall be construed as, or deemed to be evidence of, an admission or concession on the part of ResCap that any claims asserted by the Institutional Investors are not contingent, unliquidated or disputed. The Institutional Investors expressly state that in the event this Settlement Agreement is not consummated or is terminated prior to the Effective Date, neither this Settlement Agreement, nor any proceedings relating to this Settlement Agreement, nor any of the terms of the Settlement Agreement, shall be construed as, or deemed to be evidence of, an admission or concession on the part of the Institutional Investors that any claims asserted by the Institutional Investors and Trustees are not limited to the amounts set forth in this Settlement Agreement or are of any particular priority.

Section 10.04 Counterparts. This Settlement Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same Settlement Agreement. Delivery of a signature page to this Settlement Agreement by facsimile or other electronic means shall be effective as delivery of the original signature page to this Settlement Agreement.

Section 10.05 Joint Drafting. This Settlement Agreement shall be deemed to have been jointly drafted by the Parties, and in construing and interpreting this Settlement Agreement, no provision shall be construed and interpreted for or against any of the Parties because such provision or any other provision of the Settlement Agreement as a whole is purportedly prepared or requested by such Party.

Section 10.06 Entire Agreement. This document contains the entire agreement between the Parties, and may only be modified, altered, amended, or supplemented in writing signed by the Parties or their duly appointed agents. All prior agreements and understandings between the Parties concerning the subject matter hereof are superseded by the terms of this Settlement Agreement and the Plan Support Agreement.

Section 10.07 Specific Performance. It is understood that money damages are not a sufficient remedy for any breach of this Settlement Agreement, and the Parties shall have the right, in addition to any other rights and remedies contained herein, to seek specific performance, injunctive, or other equitable relief from the Bankruptcy Court as a remedy for any such breach. The Parties hereby agree that specific performance shall be their only remedy for any violation of this Agreement.

Section 10.08 Authority. Each Party represents and warrants that each Person who executes this Settlement Agreement on its behalf is duly authorized to execute this Settlement Agreement on behalf of the respective Party, and that such Party has full knowledge of and has consented to this Settlement Agreement.

Section 10.09 No Third Party Beneficiaries. There are no third party beneficiaries of this Settlement Agreement.

Section 10.10 Headings. The headings of all sections of this Settlement Agreement are inserted solely for the convenience of reference and are not a part of and are not intended to govern, limit, or aid in the construction or interpretation of any term or provision hereof.

Section 10.11 Notices. All notices or demands given or made by one Party to the other relating to this Settlement Agreement shall be in writing and either personally served or sent by registered or certified mail, postage paid, return receipt requested, overnight delivery service, or by electronic mail transmission, and shall be deemed to be given for purposes of this Settlement Agreement on the earlier of the date of actual receipt or three days after the deposit thereof in the mail or the electronic transmission of the message. Unless a different or additional address for subsequent notices is specified in a notice sent or delivered in accordance with this Section, such notices or demands shall be sent as follows:

To: Institutional Investors
c/o Talcott Franklin
208 N. Market Street
Suite 200
Dallas, Texas 75202
Tel: 214-736-8730
Email: tal@talcottfranklin.com
--and--
Miller, Johnson, Snell & Cummiskey, P.L.C.
250 Monroe Avenue NW

Suite 800
P.O. Box 306
Grand Rapids, MI 49501-0306
Tel: 616.831.1748
Email: sarbt@millerjohnson.com
--and--
Carter Ledyard & Milburn LLP
2 Wall Street
New York, New York 10005
Tel.: 212-238-8607
Email: gadsden@clm.com

To: ResCap
c/o Gary S. Lee
Jamie A. Levitt
Morrison & Foerster LLP
1290 Avenue of the Americas
New York, NY 10104
Tel: 212-468-8000
Email: glee@mofo.com
jlevitt@mofo.com

Section 10.12 Disputes. This Settlement Agreement, and any disputes arising under or in connection with this Settlement Agreement, are to be governed by and construed in accordance with the laws of the State of New York, without giving effect to the choice of laws principles thereof. Further, by its execution and delivery of this Settlement Agreement, each of the Parties hereto hereby irrevocably and unconditionally agrees that the United States District Court for the Southern District of New York shall have jurisdiction to enforce this Settlement Agreement, *provided*, *however*, that, upon commencement of the Chapter 11 Cases, the Bankruptcy Court shall have exclusive jurisdiction of all matters arising out of or in connection with this Settlement Agreement.

[REST OF PAGE INTENTIONALLY LEFT BLANK]

Dated the ____ day of May, 2012.

Residential Capital, LLC
for itself and its direct and indirect subsidiaries

Signature:_____

Name: _____

Title: _____

EXHIBIT A

TRUSTS

EXHIBIT B

ALLOCATION OF ALLOWED CLAIM

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PLAN SUPPORT AGREEMENT

THIS PLAN SUPPORT AGREEMENT IS NOT AN OFFER WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF VOTES WITH RESPECT TO A CHAPTER 11 PLAN OF REORGANIZATION. ANY SUCH OFFER OR SOLICITATION WILL COMPLY WITH ALL APPLICABLE SECURITIES LAWS AND/OR PROVISIONS OF THE BANKRUPTCY CODE. ACCEPTANCES OR REJECTIONS WITH RESPECT TO A CHAPTER 11 PLAN OF REORGANIZATION MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT.

This PLAN SUPPORT AGREEMENT (together with all exhibits attached hereto, the "Agreement") is made and entered into as of May 13, 2012, by and among:

(a) Residential Capital, LLC ("ResCap") and certain of its direct and indirect subsidiaries (collectively, the "Debtors");[1]

(b) Ally Financial Inc., on behalf of its direct and indirect subsidiaries other than the Debtors, (collectively, "Ally"); and

(c) the undersigned holders, and authorized investment managers for holders, of Securities (as defined below) backed by mortgage loans held by the Covered Trusts (as defined below) (each, a "Consenting Claimant" and collectively, the "Consenting Claimants").

The Consenting Claimants, together with the Debtors and Ally, are defined collectively as the "Parties."

[1] The Debtors are: Ditech, LLC; DOA Holding Properties, LLC; DOA Holdings NoteCo, LLC; DOA Properties IX (Lots-Other), LLC; EPRE LLC; Equity Investment I, LLC; ETS of Virginia, Inc.; ETS of Washington, Inc.; Executive Trustee Services, LLC; GMAC Model Home Finance I, LLC; GMAC Mortgage USA Corporation; GMAC Mortgage, LLC; GMAC Residential Holding Company, LLC; GMACM Borrower LLC; GMACR Mortgage Products, LLC; GMAC-RFC Holding Company, LLC; GMACRH Settlement Services, LLC; HFN REO SUB II, LLC; Home Connects Lending Services, LLC; Homecomings Financial, LLC; Homecomings Financial Real Estate Holdings, LLC; Ladue Associates, Inc.; Passive Asset Transactions, LLC; PATI A, LLC; PATI B, LLC; PATI Real Estate Holdings, LLC; RAHI A, LLC; RAHI B, LLC; RAHI Real Estate Holdings, LLC; RCSFJV2004, LLC; Residential Accredit Loans, Inc.; Residential Asset Mortgage Products, Inc.; Residential Asset Securities Corporation; Residential Capital, LLC; Residential Consumer Services of Alabama, LLC; Residential Consumer Services of Ohio, LLC; Residential Consumer Services of Texas, LLC; Residential Consumer Services, LLC; Residential Funding Company, LLC; Residential Funding Mortgage Exchange, LLC; Residential Funding Mortgage Securities I, Inc.; Residential Funding Mortgage Securities II, Inc.; Residential Funding Real Estate Holdings, LLC; Residential Mortgage Real Estate Holdings, LLC; RFC Asset Holdings II, LLC; RFC Asset Management, LLC; RFC Borrower LLC; RFC Construction Funding, LLC; RFC SFJV-2002, LLC; and RFC-GSAP Servicer Advance, LLC.

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RECITALS

WHEREAS, each of the Debtors is contemplating filing a voluntary petition for relief under chapter 11 of the Bankruptcy Code, 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code"), with the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court");

WHEREAS, the Consenting Claimants hold, and/or are authorized investment managers for holders of, certain notes, bonds and/or certificates (collectively, the "Securities") backed by mortgage loans held by certain of the securitization trusts identified on the attached **Exhibit A** (the "Covered Trusts"), and the Covered Trusts assert claims (each, a "Rep and Warranty Claim"), as defined in section 101(5) of the Bankruptcy Code, against the Debtors arising out of alleged breaches of representations and warranties and other provisions contained in Pooling and Servicing Agreements, Assignment and Assumption Agreements, Indentures, Mortgage Loan Purchase Agreements and/or other agreements governing the securitization of mortgage loans by and activities of the Covered Trusts (collectively, the "Governing Agreements");

WHEREAS, the Consenting Claimants have indicated their intent under the Governing Agreements to seek action by the trustees under the Covered Trusts (each a "Trustee") to compel the Debtors or Ally to cure the alleged breaches of representations and warranties, and to assert other breaches, and the Debtors and Ally dispute such allegations of breach and waive no rights, and preserve all of their defenses, with respect to such allegations and putative cure requirements;

WHEREAS, the Debtors and the Consenting Claimants have engaged in arm's-length, good faith negotiations regarding the restructuring of the Debtors and have agreed upon (i) a term sheet, as set forth in **Exhibit B** attached hereto (the "Plan Term Sheet"), for a chapter 11 plan of reorganization, (ii) a proposed settlement that the Debtors will pursue and diligently prosecute pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure that would resolve claims of the trustees for the Covered Trusts and other RMBS trusts (the "Other RMBS Trusts" and, together with the Covered Trusts, the "Trusts"), against the Debtors (the "RMBS Trust Settlement Agreement"), and (iii) a settlement between the Debtors and Ally, to be embodied in a chapter 11 plan of reorganization (such plan, the "Plan", and such agreement, the "AFI Settlement Agreement" a copy of which is attached as Exhibit 4 to the Plan Term Sheet), pursuant to which Ally will contribute value, including a cash contribution in an amount of no less than $750 million (the "Cash Contribution") to ResCap to facilitate the Plan in exchange for Ally and ResCap resolving claims asserted by each against the other and resolving third party claims alleged against Ally relating to ResCap;[2]

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[2] For the avoidance of doubt, as used herein, the term "Plan" means a chapter 11 plan of reorganization that contains the same terms set forth in, and is otherwise consistent with, the Plan Term Sheet, the AFI Settlement Agreement and this Agreement. In the event of any inconsistencies with the terms and conditions of this Agreement and the Plan Term Sheet, the terms and conditions of the Plan Term Sheet shall control. Capitalized terms used but not defined herein have the meanings ascribed to them in the Plan Term Sheet and the AFI Settlement Agreement.

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WHEREAS, in accordance with the terms of this Agreement, the Parties have agreed to work together to facilitate consummation of the RMBS Trust Settlement Agreement, the AFI Settlement Agreement, the Plan Term Sheet and confirmation of the Plan and the transactions contemplated thereby (collectively, the "Restructuring"); and

NOW, THEREFORE, in consideration of the foregoing and the promises, mutual covenants, and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

Section 1. The Settlement and the Restructuring.

(a) The Restructuring will be implemented pursuant to cases commenced by the Debtors under chapter 11 of the Bankruptcy Code (collectively, the "Chapter 11 Cases") in accordance with this Agreement;

(b) On or prior to May 14, 2012, the Debtors shall file voluntary petitions commencing the Chapter 11 Cases in the Bankruptcy Court (the date of such filings, the "Petition Date");

(c) Each of the Parties agrees to negotiate in good faith the Definitive Documents (as defined in the Plan Term Sheet), including the Plan and a disclosure statement describing the Plan (the "Disclosure Statement"), both of which shall contain the same terms set forth in, and be materially consistent with, the Plan Term Sheet and AFI Settlement Agreement, and, shall be materially consistent with the methodology of allocation of sale proceeds, settlement proceeds, and all other matters that determine distributions to creditors as set forth in the May 9, 2012 and May 12, 2012 Executive Summaries (the "Executive Summaries") given by Debtors' counsel to the steering committee appointed by the Consenting Claimants (the "Steering Committee"), and the Plan or a motion filed in connection with the sale of the Debtors' mortgage loan origination business shall provide for the assumption and assignment of all or substantially all of the pooling and servicing agreements (and any similar agreements) of the Trusts; and

(d) Each of the Parties acknowledges that one or more of the Consenting Claimants may act as an investment manager or investment adviser for other entities that are not a Consenting Claimant (each, a "Consenting Claimant Client"). The Consenting Claimant Clients hold or may hold individual claims against one or more of the Debtors or against Ally that do not belong to the Consenting Claimants. Nothing in this Agreement shall be deemed to waive or compromise the right of any Consenting Claimant Client to appear on its own behalf in the Debtors' Chapter 11 cases to pursue any of their respective rights. By their signatures hereunder, all Parties acknowledge that the Consenting Claimants do not waive, release or extinguish any claims under the securities or anti-fraud laws of the United States or of any state belonging to any Consenting Claimant Client.

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Section 2. <u>The Debtors' Obligations Under this Agreement.</u>

2.1 Settlement of Allowed Claims

As long as a Debtor Termination Event or Ally Termination Event (as defined herein) has not occurred, or has occurred but has been duly waived in accordance with the terms hereof, the Debtors agree to:

(a) Issue a press release describing the RMBS Trust Settlement Agreement, including the agreed allowed claim amount; on the morning of the Petition Date; file a motion in the Bankruptcy Court as soon as practicable, but in no event later than fourteen (14) days after the Petition Date for approval of the RMBS Trust Settlement Agreement and the compromise contained therein; and obtain an order from the Bankruptcy Court approving such motion by the earlier of (i) 60 days after the Petition Date and (ii) the date on which the Disclosure Statement is approved by the Bankruptcy Court;

(b) for 60 days following the Petition Date, offer to all Other RMBS Trusts a settlement of their claims on the same economic terms as for the Covered Trusts; and

(c) take any and all other reasonably necessary actions in furtherance of the RMBS Trust Settlement Agreement and the compromise contemplated thereby.

2.2 Implementation of the Restructuring.

As long as a Debtor Termination Event has not occurred, or has occurred but has been duly waived in accordance with the terms hereof, the Debtors agree to:

(a) Use best efforts to effectuate and consummate the Restructuring contemplated by the Plan Term Sheet, including the AFI Settlement Agreement, so long as the AFI Settlement Agreement includes the Cash Contribution, in accordance with the deadlines and conditions specified in the milestones set forth on **<u>Exhibit C</u>** attached hereto (the "<u>Milestones</u>");

(b) file a motion in the Bankruptcy Court within 21 days after the Petition Date seeking authority to perform under this Agreement and to use their commercially reasonable efforts to obtain an order from the Bankruptcy Court approving such motion contemporaneously with approval of the Disclosure Statement;

(c) obtain any and all required regulatory approvals and material third-party approvals for confirmation and effectiveness of the Plan; and

(d) take any and all reasonably necessary actions in furtherance of the Plan.

Notwithstanding anything in this Agreement to the contrary, the Consenting Claimants have not waived their right to file an objection to a motion of the holders of the ResCap 9 5/8% bonds

requesting payment of any interest on account of their ResCap 9 5/8% bond claims that may be due and owing after the Petition Date.

The Debtors also agree to move, as part of the motion to approve this Agreement, for permission for the filing under seal of any Rule 2019 disclosure required in the Bankruptcy Case, subject to confidential review solely by the Court, the Office of the United States Trustee, any official committee of unsecured creditors appointed in the Chapter 11 Cases, and Ally.

2.3 Conditions Precedent to Payment by Debtors.

Notwithstanding the filing of the motion described in section 2.1(a) with the Bankruptcy Court, or entry of an order of the Bankruptcy Court approving such motion, no payment shall be made to the Covered Trusts prior to the effective date of the Plan.

2.4 The Debtors' Fiduciary Obligations.

Notwithstanding anything contained in this Agreement to the contrary, following the good faith determination by the Debtors and their respective Boards of Directors that a proposal or offer for a chapter 11 plan or other restructuring transaction that is not consistent with the transaction contemplated hereby (an "Alternative Restructuring") constitutes a proposal that is reasonably likely to be more favorable than the Restructuring to the Debtors' estates, their creditors, and other parties to whom the Debtors owe fiduciary duties, and receipt of approval by the Debtors' Boards of Directors to pursue such Alternative Restructuring, the Debtors may immediately terminate their obligations under this Agreement by written notice to counsel for the Consenting Claimants and Ally, and all obligations of the Consenting Claimants and their obligees under this Agreement shall be terminated immediately; provided, however, that an Alternative Restructuring shall be no less favorable to the Consenting Claimants than the Restructuring contemplated by the Plan.

Section 3. The Consenting Claimants' Obligations Under this Agreement.

3.1 Support of Restructuring.

As long as a Consenting Claimant Termination Event (as defined herein) has not occurred, or has occurred but has been duly waived in accordance with the terms hereof, the Consenting Claimants each agree to, and, promptly after the execution of this Agreement, shall Direct the Trustees, in accordance with the terms and conditions of the Governing Agreements, to:

(a) Support (as defined below) the prosecution of the Debtors' first- and second-day pleadings (including interim and final relief thereof, as applicable) including those pleadings listed on **Exhibit D** hereto; provided that if giving any Direction is impracticable, the Consenting Claimant Steering Committee shall request and Support the Trustees to accommodate the relief sought by the Debtors;

(b) Use commercially reasonable efforts (including a public statement of counsel requesting others to join), which do not require the expenditure of funds or undertaking of any obligation, to obtain agreement to this Agreement and the

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RMBS Trust Settlement Agreement from holders of Securities backed by mortgage loans held by the Covered Trusts other than the Consenting Claimants party to this Agreement on the first day of its execution, substantially in the form attached hereto as **Exhibit E**;

(c) Support the Debtors' efforts to pursue the Restructuring contemplated by the Plan Term Sheet and the AFI Settlement Agreement (including the Cash Contribution set forth therein);

(d) Support the Debtors' prosecution of their Chapter 11 Cases consistent with this Agreement, the Plan Term Sheet, and the AFI Settlement Agreement, including the Cash Contribution set forth therein and take no action otherwise adverse to the Debtors during the Chapter 11 Cases;

(e) Support entry of an injunction staying litigation against Ally and current and former directors and officers of Ally and ResCap during the pendency of the Chapter 11 Cases;

(f) Permit all disclosures in the Disclosure Statement and any filings by the Debtors and Ally with any regulatory agency to which the Debtors and Ally may be subject, of the contents of this Agreement, including the aggregate amount and nature of Rep and Warranty Claims;

(g) Support entry of any order approving the Disclosure Statement to permit solicitation of the Plan;

(h) Direct the Trustees to vote to accept the Plan, provided, however, that (i) the Bankruptcy Court has entered an order approving the Disclosure Statement, (ii) the Consenting Claimants have been properly solicited pursuant to section 1125 of the Bankruptcy Code, and (iii) the material terms of the Plan and the Disclosure Statement are consistent with the terms of the Plan Term Sheet and incorporate terms no less favorable than the AFI Settlement Agreement; and

(i) Support confirmation of the Plan and approval of any settlement with Ally, whether or not such settlement is provided for under a plan of reorganization, including approval of third party releases in Ally's favor, on terms no less favorable than the AFI Settlement Agreement (including the Cash Contribution set forth therein), or any comparable sale under Section 363 of the Bankruptcy Code that provides and is conditioned on the same AFI Settlement Agreement (including the Cash Contribution set forth therein) and provides the same benefits to the Trusts and take no action otherwise adverse to Ally during the Chapter 11 Cases.

"Support" means to take commercially reasonable actions that do not require the expenditure of funds or undertaking of any obligations, including active participation in court hearings by counsel to the Consenting Claimants, attending meetings, and working with the Trustees to facilitate acceptance of the compromise contemplated by the Settlement Agreement. The Debtors and Ally acknowledge that the Consenting Claimants' Support obligation is made for

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themselves and, to the extent each of them has the authority, with respect to any other entities, account holders, or accounts for which or on behalf of which it is signing this Agreement. The Consenting Claimants reasonably believe, and will inform the Bankruptcy Court and the Trustees, that the contemplated Plan is in the best interests of holders of Securities in the Trusts. This agreement of Support does not bar any Consenting Claimant Client from taking any contrary position. "Direct" means to provide, and "Direction" means, a written direction, but does not require the giving of any indemnity or other payment obligation.

3.2 Amendments to Governing Agreements.

The Consenting Claimants agree to use commercially reasonable efforts (which shall not require the giving of any indemnity or other payment obligation or expenditure of out-of-pocket funds) to negotiate any request by the Debtors or the Trustees for Trusts that are being assumed, and if any Trustee shall require a vote of the certificate or note holders with respect thereto, shall vote in favor of (to the extent agreement is reached) any amendment to the relevant Governing Agreements and related documents requested by the Debtors in order to permit "Advances" (as it or any similar term may be defined in the Governing Agreements) to be financeable and to make such other amendments thereto as may be reasonably requested by the Debtors in accordance with any agreement to acquire all or substantially all of the Debtors' servicing assets pursuant to the Restructuring and the Plan, so long as such changes would not cause material financial detriment to the Trusts, their respective trustees, certificate or note holders, or the Consenting Claimants.

3.3 Transfer of Claims or Securities.

The Consenting Claimants currently and collectively hold Securities representing in aggregate 25% of the voting rights in one or more classes of Securities of not less than 290 of the Covered Trusts. The Consenting Claimants, collectively, shall maintain holdings aggregating 25% of the voting rights in one or more classes of Securities of not less than 235 of the Covered Trusts ("Requisite Holdings") until the earliest of: (i) confirmation of the Plan, (ii) December 31, 2012, (iii) a Consenting Claimant Termination Event, (iv) a Debtor Termination Event, or (v) an Ally Termination Event; provided, however, that any reduction in Requisite Holdings caused by: (a) sales by Maiden Lane I and Maiden Lane III; or(b) exclusion of one or more trusts due to the exercise of Voting Rights by a third party guarantor or financial guaranty provider, shall not be considered in determining whether the Requisite Holdings threshold has been met. If the Requisite Holdings are not maintained, each of Ally and ResCap shall have the right to terminate the Agreement, but neither Ally nor ResCap shall terminate the Agreement before each it has conferred in good faith with the Consenting Claimants concerning whether termination is warranted. For the avoidance of doubt, other than as set forth above, this Agreement shall not restrict the right of any Consenting Claimant to sell or exchange any Securities issued by a Trust free and clear of any encumbrance. The Consenting Claimants will not sell any of the Securities for the purpose of avoiding their obligations under this Agreement, and each Consenting Claimant commits to maintain at least one position in one of the Securities in one of the Trusts until the earliest of the dates set forth above. If the Debtor or Ally reach a similar agreement to this with another bondholder group, the Debtor and Ally will include a substantially similar proportionate holdings requirement in that agreement as contained herein.

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3.4 Further Acquisition of Claims or Securities.

This Agreement shall in no way be construed to preclude the Consenting Claimants or any of their affiliates (as defined in section 101(2) of the Bankruptcy Code) from acquiring additional Securities or claims against the Debtors following the Consenting Claimants' execution of the Agreement; provided, however, that any such additional Securities acquired by a commonly managed portfolio of the Consenting Claimants that are signatory hereto shall automatically be deemed to be subject to the terms of this Agreement. The Consenting Claimants further agree that they will not knowingly create any subsidiary or affiliate for the sole purpose of acquiring any Securities without causing such affiliate to become a Party hereto prior to such acquisition.

3.5 Representation of the Consenting Claimants' Holdings.

Each of the Consenting Claimants represents that:

(a) it has the authority to take the actions contemplated by this Agreement, to the extent that it has the authority with respect to any other entities, account holders, or accounts for which or on behalf of which it is signing this Agreement;

(b) it holds, or is the authorized investment manager for the holders of, the securities listed in the schedule attached hereto as **Exhibit F**, in the respective amounts set forth therein by CUSIP number, that such schedule was materially accurate as of the date set forth for the respective institution, and that since the date set forth for the Consenting Claimant the Consenting Claimant has not, in the aggregate, materially decreased the Consenting Claimant's holdings in the Securities;

(c) in connection with the Direction to be provided to the Trustees hereunder, it shall deliver to the Debtors and Ally signed copies of the holdings certifications it provides to the Trustees of the Covered Trusts promptly after the certifications are provided to the Trustees; and

(d) lead counsel to the Consenting Claimants, Gibbs & Bruns, has represented to ResCap that the Consenting Claimants have aggregate holdings of securities of greater than 25% of the voting rights in one or more classes of the securities, certificates or other instruments backed by the mortgages held by each of the Covered Trusts (as defined in the Plan Support Agreement).

The Debtors and the Consenting Claimants agree that the aggregate amount of the holdings of capitalized securities of the Consenting Claimants may be disclosed publicly, but that the individual holdings shall remain confidential, subject to review by the Bankruptcy Court, the Office of the United States Trustee, and any official committee of unsecured creditors appointed in the Chapter 11 Cases, and the Debtors shall, in connection with seeking approval of entry into this Agreement, seek a protective order as to such holdings.

3.6 Fiduciary Obligations of Consenting Claimants if Serving On Creditors' Committee. Any Consenting Claimants who serve on the official committee of unsecured

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creditors appointed in the Chapter 11 Cases shall not be restricted in any manner by this Agreement from taking any actions or inaction in its capacity as a member of that committee.

Section 4. Obligations of Ally Under this Agreement

(a) Ally consents to, and shall not object to, approval of the RMBS Trust Settlement Agreement or any allowance of the claims of the Trusts in any amount at or less than the aggregate amount of $8,700,000,000, or to any allocation of such claims among the Trusts reasonably proposed by the Consenting Claimants.

(b) Ally shall comply with the AFI Settlement Agreement in accordance with the terms and conditions thereof.

Section 5. <u>Mutual Obligations of the Parties Under this Agreement.</u>

As long as a Termination Event has not occurred or has occurred but has been duly waived in accordance with the terms hereof, each of the Parties agrees that it shall not:

(a) directly or indirectly seek, solicit, support, or vote in favor of any Alternative Restructuring that could reasonably be expected to prevent, delay, or impede the Restructuring contemplated by the Plan Term Sheet and the AFI Settlement Agreement or that is inconsistent with this Agreement, unless the Debtors, the Requisite Consenting Claimants and Ally have all agreed, in writing, to pursue an Alternative Restructuring;

(b) directly nor indirectly (i) engage in, continue, or otherwise participate in any negotiations regarding any Alternative Restructuring, (ii) enter into a letter of intent, memorandum of understanding, agreement in principle, or other agreement relating to any Alternative Restructuring, or (iii) withhold, withdraw, qualify, or modify its approval or recommendation of this Agreement, the Plan Term Sheet, the Plan, the Restructuring, or the AFI Settlement Agreement, including the Cash Contribution set forth therein;

(c) encourage any other entity to object to, delay, impede, appeal, or take any other action, directly or indirectly, to interfere with the Restructuring;

(d) take any action that is inconsistent with this Agreement, the Plan Term Sheet, the AFI Settlement Agreement, including the Cash Contribution set forth therein, or the Plan, or that would obstruct or delay approval of the Disclosure Statement or confirmation and consummation of the Plan; and

(e) Notwithstanding anything else in this Agreement to the contrary (including Section 2), (i) if a Consenting Claimant or its investment advisor has in place an informational wall with respect to this matter, it shall not be a breach of this Agreement if persons screened from confidential information make public statements with respect to this matter, or take actions with respect to other claims and securities that are not subject to this Agreement, that do not support the Restructuring, Plan, or RMBS Trust Settlement Agreement, and (ii) the Debtors

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and Ally shall have the right to consider and pursue any Alternative Restructuring that is not materially worse for the Consenting Claimants.

Section 6. Termination.

6.1 Consenting Claimant Termination Events.

The term "Consenting Claimant Termination Event," wherever used in this Agreement, means any of the following events (whatever the reason for such Termination Event and whether it is voluntary or involuntary):

(a) Any of the Debtors or Ally has breached any material provision of this Agreement or the RMBS Trust Settlement Agreement and any such breach has not been duly waived by the Requisite Consenting Claimants;

(b) any material modification is made to the Plan Term Sheet or the Plan that is not in form and substance satisfactory to the Requisite Consenting Claimants;

(c) any of the Definitive Documents (as defined in the Plan Term Sheet), including the Plan, is filed with the Bankruptcy Court by the Debtors and is inconsistent with the Plan Term Sheet in any material respects, unless otherwise acceptable to the Requisite Consenting Claimants;

(d) the Bankruptcy Court has entered an order in any of the Chapter 11 Cases appointing (i) a trustee under chapter 7 or chapter 11 of the Bankruptcy Code, (ii) a responsible officer, or (iii) an examiner with enlarged powers relating to the operation of the business (powers beyond those set forth in sub-clauses (3) and (4) of section 1106(a) of the Bankruptcy Code) under section 1106(b) of the Bankruptcy Code;

(e) conversion or dismissal of the Chapter 11 Cases of any of the Debtors;

(f) any termination or lifting of any of the Debtors' exclusivity to file a plan of reorganization;

(g) any breach or termination of (i) any purchase and sale agreement for the Debtors' mortgage loan origination business or loans held for sale business or (ii) the AFI Settlement Agreement;

(h) any default or event of default under any debtor-in-possession financing obtained by the Debtors;

(i) any order entered permitting Ally to lift the automatic stay provided under Bankruptcy Code section 362 (the "Automatic Stay") that has a material adverse effect on the Consenting Claimants;

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(j) any order granted to any other secured lender to lift the Automatic Stay with respect to any material assets of the Debtors that has a material adverse effect on the Consenting Claimants;

(k) any court has entered a final, non-appealable judgment or order declaring this Agreement or any material portion hereof to be unenforceable, or the filing of a motion to reject this Agreement; or

(l) the Debtors fail to comply with the deadlines and conditions set forth in the Milestones.

6.2 Debtor and Ally Termination Events.

The terms "Debtor Termination Event" and "Ally Termination Event," wherever used in this Agreement, mean a breach of any material provision of this Agreement or the RMBS Trust Settlement Agreement by Consenting Claimants, whatever the reason for such Termination Event and whether it is voluntary or involuntary.

6.3 Beneficiaries of Termination Rights.

The Consenting Claimant Termination Events, the Debtor Termination Events, and the Ally Termination Events (collectively, "Termination Events") in Section 6 are intended solely for the benefit of the Debtors, Ally and the Consenting Claimants; provided, however, that the Consenting Claimants, Ally or a Debtor may not seek to terminate this Agreement based upon a material breach or a failure of a condition (if any) in this Agreement arising out of its own actions or omissions.

6.4 Termination Event Procedures.

Upon the occurrence of a Debtor Termination Event or an Ally Termination Event, this Agreement shall automatically terminate without further action of the Parties or action or order of the Bankruptcy Court unless no later than five (5) business days after the occurrence of such Termination Event, the occurrence of such Termination Event is waived in writing by the Debtors or Ally, respectively. Upon the occurrence of a Consenting Claimant Termination Event, this Agreement shall only terminate after the Requisite Consenting Claimants provide Ally and the Debtors with three-days' advance written notice of termination. In the event the Agreement is terminated, the Parties shall not have any continuing liability or obligation under the Agreement and each Party shall have all the rights and remedies available to it under applicable law; provided, however, that no such termination shall relieve any Party from liability for its breach or non-performance of its obligations hereunder prior to the date of termination.

The Parties hereby waive any requirement under section 362 of the Bankruptcy Code to lift the Automatic Stay in connection with giving any such notice (and agree not to object to any non-breaching Party seeking to lift the Automatic Stay in connection with giving any such notice, if necessary). Any such termination (or partial termination) of the Agreement shall not restrict the Parties' rights and remedies for any breach of the Agreement by any Party, including, but not limited to, the reservation of rights set forth in Section 8 hereof.

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6.5 Mutual Consent to Termination.

In addition to the Termination Events set forth in sections 6.1 and 6.2 hereof, this Agreement shall be terminable immediately upon written notice to all of the Parties of the written agreement of the Requisite Consenting Claimants, the Debtors and Ally to terminate this Agreement.

6.6 Termination As a Result of the Effective Date.

On the effective date of the Plan, the Plan shall supersede and replace this Agreement.

Section 7. <u>Mutual Representations, Warranties, and Covenants.</u>

Each Party makes the following representations, warranties, and covenants to each of the other Parties, each of which are continuing representations, warranties, and covenants:

7.1 Good Faith.

The Parties agree to negotiate in good faith all of the documents and transactions described in the Plan Term Sheet and in this Agreement.

7.2 Enforceability.

Subject to Section 10.8 of this Agreement and the provisions of sections 1125 and 1126 of the Bankruptcy Code, this Agreement is a legal, valid, and binding obligation, enforceable against the Debtors, Ally and the Consenting Claimants in accordance with its terms, except as enforcement may be limited by applicable laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability.

7.3 No Consent or Approval.

Except as expressly provided in this Agreement, no consent or approval is required by any other entity in order for it to carry out the provisions of this Agreement.

7.4 Power and Authority.

The Parties are duly organized, validly existing, and in good standing under the laws of their jurisdictions of organization and the Parties have all requisite corporate, partnership, or limited liability company power and authority to enter into this Agreement and to carry out the transactions contemplated by, and perform its respective obligations under, this Agreement and the Plan Term Sheet.

7.5 Authorization.

The execution and delivery of this Agreement and the performance of its obligations hereunder have been duly authorized by all necessary corporate, partnership, or limited liability company action on its part.

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7.6 Governmental Consents.

Subject to the provisions of section 10.8 of the Agreement, the execution, delivery, and performance by the Parties of this Agreement does not and shall not require any registration or filing with or consent or approval of, or notice to, or other action to, with or by, any federal, state, or other governmental authority or regulatory body, except such filings as may be necessary and/or required under the federal securities laws or as necessary for the approval of a disclosure statement and confirmation of the Plan by the Bankruptcy Court.

7.7 No Conflicts.

The execution, delivery, and performance of this Agreement, after taking into account screening walls, does not and shall not: (a) violate any provision of law, rule, or regulation applicable to it or, in the case of the Debtors, any of its subsidiaries; (b) violate its certificate of incorporation, bylaws (or other formation documents in the case of a limited liability company) or, in the case of the Debtors, those of any of its subsidiaries; or (c) conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any material contractual obligation to which it or, in the case of the Debtors, any of its subsidiaries is a party.

Section 8. <u>No Waiver of Participation and Preservation of Rights.</u>

The Plan Term Sheet provides for an agreed plan treatment with respect to claims held by the Consenting Claimants against the Debtors and for releases of claims held by, among others, the Consenting Claimants against Ally. Subject to the terms and conditions contained in Plan Term Sheet and the RMBS Trust Settlement Agreement, nothing herein is intended to, does or shall be deemed in any manner to waive, limit, impair, or restrict the ability of the Consenting Claimants to protect and preserve their rights, remedies, and interests, including their claims against any of the Debtors, any liens or security interests they may have in any assets of any of the Debtors, or their full participation in the Chapter 11 Cases, except as may be inconsistent with the provisions of this Agreement. Without limiting the foregoing sentence in any way, if the transactions contemplated by this Agreement or otherwise set forth in the Plan Term Sheet are not consummated as provided herein, if a Termination Event occurs or if this Agreement is otherwise terminated for any reason, the Parties each fully reserve any and all of their respective rights, remedies and interests.

Section 9. <u>Acknowledgement.</u>

THIS AGREEMENT, THE PLAN TERM SHEET, AND THE TRANSACTIONS CONTEMPLATED HEREIN AND THEREIN, ARE THE PRODUCT OF NEGOTIATIONS BETWEEN THE PARTIES AND THEIR RESPECTIVE REPRESENTATIVES. EACH PARTY HEREBY ACKNOWLEDGES THAT THIS AGREEMENT IS NOT AND SHALL NOT BE DEEMED TO BE A SOLICITATION OF VOTES FOR THE ACCEPTANCE OF A CHAPTER 11 PLAN FOR THE PURPOSES OF SECTIONS 1125 AND 1126 OF THE BANKRUPTCY CODE OR OTHERWISE. THE DEBTORS WILL NOT SOLICIT ACCEPTANCES OF THE PLAN FROM THE CONSENTING CLAIMANTS UNTIL THE CONSENTING CLAIMANTS HAVE BEEN PROVIDED WITH COPIES OF A DISCLOSURE STATEMENT APPROVED BY THE BANKRUPTCY COURT. EACH

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PARTY FURTHER ACKNOWLEDGES THAT NO SECURITIES OF ANY DEBTOR ARE BEING OFFERED OR SOLD HEREBY AND THAT THIS AGREEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OF ANY DEBTOR.

Section 10. Miscellaneous Terms.

10.1 Voluntariness; Binding Obligation; Assignment.

(a) **Voluntariness.** Each Party acknowledges that it has read all of the terms of this Agreement, has had an opportunity to consult with counsel of its own choosing or voluntarily waived such right and enters into this Agreement voluntarily and without duress.

(b) **Binding Obligation.** Subject to the provisions of sections 1125 and 1126 of the Bankruptcy Code, this Agreement is a legally valid and binding obligation of the Parties and their respective members, officers, directors, agents, financial advisors, attorneys, employees, partners, affiliates, successors, assigns, heirs, executors, administrators, and representatives, other than a trustee or similar representative appointed in the Chapter 11 Cases, enforceable in accordance with its terms, and shall inure to the benefit of the Parties and their respective members, officers, directors, agents, financial advisors, attorneys, employees, partners, affiliates, successors, assigns, heirs, executors, administrators, and representatives. Nothing in this Agreement, express or implied, shall give to any Entity, other than the Parties and their respective members, officers, directors, agents, financial advisors, attorneys, employees, partners, affiliates, successors, assigns, heirs, executors, administrators, and representatives, any benefit or any legal or equitable right, remedy or claim under this Agreement.

(c) **Assignment.** No rights or obligations of any Party under this Agreement may be assigned or transferred to any other entity except as provided in Section 3.3.

(d) **Several Obligations of Consenting Claimants.** The representations, warranties and covenants applicable to each of the Consenting Claimants shall be several and neither joint nor joint and several.

10.2 Further Assurances.

The Parties agree to execute and deliver such other instruments and perform such acts, in addition to the matters herein specified, as may be reasonably appropriate or necessary, from time to time, to effectuate the agreements and understandings of the Parties, whether the same occurs before or after the date of this Agreement.

10.3 No Admission of Breach or Wrongdoing.

The Debtors and Ally have denied and continue to deny any breach, fault, liability, or wrongdoing. This denial includes breaches of representations and warranties, violations of state or federal securities laws, and other claims sounding in contract or tort in connection with any

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securitizations, including those for which the Debtors or Ally were the Seller, Servicer and/or Master Servicer. Neither this Plan Support Agreement nor the RMBS Trust Settlement Agreement, whether or not consummated, any proceedings relating to this Plan Support Agreement or the RMBS Trust Settlement Agreement, nor any of the terms of the Plan Support Agreement or the RMBS Trust Settlement Agreement, whether or not consummated, shall be construed as, or deemed to be evidence of, an admission or concession on the part of the Debtors or Ally with respect to any claim or of any breach, liability, fault, wrongdoing, or damage whatsoever, or with respect to any infirmity in any defense that the Debtors or Ally have or could have asserted.

10.4 No Admission Regarding Claim Status.

The Debtors and Ally expressly state that neither this Agreement, whether or not consummated, any proceedings relating to this Agreement, nor any of the terms of this Agreement, whether or not consummated, shall be construed as, or deemed to be evidence of, an admission or concession on the part of the Debtors or Ally that any claims asserted by the Consenting Claimants are not contingent, unliquidated or disputed. The Consenting Claimants expressly state that in the event this Agreement is not consummated or is terminated, neither this Agreement, nor any proceedings relating to this Agreement, nor any of the terms of this Agreement, shall be construed as, or deemed to be evidence of, an admission or concession on the part of the Consenting Claimants that any claims asserted by the Consenting Claimants and Trustees are not limited to the amounts set forth in this Agreement or are of any particular priority.

10.5 Headings.

The headings of all sections of this Agreement are inserted solely for the convenience of reference and are not a part of and are not intended to govern, limit, or aid in the construction or interpretation of any term or provision hereof.

10.6 Governing Law.

THIS AGREEMENT IS TO BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THE CHOICE OF LAWS PRINCIPLES THEREOF.

Further, by its execution and delivery of this Agreement, each of the Parties hereto hereby irrevocably and unconditionally agrees that the United States District Court for the Southern District of New York shall have jurisdiction to enforce this Agreement, provided, however, that, upon commencement of the Chapter 11 Cases, the Bankruptcy Court shall have exclusive jurisdiction of all matters arising out of or in connection with this Agreement.

10.7 Complete Agreement, Interpretation, and Modification.

(a) **Complete Agreement.** This Agreement and the Plan Term Sheet constitute the complete agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements, oral or written, between or among the Parties with respect thereto.

(b) **Interpretation.** This Agreement is the product of negotiation by and among the Parties. Any Party enforcing or interpreting this Agreement shall interpret it in a neutral manner. There shall be no presumption concerning whether to interpret this Agreement for or against any Party by reason of that Party having drafted this Agreement, or any portion thereof, or caused it or any portion thereof to be drafted.

(c) **Modification of Restructuring Agreements.** This Agreement and the Plan Term Sheet may only be modified, altered, amended, or supplemented by an agreement in writing signed by the Debtors, Ally and the Consenting Claimants.

10.8 Execution.

This Agreement may be executed and delivered (by facsimile or otherwise) in any number of identical counterparts, each of which, when executed and delivered, shall be deemed an original and all of which together shall constitute the same agreement. Except as expressly provided in this Agreement, each individual executing this Agreement on behalf of a Party has been duly authorized and empowered to execute and deliver this Agreement on behalf of said Party.

10.9 Remedies.

(a) Specific Performance.

It is understood that money damages are not a sufficient remedy for any breach of this Agreement, and the Parties shall have the right, in addition to any other rights and remedies contained herein, to seek specific performance, injunctive, or other equitable relief from the Bankruptcy Court as a remedy for any such breach. The Parties hereby agree that specific performance shall be their only remedy for any violation of this Agreement.

10.10 Settlement Discussions.

This Agreement and the Restructuring are part of a proposed settlement among the Parties with respect to the Plan treatment of claims including the Rep and Warranty Claims. Nothing herein shall be deemed an admission of any kind by ResCap, Ally and the Consenting Claimants. To the extent provided by Federal Rule of Evidence 408 and any applicable state rules of evidence, this Agreement and all negotiations relating thereto shall not be admissible into evidence in any proceeding other than a proceeding to enforce the terms of this Agreement.

10.11 Consideration.

The Debtors, Ally and the Consenting Claimants hereby acknowledge that no consideration, other than that specifically described herein and in the Plan shall be due or paid to the Consenting Claimants for their agreement to support confirmation of the Plan in accordance with the terms and conditions of this Agreement, other than the Debtors' agreement to use commercially reasonable efforts to obtain approval of the Disclosure Statement and to seek confirmation of the Plan in accordance with the terms and conditions of the Plan.

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10.12 Third Party Beneficiaries.

There are no third party beneficiaries of this Agreement.

10.13 Notices.

All notices hereunder shall be deemed given if in writing and delivered, if sent by facsimile, courier, or by registered or certified mail (return receipt requested) to the following addresses (or at such other addresses or facsimile numbers as shall be specified by like notice):

(a) if to the Debtors to: Residential Capital, LLC, 8400 Normandale Lake Boulevard, Suite 350, Minneapolis, Minnesota 55437; Attn: Tammy Hamzehpour; with copies to: Morrison & Foerster LLP, 1290 Avenue of the Americas, New York, New York, 10104, Attn: Larren Nashelsky, Gary Lee and Anthony Princi;

(b) if to the Consenting Claimants to: Talcott Franklin, P.C., 208 N. Market Street Suite 200, Dallas, Texas 75202, Attn: Talcott Franklin; and Miller, Johnson, Snell & Cummiskey, P.L.C., 250 Monroe Avenue NW, Suite 800, P.O. Box 306 Grand Rapids, MI 49501-0306, Attn: Thomas P. Sarb; and Carter Ledyard & Milburn LLP, 2 Wall Street, New York, New York 10005, Attn: James Gadsden; and

(c) if to Ally to: Ally Financial, Inc., 200 Renaissance Center, P.O. Box 200, Detroit, Michigan 48265-2000, Attn: William Soloman; with copies to: Kirkland & Ellis, 601 Lexington Avenue, New York, NY 10022, Attn: Ray Schrock.

Any notice given by delivery, mail, or courier shall be effective when received. Any notice given by facsimile shall be effective upon oral or machine confirmation of transmission.

* * * * *

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EXECUTION COPY

IN WITNESS WHEREOF, the Parties have entered into this Agreement on the day and year first above written.

RESIDENTIAL CAPITAL, LLC, on behalf of itself and its subsidiaries

By: _____
Name: _____
Its: _____

ALLY FINANCIAL, INC., on behalf of Ally

By: _____
Name: _____
Its: _____

Dated: _____, 2012

CONSENTING CLAIMANT

By: _____
Name: _____
Its: _____
Telephone: _____
Facsimile: _____

Description of Rep and Warranty Claims held by Consenting Claimant:

_____

Description and aggregate amount of any additional claims against the Debtors other than Rep and Warranty Claims:

_____
Description: _____

ny-1040929

EXHIBIT A

COVERED TRUSTS

EXHIBIT B

PLAN TERM SHEET

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EXHIBIT C

MILESTONES

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MILESTONES

The Debtors' failure to comply with the following milestones will result in a Termination Event under Section 6 of this Agreement:

1. Obtain interim approval of debtor-possession financing on or before May 18, 2012.
2. Obtain, final approval of debtor-possession financing on or before 50 days following the Petition Date.
3. Obtain approval of this Agreement by the earlier of (i) 60 days following the Petition Date and (ii) the date on which the Bankruptcy Court enters an order approving the Disclosure Statement.
4. Obtain entry of an order of the Bankruptcy Court approving the compromises contemplated by the RMBS Trust Settlement Agreement on or before 60 days following the Petition Date,
5. Obtain approval the Disclosure Statement on or before 90 days following the Petition Date.
6. Obtain approval of proposed bidding procedures for the sales of assets contemplated in the Executive Summaries on or before 90 days following the Petition Date.
7. Obtain confirmation of the Plan on or before October 31, 2012.
8. On or before December 15, 2012, the effective date of the Plan shall have occurred.

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EXHIBIT D

FIRST AND SECOND DAY PLEADINGS

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EXHIBIT E

JOINDER ACKNOWLEDGEMENT

JOINDER ACKNOWLEDGEMENT

This joinder (this "Joinder") to the Plan Support Agreement, dated as of May 13, 2012 (the "Agreement"), by and among (i) Residential Capital, LLC ("ResCap") and certain of its direct and indirect subsidiaries (collectively, the "Debtors"), (ii) Ally Financial Inc. on behalf of its direct and indirect subsidiaries other than the Debtors, and (iii) the Consenting Claimants (as defined therein, is made by [_____] (the "Joining Party") and is executed and delivered as of [_____], 2012. Each capitalized term used herein but not otherwise defined shall have the meaning set forth in the Agreement.

1. ***Agreement to be Bound***. The Joining Party hereby agrees to be bound by all of the terms of the Agreement, a copy of which is attached to this Joinder as Annex I (as the same has been or may be hereafter amended, restated or otherwise modified from time to time in accordance with the provisions hereof). The Joining Party shall hereafter be deemed to be a "Consenting Claimant" and a "Party" for all purposes under the Agreement.

2. ***Representations and Warranties***. The Joining Party hereby represents and warrants that it holds, or is the authorized investment manager for the holders of, the securities listed on the signature page hereto, in the respective amounts set forth therein by CUSIP number, that such holdings are materially accurate as of the date hereof, and that since the date set forth the Joining Party (a) has not, in the aggregate, materially decreased the Joining Party's holdings in the Securities and (b) makes the representations and warranties set forth in Section 3 of the Agreement to each other Party.

3. ***Governing Law***. This Joinder shall be governed by and construed in accordance with the internal laws of the State of New York, without regard to any conflicts of law provisions which would require the application of the law of any other jurisdiction.

4. ***Notice***. All notices and other communications given or made pursuant to the Agreement shall be sent to:

To the Joining Party at:
[JOINING PARTY]
[ADDRESS]
Attn:
Facsimile: [FAX]
EMAIL:

IN WITNESS WHEREOF, the Joining Party has caused this Joinder to be executed as of the date first written above.

[JOINING PARTY]

By: _____

Name:

Title:

Holdings Information (by CUSIP #):

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EXHIBIT F

CONSENTING HOLDERS' HOLDINGS INFORMATION

To Be Filed Under Seal

Exhibit 34

Outlook E-mail

From: Devine, Timothy
Sent: 4/17/2012 9:57:19 AM
To: Lee, Gary S.; Hamzehpour, Tammy
Subject: RE: Kathy Patrick follow-up

Would 11 am work?

Short story: Gary and I had very constructive talk yesterday on number of issues. On KP next steps, I don't think we should share dollar range of potential AFI contribution (Gary and I had discussed including some figures). I think it's premature given that business has not got to a number yet. Can always share with her at next round of discussion. Would recommend we simply indicate all the rest – the structure of the proposed outcomes, the potential for substantial contribution from AFI, fragility of the goal but clarity of purpose for comprehensive third party releases, etc.,

Thanks.

Tim

Timothy A. Devine
Chief Counsel - Litigation
Ally Financial Inc. Legal Staff
200 Renaissance Center
M/C: 482-B09-B11
Detroit, MI 48265
(313) 656-3477

From: Lee, Gary S. [mailto:GLee@mofo.com]
Sent: Tuesday, April 17, 2012 9:33 AM
To: Devine, Timothy; Hamzehpour, Tammy
Subject: RE: Kathy Patrick follow-up

How is 10.30?

Gary S. Lee
Morrison & Foerster LLP
1290 Avenue of the Americas
New York, NY 10104-0050
T. 212.468.8042
F. 212.468.7900
glee@mofo.com

From: Devine, Timothy [mailto:Timothy.Devine@ally.com]
Sent: Tuesday, April 17, 2012 9:29 AM
To: Hamzehpour, Tammy; Lee, Gary S.
Subject: Kathy Patrick follow-up

Let's find 10 minutes to talk this morning. Will catch up and make plans for next steps. Thanks. Tim

Timothy A. Devine
Chief Counsel - Litigation
Ally Financial Inc. Legal Staff
200 Renaissance Center
M/C: 482-B09-B11
Detroit, MI 48265
(313) 656-3477

PENGAD 800-631-6989
EXHIBIT
9019-16
11/13/12

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Exhibit 35

Outlook E-mail

From: Devine, Timothy
Sent: 4/19/2012 9:28:16 AM
To: Hamzehpour, Tammy; Lee, Gary S.
Subject: RE: KP is ready willing and able for Wed aftn -- are we good?

Thanks Tammy for your flexibility.

Linda R is checking times now. I will plan to fly into the city on Wednesday morning so let's pencil start time around noon for our own team, 1:30 for KP? Does that make sense?

It will be Kathy Patrick along with her partner Scott Humphries, with whom Tammy and I met in MPLS.

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From: Hamzehpour, Tammy
Sent: Thursday, April 19, 2012 9:25 AM
To: Devine, Timothy; Lee, Gary S.
Subject: RE: KP is ready willing and able for Wed aftn -- are we good?

Yes, ok with me. And, actually, I can be in NY for an earlier meeting if that works out better with schedules. I decided to do this meeting and one other, then go to Minneapolis Thursday morning.

From: Devine, Timothy
Sent: Thursday, April 19, 2012 9:11 AM
To: Lee, Gary S.; Hamzehpour, Tammy
Subject: KP is ready willing and able for Wed aftn -- are we good?

Thanks again for quick and energetic work on this.

Tim

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9019-77
11/13/12

Exhibit 36

Outlook E-mail

From: Devine, Timothy
Sent: 5/9/2012 9:03:30 AM
To: Lee, Gary S.
Cc: Cieri, Richard M.; Schrock, Ray C.
Subject: KP

Gary: as I told you on the phone, Ally will support the $8.7 billion allowed claim. There is no new Ally money. Hard stop at 750 + 200 + 100. Thanks. Tim

Timothy A. Devine
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EXHIBIT
9019-147
12/19/12

Exhibit 37

Outlook E-mail

From: Levitt, Jamie A.
Sent: 5/10/2012 7:02:56 AM
To: 'Timothy.Devine@ally.com'; Lee, Gary S.; 'rcieri@kirkland.com'; Nashelsky, Larren M.; 'nornstein@kirkland.com'
Cc: 'William.b.Solomon@ally.com'
Subject: Re: RMBS Stipulated Claim

I apologize, but with the lateness of the hour I believe I sent a confusing email, so I will clarify:

1. First, we have NOT sent anything back yet to Ropes or KP re these revisions. They are for your review and further revision.

2. Although we know we will have to eventually trade this point, based on the deal Gary discussed with KP, the agreement currently makes the $8.7B a cap, such that all claims including securities claims, come out of it.

3. Once we reach agreement on the rest of the terms, we will eventually give on the point that KP's clients are not releasing securities claims, but for now we are going to put the full release back into the draft settlement agreement. In other words we will, for this turn state that all claims, including securities claims are released.

Sorry if I created any confusion.

Jamie

From: Levitt, Jamie A.
To: 'Timothy.Devine@ally.com' ; Lee, Gary S.; 'rcieri@kirkland.com' ; Nashelsky, Larren M.; 'nornstein@kirkland.com'
Cc: 'William.b.Solomon@ally.com'
Sent: Thu May 10 02:01:17 2012
Subject: Re: RMBS Stipulated Claim

Tim,

Consistent with what you state below, we have accepted their revision to the release in the settlement agreement to exclude securities law claims. We are marking up the settlement agr and PSA based on our discussions tonight with Ropes and will circulate internally before sending back to them.

Assume we should agree to the same change for Talcott when we talk to them tomorrow?

Jamie

From: Devine, Timothy
To: Lee, Gary S.; rcieri@kirkland.com ; Nashelsky, Larren M.; nornstein@kirkland.com ; Levitt, Jamie A.
Cc: Solomon, William Legal
Sent: Thu May 10 01:55:08 2012
Subject: RE: RMBS Stipulated Claim

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Folks:

The KP settlement is for *everything* except securities claims. And we can define securities claims narrowly.

Is that what the language in the current/final draft settlement agreement reads? Remember, we talked about this in some detail.

Please let me know what the main remaining arguments are and I will weigh in. I want to read the drafts before Ally agrees to them.

The circle is squared at the Plan. KP can only get us the "everything-but-securities" settlement release because that is the full extent of her representation. She has been clear about that. Same as in her BoA/BoNYM work. Etc.

But notice: though her clients don't release securities claims, they sign Plan Support Agreements, and the Plan includes very simple comprehensive releases, which of course include third party release of all claims, which of course includes securities

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claims.

Presto.

So while she can't represent parties in giving up their securities claims, clients face a choice: either sign up with the settlement to make sure your trust receives monies under the waterfall, in which case you need to sign the Plan Support Agreement and support the Plan. And the Plan wipes out all their claims of any sort.

This is the beauty of it.

It is also the reason that FHFA/Freddie probably can't sign the settlement agreement. They believe their securities law claims are worth something, even in the filing; and they are also hedging against the contingency that the Plan fails, in whjch case they would like to be able to get on with a lawsuit against Ally Financial Inc. on the $1 billion loss on Freddie's securities.

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Chief Counsel - Litigation
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(313) 656-3477

From: Lee, Gary S. [mailto:GLee@mofo.com]
Sent: Wednesday, May 09, 2012 11:35 PM
To: Devine, Timothy; rcieri@kirkland.com; Nashelsky, Larren M.; nornstein@kirkland.com; Levitt, Jamie A.
Subject: Re: RMBS Stipulated Claim

I'm around.

Gary S. Lee
Morrison & Foerster LLP
1290 Avenue of the Americas
New York, NY 10104-0050
T. 212.468.8042
F. 212.468.7900
glee@mofo.com

From: Devine, Timothy
To: Lee, Gary S.; rcieri@kirkland.com ; Nashelsky, Larren M.; nornstein@kirkland.com
Sent: Wed May 09 23:26:53 2012
Subject: RE: RMBS Stipulated Claim
Can we pull a call together this evening?

Would folks be available at 11:45?

Tim

Timothy A. Devine
Chief Counsel - Litigation
Ally Financial Inc. Legal Staff
200 Renaissance Center
M/C: 482-B09-B11
Detroit, MI 48265
(313) 656-3477

From: Lee, Gary S. [mailto:GLee@mofo.com]
Sent: Wednesday, May 09, 2012 11:17 PM
To: rcieri@kirkland.com; Nashelsky, Larren M.; Devine, Timothy; nornstein@kirkland.com

Subject: Fw: RMBS Stipulated Claim

Fyi

Gary S. Lee
Morrison & Foerster LLP
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T. 212.468.8042
F. 212.468.7900
glee@mofo.com

From: Lee, Gary S.
To: 'Kathy D. Patrick'
Sent: Wed May 09 23:08:24 2012
Subject: RMBS Stipulated Claim

Kathy, the waterfall is attached. It is not yet ready for distribution beyond the two of us. REDACTED REDACTED

REDACTED That is clearly and materially better than where we were.

There seems to be disagreement (based on our call with Ropes) on one fundamental point. So we are clear, I am writing it down so you and I can discuss.

My understanding of our deal is that the $8.7bn number settles all claims arising from the sale and servicing of the RMBS. That's what I was agreeing to when I said "8.7 to be all deals wrapped and unwrapped as per all our waterfalls" in response to your email to me. The waterfall clearly delineates and separates pls and rw claims from all other unsecured claims (that's the purpose of the separate categories). The pls and rw lines cover all claims of any kind by that creditor class - we don't distinguish between servicing claims, contract breach claims, fraud claims or securities. These claims are - simply - claims arising from wrapped and unwrapped securitisations and nothing more. That's why I said everyone gets one claim full stop.

So if your clients do not or can not release their securities claims through you, and we cannot defeat them entirely in the bk court, then they get a share in the $8.7bn. But either way, the $8.7bn is the number for wrapped and unwrapped deals.

So when Ross tells me an unknown amount of securities claims comes on top of this I get spooked - because that renders a deal at $8.7bn illusory. And if you ask why I care - which is what Ross screamed at me this evening - beyond the fact that this is the deal I sold to our board and thought we had, it (a) gives everyone an incentive to manage attacks by other claimants to get into the class or attempt to get a bigger share and (b) is consistent with the need to maintain recoveries for other constituents who are key to the success of the plan.

Aside from my lack of interest in aggressive behavior from counsel, I like you don't expect to be re-traded. I remind you I said I would get you $8.7bn and that's what I did. Please call me after you have reviewed. There are some other smaller points that fall into this category and we can discuss those as well.

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From: Kathy D. Patrick [mailto:kpatrick@gibbsbruns.com]
Sent: Wednesday, May 09, 2012 8:52 PM
To: Ross.Martin@ropesgray.com; Lee, Gary S.; Wishnew, Jordan A.; Kathy D. Patrick
Cc: Keith.Wofford@ropesgray.com; Levitt, Jamie A.; David Sheeren
Subject: Re: RMBS Stipulated Claim

We do. David, what's the total holdings number (not just our holdings in deals where we have 25 per cent)?

Kathy D. Patrick
Gibbs & Bruns, L.L.P.

From: Martin, D. Ross [mailto:Ross.Martin@ropesgray.com]
Sent: Wednesday, May 09, 2012 04:57 PM
To: 'Lee, Gary S.' <GLee@mofo.com>; Wishnew, Jordan A. <JWishnew@mofo.com>; Kathy D. Patrick
Cc: Wofford, Keith H. <Keith.Wofford@ropesgray.com>; Levitt, Jamie A. <JLevitt@mofo.com>
Subject: RE: RMBS Stipulated Claim

I think Kathy is in transit at the moment, but I do believe we have a number like that.

D. Ross Martin
ROPES & GRAY LLP
T(BOS) +1 617 951 7266 | T(NY) +1 212 596 9177 | M +1 617 872 1574 | F +1 617 235 0454
Prudential Tower, 800 Boylston Street
Boston, MA 02199-3600
ross.martin@ropesgray.com
www.ropesgray.com

From: Lee, Gary S. [mailto:GLee@mofo.com]
Sent: Wednesday, May 09, 2012 5:56 PM
To: Wishnew, Jordan A.; kpatrick@gibbsbruns.com; Martin, D. Ross
Cc: Wofford, Keith H.; Levitt, Jamie A.; Lee, Gary S.
Subject: Re: RMBS Stipulated Claim

If possible we would like to say investors holding x dollars in aggregate.

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F. 212.468.7900
glee@mofo.com

----- Original Message -----
From: Wishnew, Jordan A.
To: 'kpatrick@gibbsbruns.com' <kpatrick@gibbsbruns.com>; 'ross.martin@ropesgray.com' <ross.martin@ropesgray.com>
Cc: 'Keith.Wofford@ropesgray.com' <Keith.Wofford@ropesgray.com>; Levitt, Jamie A.; Lee, Gary S.
Sent: Wed May 09 17:47:33 2012
Subject: RE: RMBS Stipulated Claim

Kathy:

One question - in our documents, we want to note that the Debtors have come to terms with your clients as memorialized in a plan support agreement. We would propose to refer to your clients as "investors in residential mortgage-backed securities", but are open to any other suggestions that you may have or prefer.

The sentence would read, in part, "The debtors intend to implement a comprehensive reorganization by consummating the Asset Sales through a plan of reorganization consistent with the terms of a plan support agreement with ...[ ]."

We look forward to hearing from you.

Thank you.

Regards,

Jordan

Jordan A. Wishnew
jwishnew@mofo.com
212-336-4328

-----Original Message-----
From: Lee, Gary S.
Sent: Wednesday, May 09, 2012 4:28 PM
To: 'kpatrick@gibbsbruns.com'; 'ross.martin@ropesgray.com'
Cc: 'Keith.Wofford@ropesgray.com'; Levitt, Jamie A.; Wishnew, Jordan A.; Lee, Gary S.
Subject: Re: RMBS Stipulated Claim

Jordan, let Kathy and Ross know when we get a time. Kathy, we will want to talk about messaging and preparation for your remarks at the hearing. Pick a time saturday afternoon.
------Original Message------
From: Kathy D. Patrick
To: Gary Lee
To: Ross Martin
To: Kathy D. Patrick
Cc: Keith.Wofford@ropesgray.com
Cc: Jamie A. Levitt
Subject: Re: RMBS Stipulated Claim
Sent: May 9, 2012 4:13 PM

Before you do, who on your team will let us know time to show up for first day? Thanks. Kathy D. Patrick Gibbs & Bruns, L.L.P. From: Lee, Gary S. [mailto:GLee@mofo.com] Sent: Wednesday, May 09, 2012 03:10 PM To: ross.martin@ropesgray.com <ross.martin@ropesgray.com>; Kathy D. Patrick Cc: Keith.Wofford@ropesgray.com <Keith.Wofford@ropesgray.com>; Levitt, Jamie A. <JLevitt@mofo.com> Subject: Re: RMBS Stipulated Claim Jamie and Tony Princi. I am slowly vanishing. Gary S. Lee Morrison & Foerster LLP 1290 Avenue of the Americas New York, NY 10104-0050 T. 212.468.8042 F. 212.468.7900 glee@mofo.com
From: Martin, D. Ross To: Lee, Gary S.; kpatrick@gibbsbruns.com Cc: Wofford, Keith H. Sent: Wed May 09 16:05:44 2012 Subject: RE: RMBS Stipulated Claim Obviously you've been tied up; just let us know when (and with whom) you want to discuss the Plan Support Agreement.

D. Ross Martin ROPES & GRAY LLP T(BOS) +1 617 951 7266 | T(NY) +1 212 596 9177 | M +1 617 872 1574 | F +1 617 235 0454 Prudential Tower, 800 Boylston Street Boston, MA 02199-3600 ross.martin@ropesgray.com www.ropesgray.com Circular 230 Disclosure (R&G): To ensure compliance with Treasury Department regulations, we inform you that any U.S. tax advice contained in this communication (including any attachments) was not intended or written to be used, and cannot be used, for the purpose of avoiding U.S. tax-related penalties or promoting, marketing or recommending to another party any tax-related matters addressed herein.

This message

Gary S. Lee
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Exhibit 38

UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

----------x

In Re: Cae No:

RESIDENTIAL CAPITAL, LLC, et. al, 12-12020(MG)

Debtors.

----------x

VIDEOTAPE DEPOSITION OF TIMOTHY DEVINE

New York, New York

November 19, 2012

10:17 a.m.

Reported by:
ERICA L. RUGGIERI, RPR
JOB NO: 27973

TIMOTHY DEVINE

Q. I'm not asking you to speculate. I'm asking you to tell me at the time that you were preparing to provide this waterfall presentation to Ms. Patrick in connection with proposed settlement with her, wasn't it your understanding that AFI in return for whatever contribution it would be making to that settlement was going to require releases from both the PLS claimants as well as ResCap?

A. Couple -- couple points in response. One, I wasn't preparing the waterfall.

Two, we were not negotiating, Kathy Patrick and me -- Kathy Patrick and I with regard to whether or not the 750 would be consideration for anything that the debtor received in connection with the resolution of a debtor and Kathy Patrick settlement agreement.

Q. Weren't those things all being negotiated together, Mr. Devine?

A. The 750 was not being negotiated with Kathy Patrick.

TIMOTHY DEVINE

A. Okay. So as I recall sitting here today, the estimated nonwrapped potential exposure beyond 2013 represented estimated lifetime losses, which I'm testing with the note here, multiplied by risks post fund audit defect rates adjusted for litigation defenses. Risk referred to Todd Kushman's group. And so that would have been -- what I don't remember is nonwrapped potential exposure beyond 2013, whether that would have included anything beyond private label securities nonwrapped potential exposure. I just don't remember.

Q. The next line under Additional Items says "Adj. for application of defect rate at a nonloan level for nonwrapped PLS and additional provision for wrapped PLS."

Do you see that?

A. I see it, yeah.

Q. And that shows an adjustment of $500 million upwards for nonwrapped and wrapped PLS exposure, right?

A. Well, it represents application

TIMOTHY DEVINE

of a defect rate of a nonloan level for those populations.

Q. Okay. And the next line under Additional Items says "Potential investor/securities litigation." Do you see that?

A. Yes, I see it.

Q. Is the amount shown for that item $400 million, the estimate of exposure for securities fraud claims at that point?

A. No.

Q. Okay. What does it represent?

A. As I sit here today, my memory is that it represents the estimated top end of the range of reasonably possible losses for ResCap over time related to litigation and -- repurchase obligation of related claims. Meaning, as I understand, that would have been subject to certain stresses beyond what the estimated exposure would have been.

Q. Mr. Devine, I was only focusing on the line that says "Potential

TIMOTHY DEVINE

Q. And is the e-mail above that your response to Mr. Lee?

A. Yes. That's what it looks like.

Q. Mr. Lee referred to a call or meeting with Ms. Patrick that day. And you said our notes match. Were you and Mr. Lee both on a call with Mr. Patrick -- sorry -- with Ms. Patrick on May 4th?

A. I -- I don't remember. What -- what I do remember is that Gary Lee was having a variety of conversations with Kathy Patrick during that period, some of which I would have been included on and some of which I wouldn't have been included on.

Q. Well, he was summarizing in an e-mail what Ms. Patrick had proposed that day. And you said, "Our notes match." So you must have been on that call, right?

MR. PRINCI: Objection as to form.

A. Yeah, might. The reason I clarified my answer is that it could be that he was summarizing calls or meetings

TIMOTHY DEVINE

Q. Yes.

A. No, she did not indicate that to me.

Q. Did she indicate that it was important?

A. Yes.

Q. Okay. What did she say about that?

A. Kathy Patrick understood that the negotiation of a dollar number between AFI and ResCap was going on separately from the discussions over the RMBS settlement. Notwithstanding that, she understood that she had no direct role or -- or standing to bargain for a number there since the number -- since that agreement was between the estate and Ally. She did care about the number and she told me that she cared about the number for the obvious reason that she wanted to maximize that figure from Ally Financial.

Q. But as of May 4th, had she expressed an amount that she expected from AFI if she were going to proceed with a

TIMOTHY DEVINE

stalking horse for the -- for a certain class of assets that were being offered for sale in the estate. But -- but I confess, I didn't know what it was then and frankly I don't know what it is now.

Q. What did you mean by 100 for originations?

A. Similar answer. I understood that the teams working on the Ally and ResCap settlement had come up with this sort of shorthand to represent what I was made to understand was the Ally cash contribution to the Ally and ResCap settlement, which is the settlement to which this sentence here refers. "Assume 750 Ally cash plus 200 for HFS plus 100 for originations constitute the Ally" cash contribution to the settlement. That's the Ally ResCap settlement that's being described. And as I said before, I really did not participate in or have any responsibility in working on that, those settlement discussions.

Q. Who was it that gave you those

TIMOTHY DEVINE

A. In connection with the resolution with Kathy Patrick, no.

Q. Were you -- okay. So what you just said is incorrect, right? It had nothing to do with your advising the client on that number. I'm asking you whether you were comfortable as Ally's lawyer with an $8.7 billion number based on the information Mr. Cancelliere gave to you in his May 9th e-mail?

MR. PRINCI: Objection as to form.

MR. BRYAN: Objection as to form.

A. That's how I understood your question.

Q. Right, okay. So that was the client, AFI?

A. Correct.

Q. Okay. Do you recall one way or another whether an $8.7 billion allowed claim had been agreed to as of May 9th, 2012, at 7:17 a.m.?

A. Do I recall that right now

TIMOTHY DEVINE

Q. Okay. Did there come a time when you learned who it was, what individuals were negotiating a settlement between ResCap and AFI?

A. Yes.

Q. Okay. When did you learn that?

A. I don't remember when I learned that.

Q. Did you learn it before or after the ResCap board gave its approval to the settlement with Kathy Patrick?

A. I don't know.

Q. Okay. What individuals did you come to learn negotiated the settlement between AFI and ResCap?

A. Well, I may or may not be correct but you are asking me for my understanding. It was Mike Carpenter for AFI with the independents of the ResCap board.

Q. During the course of the negotiations with Ms. Patrick, up until May 9th, weren't you -- weren't you being kept advised about the progress of

TIMOTHY DEVINE

conversations were moving on from sort of rep and warrant general conversations to agreements that would take meaning within the concept of a bankruptcy, I was indicating that I am not bankruptcy expert and would not be the right person to negotiate terms of an agreement in that context.

I would have thought that given the population of the recipients of this e-mail I sent, that Gary Lee would have picked up the conversation with Talcott Franklin. And it looks like at the top of this Exhibit 148 that that's exactly what happened. That Gary Lee responded and said we can send him a revised agreement and PSA when we get next draft from KP.

MR. KAUFMAN: Let's mark as Exhibit 149 an e-mail chain on May 9th, 2012. Bates numbers RC 9019_00049216 and 9217.

(9019 Exhibit 149, e-mail chain on May 9th, 2012, Bates RC 9019_00049216 and 9217, marked for

TIMOTHY DEVINE

identification, as of this date.)

A. Thank you.

Q. Directing your attention to the first e-mail in the chain, which appears at the bottom of the first page and goes over to the top of the second page. Did you receive that e-mail from Mr. Schrock?

A. It looks like I did.

Q. Mr. Schrock wrote in this e-mail, "And, Gary, as you know, the pure cash number in the settlement agreement as plan sponsor is $750 million. I do not want this lost in translation among the group, please."

Do you see that?

A. Yes, I do.

Q. Do you know why Mr. Schrock wanted to make that clear to Mr. Lee?

MR. BRYAN: Object to form.

MR. PRINCI: Objection as to form.

A. No, I don't know why he wanted to make it clear.

Q. Did you receive Mr. Lee's

TIMOTHY DEVINE

response at 10:01 a.m. on May 9th?

A. It looks like I did.

Q. There Mr. Lee said "That's what I gather. Also we are allocating 10 percent to LLC only." Do you see that?

A. I do see that.

Q. Did you understand Mr. Lee's reference to LLC was to Residential Capital, LLC?

A. I don't recall whether I understood that to mean that.

Q. As you sit here today, do you understand it now?

A. I should tell you that I did not consider myself responsible for any

TIMOTHY DEVINE

REDACTED

Q. Right. Nevertheless, four minutes later you responded to Mr. Lee with an e-mail that said "And the setoff curve ball must be waived, no value." Right?

A. That's what it looks like.

Q. Are you saying that you were able to send that e-mail without understanding what Mr. Lee was talking about in the e-mail to which you responded?

MR. PRINCI: Objection to form.

MR. BRYAN: Objection as to form.

A. What I will tell you is that it was made known to me at some point, and if these numbers -- if these times are correct, at some point on either Tuesday, May 8th, Wednesday, May 9th, that there was some sort of a setoff argument being advanced by, I assume it was by either Kathy Patrick or Talcott Franklin or one of the counterparties and as I sit here

TIMOTHY DEVINE

A. Well, I sent an e-mail to Gary Lee, Jamie Levitt, Noah Ornstein and John Ruckdaschel, cc'd Cieri and Schrock at 4:29.

Q. Right. And you sent that e-mail in response to Mr. Lee's e-mail at 4:26 on May 12th, didn't you?

A. Yeah, I'm not sure if it's in response but I did send him an e-mail a couple minutes later.

Q. And you wrote, "Got it. Had call with KP. We told her PSA support whole hog is drop dead." That's what you wrote, right?

A. That's what I wrote.

Q. And is that what you told Ms. Patrick?

A. I don't remember if I told her whole hog but if I read this sitting here now, it looks like I was communicating to that group that I told her that she had to support the PSAs in full. And that that was a provision that Ally would insist on to the extent Ally could insist on

TIMOTHY DEVINE

anything.

Q. And by using the phrase "drop dead" you meant it was nonnegotiable from Ally's perspective, right?

A. I meant that if she wanted our participation in the PSA she needed to support it.

MR. KAUFMAN: Let's mark as the next exhibit an e-mail chain on May 13, 2012 between Mr. Devine and Talcott Franklin.

(9019 Exhibit 155, e-mail chain dated May 13, 2012 between Mr. Devine and Talcott Franklin, marked for identification, as of this date.)

A. Okay.

Q. Looking at the first e-mail in this chain which starts at the bottom of the first page, did you send that e-mail to Mr. Franklin at 12:16 p.m. on May 13th -- I'm sorry -- at 1:28 p.m. on May 12th?

A. It looks like I did. Again, I'm not sure of the timing but it looks like I

TIMOTHY DEVINE

represent clients who did or did not under the relevant documents have contract claims against ResCap. And that was natural because I had been dealing with that kind of assertion of claim, although not by investors and trustees but rather by the monolines against the ResCap entities theretofore.

At some point ResCap began to consider a Chapter 11 restructuring. I did not represent ResCap at all in connection with this Chapter 11 restructuring, unless you consider the nature of our discussions according to the common interest or joint defense privilege in which case that's why I don't blame you for misunderstanding the nature of what I just talked about. But so, yes, I did represent ResCap in connection with the sort of bilateral claim of Kathy Patrick's clients against the ResCap entities and rep and warrant. Once the context of the restructuring became a part of that dialogue, ResCap was represented by Gary

TIMOTHY DEVINE

Lee of MoFo. I never represented ResCap on a bankruptcy related resolution. At least unless you -- as I say, I did continue to advise ResCap in connection with plain sort of legal analysis on rep and warrant issues but not so much as would be implicated in connection with the filing.

Q. Thank you for that and let me try to make sure I understand correctly. To try to summarize. In the beginning of from October for some period of time in the initial stages that you've described as essentially information gathering stages, you were representing ResCap. By the end, by the April and May time period that we have looked at a variety of e-mails by that time period you were no longer representing ResCap, you would have solely been representing AFI, is that correct, am I bracketing the change in role correctly?

A. No. I think you are missing one part of it. But it's -- it's

Exhibit 39

From: Levitt, Jamie A.
Sent: 5/12/2012 1:51:26 AM
To: 'Jerry Phelps'; Talcott J. Franklin
Cc: sarbt@millerjohnson.com; Gadsden, James; wolfordr@millerjohnson.com; Paul Snyder; Derek Witte; Lee, Gary S.; Princi, Anthony; 'rcieri@kirkland.com'; 'nornstein@kirkland.com'
Bcc: 'Timothy.Devine@ally.com'
Subject: Confidential Draft -- For Settlement Purposes Only
Attachments ResCap - TF Settlement Agreement 5-12-12 - 1.DOC
This message was sent with High Importance

CONFIDENTIAL DRAFT -- FOR SETTLEMENT PURPOSES ONLY

Tal and Jerry,

As has been discussed, attached is a working-draft of the settlement agreement we are negotiating with Kathy Patrick's group that, when final, will reflect the deal we would agree to enter with your group. I apologize for the lateness of the hour, but understand you hoped to see this for your morning meeting. We provide the draft to that end, with all the caveats that it is still subject to review and negotiation on our side.

Please let us know if you would like to discuss. Although we do not have time left to negotiate the terms with you, we are happy to explain and discuss them.

Thank you.

Jamie

Exhibit 40

From: Levitt, Jamie A.
Sent: 5/5/2012 10:04:46 PM
To: Jerry@talcottfranklin.com
Cc: Devine, Timothy; Tal@talcottfranklin.com; paul@talcottfranklin.com; Lee, Gary S.; Hamzehpour, Tammy
Subject: Re: Meeting Monday 9 am Eastern at Morrison & Foerster NYC

Jerry,

We are fine with your changes, except the following two that we cannot accept:

1. On Page 2, please delete the added language regarding Schedule 1: "by written notice to Talcott of the information to be disclosed as far in advance of its disclosure as practicable and, upon request, such Person must use all reasonable commercial efforts to obtain assurances that confidential treatment will be accorded to such information." We think we provided more than adequate protections already for the confidentiality of Ex I and cannot be bound to your additional language.

2. On Page 3, please delete the language you added re use of Eval Material in court: "except to rebut a statement or filing made in a court of law or equity that materially misrepresents or is contrary to Evaluation Material provided to Talcott, and only then not without a court order based on a hearing after notice where such hearing includes an in camera viewing by the court of the disputed statement or filing and related Evaluation Material." This is precisely what you cannot do and we will not be able to share Eval Material with you if you wish to use it in court in any fashion.

Finally, we thought Deutsche Bank Trust Co. Americas and QO3 Investors LLC were within your plaintiff group. If so, please add them to Schedule I.

Jerry, if agreeable to you, please make the changes above and circulate the NDA for signature.

Thanks.

Jamie

From: Jerry Phelps
To: Lee, Gary S.
Cc: Timothy.Devine@ally.com ; Talcott J. Franklin ; Paul Snyder ; Levitt, Jamie A.
Sent: Fri May 04 18:09:56 2012
Subject: Meeting Monday 9 am Eastern at Morrison & Foerster NYC

Here are the NDA with our changes and a Schedule I. We adapted the NDA to reflect our position as legal counsel rather than as a purchaser, made confidentiality protections reciprocal, and limited the NDA restrictions to the Evaluation Material in one or two places. Blacklined NDA attached also.

F. Jerry Phelps, Of Counsel
Talcott Franklin P.C.
Cell: 214-505-2680
Direct: 972-423-0681
Main: 214-736-8730
Jerry@talcott franklin.com

From: <Levitt>, Jamie Levitt <jlevitt@mofo.com>
To: "F.J. Phelps" <jerry@talcottfranklin.com>
Cc: Timothy Devine <Timothy.Devine@ally.com>, Tal Franklin <tal@talcottfranklin.com>, Paul Snyder <paul@talcottfranklin.com>, "Lee, Gary S." <GLee@mofo.com>
Subject: RE: Meeting Tomorrow?

Jerry,

Attached is an NDA for the meeting. Please complete the plaintiff list on Ex. 1.

Thanks.

Jamie

From: Lee, Gary S.
Sent: May 03, 2012 3:02 PM
To: 'Jerry@talcottfranklin.com'
Cc: Levitt, Jamie A.; 'Timothy.Devine@ally.com'; 'Tal@talcottfranklin.com'; 'paul@talcottfranklin.com'
Subject: Re: Meeting Tomorrow?

Thanks Jerry.

Gary S. Lee
Morrison & Foerster LLP
1290 Avenue of the Americas
New York, NY 10104-0050
T. 212.468.8042
F. 212.468.7900
glee@mofo.com

From: Jerry Phelps
To: Lee, Gary S.
Cc: Levitt, Jamie A.; Timothy.Devine@ally.com ; Talcott J. Franklin; Paul Snyder
Sent: Thu May 03 14:45:08 2012
Subject: Re: Meeting Tomorrow?

OK. Paul D. Snyder and I (full name is Francis Jerry Phelps) will attend the meeting the 9 am meeting in your offices. We will send you a client list.

Thanks

On May 3, 2012, at 11:26 AM, Lee, Gary S. wrote:

> Jerry, I know its not ideal but will you be able to cover a 9am start monday? We have some material timing issues.
>
> Gary S. Lee
> Morrison & Foerster LLP
> 1290 Avenue of the Americas
> New York, NY 10104-0050
> T. 212.468.8042
> F. 212.468.7900
> glee@mofo.com
>
> ---
>
> **From**: Jerry Phelps
> **To**: Levitt, Jamie A.; Devine, Timothy
> **Cc**: Talcott J. Franklin ; Paul Snyder ; Lee, Gary S.
> **Sent**: Thu May 03 11:03:17 2012
> **Subject**: Re: Meeting Tomorrow?
>
> In a prior email Tal had indicated that he is in NYC on trial on Monday. He is available before trial, starting at

7 am or after trial starting about 5 pm. Can you two be available then?

On May 3, 2012, at 8:23 AM, Levitt, Jamie A. wrote:

We are available at 9am NY time on Monday. Please confirm that works for you and if you will be calling or coming in person. If anyone us coming in person, I will need names for our security desk.

Thanks.

Jamie

From: Devine, Timothy [mailto:Timothy.Devine@ally.com]
Sent: May 02, 2012 10:49 PM
To: 'Tal@talcottfranklin.com'; 'paul@talcottfranklin.com'; 'Jerry@talcottfranklin.com'; Levitt, Jamie A.
Subject: Re: Meeting Tomorrow?

Thanks Tal. Will get back to you re timing. Tomorrow is tight, friday won't work, so perhaps Monday. Can do in person in NY or by net meeting.

Jamie Levitt from MoFo will send you nda.

Thanks.

Tim

From: Talcott J. Franklin <Tal@talcottfranklin.com>
To: Devine, Timothy; Paul Snyder <paul@talcottfranklin.com>; Jerry Phelps <Jerry@talcottfranklin.com>
Sent: Wed May 02 19:58:09 2012
Subject: Re: Meeting Tomorrow?

Tim:
Please reply all with the NDA. On meeting, are we talking in person or by phone? In person I can meet on Friday. Tomorrow I am in trial but could talk after 5, if that doesn't work, Paul and/or Jerry can handle it for me. In any event, we do want to meet.
Tal

From: "Devine, Timothy" <Timothy.Devine@ally.com>
Date: Wed, 2 May 2012 12:32:26 -0500
To: Talcott Franklin <tal@talcottfranklin.com>
Subject: Meeting Tomorrow?

Tal: sorry for quiet period -- we're swamped -- do you have time to meet tomorrow, along the lines you and I previously discussed?
We can share current status of the potential filing, various outcomes through the "waterfall" depending on different potential scenarios.

If so, we'll send you an nda. I can talk later this evening.

If tomorrow doesn't work, how does Monday midday look?

Thanks Tal.

Tim

Timothy A. Devine

Chief Counsel - Litigation

Ally Financial Inc. Legal Staff

200 Renaissance Center

M/C: 482-B09-B11

Detroit, MI 48265

(313) 656-3477

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Exhibit 41

From: Talcott J. Franklin
Sent: 5/13/2012 9:33:53 PM
To: Clark, Daniel E.; Jerry Phelps; Levitt, Jamie A.
Subject: Re: Exhibit C to Settlement agreement - Fee Schedule

The missing piece that we still need is (under 6.02) "the percentages of the Allowed Claim set forth on Exhibit B" (which is now C). Obviously GB/RG don't care how we split our fees with co-counsel, but I have a feeling they will care if we are getting a larger percentage than they are. So what are the percentages?

From: <Clark>, "Daniel E." <DClark@mofo.com>
To: Jerry Phelps <Jerry@talcottfranklin.com>, "Levitt, Jamie A." <JLevitt@mofo.com>
Cc: Talcott Franklin <tal@talcottfranklin.com>
Subject: RE: Exhibit C to Settlement agreement - Fee Schedule

Exhibit B is attached. As for the fee schedule, I believe that we need an Exhibit C from you which details the split between your firm and your co counsel.

From: Jerry Phelps [mailto:Jerry@talcottfranklin.com]
Sent: Sunday, May 13, 2012 9:09 PM
To: Levitt, Jamie A.; Clark, Daniel E.
Cc: Talcott J. Franklin
Subject: Re: Exhibit C to Settlement agreement - Fee Schedule

Thanks

F. Jerry Phelps, Of Counsel
Talcott Franklin P.C.
Cell: 214-505-2680
Direct: 972-423-0681
Main: 214-736-8730
Jerry@talcottfranklin.com

From: <Levitt>, Jamie Levitt <jlevitt@mofo.com>
To: "F.J. Phelps" <jerry@talcottfranklin.com>, "Daniel E. Clark" <DClark@mofo.com>
Cc: Tal Franklin <tal@talcottfranklin.com>
Subject: RE: Exhibit C to Settlement agreement - Fee Schedule

Dan is about to send it to you. and agree they were backwards, I switched them. Sending you execution copy of docs in 10 mins

---

From: Jerry Phelps [mailto:Jerry@talcottfranklin.com]
Sent: May 13, 2012 9:06 PM
To: Clark, Daniel E.
Cc: Levitt, Jamie A.; Talcott J. Franklin
Subject: Re: Exhibit C to Settlement agreement - Fee Schedule

We were supposed to get the legal fee exhibit from you (requested again a couple hours ago) and were told later that it was still being drafted. Is it done yet? By the way, in our draft it appears that Exhibit B and Exhibit C are backwards and need to be switched.

F. Jerry Phelps, Of Counsel
Talcott Franklin P.C.

Cell: 214-505-2680
Direct: 972-423-0681
Main: 214-736-8730
Jerry@talcottfranklin.com

From: <Clark>, "Daniel E. Clark" <DClark@mofo.com>
To: "F.J. Phelps" <jerry@talcottfranklin.com>
Cc: Jamie Levitt <jlevitt@mofo.com>, Tal Franklin <tal@talcottfranklin.com>
Subject: Exhibit C to Settlement agreement - Fee Schedule

Jerry -

We will need you (as soon as possible, please) to provide a fee schedule for the law firms in your agreement, which will be attached as exhibit C to the Settlement Agreement.

Thanks,
Dan Clark

Daniel E. Clark
Associate
Morrison & Foerster LLP
1290 Avenue of the Americas
New York, New York 10104
(212)336-4386

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Exhibit 42

Outlook E-mail

From: Lee, Gary S.
Sent: 5/9/2012 10:54:16 AM
To: 'Timothy.Devine@ally.com'; 'rschrock@kirkland.com'; 'rcieri@kirkland.com'; 'Tammy.Hamzehpour@gmacrescap.com'
Cc: Lee, Gary S.
Subject: Re: KP. Privileged. (Subject to FRE 408)

We will be seeking Rescap board approval today. Does Ally's Board need to approve as it is signing the PSA and Rescap is agreeing to settle a claim in excess of 25mm which requires Ally approval under Ally's governance framework. Please let us know.

Thanks,

Gary S. Lee
Morrison & Foerster LLP
1290 Avenue of the Americas
New York, NY 10104-0050
T. 212.468.8042
F. 212.468.7900
glee@mofo.com

From: Devine, Timothy
To: Lee, Gary S.; rschrock@kirkland.com ; rcieri@kirkland.com
Sent: Wed May 09 10:05:53 2012
Subject: RE: KP. Privileged. (Subject to FRE 408)

And the set-off curve ball must be waived. No value.

Timothy A. Devine
Chief Counsel - Litigation
Ally Financial Inc. Legal Staff
200 Renaissance Center
M/C: 482-B09-B11
Detroit, MI 48265
(313) 656-3477

From: Lee, Gary S. [mailto:GLee@mofo.com]
Sent: Wednesday, May 09, 2012 10:01 AM
To: rschrock@kirkland.com; Devine, Timothy
Cc: rcieri@kirkland.com; Lee, Gary S.
Subject: Re: KP. Privileged. (Subject to FRE 408)

That's what I gather. REDACTED

------Original Message------
From: Schrock, Ray C.
To: Timothy A. Devine
To: Gary Lee
Cc: Cieri, Richard M.
Subject: RE: KP. Privileged. (Subject to FRE 408)
Sent: May 9, 2012 9:06 AM

(And Gary, as you know, the pure cash number in the settlement agreement as Plan Sponsor is $750MM. I do not want this lost in translation among the group please.)

EXHIBIT
9019-149
11/19/12
PENGAD 800-631-6989

Ray C. Schrock KIRKLAND & ELLIS LLP 601 Lexington Avenue New York, NY 10022 (Tel) (212) 446-4828 (Fax) (212) 446-4900 (Cell) (917) 446-1009 ray.schrock@kirkland.com IRS Circular 230 Disclosure: To ensure compliance with requirements imposed by the U.S. Internal Revenue Service, we inform you that any tax advice contained in this communication (including any attachments) was not intended or written to be used, and cannot be used, by any taxpayer for the purpose of (1) avoiding tax-related penalties under the U.S. Internal Revenue Code or (2) promoting, marketing or recommending to another party any tax-related matters addressed herein. The information contained in this communication is confidential, may be attorney-client privileged, may constitute inside information, and is intended only for the use of the addressee. It is the property of Kirkland & Ellis LLP or Kirkland & Ellis International LLP. Unauthorized use, disclosure or copying of this communication or any part thereof is strictly prohibited and may be unlawful. If you have received this communication in error, please notify us immediately by return e-mail or by e-mail to postmaster@kirkland.com, and destroy this communication and all copies thereof, including all attachments.

From: Devine, Timothy [mailto:Timothy.Devine@ally.com] Sent: Wednesday, May 09,

Gary S. Lee
Morrison & Foerster LLP
1290 Avenue of the Americas
New York, NY 10104-0050
T. 212.468.8042
F. 212.468.7900
glee@mofo.com

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Exhibit 43

From: Hamzehpour, Tammy
Sent: 4/24/2012 8:55:22 AM
To: Lee, Gary S.
Subject: FW: Prep for KP

Gary,

REDACTED

Tammy

-----Original Message-----
From: Devine, Timothy
Sent: Monday, April 23, 2012 8:38 PM
To: Hamzehpour, Tammy
Subject: Prep for KP

Tammy:

Thinking of waterfall for KP.

Would like to recommend 3, 4, 6 rather than 4, 5, 6 as low medium high. Thought is that we creat flexibility for discussion re potential losses beyond reserves. I will provide analytics to demonstrate how one could get to 3, 4 or 6. Point is not to persuade KP that such range is correct. She will have strong instinct to dispute it as unrealistically low. We are ok with her informing us otherwise, so long as she comes away knowing that ratcheting up those ranges leads automatially to lower percentage recoveries, by simple math in light of afact that there will only be X or Y real dollars available. What we will sell, though, is basedon strength of Gary's waterfall presentation as btwn GMACM and RFC in the two scenarios. The message to her will be clear - get on board.

Finally, I recommend we use 750 million rather than one billion as potential AFI contribution. I don't have basis to say it should be a billion, and it would be better to leave some room for negotiation. If we want to use a billion we will need clearance from AFI and I haven't spoken to Mike.

I recommend we take advantage of tomorrow's meeting of you, me, Kirkland and MoFo to run through the KP draft slides. Your thoughts?

Thanks.

Tim

Exhibit 44

From: Cancelliere, Jeff - PA
Sent: 5/8/2012 11:00:44 AM
To: Lee, Gary S.; Devine, Timothy; rcieri@kirkland.com
Cc: Ruckdaschel, John; rschrock@kirkland.com; Levitt, Jamie A.; mark.renzi@fticonsulting.com; Solomon, William Legal
Subject: RE: Are you available

One of the drivers for the lower defect from her standpoint is due to better performance on the loans as well as servicing efficiency.

From: Lee, Gary S. [GLee@mofo.com]
Sent: Tuesday, May 08, 2012 9:59 AM
To: Devine, Timothy; rcieri@kirkland.com
Cc: Ruckdaschel, John; Cancelliere, Jeff - PA; rschrock@kirkland.com; Levitt, Jamie A.; mark.renzi@fticonsulting.com; Solomon, William Legal; Lee, Gary S.
Subject: Re: Are you available

Jeff is trying to understand her BoA exhibit and then we may have a clearer view. In reality - lehman was 35pc, she says boa was 36, and 22pc is lower than we thought we would end up with. She is taking the discount already because its bk dollars not boa dollars.

Gary S. Lee
Morrison & Foerster LLP
1290 Avenue of the Americas
New York, NY 10104-0050
T. 212.468.8042
F. 212.468.7900
glee@mofo.com

From: Devine, Timothy
To: Devine, Timothy ; Lee, Gary S.; 'rcieri@kirkland.com'
Cc: Ruckdaschel, John ; Cancelliere, Jeff - PA ; 'rschrock@kirkland.com' ; Levitt, Jamie A.; 'Renzi, Mark' ; Solomon, William Legal
Sent: Tue May 08 10:46:04 2012
Subject: RE: Are you available
Folks:

Light bulb moment:

Isn't the obvious answer that KP states her 22% - 11 billion or whatever – and then takes an appropriate haircut (analogous to the 36% to 14% haircut she took in BoA) to get to a lower $ number ($8B?) as stipulated allowed claim?

If you all agree, please help me enunciate in simple terms what the haircut is based on and we can work out who talks it through with KP.

Tim

Timothy A. Devine
Chief Counsel - Litigation
Ally Financial Inc. Legal Staff
200 Renaissance Center
M/C: 482-B09-B11
Detroit, MI 48265
(313) 656-3477

From: Devine, Timothy
Sent: Tuesday, May 08, 2012 7:15 AM
To: Lee, Gary S.; 'rcieri@kirkland.com'
Cc: Ruckdaschel, John; Cancelliere, Jeff - PA; 'rschrock@kirkland.com'; JLevitt@mofo.com; Renzi, Mark; Solomon, William Legal
Subject: FW: Are you available

Here's KP's version – the BoA settlement was not at 14% but at 36% -- and then haircut to the risk that BoA would not be responsible for Countrywide if the matter was litigated rather than settled.

Timothy A. Devine
Chief Counsel - Litigation
Ally Financial Inc. Legal Staff
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Detroit, MI 48265
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From: Kathy D. Patrick [mailto:kpatrick@gibbsbruns.com]
Sent: Tuesday, May 08, 2012 1:19 AM
To: Devine, Timothy
Subject: Re: Are you available

No, that's wrong: the BofA defect rate was over 30%. BofA ARGUED with us that the defect rate was 14%, which is why that is scenario 1 in the spreadsheet that BNY's expert used--but the ACTUAL defect rate we used, and settled on, was 36%. That would be scenario 3 or 4 in our spreadsheet, which is in the BNY expert report, too. I'm at a loss to understand why ResCap and Ally won't just look at the spreadsheet we used in BofA--because the scenarios in it track exactly what I've said. BofA argued for a vastly lower defect rate, which we rejected; they paid based on our much higher defect rate, which we accepted.

Importantly, the 36% defect rate we used for BofA was before litigation discounts, a primary one of which was the risk--which has obtained here--that Countrywide would go into bankruptcy. But for that risk, and the insolvency of Countrywide, the size of the CLAIM that we calculated against BofA was $32 billion. That's why I keep telling you that what we got from them was 25.7 cents on the dollar: the CLAIM size was $32 billion against them, and we settled for $8.5 billion, which is a recovery of 25.7 cents on the dollar based on a defect rate of 36%. Here, we've got a CLAIM size of more than $10 billion on which, as a practical matter, the recovery will be far less due to ResCap's bankruptcy.

Below is the relevant set of comparisons:

BofA Original Face: $432 billion	ResCap OF: $220 billion
BofA Current Face at Settlement: $163 billion	ResCap CF: $63 billion
BofA Claim Size: $32.5 billion	ResCap Claim Size: $10 billion
BofA Defect vs. Losses: 36%	ResCap Defect vs. Losses 22.2%
BofA Settlement: $8.5 billion	ResCap Settlement: whatever is distributed
BofA Settlement vs. Claim Size: 25.7 cents	ResCap Settlement: distrib. amt / $10 billion

That's why the numbers you're giving me don't make any sense, either with regard to our BofA Settlement--because the numbers you have are just wrong--or by virtue what we know about ResCap. We've analyzed and assessed what we think is ResCap's actual exposure: if we were using the same, 36% defect rate we used with Bank of America, the claim size for ResCap would be well in excess of $18 billion. Instead, we've offered to resolve by agreeing to a claim size of $10 billion.

Thus, the claim size is not just ratably lower based on issuance size, it is actually lower as a result of our analysis of the ResCap defect rate vs. Countrywide's. ResCap will have problems not just with us but with every investor if you try to suggest that the defect rate is a lot lower than where we've analyzed it: you can't reconcile that with the data, the accrued losses or the allegations in existing and future lawsuits.

Bottom line: you are getting a lower defect rate, but it's a realistic rate based on accurate data and using the same methodology we used before.

Kathy Patrick
Gibbs & Bruns LLP
713.751.5253

On May 8, 2012, at 12:12 AM, "Devine, Timothy" > wrote:

I'm getting lots of pressure on valuation now. BoA 8.5 billion represents 14 defect rate, correct? Everything we know about our product - from origination through pooling through reps and diligence throughg servicing - makes our folks believe we are better (lower) than Countrywide by a large margin. I am being asked to explain how we could agree to a defect rate 150 of Countrywide's.

----- Original Message -----
From: Kathy D. Patrick >
To: Devine, Timothy; Kathy D. Patrick >
Sent: Mon May 07 21:15:14 2012
Subject: Re: Are you available

Sure. 713 972 4695

Kathy D. Patrick
Gibbs & Bruns, L.L.P.

----- Original Message -----
From: Devine, Timothy [mailto:Timothy.Devine@ally.com]
Sent: Monday, May 07, 2012 08:10 PM
To: Kathy D. Patrick
Subject: Re: Are you available

May I call you in 15 minutes? Sorry.

----- Original Message -----
From: Kathy D. Patrick >
To: Devine, Timothy
Sent: Mon May 07 19:57:18 2012
Subject: Are you available

At 830 Eastern tonight?
Where can I reach you?

Kathy D. Patrick
Gibbs & Bruns, L.L.P.

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Exhibit 45

From: Princi, Anthony
Sent: 5/13/2012 7:25:47 PM
To: 'Devine, Timothy'; Scott A. Humphries; Kathy D. Patrick; Levitt, Jamie A.
Cc: Lee, Gary S.; Clark, Daniel E.; Newton, James A.; nornstein@kirkland.com; Ross.Martin@ropesgray.com; Keith.Wofford@ropesgray.com
Subject: RE: Settlement documents -- confidential

Don't believe the terms of the agreements allow for that but if K&E disagrees please let us know ASAP.

We spoke to Kathy and resolved the issues and are going to be circulating final, execution versions of the agreements soon.

From: Devine, Timothy [mailto:Timothy.Devine@ally.com]
Sent: Sunday, May 13, 2012 7:09 PM
To: Princi, Anthony; Scott A. Humphries; Kathy D. Patrick; Levitt, Jamie A.
Cc: Lee, Gary S.; Clark, Daniel E.; Newton, James A.; nornstein@kirkland.com; Ross.Martin@ropesgray.com; Keith.Wofford@ropesgray.com
Subject: RE: Settlement documents -- confidential

If there is any discussion about the total $ for allowed claims arising out of these issuances – wrapped, unwrapped, monoline, trust, whatever (excepting securities law claims) – going over $8.7 billion then we have no deal. Ally did not, cannot and will not approve it.

I am sure I misunderstood the notes below.

Thanks.

Tim

Timothy A. Devine
Chief Counsel - Litigation
Ally Financial Inc. Legal Staff
200 Renaissance Center
M/C: 482-B09-B11
Detroit, MI 48265
(313) 656-3477

From: Princi, Anthony [mailto:APrinci@mofo.com]
Sent: Sunday, May 13, 2012 7:05 PM
To: Scott A. Humphries; Kathy D. Patrick; Levitt, Jamie A.
Cc: Lee, Gary S.; Clark, Daniel E.; Newton, James A.; nornstein@kirkland.com; Devine, Timothy; Ross.Martin@ropesgray.com; Keith.Wofford@ropesgray.com
Subject: RE: Settlement documents -- confidential

Gary is calling Kathy to deal with all this.

From: Scott A. Humphries [mailto:SHumphries@gibbsbruns.com]
Sent: Sunday, May 13, 2012 7:05 PM
To: Scott A. Humphries; Princi, Anthony; Kathy D. Patrick; Levitt, Jamie A.
Cc: Lee, Gary S.; Clark, Daniel E.; Newton, James A.; nornstein@kirkland.com; Timothy.Devine@ally.com; Ross.Martin@ropesgray.com; Keith.Wofford@ropesgray.com
Subject: RE: Settlement documents -- confidential

<< File: 30507447-v11-Revised Plan Support Agreement (RG 513 draft).docx >> << File: Change-Pro Redline - 30507447-v10-Revised Plan Support Agreement (MoFo 513 draft) and 30507447-v11-Revised Plan Support Agreement (RG 513 draft).pdf >>

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Exhibit 46

Outlook E-mail

From: Devine, Timothy
Sent: 5/12/2012 4:29:50 PM
To: Lee, Gary S.; Levitt, Jamie A.; Ornstein, Noah; Ruckdaschel, John
Cc: Cieri, Richard M.; Schrock, Ray C.
Subject: RE: Has Talcott Franklin signed on without reservation to support the Plan, including broad third party release of all claims against Ally etc including security claims?

Got it.

Had call with KP.

We told her PSA support – whole hog – is drop dead.

Her aversion to lock up is, she said, drop dead for her clients.

What are our best fall-backs on the lockup?

Thanks.

Tim

Timothy A. Devine
Chief Counsel - Litigation
Ally Financial Inc. Legal Staff
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M/C: 482-B09-B11
Detroit, MI 48265
(313) 656-3477

From: Lee, Gary S. [mailto:GLee@mofo.com]
Sent: Saturday, May 12, 2012 4:26 PM
To: Devine, Timothy; Levitt, Jamie A.; Ornstein, Noah; Ruckdaschel, John
Subject: RE: Has Talcott Franklin signed on without reservation to support the Plan, including broad third party release of all claims against Ally etc including security claims?

Its complicated - they are trying to preserve lots of other claims, their clients dont seem to have brought equity claims. I dont even know whether their clients are 40 act advisors (anyone?). we sent Talcott the agreement the way we wanted it and told him he couldn't really negotiate it - but if KP doesnt sign I dont know if he will.

Gary S. Lee
Morrison & Foerster LLP
1290 Avenue of the Americas
New York, NY 10104-0050
T. 212.468.8042
F. 212.468.7900
glee@mofo.com

From: Devine, Timothy [mailto:Timothy.Devine@ally.com]
Sent: Saturday, May 12, 2012 4:22 PM
To: Levitt, Jamie A.; Lee, Gary S.; Ornstein, Noah; Ruckdaschel, John
Subject: Has Talcott Franklin signed on without reservation to support the Plan, including broad third party release of all claims against Ally etc including security claims?

PENGAD 800-631-6989
EXHIBIT
9019-154
11/19/12

Thanks.

Tim

Timothy A. Devine
Chief Counsel - Litigation
Ally Financial Inc. Legal Staff
200 Renaissance Center
M/C: 482-B09-B11
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(313) 656-3477

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Exhibit 47

UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

In re:

RESIDENTIAL CAPITAL, LLC, et al.,

Debtors

Case No. 12-12020 (MG)

Chapter 11

Jointly Administered

DEPOSITION OF CHRISTOPHER JOHN BROWN

DATE: December 18, 2012

HUDSON REPORTING & VIDEO, INC.

124 West 30th Street, 2nd Fl.

New York, New York 10001

Tel: 212-273-9911 Fax: 212-273-9915

TRANSCRIPT of the deposition, said deposition being conducted pursuant to Rules Governing Civil Practice in the Superior Court of New Jersey, by and before MARK IUZZOLINO, Certified Shorthand Reporter, License No. X101103, at the offices of Morrison Foerster, LLP, 1290 6th Avenue, New York, NY, on December 18, 2012, commencing at 9:34 a.m.

losses."

Are you familiar with that term?

A. Yes.

Q. What do you understand it to mean?

A. I assume the word "aggregate losses" refers to both losses incurred to date and projected future losses for the trusts. And by "losses," that would be collateral losses.

Q. Right. And you recall that his range of losses, depending on which of his two reports you looked at, ranges from about $3 billion up to $48 billion? Sound about right?

A. That sounds about right.

Q. Do you have any opinion to offer us as to whether that calculation of aggregate losses is correct?

MR. JURGENS: Objection to form.

A. No.

Q. I note that you applied discounts, for example, for statute of limitations, but you applied it to those numbers that he calculated. Right?

A. Correct.

Q. So you used his aggregate loss number

1 in performing your work. Right?
2 A. Correct. As a critique of his
3 analysis, I assumed some things about his
4 analysis that may be correct.
5 Q. In any event, you didn't embark as
6 part of your work on reevaluating or
7 criticizing his aggregate loss calculation?
8 A. That's correct.
9 Q. What you did is applied discounts to
10 it based on assumptions you were given by
11 counsel?
12 A. Correct.
13 Q. Could I ask you to turn to paragraph
14 6 of Exhibit 1? This is where you introduce
15 your work. And the last sentence says,
16 "Mr. Sillman used several incorrect inputs in a
17 formula he used in his analysis."
18 If I read your report correctly,
19 you've identified two incorrect inputs.
20 Correct?
21 A. Correct.
22 Q. I mean, you say several, but in
23 paragraph 7 you talk about the agree rate. In
24 paragraph 8 you talk about statute of
25 limitations.

Exhibit 48

In The Matter Of:

MBIA INSURANCE CORPORATION
v.
RESIDENTIAL FUNDING COMPANY, LLC

DORIAN G. WHEALDON - Vol. 1
June 7, 2011

CONFIDENTIAL

MERRILL CORPORATION
LegaLink, Inc.
225 Varick Street
10th Floor
New York, NY 10014
Phone: 212.557.7400
Fax: 212.692.9171

CONFIDENTIAL

DORIAN G. WHEALDON - 6/7/2011

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09:47:30 1 into the teams at that point. And I went
09:47:33 2 into the institutional team as an underwriter
09:47:37 3 from the audit area. The institutional team
09:47:46 4 was the team that dealt with the larger
09:47:48 5 companies that sold loans to RFC. I stayed
09:47:53 6 in underwriting until, I think, 2000, when I
09:47:58 7 went to client repurchase.
09:48:02 8 Q. Underwriting or audit?
09:48:03 9 A. Underwriting. I was only in the QC area
09:48:07 10 not -- maybe a year.
09:48:08 11 Q. About a year. Oh, so you went back to
09:48:11 12 underwriting around 1995?
09:48:13 13 A. Right.
09:48:13 14 Q. Okay. And, I'm sorry, when you went back
09:48:16 15 into underwriting what did you do?
09:48:17 16 A. Underwrote first mortgages, evaluated the
09:48:22 17 credit risk of the loans that the clients
09:48:24 18 were selling -- or trying to sell to
09:48:30 19 Residential Funding Corporation.
09:48:30 20 Q. Okay. And how long did you do that?
09:48:36 21 A. Until 2000.
09:48:38 22 Q. Okay. And then what?
09:48:40 23 A. I went into client repurchases.
09:48:44 24 Q. Okay. And what do you mean by, "Client
09:48:46 25 repurchases"?

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09:48:47 1 A. Loans that were audited by the audit area
09:48:51 2 that was reformed and then sent to
09:48:54 3 repurchase, the repurchase area to go back to
09:48:58 4 the clients to request that they repurchase
09:49:01 5 the loan from RFC or the security due to a
09:49:04 6 breach of the reps and warrants that they
09:49:08 7 made to RFC.
09:49:17 8 Q. Okay. And how long did you do that job?
09:49:23 9 A. I did that until they formed the investor
09:49:26 10 repurchase portion under the -- the client
09:49:31 11 repurchase manager. And I don't know the
09:49:35 12 exact date. It was either the end of 2007 or
09:49:38 13 the first part -- or end of 2006 or the first
09:49:42 14 part of 2007, the -- that transferred from
09:49:46 15 what was structured finance to the repurchase
09:49:50 16 area.
09:49:56 17 Q. Okay. As we go through this if we see -- if
09:50:04 18 you see any documents that I show you that
09:50:06 19 can refresh your recollection as to when you
09:50:08 20 went into investor repurchase --
09:50:11 21 A. Uh-huh.
09:50:11 22 Q. -- can you let me know?
09:50:13 23 A. Yes.
09:50:13 24 Q. Okay. All right. So let's -- let's focus on
09:50:28 25 the years 2005 to 2007.

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09:50:32 1 A. Okay.
09:50:32 2 Q. Okay. I take it part of that time you were
09:50:38 3 in loan repurchase and maybe part of that
09:50:42 4 time you were investor -- in investor
09:50:44 5 repurchase?
09:50:45 6 A. Yeah. The -- from 2005 and 2006, that -- the
09:50:51 7 majority of that would be client repurchase.
09:50:53 8 Q. Client repurchase. Okay. When you were in
09:50:58 9 client repurchase in those years what was
09:51:02 10 your -- what was your job responsibility?
09:51:05 11 A. To look at what audit had found, to look at
09:51:12 12 the contract with the client, the guidelines
09:51:17 13 to see if they were an actual breach, if it
09:51:19 14 was something that was negotiated, and then
09:51:21 15 put it back to the client if there was a
09:51:23 16 breach of the reps and warrants.
09:51:25 17 Q. Okay. When you're referring to,
09:51:27 18 "Guidelines," in that context you're talking
09:51:28 19 about RFC's guidelines?
09:51:29 20 A. Yes.
09:51:30 21 Q. And those guidelines as reflected in what's
09:51:33 22 called the client guide?
09:51:35 23 A. Client guide, uh-huh.
09:51:38 24 Q. You've got to say --
09:51:40 25 A. Yes.

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09:51:41 1 Q. Okay. Did you have a title?
09:51:43 2 A. We were -- I was a senior repurchase account
09:51:46 3 manager, but that title changed numerous
09:51:50 4 times with restructuring.
09:51:53 5 Q. Okay. Who did you report to during those --
09:51:56 6 that 2005, 2006 time frame when you were in
09:52:01 7 client repurchase?
09:52:05 8 A. Judy Dallman.
09:52:06 9 Q. What was her --
09:52:08 10 A. She was the manager of the client repurchase
09:52:10 11 area.
09:52:16 12 Q. Did anyone report to you?
09:52:19 13 A. No.
09:52:20 14 Q. Were there other people in the client
09:52:21 15 repurchase area?
09:52:22 16 A. Yes.
09:52:22 17 Q. Okay. You don't have an organization chart
09:52:34 18 for this part of the -- of the company, so
09:52:35 19 I'm going to have to try to --
09:52:35 20 A. Okay.
09:52:37 21 Q. -- figure out an organization chart.
09:52:39 22 What division or group was client
09:52:40 23 repurchase in?
09:52:42 24 A. They were under -- at that point -- I'm
09:52:46 25 not -- I don't remember who Judy reported to.

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63eeba7d-98d9-4715-9f30-6e49b0a99937

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10:12:10 1 repurchases, did you have any other
10:12:13 2 responsibilities between 2005 and the time
10:12:15 3 you went to investor repurchase?
10:12:17 4 A. No.
10:12:39 5 Q. Now, you mentioned that you would be involved
10:12:46 6 with client repurchases after you got --
10:12:49 7 after the audit group audited the loans, is
10:12:54 8 that --
10:12:54 9 A. Yes.
10:12:55 10 Q. Did I get that right?
10:12:58 11 A. Yes.
10:12:58 12 Q. All right. Once -- what -- once the audit
10:13:02 13 group had -- well, withdrawn.
10:13:05 14 Was the audit group in the same division
10:13:08 15 or group as client repurchase?
10:13:11 16 A. I'm not sure.
10:13:13 17 Q. The corporate -- in terms of the corporate
10:13:16 18 organizational chart, was audit in the same
10:13:20 19 sort of reporting line as client repurchase?
10:13:28 20 A. I know Will Thompson was the manager over the
10:13:36 21 audit group and he did report up to
10:13:38 22 Lisa Gess, but that's as far as I know.
10:13:42 23 Q. Okay. Okay. Once the -- once the audit
10:13:48 24 group made their findings with respect to a
10:13:52 25 particular loan, what would happen to that --

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10:14:00 1 and assuming that they believed that the loan
10:14:03 2 should be repurchased, I take it they would
10:14:06 3 make a decision about whether the loan should
10:14:08 4 be repurchased?
10:14:08 5 MS. BATTLE: Objection to the form
10:14:09 6 of the question.
10:14:11 7 MR. HOFF: I'll withdraw that.
10:14:13 8 Let me try it again.
10:14:14 9 BY MR. HOFF:
10:14:15 10 Q. Did -- when audit reviewed -- audited the
10:14:18 11 loans, did audit reach some conclusion with
10:14:21 12 respect to whether the loan should be
10:14:23 13 repurchased?
10:14:24 14 A. Yes.
10:14:24 15 Q. All right. And what would happen after audit
10:14:35 16 made that determination?
10:14:37 17 A. They would send it over to the repurchase
10:14:40 18 area.
10:14:40 19 Q. Okay. And was -- was that a final decision
10:14:45 20 by audit and then the repurchase people were
10:14:50 21 just going to process?
10:14:51 22 A. No.
10:14:51 23 Q. All right. What would happen -- can you
10:14:53 24 describe the procedure for me?
10:14:55 25 A. You'd review the documentation that audit

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10:15:00 1 secured, I guess would be the word, look at
10:15:04 2 the loan file itself, look at if there was
10:15:09 3 any negotiated commitments -- pardon me --
10:15:14 4 and whether it was an actual breach of the
10:15:16 5 reps and warrants or -- that they made to us
10:15:20 6 or not.
10:15:20 7 Q. Okay. And if it turns out that there was a
10:15:23 8 breach of the reps and warrants --
10:15:24 9 A. Then we would request repurchase from the
10:15:27 10 client.
10:15:27 11 Q. Okay. Who made the determination as to
10:15:30 12 whether or not -- well, withdrawn.
10:15:33 13 I take it that by the time the loan gets
10:15:35 14 from audit to -- to the repurchase group,
10:15:41 15 audit had made -- reached a conclusion that
10:15:44 16 there was a breach of reps and warrants; is
10:15:46 17 that fair?
10:15:47 18 MS. BATTLE: Objection.
10:15:49 19 BY MR. HOFF:
10:15:49 20 Q. You can answer.
10:15:50 21 MS. BATTLE: You can answer.
10:15:51 22 THE WITNESS: Oh. No, I
10:15:52 23 wouldn't -- I wouldn't categorize it that
10:15:55 24 way.
10:15:55 25 MR. HOFF: Okay.

Page 53

10:15:56 1 BY MR. HOFF:
10:15:56 2 Q. How would you -- how would you describe it?
10:15:58 3 A. Audit always looked to just the client guide.
10:16:00 4 They didn't always necessarily look to what
10:16:03 5 commitments we had outstanding with that
10:16:11 6 client and the materiality, so sometimes they
10:16:16 7 were overturned and we would not pursue a
10:16:22 8 repurchase.
10:16:24 9 Q. Okay. And who would make the ultimate
10:16:31 10 decision as to whether a repurchase should be
10:16:34 11 pursued?
10:16:34 12 A. The repurchase account manager.
10:16:37 13 Q. Okay. So for the -- the accounts that you
10:16:38 14 were responsible for, you would make the
10:16:39 15 final determination?
10:16:40 16 A. Right.
10:16:40 17 Q. Did someone have to approve your
10:16:43 18 determination?
10:16:44 19 A. No.
10:16:44 20 Q. And that would go -- that would be the same
10:16:46 21 for the other senior and other regular
10:16:48 22 repurchase managers?
10:16:49 23 A. Yes.
10:16:49 24 Q. Okay. So if the regular -- the non-senior
10:16:53 25 repurchase managers made a determination as

10:16:57 1 to whether or not a repurchase should occur,
10:17:05 2 there wasn't any -- the senior people didn't
10:17:07 3 have to review that decision?
10:17:08 4 A. Initially when they first started in the area
10:17:11 5 we would review their decisions and -- for
10:17:16 6 training to make sure that they were doing it
10:17:18 7 properly.
10:17:19 8 Q. Okay. But once -- that's a -- that's more of
10:17:22 9 a quality control issue, correct?
10:17:2310 A. Right.
10:17:2411 Q. So once you felt the -- the senior managers
10:17:2712 felt that these people were trained, they had
10:17:3013 the -- they had the final call, so to speak,
10:17:3214 on the repurchase decision?
10:17:3315 A. Yes. That's what the position was.
10:17:3516 Q. Okay. Was there any circumstance where
10:17:4017 someone senior to the repurchase managers and
10:17:4318 senior repurchase managers would weigh in on
10:17:4819 a repurchase decision?
10:17:5020 MS. BATTLE: Objection to the
10:17:5121 form.
10:17:5122 THE WITNESS: If you needed -- you
10:17:5423 know, if you weren't sure about something you
10:17:5724 could go to the manager or someone else for
10:18:0025 instruction or debate. But on a normal

10:18:08 1 process, no.
10:18:13 2 MR. HOFF: Okay.
10:18:13 3 BY MR. HOFF:
10:18:14 4 Q. Other than breaches of representations and
10:18:15 5 warranties, were there any other
10:18:17 6 circumstances under which RFC would request
10:18:23 7 that a loan seller repurchase a loan?
10:18:28 8 A. We did start early payment default
10:18:32 9 repurchases, that might have been 2007, but
10:18:4110 I'm thinking it actually may have been 2008.
10:18:4411 Q. Okay. Was -- were you in -- at the time that
10:18:4912 the early payment default repurchases started
10:18:5313 were you still in client repurchase?
10:18:5914 A. I don't recall.
10:19:0015 Q. Okay. And are you saying that the early
10:19:0616 payment default repurchase requests were not
10:19:1017 based upon a breach of representations and
10:19:1318 warranties?
10:19:1419 A. That was -- pardon me -- that was a
10:19:1720 representation and warranty.
10:19:1821 Q. Okay. Okay. I just want to be clear. What
10:19:2122 I tried to ask you --
10:19:2323 A. Oh, I'm sorry.
10:19:2424 Q. -- was whether there were any circumstances
10:19:2825 other than a breach of a representation or

10:19:30 1 warranty where RFC would seek a client
10:19:33 2 repurchase from a loan seller who sold a loan
10:19:36 3 to RFC?
10:19:37 4 A. No.
10:19:38 5 Q. Okay. Now, you mentioned two circumstances
10:19:47 6 under which a repurchase manager may overrule
10:19:55 7 a -- an audit recommendation for repurchase,
10:20:02 8 negotiated commitments and materiality, was
10:20:06 9 that a fair characterization?
10:20:0910 A. Yes.
10:20:0911 Q. Were there any other circumstances under
10:20:1212 which the repurchase manager would overrule a
10:20:1813 repurchase recommendation by audit?
10:20:2314 A. Not that I can think of.
10:20:2515 Q. Okay. When you reviewed the -- the -- the
10:20:4316 loans, did you do a -- your own audit of
10:20:4617 those loans?
10:20:4818 MS. BATTLE: Objection to the
10:20:4819 form.
10:20:5020 THE WITNESS: No.
10:20:5121 MR. HOFF: Okay.
10:20:5222 BY MR. HOFF:
10:20:5323 Q. Would it be fair to say that you just
10:20:5424 reviewed the file that -- the -- withdrawn.
10:20:5925 Would it be fair to say that you -- your

10:21:01 1 procedure was to review the analysis done by
10:21:04 2 the auditor and then check to see if there
10:21:07 3 were any separate agreements that RFC had
10:21:13 4 with the particular loan seller?
10:21:15 5 A. Yes.
10:21:16 6 Q. Okay. Were there occasions where you would
10:21:20 7 obtain additional information that was not in
10:21:24 8 the auditor's analysis?
10:21:27 9 A. Yes.
10:21:2810 Q. Can you describe the circumstances under
10:21:3011 which that would happen?
10:21:3112 A. We would look at servicing notes to see if we
10:21:3513 could find out what the reason was for
10:21:3714 default if there was a default, to see if
10:21:4215 the -- a BPO had been done to support or not
10:21:4616 support the value. Any other questions we
10:21:5217 usually took back to audit to do additional
10:21:5518 research themselves.
10:21:5919 Q. Okay. You mentioned a BPO. What is that?
10:22:0420 A. Broker's price opinion.
10:22:0621 Q. Okay. And where would you get a BPO?
10:22:1122 A. The servicing area obtained BPO's when the
10:22:1423 loan went into foreclosure.
10:22:1624 Q. And what exactly is a BPO? What is it,
10:22:2125 broker's price --

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10:22:23 1 A. Price opinion. It's just a broker familiar
10:22:24 2 with the area. I don't even know if they do
10:22:29 3 more than a drive-by. Sometimes there were
10:22:32 4 interior BPO's done and try to determine what
10:22:34 5 the current value of the property was.
10:22:34 6 Q. It's --
10:22:37 7 A. It's just an opinion of value.
10:22:40 8 Q. Well, is it an appraisal?
10:22:42 9 A. No.
10:22:43 10 Q. Okay. Because an appraisal is also an
10:22:45 11 opinion of value, right?
10:22:46 12 A. A more detailed opinion of value.
10:22:49 13 Q. So how would you get the BPO? How would RFC
10:22:55 14 obtain a BPO?
10:22:56 15 A. The servicing area would obtain the BPO and
10:23:00 16 we could request a copy.
10:23:01 17 Q. Okay. And you said you looked at servicing
10:23:04 18 notes?
10:23:04 19 A. Yes.
10:23:05 20 Q. What -- when you say, "Servicing," what are
10:23:08 21 you referring to?
10:23:09 22 A. The actual collection of the payments.
10:23:13 23 There's an area that services the loan,
10:23:17 24 brings in the money, disburses the money out
10:23:19 25 to whoever it needs to be disbursed to and

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10:23:25 1 they're in contact with the borrowers during
10:23:27 2 the process if there's reason to be in
10:23:29 3 contact with the borrowers.
10:23:30 4 Q. Okay. And so there was -- just so we're
10:23:35 5 clear, within RFC was there a -- a group or a
10:23:39 6 unit that was responsible for servicing a
10:23:41 7 loan?
10:23:41 8 A. Yes.
10:23:42 9 Q. And that's the group that you would get
10:23:45 10 that -- that information from?
10:23:47 11 A. Right.
10:23:47 12 Q. Okay. And when you refer to servicing notes,
10:23:50 13 what are you talking about?
10:23:51 14 A. Notes that they make into the servicing
10:23:54 15 system regarding conversations that they had
10:23:57 16 or what's been going on with the loan -- the
10:24:00 17 loan itself, not the loan file.
10:24:02 18 Q. Okay. So there was some -- some kind of
10:24:05 19 database that -- in which the servicing group
10:24:09 20 would enter information about the status of
10:24:12 21 the loan?
10:24:13 22 A. Yes.
10:24:13 23 Q. And you had direct access to that?
10:24:16 24 A. Yes.
10:24:17 25 Q. How did you access that?

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10:24:18 1 A. Through the computer.
10:24:21 2 Q. Was there a particular file or program that
10:24:25 3 you utilized?
10:24:26 4 A. It was called LSAM and Capstead.
10:24:29 5 Q. Can you spell that?
10:24:31 6 A. Just the initials, L-S-A-M, and Capstead,
10:24:36 7 C-A-P-S-T-E-A-D.
10:24:40 8 Q. Okay. Were those two different databases?
10:24:43 9 A. They were kind of integrated. At one point
10:24:46 10 they were separate and I think they were
10:24:47 11 integrated into one.
10:24:48 12 Q. Okay.
10:24:49 13 A. Pardon me.
10:24:49 14 Q. And there was just some icon on your computer
10:24:55 15 you could go to?
10:24:56 16 A. Yes.
10:24:56 17 Q. Okay. And you just clicked onto that and --
10:25:00 18 A. And entered a password.
10:25:01 19 Q. And entered a password and then you would try
10:25:04 20 to search for a loan number?
10:25:09 21 A. Uh-huh.
10:25:09 22 Q. And what type of information were in the
10:25:12 23 servicing loans?
10:25:13 24 A. There would be payment history of the loan
10:25:15 25 itself, any contact they had with the

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10:25:18 1 borrower, who the foreclosure attorney was if
10:25:22 2 it was in foreclosure, when it went to sale,
10:25:24 3 if it sold, if it was a short sale. Anything
10:25:28 4 to do with the loan itself, the...
10:25:32 5 Q. Okay. Did you -- and did you actually talk
10:25:35 6 to people in the servicing group or you just
10:25:37 7 relied on the notes?
10:25:39 8 A. We did talk to them, but usually not about a
10:25:46 9 specific loan.
10:25:47 10 Q. Okay. The servicing group was located in
10:25:51 11 Dallas?
10:25:52 12 A. The people that we usually talked to were in
10:25:56 13 master servicing and they were in California.
10:25:59 14 Q. Okay. Where in California?
10:26:01 15 A. Universal City.
10:26:03 16 Q. Okay. Interesting. If you've been to
10:26:13 17 Universal City you'd understand my reaction.
10:26:18 18 That's where Universal Studios is.
10:26:21 19 A. Oh, okay.
10:26:22 20 Q. And when I -- you know, when I asked you
10:26:28 21 about your procedure for reviewing loans from
10:26:31 22 QA and you said you reviewed what they did,
10:26:35 23 but didn't audit, was that similar to the
10:26:38 24 procedure that the other senior product --
10:26:41 25 senior repurchase managers and the regular

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12:02:51 1 they reported to -- no, I think they reported
12:02:55 2 to Brenda Maze, that looked at fraudulent
12:03:03 3 loans.
12:03:03 4 Q. You mean fraud committed by borrowers or the
12:03:07 5 lenders -- or the sellers, rather?
12:03:10 6 A. Committed by anyone.
12:03:11 7 Q. By anyone. Okay.
12:03:12 8 A. There was some condominiums in Chicago or
12:03:15 9 something. I don't know.
12:03:1610 Q. Okay. So Mr. Johnson says to Suzanne Li, "It
12:03:2011 has come to my attention that Tim Witten and
12:03:2312 group put together a thorough analysis of a
12:03:2513 large group of repurchased loans in the past
12:03:2714 few days, perhaps it will include loan level
12:03:2915 comments for some of the loans on this list?"
12:03:3116 That's a question. Do you see that?
12:03:3217 A. Yes.
12:03:3318 Q. Okay. Do you know who Tim Witten is?
12:03:3719 A. I know the name, but I don't know what his
12:03:4020 position was.
12:03:4021 Q. Okay. In looking at the -- this e-mail and
12:03:4722 the -- the memo in the back that was authored
12:03:5023 by Ms. Dallman and Mr. Witten, does that
12:03:5324 refresh your recollection that there was an
12:03:5825 analysis done relating to an increase in

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12:04:02 1 loans subject to repurchase?
12:04:05 2 A. I was not involved in the analysis and I -- I
12:04:09 3 have no recollection.
12:04:11 4 Q. Okay.
12:04:11 5 A. You would probably need to ask Judy Dallman.
12:04:14 6 Q. I intend to and I just want to know what you
12:04:17 7 know.
12:04:18 8 A. Sure.
12:04:18 9 Q. Okay. Now, taking a look at the -- the memo
12:04:2610 itself, the Dallman, Witten memo --
12:04:3011 A. Okay.
12:04:3012 Q. -- did you have -- do you recall having any
12:04:3813 involvement in -- in the analysis that was
12:04:4214 done relating to this memo?
12:04:4415 A. No, I do not recall --
12:04:4616 Q. Okay.
12:04:4717 A. -- being involved in this.
12:04:4818 Q. Okay. In the first paragraph of the memo
12:05:0019 Ms. Dallman and Mr. Witten indicate
12:05:0420 that 85 percent of the referrals for loan
12:05:0821 repurchase come from the -- either the
12:05:1122 quality audit or the quality investigations
12:05:1323 groups. Do you see that?
12:05:1424 A. Yes.
12:05:1425 Q. Is that consistent with your understanding

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12:05:17 1 about the 85 percent?
12:05:18 2 A. I cannot address the percentage.
12:05:20 3 Q. Is it -- the large majority of loans --
12:05:25 4 A. I would say the majority came from there, but
12:05:27 5 I don't know what the percentage is.
12:05:28 6 Q. Okay. And the last sentence of that first
12:05:32 7 paragraph says that, "The predominant
12:05:34 8 findings are related to misrepresentations of
12:05:36 9 loan level information, i.e., employment,
12:05:4010 income, occupancy, undisclosed debt and
12:05:4311 appraised value." Do you see that?
12:05:4412 A. Yes.
12:05:4413 Q. Is that conclusion consistent with your
12:05:4714 recollection of the predominant types of
12:05:4915 findings that audit was making with respect
12:05:5516 to loans being recommended for repurchase in
12:05:5917 the late 2006 time frame?
12:06:0318 A. Yes, that would appear to be correct.
12:06:5719 Q. On the second page of the memo with the last
12:07:0020 three Bates numbers 836, in the -- there's
12:07:0521 a -- there's a section under the first box
12:07:1022 called, "Repurchase ended, no longer being
12:07:1523 pursued." Do you see that?
12:07:1624 A. Yes.
12:07:1625 Q. Now, were there circumstances where there --

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12:07:21 1 well, do you know -- do you understand what
12:07:22 2 she's referring to by, "Repurchase ended, no
12:07:25 3 longer being pursued"?
12:07:27 4 A. Yes.
12:07:27 5 Q. What does that mean?
12:07:28 6 A. That means that for a number of different
12:07:31 7 reasons that the client repurchase is not
12:07:34 8 being pursued, it probably was rescinded.
12:07:37 9 Q. Okay. Is that a situation where the
12:07:4210 repurchase managers would agree with an audit
12:07:4611 recommendation for repurchase, but for
12:07:4912 whatever reason the effort to seek repurchase
12:07:5613 terminated?
12:08:0014 A. Okay. I'm confused by your question.
12:08:0315 Q. Okay. I'm trying -- here, let me try it
12:08:0716 again. I'm trying to understand whether
12:08:0917 this, "Repurchase ended, no longer being
12:08:1118 pursued," refers to a situation where audit
12:08:1419 recommended repurchase and the repurchase
12:08:1620 manager overruled or whether it's a situation
12:08:1921 where the repurchase manager agreed with the
12:08:2322 repurchase recommendation, but for whatever
12:08:2623 reason the repurchase never was followed
12:08:2924 through.
12:08:3125 A. No, it -- it would not be that it wasn't

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12:08:35 1 followed through. Normally what would have
12:08:37 2 happened was a repurchase request went to the
12:08:40 3 client, the client may have provided
12:08:42 4 additional documentation that alleviated the
12:08:45 5 concern and the repurchase would be
12:08:47 6 rescinded. It could be that there was a
12:08:50 7 settlement made with them where we
12:08:54 8 repurchased -- they repurchased so many, we
12:08:57 9 offset with so many. There were negotiations
12:09:0110 that also went on.
12:09:0211 Q. Okay.
12:09:0312 A. I don't know under what context she's
12:09:0713 reporting this, so I don't know what she's
12:09:1114 including in her numbers.
12:09:1315 Q. Okay. But --
12:09:1716 A. It kind of says here.
12:09:1817 Q. Okay. But do you understand this to not take
12:09:2218 into -- withdrawn.
12:09:2319 Do you understand what she's referring to
12:09:2420 here as being a situation where the
12:09:2721 repurchase management agreed with the
12:09:3222 repurchase recommendation of audit in the
12:09:3523 first instance as opposed to overruling the
12:09:3924 repurchase recommendation?
12:09:4325 A. She probably could answer it better. But

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12:09:46 1 just reading this, it would look like they
12:09:55 2 were ones pursued and a decision later made
12:09:59 3 not to -- like, "Seller out of business,"
12:10:01 4 there's no one to pursue. "Client
12:10:03 5 accommodation," would be where we may have
12:10:06 6 entered into some negotiations to split
12:10:08 7 losses, whatever. "Pay off," is
12:10:11 8 self-explanatory. So I don't know what all
12:10:14 9 she took into consideration to do this.
12:10:1610 Q. Okay. Well, let's talk about client
12:10:1811 accommodations. I had asked you earlier if
12:10:2012 you recalled any situation where a repurchase
12:10:2913 determination that was made by the repurchase
12:10:3114 manager was not completed because of
12:10:3815 considerations for client accommodations. Do
12:10:4116 you recall that?
12:10:4117 MS. BATTLE: Objection. That
12:10:4218 wasn't what you asked her before.
12:10:4419 BY MR. HOFF:
12:10:4520 Q. You can answer.
12:10:4621 A. I think it's terminology.
12:10:4822 Q. Okay.
12:10:4823 A. I would call it a negotiation and not an
12:10:5124 accommodation.
12:10:5125 Q. Uh-huh.

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12:10:52 1 A. We never just didn't pursue because we liked
12:10:56 2 the client. That to me would be the
12:10:59 3 accommodation.
12:11:00 4 Q. Okay.
12:11:01 5 A. A negotiation where we asked for a number of
12:11:05 6 repurchases and based on financials provided
12:11:10 7 from the client that, you know, we would
12:11:13 8 bankrupt them if they repurchased all of
12:11:15 9 them, maybe it's a settlement over time or a
12:11:1810 payment over time, there would be
12:11:2011 negotiations with that client. I don't
12:11:2212 really consider that an accommodation.
12:11:2413 Q. Okay. Were there circumstances where the
12:11:3214 loans would be repriced to reflect the -- the
12:11:4115 deviation from the -- the terms under which
12:11:4316 RFC bought the loan?
12:11:4617 A. That could happen. I don't know that it
12:11:4918 could happen on a large basis. But in
12:11:5219 general that -- that may happen.
12:11:5420 Q. Okay. If you look at the -- in the box on
12:11:5721 the first line under, "Issues resolved," it
12:11:5922 says --
12:12:0023 A. Right.
12:12:0024 Q. -- one of the -- one of the -- one of the
12:12:0525 reasons for resolution of the -- the

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12:12:10 1 repurchase request was repriced. Do you see
12:12:13 2 that?
12:12:13 3 A. Yes.
12:12:14 4 Q. And that means that -- is that -- did you
12:12:17 5 understand that to mean that the -- that the
12:12:19 6 loans were repriced -- the loans that were a
12:12:23 7 deviations from the -- from the terms under
12:12:25 8 which RFC bought the loan, were repriced to
12:12:28 9 reflect the risk of that determination -- of
12:12:3010 that deviation, rather?
12:12:3311 A. Again, I can't -- that would be my
12:12:3612 understanding, but I have no idea what
12:12:3913 context she was using.
12:12:4014 Q. Okay. But in your experience that happened?
12:12:4215 A. On a limited basis.
12:12:4316 Q. Okay. And how do you know it was on a
12:12:4717 limited basis?
12:12:4718 A. I guess just from the ones that I was
12:12:5019 involved in.
12:12:5020 Q. Okay. That raises a good question.
12:12:5421 Did you have any understanding as to what
12:12:5722 the -- what repurchase activities were being
12:13:0423 undertaken by the other repurchase managers
12:13:0724 in the group?
12:13:0825 A. No.

Exhibit 49

EXECUTION COPY

RESIDENTIAL ASSET MORTGAGE PRODUCTS, INC.,

as Purchaser,

GMAC MORTGAGE CORPORATION,

as Seller and Servicer,

WALNUT GROVE MORTGAGE LOAN TRUST 2003-A,

as Seller,

GMACM HOME EQUITY LOAN TRUST 2004-HE4,

as Issuer,

and

WELLS FARGO BANK, N.A.,

as Indenture Trustee

MORTGAGE LOAN PURCHASE AGREEMENT

Dated as of October 28, 2004

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EXHIBIT 1 MORTGAGE LOAN SCHEDULE

EXHIBIT 2 FORM OF SUBSEQUENT TRANSFER AGREEMENT

EXHIBIT 3 FORM OF ADDITION NOTICE

CONFIDENTIAL RC00057509

This Mortgage Loan Purchase Agreement (the "Agreement"), dated as of October 28, 2004, is made among GMAC Mortgage Corporation, as seller ("GMACM") and as servicer (in such capacity, the "Servicer"), Walnut Grove Mortgage Loan Trust 2003-A, as seller ("WG Trust 2003" and, together with GMACM, each a "Seller" and collectively, the "Sellers"), Residential Asset Mortgage Products, Inc., as purchaser (the "Purchaser"), GMACM Home Equity Loan Trust 2004-HE4, as issuer (the "Issuer"), and Wells Fargo Bank, N.A., as indenture trustee (the "Indenture Trustee").

WITNESSETH:

WHEREAS, GMACM, in the ordinary course of its business acquires and originates home equity loans and acquired or originated all of the home equity loans listed on the Mortgage Loan Schedule attached as Exhibit 1 hereto (the "Initial Mortgage Loans");

WHEREAS, GMACM sold a portion of the Initial Mortgage Loans (the "WG Trust 2003 Initial Mortgage Loans") and intends to sell a portion of the Subsequent Mortgage Loans to be sold by WG Trust 2003 hereunder, to Walnut Grove Funding, Inc ("Walnut Grove"), pursuant to a Mortgage Loan Purchase Agreement (the "Walnut Grove Purchase Agreement"), dated as of January 31, 2003 (each date of sale, a "Prior Transfer Date") among Walnut Grove, as purchaser, GMACM, as seller, WG Trust 2003, as Issuer and Bank One, National Association, as trustee;

WHEREAS, Walnut Grove sold the WG Trust 2003 Initial Mortgage Loans to WG Trust 2003 pursuant to a Trust Agreement, dated as of January 31, 2003, between Walnut Grove, as depositor and Wilmington Trust Company, as owner trustee;

WHEREAS, GMACM owns the Cut-Off Date Principal Balances and the Related Documents for the portion of Initial Mortgage Loans identified on the Mortgage Loan Schedule-A attached as Exhibit 1-A hereto (the "GMACM Initial Mortgage Loans"), including rights to (a) any property acquired by foreclosure or deed in lieu of foreclosure or otherwise, and (b) the proceeds of any insurance policies covering the GMACM Initial Mortgage Loans;

WHEREAS, WG Trust 2003 owns the Cut-Off Date Principal Balances and the Related Documents for the WG Trust 2003 Initial Mortgage Loans identified on the Mortgage Loan Schedule-B attached as Exhibit 1-B hereto, including rights to (a) any property acquired by foreclosure or deed in lieu of foreclosure or otherwise, and (b) the proceeds of any insurance policies covering the WG Trust 2003 Initial Mortgage Loans;

WHEREAS, the parties hereto desire that: (i) GMACM sell the Cut-Off Date Principal Balances of the GMACM Initial Mortgage Loans to the Purchaser on the Closing Date pursuant to the terms of this Agreement together with the Related Documents, and thereafter all Additional Balances relating to the GMACM Initial Mortgage Loans created on or after the Cut-Off Date and prior to the Rapid Amortization Period, (ii) WG Trust 2003 sell the Cut-Off Date Principal Balances of the WG Trust 2003 Initial Mortgage Loans to the Purchaser on the Closing Date pursuant to the terms of this Agreement together with the Related Documents, and thereafter all Additional Balances relating to the WG Trust 2003 Initial Mortgage Loans created on or after the Cut-Off Date and prior to the Rapid Amortization Period, (iii) the Sellers may sell Subsequent Mortgage Loans to the Issuer on one or more Subsequent Transfer Dates pursuant to

the terms of the related Subsequent Transfer Agreement, and (iv) the related Seller and GMACM make certain representations and warranties on the Closing Date and on each Subsequent Transfer Date;

WHEREAS, pursuant to the Trust Agreement, the Purchaser will sell the Initial Mortgage Loans and transfer all of its rights under this Agreement to the Issuer on the Closing Date;

WHEREAS, pursuant to the terms of the Servicing Agreement, the Servicer will service the Mortgage Loans;

WHEREAS, pursuant to the terms of the Trust Agreement, the Issuer will issue the Certificates;

WHEREAS, pursuant to the terms of the Indenture, the Issuer will issue the Notes, secured by the Trust Estate;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. For all purposes of this Agreement, except as otherwise expressly provided herein or unless the context otherwise requires, capitalized terms not otherwise defined herein shall have the meanings assigned to such terms in the Definitions contained in Appendix A to the indenture dated as of October 28, 2004 (the "Indenture"), between the Issuer and the Indenture Trustee, which is incorporated by reference herein. All other capitalized terms used herein shall have the meanings specified herein.

Section 1.2 Other Definitional Provisions. All terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein.

As used in this Agreement and in any certificate or other document made or delivered pursuant hereto or thereto, accounting terms not defined in this Agreement or in any such certificate or other document, and accounting terms partly defined in this Agreement or in any such certificate or other document, to the extent not defined, shall have the respective meanings given to them under generally accepted accounting principles. To the extent that the definitions of accounting terms in this Agreement or in any such certificate or other document are inconsistent with the meanings of such terms under generally accepted accounting principles, the definitions contained in this Agreement or in any such certificate or other document shall control.

The words "hereof," "herein," "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement; Section and Exhibit references contained in this Agreement are references to Sections and Exhibits in or to this Agreement unless otherwise specified; the term "including"

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shall mean "including without limitation"; "or" shall include "and/or"; and the term "proceeds" shall have the meaning ascribed thereto in the UCC.

The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as the feminine and neuter genders of such terms.

Any agreement, instrument or statute defined or referred to herein or in any instrument or certificate delivered in connection herewith means such agreement, instrument or statute as from time to time amended, modified or supplemented and includes (in the case of agreements or instruments) references to all attachments thereto and instruments incorporated therein; references to a Person are also to its permitted successors and assigns.

ARTICLE II

SALE OF MORTGAGE LOANS AND RELATED PROVISIONS

Section 2.1 Sale of Initial Mortgage Loans.

(a) GMACM, by the execution and delivery of this Agreement, does hereby sell, assign, set over, and otherwise convey to the Purchaser, without recourse, all of its right, title and interest in, to and under the following, wherever located: (i) the GMACM Initial Mortgage Loans (including the Cut-Off Date Principal Balances now existing and all Additional Balances thereafter arising thereunder to and including the date immediately preceding the commencement of the Rapid Amortization Period relating thereto; provided, however, that any Principal Balance represented by a Draw made during the Rapid Amortization Period and interest thereon and money due or to become due in respect thereof will not be or deemed to be transferred to the Purchaser, and GMACM in such event shall retain ownership of each Principal Balance represented by each such Draw and interest thereon and money due or to become due in respect thereof), all interest accruing thereon, all monies due or to become due thereon, and all collections in respect thereof received on or after the Cut-Off Date (other than interest due thereon prior to the Cut-Off Date); (ii) the interest of GMACM in any insurance policies in respect of the GMACM Initial Mortgage Loans; and (iii) all proceeds of the foregoing; provided, however, that the Purchaser does not assume the obligation under each Loan Agreement relating to a Mortgage Loan to fund Draws to the Mortgagor thereunder, and the Purchaser shall not be obligated or permitted to fund any such Draws, it being agreed that GMACM will retain the obligation to fund future Draws. Such conveyance shall be deemed to be made: (1) with respect to the Cut-Off Date Principal Balances, as of the Closing Date; and (2) with respect to the amount of each Additional Balance created on or after the Cut-Off Date and prior to the commencement of the Rapid Amortization Period, as of the later of the Closing Date and the date that the corresponding Draw was made pursuant to the related Loan Agreement, subject to the receipt by GMACM of consideration therefor as provided herein under clause (a) of Section 2.3.

(b) Reserved.

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(c) WG Trust 2003, by the execution and delivery of this Agreement, does hereby sell, assign, set over, and otherwise convey to the Purchaser, without recourse, all of its right, title and interest in, to and under the following, and wherever located: (i) the WG Trust 2003 Initial Mortgage Loans (including the Cut-Off Date Principal Balances now existing and its rights to acquire all Additional Balances and Excluded Amounts thereafter arising thereunder, all interest accruing thereon, all monies due or to become due thereon, and all collections in respect thereof received on or after the Cut-Off Date (other than interest thereon in respect of any period prior to the Cut-Off Date)); (ii) the WG Trust 2003's interest in any insurance policies in respect of the WG Trust 2003 Initial Mortgage Loans; and (iii) all proceeds of the foregoing; provided, however, that the Purchaser does not assume the obligation under each Loan Agreement relating to a Mortgage Loan to fund Draws to the Mortgagor thereunder, and the Purchaser shall not be obligated or permitted to fund any such Draws, it being agreed that GMACM will retain the obligation to fund future Draws pursuant to the applicable Walnut Grove Purchase Agreement. Such conveyance shall be deemed to be made: (1) with respect to the Cut-Off Date Principal Balances, as of the Closing Date; and (2) with respect to the amount of each Additional Balance created on or after the Cut-Off Date and prior to the commencement of the Rapid Amortization Period, as of the later of the Closing Date and the date that the corresponding Draw was made pursuant to the related Loan Agreement, subject to the receipt by GMACM of consideration therefor as provided herein under clause (a) of Section 2.3.

(d) In connection with the conveyance by GMACM of the GMACM Initial Mortgage Loans and any Subsequent Mortgage Loans, GMACM further agrees, at its own expense, on or prior to the Closing Date with respect to the Principal Balances of the GMACM Initial Mortgage Loans and on or prior to the related Subsequent Cut-Off Date in the case of such Subsequent Mortgage Loans sold by it, to indicate in its books and records that the GMACM Initial Mortgage Loans have been sold to the Purchaser pursuant to this Agreement, and, in the case of the Subsequent Mortgage Loans, to the Issuer pursuant to the related Subsequent Transfer Agreement, and to deliver to the Purchaser true and complete lists of all of the Mortgage Loans sold by GMACM specifying for each Mortgage Loan (i) its account number and (ii) its Cut-Off Date Principal Balance or Subsequent Cut-Off Date Principal Balance. The Mortgage Loan Schedule indicating such information with respect to the Mortgage Loans sold by GMACM shall be marked as Exhibit 1-A to this Agreement and is hereby incorporated into and made a part of this Agreement.

(e) In connection with the conveyance by WG Trust 2003 of the WG Trust Initial Mortgage Loans and any Subsequent Mortgage Loans, such Seller further agrees, at its own expense, on or prior to the Closing Date with respect to the Principal Balances of such WG Trust Initial Mortgage Loans and on or prior to the related Subsequent Cut-Off Date in the case of such Subsequent Mortgage Loans sold by it, to indicate in its books and records that the respective WG Trust Initial Mortgage Loans have been sold to the Purchaser pursuant to this Agreement, and, in the case of the Subsequent Mortgage Loans, to the Issuer pursuant to the related Subsequent Transfer Agreement. GMACM, as Servicer of the Mortgage Loans sold by WG Trust 2003, agrees to deliver to the Purchaser true and complete lists of all of the Mortgage Loans sold by each Seller specifying for each Mortgage Loan (i) its account number and (ii) its Cut-Off Date Principal Balance or Subsequent Cut-Off Date Principal Balance. The Mortgage Loan Schedule indicating such information with respect to the Mortgage Loans sold by

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WG Trust 2003 shall be marked as Exhibit 1-B to this Agreement and is hereby incorporated into and made a part of this Agreement.

(f) In connection with the conveyance by GMACM of the GMACM Initial Mortgage Loans and any Subsequent Mortgage Loans sold by it and the conveyance by WG Trust 2003 of the WG Trust Initial Mortgage Loans and any Subsequent Mortgage Loans sold by such Seller, GMACM shall, (A) with respect to each Mortgage Loan, on behalf of the Purchaser deliver to, and deposit with the Custodian, at least five (5) Business Days before the Closing Date in the case of an Initial Mortgage Loan, and, on behalf of the Issuer, three (3) Business Days prior to the related Subsequent Transfer Date in the case of a Subsequent Mortgage Loan, the original Loan Agreement endorsed or assigned without recourse in blank (which endorsement shall contain either an original signature or a facsimile signature of an authorized officer of GMACM) or, with respect to any Mortgage Loan as to which the original Loan Agreement has been permanently lost or destroyed and has not been replaced, a Lost Note Affidavit, and any modification agreement or amendment to such Loan Agreement and (B) except as provided in clause (A) with respect to the Loan Agreements, deliver the Mortgage Files to the Servicer.

Within the time period for the review of each Loan Agreement set forth in Section 2.2 of the Custodial Agreement, if a material defect in any Loan Agreement is discovered which may materially and adversely affect the value of the related Mortgage Loan, or the interests of the Indenture Trustee (as pledgee of the Mortgage Loans), the Noteholders, the Certificateholders or the Enhancer in such Mortgage Loan, including GMACM's failure to deliver the Loan Agreement to the Custodian on behalf of the Indenture Trustee, GMACM shall cure such defect, repurchase the related Mortgage Loan at the Repurchase Price or substitute an Eligible Substitute Loan therefor upon the same terms and conditions set forth in Section 3.1 hereof for breaches of representations and warranties as to the Mortgage Loans. If a material defect in any of the documents in the Mortgage File held by the Servicer is discovered which may materially and adversely affect the value of the related Mortgage Loan, or the interests of the Indenture Trustee (as pledgee of the Mortgage Loans), the Noteholders, the Certificateholders or the Enhancer in such Mortgage Loan, including GMACM's failure to deliver such documents to the Servicer on behalf of the Indenture Trustee, GMACM shall cure such defect, repurchase the related Mortgage Loan at the Repurchase Price or substitute an Eligible Substitute Loan therefor upon the same terms and conditions set forth in Section 3.1 hereof for breaches of representations and warranties as to the Mortgage Loans.

Upon sale of the Initial Mortgage Loans, the ownership of each Loan Agreement, each related Mortgage and the contents of the related Mortgage File shall be vested in the Purchaser and the ownership of all records and documents with respect to the Initial Mortgage Loans that are prepared by or that come into the possession of any Seller, as a seller of the Initial Mortgage Loans hereunder or by GMACM in its capacity as Servicer under the Servicing Agreement shall immediately vest in the Purchaser, and shall be promptly delivered to the Servicer in the case of the documents in possession of WG Trust 2003 and retained and maintained in trust by GMACM as the Servicer (except for the Loan Agreements, which shall be retained by the Custodian) at the will of the Purchaser, in such custodial capacity only. Each Seller's records will accurately reflect the sale of each Initial Mortgage Loan sold by it to the Purchaser.

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The Purchaser hereby acknowledges its acceptance of all right, title and interest to the property conveyed to it pursuant to this Section 2.1.

(g) The parties hereto intend that the transactions set forth herein constitute a sale by the Sellers to the Purchaser of each of the Sellers' right, title and interest in and to their respective Initial Mortgage Loans and other property as and to the extent described above. In the event the transactions set forth herein are deemed not to be a sale, each Seller hereby grants to the Purchaser a security interest in all of such Seller's right, title and interest in, to and under all accounts, chattel papers, general intangibles, contract rights, payment intangibles, certificates of deposit, deposit accounts, instruments, documents, letters of credit, money, advices of credit, investment property, goods and other property consisting of, arising under or related to the Initial Mortgage Loans and such other property, to secure all of such Seller's obligations hereunder, and this Agreement shall and hereby does constitute a security agreement under applicable law. Each Seller agrees to take or cause to be taken such actions and to execute such documents, including the filing of any continuation statements with respect to the UCC-1 financing statements filed with respect to the Initial Mortgage Loans by the Purchaser on the Closing Date, and any amendments thereto required to reflect a change in the name or corporate structure of such Seller or the filing of any additional UCC-1 financing statements due to the change in the principal office or jurisdiction of incorporation of such Seller, as are necessary to perfect and protect the Purchaser's and its assignees' interests in each Initial Mortgage Loan and the proceeds thereof. The Servicer shall file any such continuation statements on a timely basis.

(h) In connection with the assignment of any Mortgage Loan registered on the MERS® System, GMACM further agrees that it will cause, at GMACM's own expense, as soon as practicable after the Closing Date, the MERS® System to indicate that such Mortgage Loan has been assigned by GMACM to the Indenture Trustee in accordance with this Agreement or the Trust Agreement for the benefit of the Noteholders by including (or deleting, in the case of Mortgage Loans which are repurchased in accordance with this Agreement) in such computer files (a) the specific code which identifies the Indenture Trustee as the assignee of such Mortgage Loan and (b) the series specific code in the field "Pool Field" which identifies the series of the Notes issued in connection with such Mortgage Loans. GMACM agrees that it will not alter the codes referenced in this paragraph with respect to any Mortgage Loan during the term of this Agreement unless and until such Mortgage Loan is repurchased in accordance with the terms of this Agreement.

Section 2.2 Sale of Subsequent Mortgage Loans.

(a) Subject to the conditions set forth in paragraphs (b) and (c) below (the satisfaction of which (other than the conditions specified in paragraphs (b)(i), (b)(ii) and (b)(iii)) shall be evidenced by an Officer's Certificate of GMACM dated the date of the related Subsequent Transfer Date), in consideration of the Issuer's payment of the purchase price provided for in Section 2.3 on one or more Subsequent Transfer Dates using amounts on deposit in the Custodial Account, the Pre-Funding Account, the Funding Account or the Reserve Sub-Account (in each case to the extent permitted by the Servicing Agreement), each Seller may, on the related Subsequent Transfer Date, sell, transfer, assign, set over and convey without recourse to the Issuer but subject to the other terms and provisions of this Agreement all of the right, title and interest of such Seller in and to (i) Subsequent Mortgage Loans identified on the

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related Mortgage Loan Schedule attached to the related Subsequent Transfer Agreement delivered by GMACM on such Subsequent Transfer Date (including the Subsequent Cut-Off Date Principal Balance then existing and all Additional Balances and Excluded Amounts thereafter arising thereunder to and including the date immediately preceding the commencement of the Rapid Amortization Period); provided that Excluded Amounts shall not be conveyed to the Issuer and shall be retained by GMACM, (ii) all money due or to become due on such Subsequent Mortgage Loan and all collections received on or after the related Subsequent Cut-Off Date and (iii) all items with respect to such Subsequent Mortgage Loans to be delivered pursuant to Section 2.1 above and the other items in the related Mortgage Files; provided, however, that the Seller of a Subsequent Mortgage Loan reserves and retains all right, title and interest in and to principal received and interest accruing on such Subsequent Mortgage Loan prior to the related Subsequent Cut-Off Date. Any transfer to the Issuer by a Seller of Subsequent Mortgage Loans shall be absolute, and is intended by the Issuer and such Seller to constitute and to be treated as a sale of such Subsequent Mortgage Loans by such Seller to the Issuer. In the event that any such transaction is deemed not to be a sale, GMACM and WG Trust 2003, as the case may be, hereby grant to the Issuer as of each Subsequent Transfer Date a security interest in all of such Seller's right, title and interest in, to and under all accounts, chattel papers, general intangibles, payment intangibles, contract rights, certificates of deposit, deposit accounts, instruments, documents, letters of credit, money, advices of credit, investment property, goods and other property consisting of, arising under or related to the related Subsequent Mortgage Loans and such other property, to secure all of such Seller's obligations hereunder, and this Agreement shall constitute a security agreement under applicable law. Each Seller agrees to take or cause to be taken such actions and to execute such documents, including the filing of all necessary UCC-1 financing statements filed in the State of Delaware and the Commonwealth of Pennsylvania (which shall be submitted for filing as of the related Subsequent Transfer Date), any continuation statements with respect thereto and any amendments thereto required to reflect a change in the name or corporate structure of such Seller or the filing of any additional UCC-1 financing statements due to the change in the principal office or jurisdiction of incorporation of such Seller, as are necessary to perfect and protect the interests of the Issuer and its assignees in each Subsequent Mortgage Loan and the proceeds thereof. The Servicer shall file any such continuation statements on a timely basis.

The Issuer on each Subsequent Transfer Date shall acknowledge its acceptance of all right, title and interest to the related Subsequent Mortgage Loans and other property, existing on the Subsequent Transfer Date and thereafter created, conveyed to it pursuant to this Section 2.2.

The Issuer shall be entitled to all scheduled principal payments due on and after each Subsequent Cut-Off Date, all other payments of principal due and collected on and after each Subsequent Cut-Off Date, and all payments of interest on any related Subsequent Mortgage Loans, minus that portion of any such interest payment that is allocable to the period prior to the related Subsequent Cut-Off Date and any payment relating to any Excluded Amounts as provided in Section 2.5.

(b) Any Seller may transfer to the Issuer Subsequent Mortgage Loans and the other property and rights related thereto described in Section 2.2(a) above, and during the Pre-Funding Period, upon the release of funds on deposit in the Pre-Funding Account, or during the Revolving Period, upon the release of funds on deposit in the Custodial Account or the Funding

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Account, or during the Managed Amortization Period, following a Funding Event, upon the release of funds on deposit in the Reserve Sub-Account, respectively, in accordance with the Servicing Agreement, only upon the satisfaction of each of the following conditions on or prior to the related Subsequent Transfer Date:

(i) such Seller or GMACM, as Servicer, shall have provided the Indenture Trustee, the Rating Agencies and the Enhancer with a timely Addition Notice substantially in the form of Exhibit 3, which notice shall be given no later than seven Business Days prior to the related Subsequent Transfer Date, and shall designate the Subsequent Mortgage Loans to be sold to the Issuer, the aggregate Principal Balance of such Subsequent Mortgage Loans as of the related Subsequent Cut-Off Date and any other information reasonably requested by the Indenture Trustee or the Enhancer with respect to such Subsequent Mortgage Loans;

(ii) such Seller shall have delivered to the Indenture Trustee and the Enhancer a duly executed Subsequent Transfer Agreement substantially in the form of Exhibit 2, (A) confirming the satisfaction of each condition precedent and representations specified in this Section 2.2(b) and in Section 2.2(c) and in the related Subsequent Transfer Agreement and (B) including a Mortgage Loan Schedule listing the Subsequent Mortgage Loans;

(iii) as of each Subsequent Transfer Date, as evidenced by delivery to the Indenture Trustee of the Subsequent Transfer Agreement in the form of Exhibit 2, the respective Seller shall not be insolvent, made insolvent by such transfer or aware of any pending insolvency;

(iv) such sale and transfer shall not result in a material adverse tax consequence to the Issuer or, due to any action or inaction on the part of the respective Seller, to the Securityholders or the Enhancer;

(v) the Revolving Period shall not have terminated or, if during the Managed Amortization Period, a Funding Event shall have occurred; and

(vi) the Enhancer shall have approved the sale of the Subsequent Mortgage Loans (which approval shall not be unreasonably withheld) within five (5) Business Days of receipt of an electronic file containing the information regarding the Subsequent Mortgage Loans that was delivered to the Enhancer prior to the Closing Date with respect to the Initial Mortgage Loans; provided, that if the Enhancer shall not have notified the respective Seller or GMACM within such five (5) Business Days that the Enhancer does not so approve, such sale of Subsequent Mortgage Loans shall be deemed approved by the Enhancer.

The obligation of the Issuer to purchase a Subsequent Mortgage Loan on any Subsequent Transfer Date is subject to the following conditions: (i) each such Subsequent Mortgage Loan must satisfy the representations and warranties specified in the related Subsequent Transfer Agreement and this Agreement; (ii) no such Seller has selected such Subsequent Mortgage Loans in a manner that it reasonably believes is adverse to the interests of the Noteholders or the Enhancer; and (iii) of the related Subsequent Cut-Off Date each Subsequent Mortgage Loan will satisfy the following criteria: (A) such Subsequent Mortgage Loan may not be 30 or more days contractually delinquent as of the related Subsequent Cut-Off Date; (B) the original stated term

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to maturity of such Subsequent Mortgage Loan will not exceed 360 months; (C) such Subsequent Mortgage Loan must have an outstanding Principal Balance of at least $1,000 and not more than $500,000 as of the related Subsequent Cut-Off Date and will not have a Credit Limit in excess of $$500,000 as of the related Subsequent Cut-Off Date; (D) such Subsequent Mortgage Loan will be underwritten substantially in accordance with the criteria set forth under "Description of the Mortgage Loans — Underwriting Standards" in the Prospectus Supplement; (E) such Subsequent Mortgage Loan must have a CLTV at origination of no more than 100.00%; (F) the remaining term to stated maturity of such Subsequent Mortgage Loan must be no later than 360 months; (G) such Subsequent Mortgage Loan shall not provide for negative amortization; and (H) following the purchase of such Subsequent Mortgage Loans by the Issuer, the Mortgage Loans included in the Trust Estate must have a weighted average interest rate, a weighted average remaining term to maturity and a weighted average CLTV at origination, as of each Subsequent Cut-Off Date, that does not vary materially from the Initial Mortgage Loans included initially in the Trust Estate, and the percentage of Mortgage Loans (by aggregate principal balance) that are secured by second liens on the related Mortgaged Properties shall be no greater than the percentage of Initial Mortgage Loans Subsequent Mortgage Loans with characteristics materially varying from those set forth above may be purchased by the Issuer and included in the Trust Estate if they are acceptable to the Enhancer, in its reasonable discretion; provided, however, that the addition of such Subsequent Mortgage Loans will not materially affect the aggregate characteristics of the Mortgage Loans in the Trust Estate. Neither of the Sellers shall transfer Subsequent Mortgage Loans with the intent to mitigate losses on Mortgage Loans previously transferred. Upon the end of the Revolving Period, the Enhancer may increase the Overcollateralization Amount pursuant to Section 2.2(d) herein.

(c) Within five Business Days after each Subsequent Transfer Date, GMACM shall deliver to the Rating Agencies, the Indenture Trustee and the Enhancer a copy of the a Mortgage Loan Schedule reflecting the Subsequent Mortgage Loans in electronic format.

(d) In the event that a mortgage loan is not acceptable to the Enhancer as a Subsequent Mortgage Loan pursuant to Section 2.2(b)(vi) hereof, the Enhancer and GMACM may mutually agree to the transfer of such mortgage loan to the Issuer as a Subsequent Mortgage Loan, subject to any increase in the Overcollateralization Amount that may be agreed to by GMACM and the Enhancer pursuant to the Indenture, in which event GMACM shall deliver to the Issuer and the Indenture Trustee, with a copy to the Enhancer, an Officer's Certificate confirming the agreement to the transfer of such Subsequent Mortgage Loan and specifying the amount of such increase in the Overcollateralization Amount, which additional Overcollateralization Amount may not be contributed by GMACM.

Section 2.3 Payment of Purchase Price.

(a) The sale of the Initial Mortgage Loans shall take place on the Closing Date, subject to and simultaneously with the deposit of the Initial Mortgage Loans into the Trust Estate, the deposit of the Original Pre-Funded Amount and the Interest Coverage Amount into the Pre Funding Account and the Capitalized Interest Account, respectively, and the issuance of the Securities. The purchase price for the GMACM Initial Mortgage Loans to be paid by the Purchaser to GMACM on the Closing Date shall be an amount equal to $431,991,603.76 in immediately available funds, together with the Certificates, in respect of the Cut-Off Date

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Principal Balances thereof. The purchase price for the WG Trust 2003 Initial Mortgage Loans to be paid by the Purchaser to WG Trust 2003 on the Closing Date shall be an amount equal to $465,786,853.78 in immediately available funds, in respect of the Cut-Off Date Principal Balances thereof. The purchase price paid for any Subsequent Mortgage Loan by the Indenture Trustee pursuant to the terms hereunder shall be one-hundred percent (100%) of the Subsequent Cut-Off Date Principal Balance thereof (as identified on the Mortgage Loan Schedule attached to the related Subsequent Transfer Agreement provided by GMACM). In the case of each Additional Balance transferred hereunder created on or after the Cut-Off Date (or the Subsequent Cut-Off Date in the case of a Subsequent Mortgage Loan) and prior to the commencement of the Rapid Amortization Period, the purchase price thereof shall be the principal amount of the related Draw under the related Loan Agreement on the later of the Closing Date (or the related Subsequent Transfer Date in the case of a Subsequent Mortgage Loan) and the date of the creation of such Additional Balance.

(b) In consideration of the sale of the GMACM Initial Mortgage Loans by GMACM to the Purchaser on the Closing Date, the Purchaser shall pay to GMACM on the Closing Date by wire transfer of immediately available funds to a bank account designated by GMACM, the amount specified above in paragraph (a) for the GMACM Initial Mortgage Loans; provided, that such payment may be on a net funding basis if agreed by GMACM and the Purchaser. In consideration of the sale of any Subsequent Mortgage Loan by GMACM to the Issuer, the Issuer shall pay to GMACM by wire transfer of immediately available funds to a bank account designated by GMACM, the amount specified above in paragraph (a) for each Subsequent Mortgage Loan sold by GMACM.

(c) In consideration of the sale of the WG Trust 2003 Initial Mortgage Loans by WG Trust 2003 to the Purchaser on the Closing Date, the Purchaser shall pay to WG Trust 2003 on the Closing Date by wire transfer of immediately available funds to a bank account designated by WG Trust 2003, the amount specified above in paragraph (a) for the WG Trust 2003 Initial Mortgage Loans; provided, that such payment may be on a net funding basis if agreed by WG Trust 2003 and the Purchaser. In consideration of the sale of any Subsequent Mortgage Loan by WG Trust 2003 to the Issuer, the Issuer shall pay to WG Trust 2003 by wire transfer of immediately available funds to a bank account designated by WG Trust 2003, the amount specified above in paragraph (a) for each Subsequent Mortgage Loan sold by WG Trust 2003.

(d) With respect to each Additional Balance transferred hereunder with respect to any Initial Mortgage Loan or Subsequent Mortgage Loan, the Issuer as assignee of the Purchaser shall pay or cause to be paid to GMACM or its designee the purchase price specified above for such Additional Balance in one of the following ways, as applicable, a cash payment pursuant to Section 3.03(b) of the Servicing Agreement and Section 2.3(a) hereof in an amount equal to the related Draw, if then available from Principal Collections during the related Collection Period on the Mortgage Loans, or from funds on deposit in the Funding Account or from the payment of the Additional Balance Increase Amount pursuant to Section 3.05 of the Indenture.

Section 2.4 [Reserved].

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Section 2.5 Draws During Rapid Amortization Period. During the Rapid Amortization Period, any Draws made on the Mortgage Loans (each, an "Excluded Amount") shall not be Additional Balances, and the ownership of the related balances shall be retained by GMACM. On any Payment Date during the Rapid Amortization Period, with respect to the related Collection Period, all Collections in respect of each Mortgage Loan shall be allocated pro rata as between the Issuer and GMACM, based on the relative proportions of the Principal Balance and the Excluded Amount thereof, respectively, as of the end of the calendar month immediately prior to such Collection Period. During the Rapid Amortization Period, any losses incurred with respect to a Mortgage Loan shall be allocated pro rata between the Issuer and GMACM, based on the Principal Balance and the Excluded Amount thereof, respectively, as of the date of liquidation of such Mortgage Loan. Notwithstanding any other provision hereof or of the Servicing Agreement, payments and collections allocable to an Excluded Amount shall not be deposited into the Custodial Account, the Distribution Account or the Note Payment Account, and shall be distributed by the Servicer to GMACM no less frequently than monthly in accordance with reasonable instructions provided by the Seller.

ARTICLE III

REPRESENTATIONS AND WARRANTIES; REMEDIES FOR BREACH

Section 3.1 Representations and Warranties. GMACM represents and warrants to the Purchaser, as of the Closing Date and as of each Subsequent Transfer Date (or if otherwise specified below, as of the date so specified):

(a) As to GMACM:

(i) GMACM is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction governing its creation and existence and is or will be in compliance with the laws of each state in which any Mortgaged Property is located to the extent necessary to ensure the enforceability of each Mortgage Loan;

(ii) GMACM has the power and authority to make, execute, deliver and perform its obligations under this Agreement and each Subsequent Transfer Agreement to which it is a party and all of the transactions contemplated under this Agreement and each such Subsequent Transfer Agreement, and has taken all necessary corporate action to authorize the execution, delivery and performance of this Agreement and each such Subsequent Transfer Agreement;

(iii) GMACM is not required to obtain the consent of any other Person or any consents, licenses, approvals or authorizations from, or registrations or declarations with, any governmental authority, bureau or agency in connection with the execution, delivery, performance, validity or enforceability of this Agreement or any Subsequent Transfer Agreement, except for such consents, licenses, approvals or authorizations, or registrations or declarations, as shall have been obtained or filed, as the case may be;

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(iv) The execution and delivery of this Agreement and any Subsequent Transfer Agreement by GMACM and its performance and compliance with the terms of this Agreement and each such Subsequent Transfer Agreement will not violate GMACM's Certificate of Incorporation or Bylaws or constitute a material default (or an event which, with notice or lapse of time, or both, would constitute a material default) under, or result in the material breach of, any material contract, agreement or other instrument to which GMACM is a party or which may be applicable to GMACM or any of its assets;

(v) No litigation before any court, tribunal or governmental body is currently pending, or to the knowledge of GMACM threatened, against GMACM or with respect to this Agreement or any Subsequent Transfer Agreement that in the opinion of GMACM has a reasonable likelihood of resulting in a material adverse effect on the transactions contemplated by this Agreement or any Subsequent Transfer Agreement;

(vi) Reserved;

(vii) This Agreement and each Subsequent Transfer Agreement to which it is a party, constitutes a legal, valid and binding obligation of GMACM, enforceable against GMACM in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by general principles of equity (whether considered in a proceeding at law or in equity) or by public policy with respect to indemnification under applicable securities laws;

(viii) This Agreement constitutes a valid transfer and assignment to the Purchaser of all right, title and interest of GMACM in and to the GMACM Initial Mortgage Loans, including the Cut-Off Date Principal Balances now existing and all Additional Balances thereafter arising to and including the day immediately preceding the Rapid Amortization Period, all monies due or to become due with respect thereto, and all proceeds of such Cut-Off Date Principal Balances with respect to the GMACM Initial Mortgage Loans; and this Agreement and the related Subsequent Transfer Agreement, when executed, will constitute a valid transfer and assignment to the Issuer of all right, title and interest of GMACM in and to the related Subsequent Mortgage Loans, including the Cut-Off Date Principal Balances existing on the related Subsequent Cut-Off Date and thereafter all Additional Balances arising to and including the day immediately preceding the Rapid Amortization Period, all monies due or to become due with respect thereto, and all proceeds of such Subsequent Cut-Off Date Principal Balances and such funds as are from time to time deposited in the Custodial Account (excluding any investment earnings thereon) as assets of the Trust and all other property specified in the definition of "Trust" as being part of the corpus of the Trust conveyed to the Purchaser by GMACM, and upon payment for the Additional Balances with respect to any of the Mortgage Loans, will constitute a valid transfer and assignment to the Purchaser (or the Issuer in the case of any Additional Balances relating to Subsequent Mortgage Loans) of all right, title and interest of GMACM in and to the Additional Balances, all monies due or to become due with respect thereto, and all proceeds of such Additional Balances and all other property specified in the definition of "Trust" relating to the Additional Balances; and

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(ix) GMACM is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or governmental agency, which default might have consequences that would materially and adversely affect the condition (financial or otherwise) or operations of GMACM or its properties or might have consequences that would materially adversely affect its performance hereunder;

(b) As to each Initial Mortgage Loan (except as otherwise specified below) as of the Closing Date, or with respect to each Subsequent Mortgage Loan as of the related Subsequent Transfer Date (except as otherwise specified below):

(i) The information set forth in the Mortgage Loan Schedule with respect to each Mortgage Loan or the Mortgage Loans is true and correct in all material respects as of the date or dates respecting which such information is initially furnished;

(ii) With respect to each of the WG Trust Initial Mortgage Loans or, as applicable, any the Subsequent Mortgage Loans sold by WG Trust 2003 as of each Prior Transfer Date: (A) the related Loan Agreement and the Mortgage had not been assigned or pledged, except for any assignment or pledge that has been satisfied and released, (B) immediately prior to the assignment of such Mortgage Loans to Walnut Grove, GMACM had good title thereto and (C) immediately prior to such assignment, GMACM was the sole owner and holder of the Mortgage Loan free and clear of any and all liens, encumbrances, pledges, or security interests (other than, with respect to any Mortgage Loan in a second lien position, the lien of the related first mortgage) of any nature and had full right and authority, under all governmental and regulatory bodies having jurisdiction over the ownership of the applicable Mortgage Loan, to sell and assign the same pursuant to the related Walnut Grove Purchase Agreement;

(iii) With respect to the GMACM Initial Mortgage Loans or, as applicable, any Subsequent Mortgage Loans sold by GMACM as of each respective Subsequent Transfer Date: (A) the related Loan Agreement and the Mortgage have not been assigned or pledged, except for any assignment or pledge that has been satisfied and released, (B) immediately prior to the assignment of the Mortgage Loans to the Purchaser(or to the Issuer in the case of the Subsequent Mortgage Loans sold by GMACM), GMACM had good title thereto and (C) GMACM is the sole owner and holder of the Mortgage Loan free and clear of any and all liens, encumbrances, pledges, or security interests (other than, with respect to any Mortgage Loan in a second lien position, the lien of the related first mortgage) of any nature and has full right and authority, under all governmental and regulatory bodies having jurisdiction over the ownership of the applicable Mortgage Loans to sell and assign the same pursuant to this Agreement or the related Subsequent Transfer Agreement, as applicable;

(iv) To the best of GMACM's knowledge, there is no valid offset, defense or counterclaim of any obligor under any Loan Agreement or Mortgage;

(v) To the best of GMACM's knowledge, there is no delinquent recording or other tax or fee or assessment lien against any related Mortgaged Property;

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(vi) To the best of GMACM's knowledge, there is no proceeding pending or threatened for the total or partial condemnation of the related Mortgaged Property;

(vii) To the best of GMACM's knowledge, there are no mechanics' or similar liens or claims which have been filed for work, labor or material affecting the related Mortgaged Property which are, or may be liens prior or equal to, or subordinate with, the lien of the related Mortgage, except liens which are fully insured against by the title insurance policy referred to in clause (xi);

(viii) As of the Cut-Off Date or related Subsequent Cut-Off Date, no Mortgage Loan was 30 days or more delinquent in payment of principal or interest;

(ix) With respect to the GMACM Initial Mortgage Loans or, as applicable, any Subsequent Mortgage Loans sold by GMACM, the related Mortgage File contains or will contain, in accordance with the definition of "Mortgage File" in Appendix A to the Indenture, each of the documents and instruments specified to be included therein (it being understood that the Custodian maintains the Loan Agreement related to each Mortgage File and the Servicer maintains the remainder of the items to be included in the Mortgage File pursuant to the terms of this Agreement);

(x) To the best of the GMACM's knowledge, the related Loan Agreement and the related Mortgage at the time it was made complied in all material respects with applicable local, state and federal laws, including, but not limited to, applicable predatory lending laws;

(xi) A title search or other assurance of title customary in the relevant jurisdiction was obtained with respect to each Mortgage Loan;

(xii) None of the Mortgaged Properties is a mobile home or a manufactured housing unit that is not permanently attached to its foundation;

(xiii) As of the Cut-Off Date, (a) no more than approximately 18.92%, 11.46%, 8.44]%, 7.51% and 5.56% of the Initial Mortgage Loans, by Cut-Off Date Principal, are secured by Mortgaged Properties located in California, Michigan, New Jersey, Massachusetts and Illinois, respectively;

(xiv) As of the Cut-Off Date or Subsequent Cut-Off Date, the Combined Loan-to-Value Ratio for each Mortgage Loan was not in excess of 100.00%;

(xv) GMACM has not transferred the GMACM Initial Mortgage Loans to the Purchaser or any Subsequent Mortgage Loans to the Issuer with any intent to hinder, delay or defraud any of its creditors;

(xvi) As of the Cut-Off Date, no more than approximately 37.74% of the Initial Mortgage Loans, by Cut-Off Date Principal Balance, are secured by Mortgaged Properties which may have been appraised using a statistical property evaluation method and all of the appraisals on such Mortgaged Properties have been delivered by Basis100 Inc. (also known as Solimar); no more than approximately 4.76% of the Initial Mortgage Loans, by Cut-Off Date

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Principal Balance, are secured by Mortgaged Properties which may have been appraised using the GMACM Stated Value method; no more than approximately 1.52% of the Initial Mortgage Loans, by Cut-Off Date Principal Balance, are secured by Mortgaged Properties which may have been appraised using a tax assessment; no more than approximately 0.19% of the Initial Mortgage Loans, by Cut-Off Date Principal Balance, are secured by Mortgaged Properties which may have been appraised using a broker price opinion; no more than approximately 22.74% of the Initial Mortgage Loans, by Cut-Off Date Principal Balance, are secured by Mortgaged Properties which may have been appraised using a URAR Form 1004; no more than approximately 4.93% of the Initial Mortgage Loans, by Cut-Off Date Principal Balance, are secured by Mortgaged Properties which may have been appraised using a Drive-By Form 704; no more than approximately 18.35% of the Initial Mortgage Loans, by Cut-Off Date Principal Balance, are secured by Mortgaged Properties which may have been appraised using Form 2055 (Exterior Only); and no more than approximately 9.76% of the Initial Mortgage Loans, by Cut-Off Date Principal Balance, are secured by Mortgaged Properties which may have been appraised using a Form 2055 (with Interior Inspection);

(xvii) The minimum monthly payment with respect to any Mortgage Loan is not less than the interest accrued at the applicable Loan Rate on the average daily Principal Balance during the interest period relating to the date on which such minimum monthly payment is due;

(xviii) Within a loan type, and except as required by applicable law, each Loan Agreement and each Mortgage is an enforceable obligation of the related Mortgagor;

(xix) To the best knowledge of GMACM, the physical property subject to each Mortgage is free of material damage and is in acceptable repair;

(xx) GMACM has not received a notice of default of any senior mortgage loan related to a Mortgaged Property which has not been cured by a party other than the Servicer;

(xxi) Each Mortgage Loan has a substantially similar definition of the prime rate as the Index applicable to the related Loan Rate;

(xxii) None of the Mortgage Loans is a reverse mortgage loan;

(xxiii) No Initial Mortgage Loan has an original term to maturity in excess of 360 months. Interest rate adjustments for the Mortgage Loans prior to the Cut-Off Date or Subsequent Cut-Off Date were made in compliance with the related Mortgage and Loan Agreement. Over the term of any Mortgage Loan, the Loan Rate may not exceed the related Maximum Loan Rate, if any;

(xxiv) As of the Cut-Off Date, the Initial Mortgage Loans have Maximum Loan Rates which range between 3.50% and the maximum interest rate allowed under the applicable state law. The current Gross Margins for the Initial Mortgage Loans range between (1.25)% (not including teaser rates) and 12.50%, and the weighted average Gross Margin for the Mortgage Loans is approximately 1.198% (not including teaser rates) as of the Cut-Off Date. As of the Cut-Off Date, the Loan Rates on the Initial Mortgage Loans range between 3.250% (not

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including teaser rates) and 14.375%. As of the Cut-Off Date, the weighted average Loan Rate for the Initial Mortgage Loans is approximately 5.308% (not including teaser rates). The weighted average remaining term to scheduled maturity of the Initial Mortgage Loans on a contractual basis as of the Cut-Off Date is approximately 225 months;

(xxv) (A) Each Mortgaged Property consists of a single parcel of real property with a single family or two- to four-family residence erected thereon, or an individual condominium unit, planned unit development unit or manufactured housing unit. (B) With respect to the Initial Mortgage Loans, (a) approximately 77.86% (by Cut-Off Date Principal Balance) are secured by real property with a single family residence erected thereon, (b) approximately 12.02% (by Cut-Off Date Principal Balance) are secured by real property improved by planned development units, (c) approximately 8.43% (by Cut-Off Date Principal Balance) are secured by real property improved by individual condominium units, (d) approximately 1.37% (by Cut-Off Date Principal Balance) are secured by real property with a two- to four-family residence erected thereon, (e) approximately 0.21% (by Cut-Off Date Principal Balance) are secured by real property improved by townhouses, and (d) 0.10% are secured by real property improved by manufactured housing;

(xxvi) As of the Cut-Off Date, (A) the Credit Limits range between approximately $7,500 and $500,000 with an average of $53,675.28, and (B) no Initial Mortgage Loan had a principal balance in excess of $500,000;

(xxvii) No more than approximately 91.82% of the Initial Mortgage Loans, by aggregate Principal Balance as of the Cut-Off Date, are secured by second liens;

(xxviii)A policy of hazard insurance and flood insurance, if applicable, was required from the Mortgagor for the Mortgage Loan when the Mortgage Loan was originated;

(xxix) Other than with respect to a payment default, there is no material default, breach, violation or event of acceleration existing under the terms of any Loan Agreement or Mortgage and, to the best of GMACM's knowledge, no event which, with notice and expiration of any grace or cure period, would constitute a material default, breach, violation or event of acceleration under the terms of any Loan Agreement or Mortgage, and no such material default, breach, violation or event of acceleration has been waived by GMACM involved in originating or servicing the related Mortgage Loan;

(xxx) No instrument of release or waiver has been executed by GMACM or, to the best knowledge of GMACM, by any other person, in connection with the Mortgage Loans, and no Mortgagor has been released by GMACM or, to the best knowledge of GMACM, by any other person, in whole or in part from its obligations in connection therewith;

(xxxi) With respect to each Mortgage Loan secured by a second lien, either (a) no consent for such Mortgage Loan was required by the holder or holders of the related prior lien, (b) such consent has been obtained and is contained in the related Mortgage File or (c) no consent for such Mortgage Loan was required by relevant law;

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(xxxii) With respect to each Mortgage Loan, to the extent permitted by applicable law, the related Mortgage contains a customary provision for the acceleration of the payment of the unpaid Principal Balance of the Mortgage Loan in the event the related Mortgaged Property is sold without the prior consent of the mortgagee thereunder;

(xxxiii)Reserved;

(xxxiv)None of the Mortgage Loans are "high cost loans" subject to the Home Ownership and Equity Protection Act of 1994;

(xxxv) As of the Cut-Off Date, none of the Mortgage Loans are "High Cost Loans" or "Covered Loans" (as such terms are defined in the version of Appendix E to the Standard & Poor's LEVELS Glossary in effect as of the Closing Date);

(xxxvi)None of the Initial Mortgage Loans are secured by Mortgaged Properties located in the State of Georgia and no Subsequent Mortgage Loan shall be secured by Mortgaged Properties located in the State of Georgia if such Mortgage Loan was originated prior to June 7, 2003 and subsequent to October 1, 2002; and

(xxxvii) GMACM used no selection procedures that identified the Mortgage Loans as being less desirable or valuable than other comparable mortgage loans originated or acquired by GMACM under the GMACM Home Equity Program. The Mortgage Loans are representative of GMACM's portfolio of home equity lines of credit that were originated under the GMACM Home Equity Program.

With respect to this Section 3.1(b), representations made by GMACM with respect to the WG Trust Initial Mortgage Loans, made as of the Cut-Off Date or the Closing Date or with respect to the Subsequent Mortgage Loans sold by WG Trust 2003 and made as of the Subsequent Cut-Off Date or the Subsequent Transfer Date, are made by GMACM in its capacity as Servicer. Representations made by GMACM with respect to the WG Trust Initial Mortgage Loans or the Subsequent Mortgage Loans sold by WG Trust 2003 and made as of any other date, are made by GMACM in its capacity as Seller.

(c) [Reserved].

(d) WG Trust 2003 Representations and Warranties. WG Trust 2003 represents and warrants to the Purchaser, as of the Closing Date and as of each Subsequent Transfer Date:

(I) As to WG Trust 2003:

(i) WG Trust 2003 is a Delaware statutory trust duly organized, validly existing and in good standing under the laws of the State of Delaware;

(ii) WG Trust 2003 has the power and authority to make, execute, deliver and perform its obligations under this Agreement and each Subsequent Transfer Agreement to which it is a party and all of the transactions contemplated under this Agreement and each such Subsequent Transfer Agreement, and has taken all necessary action to authorize

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the execution, delivery and performance of this Agreement and each such Subsequent Transfer Agreement;

(iii) WG Trust 2003 is not required to obtain the consent of any other Person or any consents, licenses, approvals or authorizations from, or registrations or declarations with, any governmental authority, bureau or agency in connection with the execution, delivery, performance, validity or enforceability of this Agreement or any Subsequent Transfer Agreement, except for such consents, licenses, approvals or authorizations, or registrations or declarations, as shall have been obtained or filed, as the case may be;

(iv) The execution and delivery of this Agreement and any Subsequent Transfer Agreement by WG Trust 2003 and its performance and compliance with the terms of this Agreement and each such Subsequent Transfer Agreement will not violate WG Trust 2003's organizational documents or constitute a material default (or an event which, with notice or lapse of time, or both, would constitute a material default) under, or result in the material breach of, any material contract, agreement or other instrument to which WG Trust 2003 is a party or which may be applicable to WG Trust 2003 or any of its assets;

(v) No litigation before any court, tribunal or governmental body is currently pending, or to the knowledge of WG Trust 2003 threatened, against WG Trust 2003 or with respect to this Agreement or any Subsequent Transfer Agreement that in the opinion of WG Trust 2003 has a reasonable likelihood of resulting in a material adverse effect on the transactions contemplated by this Agreement or any Subsequent Transfer Agreement;

(vi) This Agreement and each Subsequent Transfer Agreement to which it is a party constitutes a legal, valid and binding obligation of WG Trust 2003, enforceable against WG Trust 2003 in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by general principles of equity (whether considered in a proceeding at law or in equity) or by public policy with respect to indemnification under applicable securities laws;

(vii) This Agreement constitutes a valid transfer and assignment to the Purchaser of all right, title and interest of WG Trust 2003 in and to the WG Trust 2003 Initial Mortgage Loans, including the Cut-Off Date Principal Balances with respect to the WG Trust 2003 Initial Mortgage Loans, all Additional Balances thereafter arising, all monies due or to become due with respect thereto, and all proceeds of such Cut-Off Date Principal Balances with respect to the WG Trust 2003 Initial Mortgage Loans; and this Agreement and the related Subsequent Transfer Agreement, when executed, will constitute a valid transfer and assignment to the Issuer of all right, title and interest of WG Trust 2003 in and to the related Subsequent Mortgage Loans, including the Cut-Off Date Principal Balances existing on the related Subsequent Cut-Off Date and all Additional Balances thereafter arising, all monies due or to become due with respect thereto, and all proceeds thereof and such funds as are from time to time deposited in the Custodial Account (excluding any investment earnings thereon) as assets of the Trust and all other property specified in the definition of "Trust" as being part of the corpus of the Trust conveyed to the Purchaser by WG Trust 2003; and

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(viii) WG Trust 2003 is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or governmental agency, which default might have consequences that would materially and adversely affect the condition (financial or otherwise) or operations of WG Trust 2003 or its properties or might have consequences that would materially adversely affect its performance hereunder.

(II) As to the WG Trust 2003 Initial Mortgage Loans as of the Closing Date, or with respect to each Subsequent Mortgage Loan as of the related Subsequent Transfer Date:

(i) With respect to the WG Trust 2003 Initial Mortgage Loans or, as applicable, any Subsequent Mortgage Loans sold by WG Trust 2003: (A) the related Loan Agreement and the Mortgage have not been assigned or pledged, except for any assignment or pledge that has been satisfied and released, (B) immediately prior to the assignment of such Mortgage Loans to the Purchaser (or to the Issuer in the case of the Subsequent Mortgage Loans sold by WG Trust 2003), WG Trust 2003 had good title thereto and (C) WG Trust 2003 is the sole owner and holder of the Mortgage Loan free and clear of any and all liens, encumbrances, pledges, or security interests (other than, with respect to any Mortgage Loan in a second lien position, the lien of the related first mortgage) of any nature and has full right and authority, under all governmental and regulatory bodies having jurisdiction over the ownership of the applicable Mortgage Loans to sell and assign the same pursuant to this Agreement;

(ii) For each WG Trust 2003 Initial Mortgage Loans or, as applicable, any Subsequent Mortgage Loans sold by WG Trust 2003, the related Mortgage File contains or will contain each of the documents and instruments specified to be included therein in the definition of "Mortgage File" in Appendix A to the Indenture (it being understood that the Custodian maintains the Loan Agreement related to each Mortgage File and the Servicer maintains the remainder of the items to be included in the Mortgage File pursuant to the terms of this Agreement);

(iii) WG Trust 2003 has not transferred the WG Trust 2003 Initial Mortgage Loans to the Purchaser with any intent to hinder, delay or defraud any of its creditors; and

(iv) No instrument of release or waiver has been executed by WG Trust 2003 in connection with the WG Trust Initial Mortgage Loans, and no Mortgagor has been released by WG Trust 2003, in whole or in part, from its obligations in connection therewith.

(e) Remedies. Upon discovery by any Seller or GMACM or upon notice from the Purchaser, the Enhancer, the Issuer, the Owner Trustee, the Indenture Trustee or the Custodian, as applicable, of a breach of such Seller's or GMACM's respective representations or warranties in paragraphs (a) or (d)(I) above that materially and adversely affects the interests of the Securityholders or the Enhancer, as applicable, in any Mortgage Loan, GMACM or WG Trust 2003, as applicable, shall, within 90 days of its discovery or its receipt of notice of such breach, either (i) cure such breach in all material respects or (ii) to the extent that such breach is with respect to a Mortgage Loan or a Related Document, either (A) repurchase such Mortgage Loan from the Issuer at the Repurchase Price, or (B) substitute one or more Eligible Substitute Loans

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for such Mortgage Loan, in each case in the manner and subject to the conditions and limitations set forth below.

Upon discovery by any Seller or GMACM or upon notice from the Purchaser, the Enhancer, the Issuer, GMACM, the Owner Trustee, the Indenture Trustee or the Custodian, as applicable, of a breach of a Seller's or GMACM's representations or warranties in paragraphs (b) or (d)(II) above, with respect to any Mortgage Loan, or upon the occurrence of a Repurchase Event, that materially and adversely affects the interests of the Securityholders, the Enhancer or the Purchaser in such Mortgage Loan (notice of which shall be given to the Purchaser by the respective Seller or GMACM, if it discovers the same), notwithstanding such Seller's or GMACM's lack of knowledge with respect to the substance of such representation and warranty, such Seller or GMACM, as the case may be, shall, within 90 days after the earlier of its discovery or receipt of notice thereof, either cure such breach or Repurchase Event in all material respects or either (i) repurchase such Mortgage Loan from the Issuer at the Repurchase Price, or (ii) substitute one or more Eligible Substitute Loans for such Mortgage Loan, in each case in the manner and subject to the conditions set forth below. The Repurchase Price for any such Mortgage Loan repurchased by such Seller or GMACM shall be deposited or caused to be deposited by the Servicer into the Custodial Account. Any purchase of a Mortgage Loan due to a Repurchase Event shall be the obligation of GMACM. Notwithstanding anything to the contrary herein, upon discovery by either Seller or GMACM or upon notice from the Purchaser, the Enhancer, the Issuer, GMACM, the Owner Trustee, the Servicer, the Indenture Trustee or the Custodian, as applicable, of a breach of a Seller's or GMACM's representations or warranties in paragraph (b)(xix), but only in so far as it relates to damage caused by Hurricane Charley, Hurricane Ivan, Hurricane Frances or Hurricane Jeanne all of which struck the southeast portion of the United States in August and September of 2004, such Seller or GMACM, as the case may be, shall, notwithstanding such Seller's or GMACM's lack of knowledge with respect to the substance of such representation and warranty, within 90 days after the earlier of its discovery or receipt of notice thereof, either (i) cure such breach in all material respects or (ii)(A) repurchase such Mortgage Loan from the Issuer at the Repurchase Price, or (B) substitute one or more Eligible Substitute Loans for such Mortgage Loan, in each case in the manner and subject to the conditions set forth below.

In furtherance of the foregoing, if GMACM or the Seller that repurchases or substitutes a Mortgage Loan is not a member of MERS and the Mortgage is registered on the MERS® System, GMACM, at its own expense and without any right of reimbursement, shall cause MERS to execute and deliver an assignment of the Mortgage in recordable form to transfer the Mortgage from MERS to GMACM or the Seller and shall cause such Mortgage to be removed from registration on the MERS® System in accordance with MERS' rules and regulations.

In the event that any Seller elects to substitute an Eligible Substitute Loan or Loans for a Deleted Loan pursuant to this Section 3.1, such Seller shall deliver to the Custodian on behalf of the Issuer, with respect to such Eligible Substitute Loan or Loans, the original Loan Agreement, with the Loan Agreement endorsed as required under the definition of "Mortgage File" and shall deliver the other documents required to be part of the Mortgage File to the Servicer. No substitution will be made in any calendar month after the Determination Date for such month. Minimum Monthly Payments due with respect to Eligible Substitute Loans in the month of substitution shall not be part of the Trust Estate and will be retained by the Servicer and remitted

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by the Servicer to such Seller on the next succeeding Payment Date, provided that a payment at least equal to the applicable Minimum Monthly Payment for such month in respect of the Deleted Loan has been received by the Issuer. For the month of substitution, distributions to the Note Payment Account pursuant to the Servicing Agreement will include the Minimum Monthly Payment due on a Deleted Loan for such month and thereafter such Seller shall be entitled to retain all amounts received in respect of such Deleted Loan. The Servicer shall amend or cause to be amended the Mortgage Loan Schedule to reflect the removal of such Deleted Loan and the substitution of the Eligible Substitute Loan or Loans and the Servicer shall deliver the amended Mortgage Loan Schedule to the Owner Trustee, the Indenture Trustee and the Enhancer. Upon such substitution, the Eligible Substitute Loan or Loans shall be subject to the terms of this Agreement and the Servicing Agreement in all respects, GMACM shall be deemed to have made the representations and warranties with respect to the Eligible Substitute Loan contained herein set forth in Section 3.1(b) (other than clauses (viii) (xiii), (xxiv), (xxv)(B), (xxvi) and (xxvii) thereof and other than clauses (iii) and (ix) thereof in the case of Eligible Substitute Loans substituted by WG Trust 2003); if the Seller is WG Trust 2003, WG Trust 2003 shall be deemed to have made the representations and warranties set forth in Section 3.1(d)(II); in each case, as of the date of substitution, and the related Seller shall be deemed to have made a representation and warranty that each Mortgage Loan so substituted is an Eligible Substitute Loan as of the date of substitution. In addition, GMACM shall be obligated to repurchase or substitute for any Eligible Substitute Loan as to which a Repurchase Event has occurred as provided herein. In connection with the substitution of one or more Eligible Substitute Loans for one or more Deleted Loans, the Servicer shall determine the amount (such amount, a "Substitution Adjustment Amount"), if any, by which the aggregate principal balance of all such Eligible Substitute Loans as of the date of substitution is less than the aggregate principal balance of all such Deleted Loans (after application of the principal portion of the Minimum Monthly Payments due in the month of substitution that are to be distributed to the Note Payment Account in the month of substitution). Such Seller shall deposit the amount of such shortfall into the Custodial Account on the date of substitution, without any reimbursement therefor.

Upon receipt by the Indenture Trustee on behalf of the Issuer and the Custodian of written notification, signed by a Servicing Officer, of the deposit of such Repurchase Price or of such substitution of an Eligible Substitute Loan (together with the complete related Mortgage File) and deposit of any applicable Substitution Adjustment Amount as provided above, the Custodian, on behalf of the Indenture Trustee, shall (i) release to such Seller or GMACM, as the case may be, the related Loan Agreement for the Mortgage Loan being repurchased or substituted for, (ii) cause the Servicer to release to such Seller any remaining documents in the related Mortgage File which are held by the Servicer, and (iii) the Indenture Trustee on behalf of the Issuer shall execute and deliver such instruments of transfer or assignment prepared by the Servicer, in each case without recourse, as shall be necessary to vest in such Seller or GMACM, as the case may be, or its respective designee such Mortgage Loan released pursuant hereto and thereafter such Mortgage Loan shall not be an asset of the Issuer.

It is understood and agreed that the obligation of each Seller and GMACM to cure any breach, or to repurchase or substitute for any Mortgage Loan as to which such a breach has occurred and is continuing, shall constitute the sole remedy respecting such breach available to the Purchaser, the Issuer, the Certificateholders (or the Owner Trustee on behalf of the

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Certificateholders) and the Noteholders (or the Indenture Trustee on behalf of the Noteholders) against such Seller and GMACM.

It is understood and agreed that the representations and warranties set forth in this Section 3.1 shall survive delivery of the respective Mortgage Files to the Issuer or the Custodian.

ARTICLE IV

SELLERS' COVENANTS

Section 4.1 Covenants of the Sellers. Each Seller hereby covenants that, except for the transfer hereunder and as of any Subsequent Transfer Date, it will not sell, pledge, assign or transfer to any other Person, or grant, create, incur or assume any Lien on any Mortgage Loan, or any interest therein, except with respect to any Excluded Amount. Each Seller shall notify the Issuer (in the case of the Initial Mortgage Loans, as assignee of the Purchaser), of the existence of any Lien (other than as provided above) on any Mortgage Loan immediately upon discovery thereof; and each Seller shall defend the right, title and interest of the Issuer (in the case of the Initial Mortgage Loans, as assignee of the Purchaser) in, to and under the Mortgage Loans against all claims of third parties claiming through or under such Seller; provided, however, that nothing in this Section 4.1 shall be deemed to apply to any Liens for municipal or other local taxes and other governmental charges if such taxes or governmental charges shall not at the time be due and payable or if any Seller shall currently be contesting the validity thereof in good faith by appropriate Proceedings.

ARTICLE V

SERVICING

Section 5.1 Servicing. GMACM shall service the Mortgage Loans pursuant to the terms and conditions of the Servicing Agreement and the Program Guide and shall service the Mortgage Loans directly or through one or more sub-servicers in accordance therewith.

ARTICLE VI

LIMITATION ON LIABILITY OF THE SELLERS

Section 6.1 Limitation on Liability of the Sellers. None of the directors, officers, employees or agents of GMACM or WG Trust 2003 shall be under any liability to the Purchaser or the Issuer, it being expressly understood that all such liability is expressly waived and released as a condition of, and as consideration for, the execution of this Agreement and any Subsequent Transfer Agreement. Except as and to the extent expressly provided in the Servicing Agreement, GMACM and WG Trust 2003 shall not be under any liability to the Issuer, the Owner Trustee, the Indenture Trustee or the Securityholders. GMACM or WG Trust 2003 and any director, officer, employee or agent of GMACM or WG Trust 2003 may rely in good faith on any document of any kind *prima facie* properly executed and submitted by any Person respecting any matters arising hereunder.

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ARTICLE VII

TERMINATION

Section 7.1 Termination. The obligations and responsibilities of the parties hereto shall terminate upon the termination of the Trust Agreement.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 8.1 Amendment. This Agreement may be amended from time to time by the parties hereto by written agreement with the prior written consent of the Enhancer (which consent shall not be unreasonably withheld.

Section 8.2 Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

Section 8.3 Notices. All demands, notices and communications hereunder shall be in writing and shall be deemed to have been duly given if personally delivered at or mailed by registered mail, postage prepaid, addressed as follows:

(a) if to the GMACM:

GMAC Mortgage Corporation
100 Witmer Road
Horsham, Pennsylvania 10944
Attention: Barry Bier, Executive Vice President
Re: GMACM Home Equity Loan Trust 2004-HE4;

(b) if to WG Trust 2003:

Walnut Grove Mortgage Loan Trust 2003-A
c/o Wilmington Trust Company
1100 North Market Street
Wilmington, Delaware 19890
Attention: Walnut Grove Mortgage Loan Trust 2003-A
Re: GMACM Home Equity Loan Trust 2004-HE4;

(c) if to the Purchaser:

Residential Asset Mortgage Products, Inc.
8400 Normandale Lake Boulevard
Minneapolis, Minnesota 55437
Attention: President
Re: GMACM Home Equity Loan Trust 2004-HE4;

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(d) if to the Indenture Trustee:

Wells Fargo Bank, N.A.
9062 Old Annapolis Road
Columbia, Maryland 21045-1951
Attention: Corporate Trust Services - GMACM Home Equity Loan Trust 2004-HE4;

(e) if to the Issuer:

c/o Wilmington Trust Company, as Owner Trustee
Rodney Square North
1100 North Market Street
Wilmington, Delaware 19890-0001
Telecopier: 212-312-3215
Re: Corporate Trust Services - GMACM Home Equity Loan Trust 2004-HE4; or

(f) if to the Enhancer:

MBIA Insurance Corporation
113 King Street
Armonk, New York 10504
Attention: Insured Portfolio Management – Structured Finance
Re: GMACM Home Equity Loan Trust 2004-HE4;

or, with respect to any of the foregoing Persons, at such other address as may hereafter be furnished to the other foregoing Persons in writing.

Section 8.4 Severability of Provisions. If any one or more of the covenants, agreements, provisions or terms of this Agreement shall be held invalid for any reason whatsoever, then such covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants, agreements, provisions or terms of this Agreement and shall in no way affect the validity of enforceability of the other provisions of this Agreement.

Section 8.5 Relationship of Parties. Nothing herein contained shall be deemed or construed to create a partnership or joint venture among the parties hereto, and the services of the GMACM shall be rendered as an independent contractor and not as agent for the Purchaser.

Section 8.6 Counterparts. This Agreement may be executed in any number of counterparts, each of which, when so executed, shall be deemed to be an original and such counterparts, together, shall constitute one and the same agreement.

Section 8.7 Further Agreements. The parties hereto each agree to execute and deliver to the other such additional documents, instruments or agreements as may be necessary or appropriate to effectuate the purposes of this Agreement.

Section 8.8 Intention of the Parties. It is the intention of the parties hereto that the Purchaser will be purchasing on the Closing Date, and the Sellers will be selling on the Closing

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Date, the Initial Mortgage Loans, rather than the Purchaser providing a loan to the Sellers secured by the Initial Mortgage Loans on the Closing Date; and that the Issuer will be purchasing on each Subsequent Transfer Date, and the Sellers will be selling on each Subsequent Transfer Date, the related Subsequent Mortgage Loans, rather than the Issuer providing a loan to the Sellers secured by the related Subsequent Mortgage Loans on each Subsequent Transfer Date. Accordingly, the parties hereto each intend to treat this transaction for federal income tax purposes as (i) a sale by the Sellers, and a purchase by the Purchaser, of the Initial Mortgage Loans on the Closing Date and (ii) a sale by the Sellers, and a purchase by the Issuer, of the related Subsequent Mortgage Loans on each Subsequent Transfer Date. The Purchaser and the Issuer shall each have the right to review the Mortgage Loans and the Related Documents to determine the characteristics of the Mortgage Loans which will affect the federal income tax consequences of owning the Mortgage Loans, and each Seller shall cooperate with all reasonable requests made by the Purchaser or the Issuer in the course of such review.

Section 8.9 Successors and Assigns; Assignment of this Agreement.

(a) This Agreement shall bind and inure to the benefit of and be enforceable by the parties hereto and their respective permitted successors and assigns. The obligations of each Seller under this Agreement cannot be assigned or delegated to a third party without the consent of the Enhancer and the Purchaser (and the Issuer with respect to the transfer of any Subsequent Mortgage Loans), which consent shall be at the Purchaser's sole discretion (and the Issuer's sole discretion with respect to the transfer of any Subsequent Mortgage Loans); provided, that each Seller may assign its obligations hereunder to any Affiliate of such Seller, to any Person succeeding to the business of such Seller, to any Person into which such Seller is merged and to any Person resulting from any merger, conversion or consolidation to which such Seller is a party. The parties hereto acknowledge that (i) the Purchaser is acquiring the Initial Mortgage Loans for the purpose of contributing them to the GMACM Home Equity Loan Trust 2004-HE4 and (ii) the Issuer is acquiring the Subsequent Mortgage Loans for the purpose of pledging the Subsequent Mortgage Loans to the Indenture Trustee for the benefit of the Noteholders and the Enhancer.

(b) As an inducement to the Purchaser and the Issuer to purchase the Initial Mortgage Loans and to the Issuer to purchase any Subsequent Mortgage Loans, each Seller acknowledges and consents to (i) the assignment by the Purchaser to the Issuer of all of the Purchaser's rights against any Seller pursuant to this Agreement insofar as such rights relate to the Initial Mortgage Loans transferred to the Issuer and to the enforcement or exercise of any right or remedy against any of the Sellers pursuant to this Agreement by the Issuer, (ii) the enforcement or exercise of any right or remedy against any of the Sellers pursuant to this Agreement by or on behalf of the Issuer and (iii) the Issuer's pledge of its interest in this Agreement to the Indenture Trustee and the enforcement by the Indenture Trustee of any such right or remedy against any Seller following an Event of Default under the Indenture. Such enforcement of a right or remedy by the Issuer, the Owner Trustee, the Enhancer or the Indenture Trustee, as applicable, shall have the same force and effect as if the right or remedy had been enforced or exercised by the Purchaser or the Issuer directly.

Section 8.10 Survival. The representations and warranties made herein by each Seller and the provisions of Article VI hereof shall survive the purchase of the Initial Mortgage Loans

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hereunder and any transfer of Subsequent Mortgage Loans pursuant to this Agreement and the related Subsequent Transfer Agreement.

Section 8.11 Third Party Beneficiary. The Enhancer shall be a third party beneficiary hereof and shall be entitled to enforce the provisions of this Agreement as if a party hereto.

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IN WITNESS WHEREOF, the parties hereto have caused their names to be signed to this Mortgage Loan Purchase Agreement by their respective officers thereunto duly authorized as of the day and year first above written.

RESIDENTIAL ASSET MORTGAGE PRODUCTS, INC., as Purchaser

By: _____
Name: Patricia C. Taylor
Title: Vice President

GMAC MORTGAGE CORPORATION, as Seller and Servicer

By: _____
Name: Sandy Blitzer
Title: Vice President

WALNUT GROVE MORTGAGE LOAN TRUST 2003-A, as Seller

By: WILMINGTON TRUST COMPANY, not in its individual capacity but solely as Owner Trustee

By: _____
Name:
Title:

[Signatures Continue On Following Page]

IN WITNESS WHEREOF, the parties hereto have caused their names to be signed to this Mortgage Loan Purchase Agreement by their respective officers thereunto duly authorized as of the day and year first above written.

RESIDENTIAL ASSET MORTGAGE PRODUCTS, INC., as Purchaser

By: _____
Name: Patricia C. Taylor
Title: Vice President

GMAC MORTGAGE CORPORATION, as Seller and Servicer

By: _____
Name:
Title:

WALNUT GROVE MORTGAGE LOAN TRUST 2003-A, as Seller

By: WILMINGTON TRUST COMPANY, not in its individual capacity but solely as Owner Trustee

By: _____
Name: Janel R. Havrilla
Title: Financial Services Officer

[Signatures Continue On Following Page]

GMACM HOME EQUITY LOAN TRUST 2004-HE4, as Issuer

By: WILMINGTON TRUST COMPANY,
not in its individual capacity but solely as
Owner Trustee

By: _____
Name: Janel R. Havrilla
Title: Financial Services Officer

WELLS FARGO BANK, N.A., as Indenture Trustee

By: _____
Name:
Title:

GMACM HOME EQUITY LOAN TRUST 2004-HE4, as Issuer

By: WILMINGTON TRUST COMPANY,
not in its individual capacity but solely as Owner Trustee

By: _____
Name:
Title:

WELLS FARGO BANK, N.A., as Indenture Trustee

By: _____
Name: Peter A. Gobell
Title: Vice President

EXHIBIT 1

MORTGAGE LOAN SCHEDULE

[On file with GMACM and Servicer]

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EXHIBIT 2

FORM OF SUBSEQUENT TRANSFER AGREEMENT

Pursuant to this Subsequent Transfer Agreement No. ____ (the "Agreement"), dated as of _____, _____, between [_____], as seller (the "Seller"), and GMACM Home Equity Loan Trust 2004-HE4, as issuer (the "Issuer"), and pursuant to the mortgage loan purchase agreement dated as of October 28, 2004 (the "Mortgage Loan Purchase Agreement"), among GMAC Mortgage Corporation, as a seller and servicer, Walnut Grove Mortgage Loan Trust 2003-A, as a Seller, Residential Asset Mortgage Products, Inc., as purchaser (the "Purchaser"), the Issuer and Wells Fargo Bank, N.A., as indenture trustee (the "Indenture Trustee"), the Seller and the Issuer agree to the sale by the Seller and the purchase by the Issuer of the mortgage loans listed on the attached Schedule of Subsequent Mortgage Loans (the "Subsequent Mortgage Loans").

Capitalized terms used and not defined herein have their respective meanings as set forth in Appendix A to the indenture dated as of October 28, 2004, between the Issuer and the Indenture Trustee, which meanings are incorporated by reference herein. All other capitalized terms used herein shall have the meanings specified herein.

Section 1. Sale of Subsequent Mortgage Loans.

(a) The Seller does hereby sell, transfer, assign, set over and convey to the Issuer, without recourse, all of its right, title and interest in and to the Subsequent Mortgage Loans (including the Subsequent Cut-Off Date Principal Balance now existing and all Additional Balances thereafter arising to and including the date immediately preceding the commencement of the Rapid Amortization Period), all principal received and interest thereon on and after the Subsequent Cut-Off Date, all monies due or to become due thereon and all items with respect to the Subsequent Mortgage Loans to be delivered pursuant to Section 2.2 of the Mortgage Loan Purchase Agreement; provided, however, that the Seller reserves and retains all right, title and interest in and to principal received and interest accruing on the Subsequent Mortgage Loans prior to the Subsequent Cut-Off Date. The Seller, contemporaneously with the delivery of this Agreement, has delivered or caused to be delivered to the Indenture Trustee each item set forth in Section 2.2 of the Mortgage Loan Purchase Agreement.

The transfer to the Issuer by the Seller of the Subsequent Mortgage Loans identified on the Mortgage Loan Schedule shall be absolute and is intended by the parties hereto to constitute a sale by the Seller to the Issuer on the Subsequent Transfer Date of all the Seller's right, title and interest in and to the Subsequent Mortgage Loans, and other property as and to the extent described above, and the Issuer hereby acknowledges such transfer. In the event the transactions set forth herein shall be deemed not to be a sale, the Seller hereby grants to the Issuer as of the Subsequent Transfer Date a security interest in all of the Seller's right, title and interest in, to and under all accounts, chattel papers, general intangibles, contract rights, certificates of deposit, deposit accounts, instruments, documents, letters of credit, money, payment intangibles, advices of credit, investment property, goods and other property consisting of, arising under or related to the Subsequent Mortgage Loans, and such other property, to secure all of the Issuer's obligations hereunder, and this Agreement shall constitute a security agreement under applicable law. The

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Seller agrees to take or cause to be taken such actions and to execute such documents, including without limitation the filing of all necessary UCC-1 financing statements filed in the State of Delaware and the Commonwealth of Pennsylvania (which shall be submitted for filing as of the Subsequent Transfer Date), any continuation statements with respect thereto and any amendments thereto required to reflect a change in the name or corporate structure of the Seller or the filing of any additional UCC-1 financing statements due to the change in the principal office or jurisdiction of incorporation of the Seller, as are necessary to perfect and protect the Issuer's interests in each Subsequent Mortgage Loan and the proceeds thereof.

(b) The expenses and costs relating to the delivery of the Subsequent Mortgage Loans, this Agreement and the Mortgage Loan Purchase Agreement shall be borne by the Seller.

(c) Additional terms of the sale are set forth on Attachment A hereto.

Section 2. Representations and Warranties; Conditions Precedent.

(a) The Seller hereby affirms the representations and warranties made by it and set forth in Section 3.1 of the Mortgage Loan Purchase Agreement that relate to the Seller or the Subsequent Mortgage Loans as of the date hereof. The Seller hereby confirms that each of the conditions set forth in Section 2.2(b) of the Mortgage Loan Purchase Agreement are satisfied as of the date hereof and further represents and warrants that each Subsequent Mortgage Loan complies with the requirements of this Agreement and Section 2.2(c) of the Mortgage Loan Purchase Agreement. GMACM, as Servicer of the Subsequent Mortgage Loans hereby affirms the representations and warranties made by it regarding the Subsequent Mortgage Loans as set forth in Section 3.1 of the Mortgage Loan Purchase Agreement.

(b) The Seller is solvent, is able to pay its debts as they become due and has capital sufficient to carry on its business and its obligations hereunder; it will not be rendered insolvent by the execution and delivery of this Instrument or by the performance of its obligations hereunder nor is it aware of any pending insolvency; no petition of bankruptcy (or similar insolvency proceeding) has been filed by or against the Seller prior to the date hereof.

(c) All terms and conditions of the Mortgage Loan Purchase Agreement relating to the Subsequent Mortgage Loans are hereby ratified and confirmed; provided, however, that in the event of any conflict the provisions of this Agreement shall control over the conflicting provisions of the Mortgage Loan Purchase Agreement.

Section 3. Recordation of Instrument. To the extent permitted by applicable law or a memorandum thereof if permitted under applicable law, this Agreement is subject to recordation in all appropriate public offices for real property records in all of the counties or other comparable jurisdictions in which any or all of the properties subject to the related Mortgages are situated, and in any other appropriate public recording office or elsewhere, such recordation to be effected by the Servicer at the Noteholders' expense on direction of the Noteholders of Notes representing not less than a majority of the aggregate Note Balance of the Notes or the Enhancer, but only when accompanied by an Opinion of Counsel to the effect that such recordation materially and beneficially affects the interests of the Noteholders or the Enhancer or is necessary for the administration or servicing of the Subsequent Mortgage Loans.

Section 4. **GOVERNING LAW. THIS INSTRUMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.**

Section 5. Counterparts. This Instrument may be executed in counterparts, each of which, when so executed, shall be deemed to be an original and together shall constitute one and the same instrument.

Section 6. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the Seller and the Issuer and their respective successors and assigns.

[_____],
as Seller

By: _____
Name:
Title:

GMACM HOME EQUITY LOAN TRUST 2004-HE4, as Issuer

By: WILMINGTON TRUST COMPANY,
not in its individual capacity but solely as Owner Trustee

By: _____
Name:
Title:

GMAC MORTGAGE CORPORATION,
as Servicer

By: _____
Name:
Title:

DOCSLA1:483689.4

Attachments

A. Additional terms of sale.
B. Schedule of Subsequent Mortgage Loans.
C. Seller's Officer's Certificate.
D. Seller's Officer's Certificate (confirmation of Enhancer approval).

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GMACM HOME EQUITY LOAN TRUST 2004-HE4

ATTACHMENT A TO FORM OF SUBSEQUENT TRANSFER AGREEMENT

_____, ____

A.

1. Subsequent Cut-Off Date:
2. Pricing Date:
3. Subsequent Transfer Date:
4. Aggregate Principal Balance of the Subsequent Mortgage Loans as of the Subsequent Cut-Off Date:
5. Purchase Price: 100.00%

B.

As to all Subsequent Mortgage Loans:

1. Longest stated term to maturity: _____ months
2. Minimum Loan Rate: _____ %
3. Maximum Loan Rate: _____ %
4. WAC of all Subsequent Mortgage Loans: _____ %
5. WAM of all Subsequent Mortgage Loans: _____ %
6. Largest Principal Balance: $_____
7. Non-owner occupied Mortgaged Properties: _____ %
8. California zip code concentrations: __% and __ %
9. Condominiums: _____ %
10. Single-family: _____ %
11. Weighted average term since origination: _____%
12. Principal balance of Subsequent Mortgage Loans with respect to which the Mortgagor is an employee of GMACM or an affiliate of GMACM: $_____
13. Number of Subsequent Mortgage Loans with respect to which the Mortgagor is an employee of GMACM or an affiliate of GMACM: _____

DOCSLA1:483689.4

EXHIBIT 3

FORM OF ADDITION NOTICE

DATE:

Wells Fargo Bank, N.A.
9062 Old Annapolis Road
Columbia, Maryland 21045

Moody's Investors Service, Inc.
99 Church Street
New York, New York 10007

MBIA Insurance Corporation
113 King Street
Armonk, New York 10504
Attention: Insured Portfolio Management – Structured Finance
Re: GMACM Home Equity Loan Trust 2004-HE4

Standard & Poor's, a division of The McGraw-Hill Companies, Inc.
55 Water Street
New York, New York 10041-0003

Wilmington Trust Company
1100 North Market Street
Wilmington, Delaware 19890

Re: GMACM Home Equity Loan Trust 2004-HE4

Ladies and Gentlemen:

Pursuant to Section 2.2 of the mortgage loan purchase agreement dated as of October 28, 2004 (the "Purchase Agreement"), among GMAC Mortgage Corporation, as a Seller and Servicer, Walnut Grove Mortgage Loan Trust 2003-A, as a Seller, Residential Asset Mortgage Products, Inc., as Purchaser, GMACM Home Equity Loan Trust 2004-HE4, as Issuer and Wells Fargo Bank, N.A., as Indenture Trustee, the Seller has designated the Subsequent Mortgage Loans identified on the Mortgage Loan Schedule attached hereto to be sold to the Issuer on _____, ____, with an aggregate Principal Balance of $_____. Capitalized terms not otherwise defined herein have the meaning set forth in the Appendix A to the indenture dated as of October 28, 2004, between the Issuer and the Indenture Trustee.

Please acknowledge your receipt of this notice by countersigning the enclosed copy in the space indicated below and returning it to the attention of the undersigned.

Very truly yours,

[_____],
as Seller

By: _____
Name:
Title:

ACKNOWLEDGED AND AGREED:

WELLS FARGO BANK, N.A.,
as Indenture Trustee

By:_____
Name:
Title:

DOCSLA1:483689.4

Exhibit 50

Execution Copy

RESIDENTIAL FUNDING MORTGAGE SECURITIES II, INC.

as Purchaser,

and

RESIDENTIAL FUNDING CORPORATION

as Seller

HOME EQUITY LOAN PURCHASE AGREEMENT

Dated as of July 28, 2006

Home Equity Loans

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This HOME EQUITY LOAN PURCHASE AGREEMENT (this "Agreement"), dated as of July 28, 2006, is made between Residential Funding Corporation (the "Seller") and Residential Funding Mortgage Securities II, Inc. (the "Purchaser").

WITNESSETH:

WHEREAS, the Seller owns Cut-off Date Loan Balances and the Related Documents for the adjustable rate, revolving credit loans (the "Home Equity Loans") indicated on the Home Equity Loan schedule, attached as Exhibit 1 hereto (the "Home Equity Loan Schedule"), including rights to (a) any property acquired by foreclosure or deed in lieu of foreclosure or otherwise, and (b) the proceeds of any insurance policies covering the Home Equity Loans;

WHEREAS, the parties hereto desire that the Seller sell the Cut-off Date Loan Balances of the Home Equity Loans to the Purchaser pursuant to the terms of this Agreement together with the Related Documents on the Closing Date, and thereafter all Additional Balances created on or after the Cut-off Date;

WHEREAS, pursuant to the terms of the Servicing Agreement, the Master Servicer will service the Home Equity Loans directly or through one or more Subservicers;

WHEREAS, pursuant to the terms of the Trust Agreement, the Purchaser will sell the Home Equity Loans to the Issuer in exchange for the cash proceeds of the Securities;

WHEREAS, pursuant to the terms of the Trust Agreement, the Issuer will issue and transfer to or at the direction of the Purchaser, the Certificates; and

WHEREAS, pursuant to the terms of the Indenture, the Issuer will issue and transfer to or at the direction of the Purchaser, the Notes, secured by the Home Equity Loans.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. For all purposes of this Home Equity Loan Purchase Agreement, except as otherwise expressly provided herein or unless the context otherwise requires, capitalized terms not otherwise defined herein shall have the meanings assigned to such terms in the Definitions contained in Appendix A to the Indenture dated as of the date hereof (the "Indenture"), between Home Equity Loan Trust 2006-HSA4, as Issuer and JPMorgan Chase Bank, N.A., as Indenture Trustee, which is incorporated by reference herein. All other capitalized terms used herein shall have the meanings specified herein.

ARTICLE II

SALE OF HOME EQUITY LOANS AND RELATED PROVISIONS

Section 2.1 Sale of Home Equity Loans.

(a) The Seller, by the execution and delivery of this Agreement, does hereby sell, assign, set over, and otherwise convey to the Purchaser, without recourse, all of its right, title and interest in, to and under the following, and wherever located: (i) the Home Equity Loans (including without limitation the Cut-off Date Loan Balances and all Additional Balances created on and after the Cut-off Date; provided, however, that following the occurrence of an Amortization Event, any subsequent loan balance represented by each Draw and interest thereon will not be deemed transferred to the Issuer, and the Seller (in such event) shall retain ownership of each loan balance represented by each such Draw made thereafter and interest thereon), all interest accruing thereon and all collections in respect thereof received on or after the Cut-off Date; (ii) property which secured a Home Equity Loan and which has been acquired by foreclosure or deed in lieu of foreclosure; (iii) the interest of the Seller in any insurance policies in respect of the Home Equity Loans; and (iv) all proceeds of the foregoing; provided, however, that the Purchaser does not assume the obligation under each Loan Agreement relating to a Home Equity Loan to fund Draws to the Mortgagor thereunder, and the Purchaser shall not be obligated or permitted to fund any such Draws, it being agreed that the Seller will retain the obligation to fund future Draws. Such conveyance shall be deemed to be made: (1) with respect to the Cut-off Date Loan Balances, as of the Closing Date; and (2) with respect to the amount of each Additional Balance created on or after the Cut-off Date, as of the later of the Closing Date and the date that the corresponding Draw was made pursuant to the related Loan Agreement, subject to the receipt by the Seller of consideration therefor as provided herein under clause (b) of Section 2.2.

(b) In connection with such conveyance, the Seller further agrees, at its own expense, on or prior to the Closing Date with respect to the Loan Balance of the Home Equity Loans to indicate in its books and records that the Home Equity Loans have been sold to the Purchaser pursuant to this Agreement and to deliver to the Purchaser the Home Equity Loan Schedule. Such Home Equity Loan Schedule shall be marked as Exhibit 1 to this Agreement and is hereby incorporated into and made a part of this Agreement.

(c) In connection with such conveyance by the Seller, the Seller shall on behalf of the Purchaser deliver to, and deposit with the respective Custodian, on or before the Closing Date, the following documents or instruments with respect to each Home Equity Loan:

(i) the original Mortgage Note, including the related Loan Agreement, endorsed without recourse to the Indenture Trustee and showing an unbroken chain of endorsement from the originator thereof to the Person endorsing it or, with respect to any Home Equity Loan as to which the original Mortgage Note has been permanently lost, misplaced or destroyed and has not been replaced, a Lost Note Affidavit from the Program Seller or the Seller stating that the original Mortgage Note was lost, misplaced or destroyed, together with a copy of the related Mortgage Note;

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(ii) the original Mortgage, noting the presence of the MIN of the Home Equity Loan and language indicating that the Home Equity Loan is a MOM Loan if the Home Equity Loan is a MOM Loan, with evidence of recording thereon, or, if the original Mortgage has not yet been returned from the public recording office, a copy of such Mortgage with evidence of recording indicated thereon in the event the recording office keeps the original or if the original is lost, or if the original or a copy of the original Mortgage has not yet been returned from the public recording office, a copy of the original Mortgage;

(iii) unless the Home Equity Loan is registered on the MERS® System, assignments (which may be included in one or more blanket assignments if permitted by applicable law) of the Mortgage recorded to "JPMorgan Chase Bank, N.A. as indenture trustee" c/o the Seller (or to MERS, if the Home Equity Loan is registered on the MERS® System and noting the presence of a MIN) at an address specified by the Seller;

(iv) originals of any intervening assignments of the Mortgage, with evidence of recording thereon, or a copy of such intervening assignment, with evidence of recording thereon, or, if the original of any such intervening assignment has not yet been returned from the public recording office, a copy of such original intervening assignment; and

(v) a copy of each assumption, modification, consolidation or substitution agreement, if any, relating to the Home Equity Loan.

Within the time period for the review of each Mortgage File set forth in Section 2.3 of the Custodial Agreement, the Custodian shall notify the Master Servicer and the Credit Enhancer of any document or documents constituting a part of a Mortgage File which are missing or defective in respect of the items reviewed as described in Section 2.3(b) of the Custodial Agreement; provided, that if the defect or missing item with respect to a Home Equity Loan related to such Mortgage File is listed on Schedule A of Exhibit 1 of the Custodial Agreement, no notification shall be necessary. As set forth in Section 2.3 of the Custodial Agreement, the Custodian shall deliver to the Indenture Trustee and the Credit Enhancer a certificate (the "Interim Certification") to the effect that all documents required to be delivered pursuant to this Subsection 2.1(c) have been executed and received and that such documents relate to the Home Equity Loans identified on the Home Equity Loan Schedule, except for any exceptions listed on such Interim Certification. If such omission or defect materially and adversely affects the interests in the related Home Equity Loan of the Noteholders or the Credit Enhancer, the Master Servicer shall promptly notify the Seller (provided that a Mortgage File will not be deemed to contain a defect for an unrecorded assignment under clause (iii) above if the Seller has submitted such assignment for recording or if such assignment is not required to be recorded pursuant to the terms of the following paragraph), the Seller shall cure such defect, repurchase the related Home Equity Loan at the Repurchase Price or substitute an Eligible Substitute Loan for the related Home Equity Loan upon the same terms and conditions set forth in Section 3.1(c) hereof for breaches of representations and warranties as to the Home Equity Loans. With respect to any missing Loan Agreements referred to in Subsection 3.1(b)(xxxiv), the Seller shall have 60 days from the Closing Date to deliver the documents referred to in this Subsection 2.1(c). If such documents have not been delivered within 60 days, the Seller shall repurchase the related Home Equity Loan or substitute an Eligible Substitute Loan for the related Home Equity Loan upon the

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same terms and conditions set forth in Section 3.1(c) hereof for breaches of representations and warranties as to the Home Equity Loans.

Within 60 days after the receipt by the Master Servicer of the recording information necessary to complete the recording of each of the assignments referred to in clause (iii) above, the Seller at its own expense shall complete, or cause to be completed, in the name of the Indenture Trustee, and shall submit each such assignment for recording in the appropriate public office for real property records each of the assignments referred to in clause (iii) above. While such assignment to be recorded is being recorded, the Custodian shall retain a photocopy of such assignment. If any assignment is lost or returned unrecorded to the Custodian because of any defect therein, the Seller is required to prepare a substitute assignment or cure such defect, as the case may be, and the Seller shall cause such assignment to be recorded in accordance with this paragraph. Notwithstanding the foregoing, as to any Home Equity Loan where the Seller is the assignee of record of the Mortgage, the assignment referred to in clause (iii) above shall not be required to be completed and submitted for recording (a) if an Opinion of Counsel is provided in form and substance satisfactory to the Credit Enhancer and to each Rating Agency, to the effect that such recordation of the assignment referred to in clause (iii) above (completed in the name of the Indenture Trustee) is not required (i) to effect the sale and conveyance of the Home Equity Loan by the Seller to the Depositor and by the Depositor to the Issuer, or the granting and perfecting of the security interest in the Home Equity Loan to the Indenture Trustee as provided in the Indenture or (ii) to defeat any ownership, security interest or other adverse claim to the Home Equity Loan by any creditor of the Seller or the Depositor by any purported transferee of such Home Equity Loan in a purported transfer thereof by the Seller or the Depositor subsequent to such sale and conveyance or (b) if MERS is identified on the Mortgage or on a properly recorded assignment of the Mortgage as the mortgagee of record solely as nominee for the Seller and its successors and assigns.

In instances where an original Mortgage or any original intervening assignment of Mortgage was not, in accordance with clause (ii) or (iv) above, delivered by the Seller to the Custodian prior to or concurrently with the execution and delivery of this Agreement, the Seller will deliver or cause to be delivered the originals of such documents to such Custodian promptly upon receipt thereof.

In connection with the assignment of any Home Equity Loan registered on the MERS® System, the Purchaser further agrees that it will cause, at the Purchaser's own expense, within 30 Business Days after the Closing Date, the MERS® System to indicate that such Home Equity Loan has been assigned by the Purchaser to the Indenture Trustee in accordance with this Agreement for the benefit of the Noteholders and the Credit Enhancer by including (or deleting, in the case of Home Equity Loans which are repurchased in accordance with this Agreement) in such computer files (a) the code in the field which identifies the specific Indenture Trustee and (b) the code in the field "Pool Field" which identifies the series of the Notes issued in connection with such Home Equity Loans. The Purchaser further agrees that it will not, and will not permit the Master Servicer to, and the Master Servicer agrees that it will not, alter the codes referenced in this paragraph with respect to any Home Equity Loan during the term of this Agreement unless and until such Home Equity Loan is repurchased in accordance with the terms of this Agreement.

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The Purchaser hereby acknowledges its acceptance of all right, title and interest to the property, conveyed to it pursuant to this Section 2.1.

(d) The parties hereto intend that the transactions set forth herein constitute a sale by the Seller to the Purchaser of all the Seller's right, title and interest in and to the Home Equity Loans and other property as and to the extent described above. In the event the transactions set forth herein are deemed not to be a sale, the Seller hereby grants to the Purchaser a security interest in all of the Seller's right, title and interest in, to and under the Home Equity Loans and all accounts, chattel papers, general intangibles, payment intangibles, contract rights, certificates of deposit, deposit accounts, instruments, documents, letters of credit, money, advices of credit, investment property, goods and other property consisting of, arising under or related to the Home Equity Loans and such other property, to secure all of the Seller's obligations hereunder, and this Agreement shall constitute a security agreement under applicable law. The Seller agrees to take or cause to be taken such actions and to execute such documents, including without limitation the filing of all necessary UCC-1 financing statements filed in the State of Minnesota or Delaware (which shall have been submitted for filing as of the Closing Date), any continuation statements with respect thereto and any amendments thereto required to reflect a change in the name or corporate structure of the Seller or the filing of any additional UCC-1 financing statements due to the change in the principal office of the Seller, as are necessary to perfect and protect the Purchaser's interests in each Home Equity Loan and the proceeds thereof.

Section 2.2 Payment of Purchase Price.

(a) The "Purchase Price" for the Home Equity Loans (including the Additional Balances) shall be (1) an amount equal to $401,112,705.00 for the Home Equity Loans, in immediately available funds, together with the Certificates, in respect of the Cut-off Date Loan Balances thereof and (2) in the case of each Additional Balance transferred hereunder created on or after the Cut-off Date, the principal amount of the related Draw under the Loan Agreement on the later of the Closing Date and the date of the creation of such Additional Balance.

(b) In consideration of the sale of the Home Equity Loans from the Seller to the Purchaser on the Closing Date, the Purchaser shall pay to the Seller on the Closing Date by wire transfer of immediately available funds to a bank account designated by the Seller, the amount specified above in clause (a)(1) for each Home Equity Loan; provided, that such payment may be on a net funding basis if agreed by the Seller and the Purchaser. With respect to each Additional Balance transferred hereunder with respect to any Home Equity Loan, the Issuer as assignee of the Purchaser shall pay or cause to be paid to the Seller or its designee the portion of the Purchase Price specified above in clause (a)(2) for such Additional Balance in one of the following ways, as applicable: (i) for any Collection Period prior to the Collection Period during which the Revolving Period ends, so long as an Amortization Event has not occurred, (a) a cash payment pursuant to Section 3.03(b) of the Servicing Agreement and Section 2.2(a)(2) hereof in an amount equal to the related Draw, if then available from Principal Collections during the related Collection Period on the Home Equity Loans, and (b) to the extent aggregate Draws exceed Principal Collections for such Collection Period, an increase in the aggregate principal amount of the Variable Funding Notes or an issuance of new variable funding notes, as of the Payment Date corresponding to the Collection Period in which such Additional Balances were

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created, equal to the amount by which Additional Balances exceeded Principal Collections for such Collection Period, and (ii) for the Collection Period during which the Revolving Period ends, and any Collection Period thereafter, so long as an Amortization Event has not occurred, an increase in the aggregate principal amount of Variable Funding Notes or an issuance of new variable funding notes as of each Payment Date in an aggregate amount equal to the total of the related Draws for the corresponding Collection Period.

Section 2.3 Reserved.

Section 2.4 Variable Funding Notes on or after the Closing Date.

Subject to Section 4.02 of the Indenture, if at any time, the Seller holds Variable Funding Notes that have reached the Maximum Variable Funding Balance, as applicable, and to the extent that the same are exchanged for Capped Funding Notes in accordance with Section 4.01(d) of the Indenture, the Purchaser agrees that, upon written request made by the Seller at any time, the Purchaser shall use its best reasonable efforts to cause such Capped Funding Notes held by the Seller to be registered for resale by the Seller pursuant to an effective registration statement filed by the Purchaser in accordance with, and meeting all requirements of, the Securities Act. The Purchaser shall use its best reasonable efforts to cause such registration statement to become effective with respect to such Capped Funding Notes as soon as practicable within a mutually agreed reasonable time period after the Seller's request. It is contemplated that such registration statement will be the shelf registration statement pursuant to which the Term Notes issued on the Closing Date are to be offered, or one substantially similar thereto. In connection with such registration statement and offering, the Seller shall reimburse the Purchaser for costs related thereto including registration fees, printing fees, rating fees, legal fees, accountant's fees, blue sky registration fees and expenses (if any), related expenses of the Credit Enhancer and other out-of-pocket costs, if any. In connection with such registration statement and related prospectus, the Seller shall provide the Purchaser with an updated Home Equity Loan Schedule and all other information reasonably necessary to assure that the statements in the prospectus with respect to the Home Equity Loans and the Seller (including in its capacity as servicer of the Home Equity Loans) are complete and correct in all material respects as of the date of sale of such Capped Funding Notes by the Seller. In addition, the Seller shall provide, or arrange to be provided, to the Purchaser such additional agreements, opinions and certifications as may be reasonably requested by the Credit Enhancer. The registration statement shall not include any information with respect to the Credit Enhancer, except for information approved by the Credit Enhancer for use therein.

Section 2.5 Draws After an Amortization Event.

In the event that an Amortization Event occurs, any Draws made on the Home Equity Loans thereafter shall not be deemed to be "Additional Balances" hereunder, and the ownership of the related balances shall be retained by the Seller. Following an Amortization Event, on any Payment Date, with respect to the related Collection Period, all Interest Collections and Principal Collections in respect of each individual Home Equity Loan shall be allocated on a

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pro rata basis as between the Issuer and the Seller, based on the relative proportions of the Loan Balance and the Excluded Amount, respectively, as of the end of the calendar month immediately prior to such Collection Period. Any losses incurred with respect to any individual Home Equity Loan following an Amortization Event shall be allocated on a pro rata basis between the Issuer and the Seller, based on the Loan Balance and the Excluded Amount thereof as of the date of liquidation of such Home Equity Loan. Notwithstanding any other provision hereof or of the Servicing Agreement, the payments and collections allocable to the Excluded Amount need not be deposited in the Custodial Account and shall not be deposited in the Certificate Distribution Account or the Payment Account, and shall be distributed by the Master Servicer to the Seller not less frequently than monthly in accordance with reasonable instructions provided by the Seller.

ARTICLE III

REPRESENTATIONS AND WARRANTIES; REMEDIES FOR BREACH

Section 3.1 Seller Representations and Warranties. The Seller represents and warrants to the Purchaser and to the Credit Enhancer, as of the Closing Date (or if otherwise specified below, as of the date so specified):

(a) As to the Seller:

(i) The Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has the corporate power to own its assets and to transact the business in which it is currently engaged. The Seller is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction in which the character of the business transacted by it or properties owned or leased by it requires such qualification and in which the failure to so qualify would have a material adverse effect on the business, properties, assets or condition (financial or other) of the Seller;

(ii) The Seller has the power and authority to make, execute, deliver and perform its obligations under this Agreement and all of the transactions contemplated under this Agreement, and has taken all necessary corporate action to authorize the execution, delivery and performance of this Agreement. When executed and delivered, this Agreement will constitute the legal, valid and binding obligation of the Seller enforceable in accordance with its terms, except as enforcement of such terms may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and by the availability of equitable remedies;

(iii) The Seller is not required to obtain the consent of any other Person or any consent, license, approval or authorization from, or registration or declaration with, any governmental authority, bureau or agency in connection with the execution, delivery, performance, validity or enforceability of this Agreement, except for such consents, license, approvals or authorization, or registration or declaration, as shall have been obtained or filed, as the case may be;

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(iv) The execution and delivery of this Agreement and the performance of the transactions contemplated hereby by the Seller will not violate any provision of any existing law or regulation or any order or decree of any court applicable to the Seller or any provision of the Certificate of Incorporation or Bylaws of the Seller, or constitute a material breach of any mortgage, indenture, contract or other agreement to which the Seller is a party or by which the Seller may be bound;

(v) No litigation or administrative proceeding of or before any court, tribunal or governmental body is currently pending, or to the knowledge of the Seller threatened, against the Seller or any of its properties or with respect to this Agreement or the Certificates which in the opinion of the Seller has a reasonable likelihood of resulting in a material adverse effect on the transactions contemplated by this Agreement;

(vi) This Agreement constitutes a legal, valid and binding obligation of the Seller, enforceable against the Seller in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by general principles of equity (whether considered in a proceeding at law or in equity);

(vii) This Agreement constitutes a valid transfer and assignment to the Purchaser of all right, title and interest of the Seller in and to the Cut-off Date Loan Balances with respect to the Home Equity Loans, all monies due or to become due with respect thereto, and all proceeds of such Cut-off Date Loan Balances with respect to the Home Equity Loans and such funds as are from time to time deposited in the Custodial Account (excluding any investment earnings thereon) as assets of the Trust and all other property specified in the definition of "Trust" as being part of the corpus of the Trust conveyed to the Purchaser by the Seller, and upon payment for the Additional Balances, will constitute a valid transfer and assignment to the Purchaser of all right, title and interest of the Seller in and to the Additional Balances, all monies due or to become due with respect thereto, and all proceeds of such Additional Balances and all other property specified in the definition of "Trust" relating to the Additional Balances;

(viii) The Seller is not in default with respect to any order or decree of any court or any order, regulation or demand or any federal, state, municipal or governmental agency, which default might have consequences that would materially and adversely affect the condition (financial or other) or operations of the Master Servicer or its properties or might have consequences that would materially adversely affect its performance hereunder; and

(ix) The Seller is a member of MERS in good standing, and will comply in all material respects with the rules and procedures of MERS in connection with the servicing of the Mortgage Loans that are registered with MERS.

(b) As to the Home Equity Loans (unless otherwise specified, all percentages in this Section 3.1(b) are by Cut-off Date Principal Balance):

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(i) The information set forth in the Home Equity Loan Schedule with respect to each Home Equity Loan or the Home Equity Loans, as the case may be, is true and correct in all material respects as of the date or dates respecting which such information is furnished;

(ii) The Cut-off Date Loan Balances have not been assigned or pledged, the Seller has good and marketable title thereto and the Seller is the sole owner and holder of such Cut-off Date Loan Balances free and clear of any and all liens, claims, encumbrances, participation interests, equities, pledges, charges of security interests of any nature and has full right and authority, under all governmental and regulatory bodies having jurisdiction over the ownership of the applicable Home Equity Loans to sell and assign the same pursuant to this Agreement;

(iii) The related Mortgage Note and the Mortgage have not been assigned or pledged, the Seller has good and marketable title thereto and the Seller is the sole owner and holder of the Home Equity Loan free and clear of any and all liens, claims, encumbrances, participation interests, equities, pledges, charges of security interests of any nature and has full right and authority, under all governmental and regulatory bodies having jurisdiction over the ownership of the applicable Home Equity Loans to sell and assign the same pursuant to this Agreement;

(iv) There is no right of rescission, valid offset, defense, claim or counterclaim of any obligor under any Loan Agreement or Mortgage except as may be provided under the Servicemembers Civil Relief Act, as amended;

(v) There is no delinquent tax or assessment lien against any related Mortgaged Property;

(vi) There is no proceeding pending or threatened for the total or partial condemnation of the related Mortgaged Property;

(vii) There are no mechanics' or similar liens or claims which have been filed for work, labor or material affecting the related Mortgaged Property which are, or may be liens prior or equal to, or subordinate with, the lien of the related Mortgage, except liens which are fully insured against by the title insurance policy referred to in clause (xi);

(viii) As of the Cut-off Date, no Home Equity Loan was 30 days or more Delinquent in payment of principal and interest;

(ix) For each Home Equity Loan, the related Mortgage File contains each of the documents and instruments required to be included therein under Section 2.1(c);

(x) The related Loan Agreement and the related Mortgage at the time it was made complied in all material respects with applicable local, state and federal laws, including, but not limited to, all applicable anti-predatory lending laws and the Constitution of the State of Texas;

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(xi) A policy of title insurance in the form and amount required by the Program Guide was effective as of the closing of each Home Equity Loan and each such policy is valid and remains in full force and effect, unless the Mortgaged Property is located in the State of Iowa and an attorney's certificate has been provided in accordance with the Program Guide, except that with respect to each Home Equity Loan with a Cut-off Date Loan Balance of less than $100,000 as to which no title insurance policy or binder or attorney's certificate was issued there are no intervening liens affecting the Mortgaged Property;

(xii) None of the Mortgaged Properties is a mobile home or a manufactured housing unit that is not permanently attached to its foundation;

(xiii) No more than 33.0% and 13.5% of the Home Equity Loans are secured by Mortgaged Properties located in California and Florida, respectively;

(xiv) As of the Cut-off Date the Combined Loan-to-Value Ratio for each Home Equity Loan was not in excess of 101%;

(xv) Immediately prior to the assignment of the Home Equity Loans to the Indenture Trustee, the Seller had good title to, and was the sole owner of, each Home Equity Loan free and clear of any pledge, lien, encumbrance or security interest (other than a first lien on such Mortgaged Property and the rights to servicing and related compensation) and such assignment validly transfers ownership of the Home Equity Loans to the Indenture Trustee free and clear of any pledge, lien, encumbrance or security interest (other than a first lien on such Mortgaged Property and the rights to servicing and related compensation);

(xvi) The Seller has not transferred the Home Equity Loans to the Purchaser with any intent to hinder, delay or defraud any of its creditors;

(xvii) The minimum monthly payment with respect to any Home Equity Loan is not less than the interest accrued at the applicable Loan Rate on the average daily Loan Balance during the interest period relating to the date on which such minimum monthly payment is due;

(xviii) The Seller will submit for filing or cause to be submitted for filing UCC-1 financing statements in accordance with the terms of this Agreement;

(xix) Each Loan Agreement and each Mortgage constitutes a legal, valid and binding obligation of the Mortgagor enforceable in accordance with its terms except as limited by bankruptcy, insolvency or other similar laws affecting generally the enforcement of creditors' rights;

(xx) To the best of Seller's knowledge, the physical property subject to each Mortgage is free of material damage and is in good repair;

(xxi) The Seller has not received a notice of default of any senior mortgage loan related to a Mortgaged Property which has not been cured by a party other than the related Subservicer;

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(xxii) Each of the Mortgage Notes has a substantially similar definition of Prime as the Index applicable to the Loan Rate;

(xxiii) None of the Home Equity Loans are reverse mortgage loans;

(xxiv) (A) No Home Equity Loan has an original term to maturity in excess of 362 months. On each date that the Loan Rates have been adjusted prior to the Cut-off Date interest rate adjustments on the Home Equity Loans were made in compliance with the related Mortgage and Mortgage Note and applicable law. Over the term of any Home Equity Loan, the Loan Rate may not exceed the related maximum Loan Rate, if any. (B) The Home Equity Loans have maximum Loan Rates which range between 9.05% and 30.75%. The Gross Margins for the Home Equity Loans range between less than 0.000% and 9.000%, and the weighted average Gross Margin for the Home Equity Loans is approximately 2.20% as of the Cut-off Date. As of the Cut-off Date, the Loan Rates on the Home Equity Loans range between 2.000% and 18.000% and the weighted average Loan Rate is approximately 8.6169%. The weighted average remaining term to stated maturity of the Home Equity Loans on a contractual basis as of the Cut-off Date is approximately 264 months;

(xxv) (A) Each Mortgaged Property with respect to the Home Equity Loans consists of a single parcel of real property with a single family residence erected thereon, a two-to-four family residence erected thereon, or improved by an individual condominium unit, planned unit development, townhouse or manufactured home. (B) With respect to the Home Equity Loans (i) approximately 31.58% of the Home Equity Loans are secured by real property improved by individual condominium units, planned unit developments (attached and detached), townhouses/rowhouses, condotels or manufactured homes, (ii) approximately 64.18% of the Home Equity Loans are secured by real property with a single family residence erected thereon and (iii) approximately 4.24% of the Home Equity Loans are secured by real property with a two-to-four family residence;

(xxvi) As of the Cut-off Date, the Credit Limits on the Home Equity Loans range between approximately $7,800 and $920,000 with an average of $57,787. As of the Cut-off Date, no Home Equity Loan had a principal balance in excess of $687,000 and the weighted average Credit Limit Utilization Rate, based on the Credit Limits of the Home Equity Loans is equal to approximately 77.96%;

(xxvii) 98.99% of the Home Equity Loans are secured by second liens and the remainder are secured by first liens;

(xxviii) Each Subservicer meets all applicable requirements under the Servicing Agreement, is properly qualified to service the Home Equity Loans and has been servicing the Home Equity Loans prior to the Cut-off Date in accordance with the terms of the respective Subservicing Agreement;

(xxix) For each Home Equity Loan, hazard insurance and flood insurance has been obtained which meets all applicable requirements of Section 3.04 of the Servicing

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Agreement or the Master Servicer will obtain blanket coverage in respect thereof as contemplated in the Servicing Agreement;

(xxx) Other than with respect to a payment default, there is no material default, breach, violation or event of acceleration existing under the terms of any Mortgage Note or Mortgage and no event which, with notice and expiration of any grace or cure period, would constitute a material default, breach, violation or event of acceleration under the terms of any Mortgage Note or Mortgage, and no such material default, breach, violation or event of acceleration has been waived by the Seller or by any other entity involved in originating or servicing a Home Equity Loan;

(xxxi) No instrument of release or waiver has been executed in connection with the Home Equity Loans, and no Mortgagor has been released, in whole or in part from its obligations in connection with a Home Equity Loan;

(xxxii) With respect to each Home Equity Loan that is a second lien, either (i) no consent for the Home Equity Loan was required by the holder of the related prior lien or (ii) such consent has been obtained and is contained in the Mortgage File;

(xxxiii) The Mortgage contains a customary provision for the acceleration of the payment of the unpaid principal balance of the Home Equity Loan in the event the related Mortgaged Property is sold without the prior consent of the mortgagee thereunder;

(xxxiv) 34 of the Loan Agreements of the Home Equity Loans are missing from the Mortgage File;

(xxxv) With respect to each Home Equity Loan, the ratio, expressed as a percentage, of (A) the sum of (i) the Cut-off Date Principal Balance of such Home Equity Loan and (ii) any outstanding principal balance, as of the Cut-off Date, of all other mortgage loans, if any, secured by senior or subordinate liens on the related Mortgaged Property, to (B) the Appraised Value, or, to the extent permitted by the Program Guide, the Stated Value of such Mortgaged Property, was not in excess of 100% (except due to rounding);

(xxxvi)Approximately 26.4% of the Home Equity Loans are balloon loans;

(xxxvii) None of the proceeds of the Home Equity Loans were used to finance the purchase of single premium credit insurance policies and none of the Home Equity Loans contain prepayment penalties that extend beyond five years after the date of origination;

(xxxviii) None of the Home Equity Loans are secured by a leasehold interest;

(xxxix)None of the Home Equity Loans are loans that, under applicable state or local law in effect at the time of origination of such loan, are referred to as (1) "high cost" or "covered" loans or (2) any other similar designation if the law imposes greater restrictions or additional legal liability for residential mortgage loans with high interest rates, points and/or fees;

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(xl) With respect to Home Equity Loans originated more than 12 months prior to the Cut-off Date (A) none of the obligors under such Home Equity Loans were the subject of a bankruptcy proceeding and (B) no such Home Equity Loan has been 30 or more days delinquent more than once within 12 months of the Cut-off Date;

(xli) All of the Home Equity Loans have been underwritten in substantial compliance with the criteria set forth in the Program Guide;

(xlii) No Home Equity Loan is a High Cost Loan or Covered Loan, as applicable (as such terms are defined in the then current Standard & Poor's LEVELS® Glossary which is now Version 5.7 Revised, Appendix E (attached hereto as Exhibit 2)); provided that no representation and warranty is made in this clause 3.1(b)(xlii) with respect to 0.1% of the Home Equity Loans (by outstanding principal balance as of the Cut-off Date) secured by property located in the State of West Virginia [proviso with respect to State of Kansas intentionally omitted];

(xliii) No Home Equity Loan originated on or after October 1, 2002 through March 6, 2003 is governed by the Georgia Fair Lending Act; and

(xliv) None of the Home Equity Loans were subject to the Home Ownership and Equity Protection Act of 1994.

(c) Upon discovery by Seller or upon notice from the Purchaser, the Credit Enhancer, the Issuer, the Owner Trustee, the Indenture Trustee or any Custodian, as applicable, of a breach of any representation or warranty in clause (a) above which materially and adversely affects the interests of the Securityholders or the Credit Enhancer, as applicable, in any Home Equity Loan, the Seller shall, within 45 days of its discovery or its receipt of notice of such breach, either (i) cure such breach in all material respects or (ii) to the extent that such breach is with respect to a Home Equity Loan or a Related Document, either (A) repurchase such Home Equity Loan from the Issuer at the Repurchase Price, or (B) substitute one or more Eligible Substitute Loans for such Home Equity Loan, in each case in the manner and subject to the conditions and limitations set forth below.

Upon discovery by the Seller or upon notice from the Purchaser, the Credit Enhancer, the Issuer, the Owner Trustee, the Indenture Trustee or any Custodian, as applicable, of a breach of any representation or warranty in clause (b) above with respect to any Home Equity Loan, or upon the occurrence of a Repurchase Event, which materially and adversely affects the interests of any Securityholders or the Credit Enhancer, as applicable, or of the Purchaser in such Home Equity Loan (notice of which shall be given to the Purchaser by the Seller, if it discovers the same), notwithstanding the Seller's lack of knowledge with respect to the substance of such representation and warranty, the Seller shall, within 90 days of its discovery or its receipt of notice of such breach, either (i) cure such breach in all material respects or (ii) to the extent that such breach is with respect to a Home Equity Loan or a Related Document, either (A) repurchase such Home Equity Loan from the Issuer at the Repurchase Price, or (B) substitute one or more Eligible Substitute Loans for such Home Equity Loan, in each case in the manner and subject to the conditions and limitations set forth below. If the

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breach of representation and warranty that gave rise to the obligation to repurchase or substitute a Home Equity Loan pursuant to this Section 3.1 was the representation and warranty set forth in clauses (b)(x) of this Section 3.1, then the Seller shall pay to the Trust, concurrently with and in addition to the remedies provided in the preceding sentence, an amount equal to any liability, penalty or expense that was actually incurred and paid out of or on behalf of the Trust, and that directly resulted from such breach, or if incurred and paid by the Trust thereafter, concurrently with such payment. The Repurchase Price plus any amount described in the preceding sentence for any such Home Equity Loan repurchased by the Seller shall be deposited or caused to be deposited by the Master Servicer in the Custodial Account maintained by it pursuant to Section 3.02 of the Servicing Agreement.

In the event that the Seller elects to substitute an Eligible Substitute Loan or Loans for a Deleted Loan pursuant to this Section 3.1(c), the Seller shall deliver to the Custodian on behalf of the Issuer, with respect to such Eligible Substitute Loan or Loans, the original Mortgage Note (or, in the case of a Home Equity Loan as to which the original Mortgage Note has been permanently lost or destroyed and has not been replaced, a Lost Note Affidavit, together with a copy of such Note) and all other documents and agreements as are required by Section 2.1(c), with the Mortgage Note endorsed as required by Section 2.1(c). No substitution will be made in any calendar month after the Determination Date for such month. Monthly payments due with respect to Eligible Substitute Loans in the month of substitution shall not be part of the Trust Estate and will be retained by the Master Servicer and remitted by the Master Servicer to the Seller on the next succeeding Payment Date, provided that a payment at least equal to the applicable Minimum Monthly Payment for such month in respect of the Deleted Loan has been received by the Trust. For the month of substitution, distributions to the Payment Account pursuant to the Servicing Agreement will include the monthly payment due on a Deleted Loan for such month and thereafter the Seller shall be entitled to retain all amounts received in respect of such Deleted Loan. The Master Servicer shall amend or cause to be amended the Home Equity Loan Schedule to reflect the removal of such Deleted Loan and the substitution of the Eligible Substitute Loan or Loans and the Master Servicer shall deliver the amended Home Equity Loan Schedule to the Owner Trustee. Upon such substitution, the Eligible Substitute Loan or Loans shall be subject to the terms of this Agreement and the Servicing Agreement in all respects, the Seller shall be deemed to have made the representations and warranties with respect to the Eligible Substitute Loan contained herein set forth in Section 3.1(b) (other than clauses (xiii), (xxiv)(B), (xxv)(B), (xxvi), (xxvii), (xxxiv) and (xxxvi) thereof), as of the date of substitution, and the Seller shall be obligated to repurchase or substitute for any Eligible Substitute Loan as to which a Repurchase Event has occurred as provided herein. In connection with the substitution of one or more Eligible Substitute Loans for one or more Deleted Loans, the Master Servicer will determine the amount (such amount, a "Substitution Adjustment Amount"), if any, by which the aggregate principal balance of all such Eligible Substitute Loans as of the date of substitution is less than the aggregate principal balance of all such Deleted Loans (after application of the principal portion of the monthly payments due in the month of substitution that are to be distributed to the Payment Account in the month of substitution). The Seller shall deposit the amount of such shortfall into the Custodial Account on the day of substitution, without any reimbursement therefor. The Seller shall give notice in writing to the Indenture Trustee and the Credit Enhancer of such event, which notice shall be accompanied by an

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Officers' Certificate as to the calculation of such shortfall and by an Opinion of Counsel to the effect that such substitution will not cause any federal tax to be imposed on the Issuer.

Upon receipt by the Indenture Trustee on behalf of the Issuer and the Custodian of written notification, signed by a Servicing Officer, of the deposit of such Repurchase Price or of such substitution of an Eligible Substitute Loan (together with the complete related Mortgage File) and deposit of any applicable Substitution Adjustment Amount as provided above, the Custodian, on behalf of the Indenture Trustee, shall release to the Seller the related Mortgage File for the Home Equity Loan being repurchased or substituted for and the Indenture Trustee on behalf of the Issuer shall execute and deliver such instruments of transfer or assignment prepared by the Master Servicer, in each case without recourse, representation or warranty as shall be necessary to vest in the Seller or its designee such Home Equity Loan released pursuant hereto and thereafter such Home Equity Loan shall not be an asset of the Issuer.

Except with regard to a breach of the representation and warranty set forth in Section 3.1(b)(x), it is understood and agreed that the obligation of the Seller to cure any breach, or to repurchase or substitute for, any Home Equity Loan as to which such a breach has occurred and is continuing, shall constitute the sole remedy respecting such breach available to the Purchaser, the Issuer, the Certificateholders (or the Owner Trustee on behalf of the Certificateholders) and the Noteholders (or the Indenture Trustee on behalf of the Noteholders) against the Seller.

It is understood and agreed that the representations and warranties set forth in this Section 3.1 shall survive delivery of the respective Mortgage Files to the Issuer, or the Custodian.

ARTICLE IV

SELLER'S COVENANTS

Section 4.1 Covenants of the Seller. The Seller hereby covenants that, except for the transfer hereunder, the Seller will not sell, pledge, assign or transfer to any other Person, or grant, create, incur or assume any Lien on any Home Equity Loan, or any interest therein, except with respect to any Excluded Amount; the Seller will notify the Issuer, as assignee of the Purchaser, of the existence of any Lien (other than as provided above) on any Home Equity Loan immediately upon discovery thereof; and the Seller will defend the right, title and interest of the Issuer, as assignee of the Purchaser, in, to and under the Home Equity Loans against all claims of third parties claiming through or under the Seller; provided, however, that nothing in this Section 4.1 shall be deemed to apply to any Liens for municipal or other local taxes and other governmental charges if such taxes or governmental charges shall not at the time be due and payable or if the Seller shall currently be contesting the validity thereof in good faith by appropriate Proceedings.

ARTICLE V

SERVICING

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Section 5.1 Servicing. The Seller will service the Home Equity Loans pursuant to the terms and conditions of the Servicing Agreement and will service the Home Equity Loans directly or through one or more sub-servicers in accordance therewith.

ARTICLE VI

INDEMNIFICATION BY THE SELLER WITH RESPECT TO THE HOME EQUITY LOANS

Section 6.1 Limitation on Liability of the Seller. None of the directors, officers, employees or agents of the Seller shall be under any liability to the Purchaser, it being expressly understood that all such liability is expressly waived and released as a condition of, and as consideration for, the execution of this Agreement. Except as and to the extent expressly provided in the Servicing Agreement, the Seller shall not be under any liability to the Trust, the Owner Trustee, the Indenture Trustee or the Securityholders. The Seller and any director, officer, employee or agent of the Seller may rely in good faith on any document of any kind *prima facie* properly executed and submitted by any Person respecting any matters arising hereunder.

ARTICLE VII

TERMINATION

Section 7.1 Termination. The respective obligations and responsibilities of the Seller and the Purchaser created hereby shall terminate upon the termination of the Trust pursuant to the terms of the Trust Agreement.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 8.1 Amendment. This Agreement may be amended from time to time by the Seller and the Purchaser by written agreement signed by the Seller and the Purchaser, with the consent of the Credit Enhancer (which consent shall not be unreasonably withheld).

Section 8.2 **GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK , WITHOUT REGARD TO THE CONFLICT OF LAW PRINCIPLES THEREOF (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW), AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.**

Section 8.3 Notices. All demands, notices and communications hereunder shall be in writing and shall be deemed to have been duly given if personally delivered at or mailed by registered mail, postage prepaid, addressed as follows:

CONFIDENTIAL RC00062585

(i) if to the Seller:

Residential Funding Corporation
8400 Normandale Lake Boulevard
Suite 250
Minneapolis, Minnesota 55437
Attention: Home Equity Loan Trust 2006-HSA4

or, such other address as may hereafter be furnished to the Purchaser in writing by the Seller.

(ii) if to the Purchaser:

Residential Funding Mortgage Securities II, Inc.
8400 Normandale Lake Boulevard
Suite 250
Minneapolis, Minnesota 55437
Attention: Home Equity Loan Trust 2006-HSA4

or such other address as may hereafter be furnished to the Seller in writing by the Purchaser.

Section 8.4 Severability of Provisions. If any one or more of the covenants, agreements, provisions of terms of this Agreement shall be held invalid for any reason whatsoever, then such covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants, agreements, provisions or terms of this Agreement and shall in no way affect the validity of enforceability of the other provisions of this Agreement.

Section 8.5 Relationship of Parties. Nothing herein contained shall be deemed or construed to create a partnership or joint venture between the parties hereto, and the services of the Seller shall be rendered as an independent contractor and not as agent for the Purchaser.

Section 8.6 Counterparts. This Agreement may be executed in one or more counterparts and by the different parties hereto on separate counterparts, each of which, when so executed, shall be deemed to be an original and such counterparts, together, shall constitute one and the same agreement.

Section 8.7 Further Agreements. The Purchaser and the Seller each agree to execute and deliver to the other such additional documents, instruments or agreements as may be necessary or appropriate to effectuate the purposes of this Agreement.

Section 8.8 Intention of the Parties. It is the intention of the parties that the Purchaser is purchasing, and the Seller is selling, the Home Equity Loans, rather than a loan by the Purchaser to the Seller secured by the Home Equity Loans. Accordingly, the parties hereto each intend to treat the transaction for Federal income tax purposes as a sale by the Seller, and a purchase by the Purchaser, of the Home Equity Loans. The Purchaser will have the right to review the Home Equity Loans and the Related Documents to determine the characteristics of the Home Equity Loans which will affect the Federal income tax consequences of owning the Home

CONFIDENTIAL RC00062586

Equity Loans and the Seller will cooperate with all reasonable requests made by the Purchaser in the course of such review.

Section 8.9 Successors and Assigns; Assignment of This Agreement. This Agreement shall bind and inure to the benefit of and be enforceable by the Seller, Purchaser and their respective successors and assigns. The obligations of the Seller under this Agreement cannot be assigned or delegated to a third party without the consent of the Credit Enhancer and the Purchaser, which consent shall be at the Credit Enhancer's and the Purchaser's sole discretion, except that the Purchaser and the Credit Enhancer acknowledge and agree that the Seller may assign its obligations hereunder to any Affiliate of the Seller, to any Person succeeding to the business of the Seller, to any Person into which the Seller is merged and to any Person resulting from any merger, conversion or consolidation to which the Seller is a party. The parties hereto acknowledge that the Purchaser is acquiring the Home Equity Loans for the purpose of contributing them to the Issuer. Pursuant to the terms of the Trust Agreement, the Issuer will issue and transfer to or at the direction of the Purchaser, the Certificates and pursuant to the terms of the Indenture, the Issuer will issue and transfer to or at the direction of the Purchaser, the Notes secured by the Home Equity Loans. As an inducement to the Purchaser to purchase the Home Equity Loans, the Seller acknowledges and consents to (i) the assignment by the Purchaser to the Issuer of all of the Purchaser's rights against the Seller pursuant to this Agreement insofar as such rights relate to Home Equity Loans transferred to the Issuer, (ii) the enforcement or exercise of any right or remedy against the Seller pursuant to this Agreement by or on behalf of the Issuer and (iii) the Issuer's pledge of its interest in this Agreement to the Indenture Trustee and the enforcement by the Indenture Trustee of any such right or remedy against the Seller. Such enforcement of a right or remedy by the Issuer or the Indenture Trustee, as applicable, shall have the same force and effect as if the right or remedy had been enforced or exercised by the Purchaser directly.

Section 8.10 Survival. The representations and warranties made herein by the Seller and the provisions of Article VI hereof shall survive the purchase of the Home Equity Loans hereunder.

Section 8.11 Credit Enhancer as Third-Party Beneficiary. The Credit Enhancer is an express third-party beneficiary under this Agreement.

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IN WITNESS WHEREOF, the Seller and the Purchaser have caused their names to be signed to this Home Equity Loan Purchase Agreement by their respective officers thereunto duly authorized as of the day and year first above written.

RESIDENTIAL FUNDING MORTGAGE SECURITIES II, INC., as Purchaser

By:_____
Name: Heather Anderson
Title: Vice President

RESIDENTIAL FUNDING CORPORATION, as Seller

By:_____
Name: Christopher Martinez
Title: Associate

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EXHIBIT 1

HOME EQUITY LOAN SCHEDULE

[On file with RFC]

EXHIBIT 2

REVISED April 18, 2006

APPENDIX E - Standard & Poor's Predatory Lending Categories

Standard & Poor's has categorized loans governed by anti-predatory lending laws in the Jurisdictions listed below into three categories based upon a combination of factors that include (a) the risk exposure associated with the assignee liability and (b) the tests and thresholds set forth in those laws. Note that certain loans classified by the relevant statute as Covered are included in Standard & Poor's High Cost Loan Category because they included thresholds and tests that are typical of what is generally considered High Cost by the industry.

Standard & Poor's High Cost Loan Categorization

State/Jurisdiction	Name of Anti-Predatory Lending Law/Effective Date	Category under Applicable Anti-Predatory Lending Law
Arkansas	Arkansas Home Loan Protection Act, Ark. Code Ann. §§ 23-53-101 et seq. Effective July 16, 2003	High Cost Home Loan
Cleveland Heights, OH	Ordinance No. 72-2003 (PSH), Mun. Code §§ 757.01 et seq. Effective June 2, 2003	Covered Loan
Colorado	Consumer Equity Protection, Colo. Stat. Ann. §§ 5-3.5-101 et seq. Effective for covered loans offered or entered into on or after January 1, 2003. Other provisions of the Act took effect on June 7, 2002	Covered Loan
Connecticut	Connecticut Abusive Home Loan Lending Practices Act, Conn. Gen. Stat. §§ 36a-746 et seq. Effective October 1, 2001	High Cost Home Loan
District of Columbia	Home Loan Protection Act, D.C. Code §§ 26-1151.01 et seq. Effective for loans closed on or after January 28, 2003	Covered Loan

Florida	Fair Lending Act, Fla. Stat. Ann. §§ 494.0078 et seq. Effective October 2, 2002	High Cost Home Loan

State/Jurisdiction	Name of Anti-Predatory Lending Law/Effective Date	Category under Applicable Anti-Predatory Lending Law
Georgia (Oct. 1, 2002 - Mar. 6, 2003)	Georgia Fair Lending Act, Ga. Code Ann. §§ 7-6A-1 et seq. Effective October 1, 2002 – March 6 2003	High Cost Home Loan
Georgia as amended (Mar. 7, 2003 - current)	Georgia Fair Lending Act, Ga. Code Ann. §§ 7-6A-1 et seq. Effective for loans closed on or after March 7, 2003	High Cost Home Loan
HOEPA Section 32	Home Ownership and Equity Protection Act of 1994, 15 U.S.C. § 1639, 12 C.F.R. §§ 226.32 and 226.34 Effective October 1, 1995, amendments October 1, 2002	High Cost Loan
Illinois	High Risk Home Loan Act, Ill. Comp. Stat. tit. 815, §§ 137/5 et seq. Effective January 1, 2004 (prior to this date, regulations under Residential Mortgage License Act effective from May 14, 2001)	High Risk Home Loan
Kansas	Consumer Credit Code, Kan. Stat. Ann. §§ 16a-1-101 et seq. Sections 16a-1-301 and 16a-3-207 became effective April 14, 1999; Section 16a-3-308a became effective July 1, 1999	High Loan to Value Consumer Loan (id. § 16a-3-207) and; High APR Consumer Loan (id. § 16a-3-308a)
Kentucky	2003 KY H.B. 287 – High Cost Home Loan Act, Ky. Rev. Stat. §§ 360.100 et seq. Effective June 24, 2003	High Cost Home Loan
Maine	Truth in Lending, Me. Rev. Stat. tit. 9-A, §§ 8-101 et seq. Effective September 29, 1995 and as amended from time to time	High Rate High Fee Mortgage

State/Jurisdiction	Name of Anti-Predatory Lending Law/Effective Date	Category under Applicable Anti-Predatory Lending Law
Massachusetts	Part 40 and Part 32, 209 C.M.R. §§ 32.00 et seq. and 209 C.M.R. §§ 40.01 et seq. Effective March 22, 2001 and amended from time to time	High Cost Home Loan
Nevada	Assembly Bill No. 284, Nev. Rev. Stat. §§ 598D.010 et seq. Effective October 1, 2003	Home Loan
New Jersey	New Jersey Home Ownership Security Act of 2002, N.J. Rev. Stat. §§ 46:10B-22 et seq. Effective for loans closed on or after November 27, 2003	High Cost Home Loan
New Mexico	Home Loan Protection Act, N.M. Rev. Stat. §§ 58-21A-1 et seq. Effective as of January 1, 2004; Revised as of February 26, 2004	High Cost Home Loan
New York	N.Y. Banking Law Article 6-1 Effective for applications made on or after April 1, 2003	High Cost Home Loan
North Carolina	Restrictions and Limitations on High Cost Home Loans, N.C. Gen. Stat. §§ 24-1.1E et seq. Effective July 1, 2000; amended October 1, 2003 (adding open-end lines of credit)	High Cost Home Loan
Ohio	H.B. 386 (codified in various sections of the Ohio Code), Ohio Rev. Code Ann. §§ 1349.25 et seq. Effective May 24, 2002	Covered Loan
Oklahoma	Consumer Credit Code (codified in various sections of Title 14A) Effective July 1, 2000; amended effective January 1, 2004	Subsection 10 Mortgage

State/Jurisdiction	Name of Anti-Predatory Lending Law/Effective Date	Category under Applicable Anti-Predatory Lending Law
South Carolina	South Carolina High Cost and Consumer Home Loans Act, S.C. Code Ann. §§ 37-23-10 et seq. Effective for loans taken on or after January 1, 2004	High Cost Home Loan
West Virginia	West Virginia Residential Mortgage Lender, Broker and Servicer Act, W. Va. Code Ann. §§ 31-17-1 et seq. Effective June 5, 2002	West Virginia Mortgage Loan Act Loan

Standard & Poor's Covered Loan Categorization

State/Jurisdiction	Name of Anti-Predatory Lending Law/Effective Date	Category under Applicable Anti-Predatory Lending Law
Georgia (Oct. 1, 2002 - Mar. 6, 2003)	Georgia Fair Lending Act, Ga. Code Ann. §§ 7-6A-1 et seq. Effective October 1, 2002 - March 6, 2003	Covered Loan
New Jersey	New Jersey Home Ownership Security Act of 2002, N.J. Rev. Stat. §§ 46:10B 22 et seq. Effective November 27, 2003 - July 5, 2004	Covered Home Loan

Standard & Poor's Home Loan Categorization

State/Jurisdiction	Name of Anti-Predatory Lending Law/Effective Date	Category under Applicable Anti-Predatory Lending Law
Georgia (Oct. 1, 2002 - Mar. 6, 2003)	Georgia Fair Lending Act, Ga. Code Ann. §§ 7-6A-1 et seq. Effective October 1, 2002 - March 6, 2003	Home Loan

State/Jurisdiction	Name of Anti-Predatory Lending Law/Effective Date	Category under Applicable Anti-Predatory Lending Law
New Jersey	New Jersey Home Ownership Security Act of 2002, N.J. Rev. Stat. §§ 46:10B-22 et seq. Effective for loans closed on or after November 27, 2003	Home Loan
New Mexico	Home Loan Protection Act, N.M. Rev. Stat. §§ 58-21A-1 et seq. Effective as of January 1, 2004; Revised as of February 26, 2004	Home Loan
North Carolina	Restrictions and Limitations on High Cost Home Loans, N.C. Gen. Stat. §§ 24-1.1E et seq. Effective July 1, 2000; amended October 1, 2003 (adding open-end lines of credit)	Consumer Home Loan
South Carolina	South Carolina High Cost and Consumer Home Loans Act, S.C. Code Ann. §§ 37-23-10 et seq. Effective for loans taken on or after January 1, 2004	Consumer Home Loan

Exhibit 51

UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

In re:

RESIDENTIAL CAPITAL, LLC, et al.,

Debtors

Case No. 12-12020 (MG)

Chapter 11

Jointly Administered

DEPOSITION OF J.F. MORROW

DATE: December 17, 2012

HUDSON REPORTING & VIDEO, INC.

124 West 30th Street, 2nd Fl.

New York, New York 10001

Tel: 212-273-9911 Fax: 212-273-9915

TRANSCRIPT of the deposition, said deposition being conducted pursuant to Rules Governing Civil Practice in the Superior Court of New Jersey, by and before MARK IUZZOLINO, Certified Shorthand Reporter, License No. X101103, at the offices of Morrison Foerster, LLP, 1290 6th Avenue, New York, NY, on December 17, 2012, commencing at 9:18 a.m.

say "We lost our title policy. Please provide us a new one," that really is a remedial-type thing. Most of the loans were closed by title companies, and they filed the deed of trust themselves. So it's easily remedial. It's not really a material defect when these loans are sold as they are.

Q. Can you give me another example of a defect that you'd consider not to be material?

A. A flood insurance. Same as your hazard insurance: If flood insurance is required, they'll force-place -- ResCap would force-place flood insurance.

Q. What other examples of nonmaterial defects?

A. A missing deed of trust would be one because these loans are old. We have a title insurance that guarantees the position. And you can go to the county recorder and get a copy of it, so it's not as easily remedial.

Q. Can you give me other examples of defects that you consider not to be material?

A. Those are the four that were utilized.

Q. In any event, it's your opinion that

for the 313 loans cited in your opinion, those loans had defects that were sufficiently material that, in your judgment, they materially and adversely affected the risk of the loan?

A. Yes.

Q. Sir, do you know if ResCap's board of directors was aware of all of the lawsuits by MBIA and FGIC and others that alleged much higher breach rates than you found?

MR. DAILEY: Objection.

MR. BULL: Objection.

A. No.

Q. Did you make any effort to understand what the board of directors had before it when it decided to make the settlement that's at issue here?

A. No.

Q. Do you have any view about what the plaintiffs in this matter would have alleged their material defects to be if they had filed a complaint?

MR. BENTLEY: What plaintiffs are you talking about?

Q. Sir, go ahead.

A. Yes.
Q. Are you prepared to testify?
A. If asked.
Q. Well, are you planning on it?
MR. BENTLEY: Objection to form.
A. As far as I know, yes.
Q. What you'll tell the judge is that 28.74 percent of the loans had material defects and were not in compliance with ResCap's guidelines --
MR. BENTLEY: Objection.
Q. -- right?
MR. BENTLEY: Objection to form.
A. What I will tell or explain to the judge is my opinion, which is much more complete than what you stated.
Q. The punchline is, 28.74 percent of the loans had material defects. Right?
MR. BULL: Objection.
MR. BENTLEY: Objection.
A. Of 1,089 loans. I'm not a statistician as far as applicability to any other portfolio other than this.
Q. You'll say that those 313 loans didn't comply with ResCap's guidelines. Right?

A. That were material defective loans, yes.

Q. And you'll say that they didn't comply with the prospectus supplements applicable to those securities. Correct?

A. No, I will not go that far because that's not what I said here.

What I will say is that based on the description of the underwriting section of the PSUPs, it did not meet that. I'm not the complete --

Q. Okay. That's helpful. Thank you.

So back to that heading on page 64. Do you have that in front of you?

A. Yes.

Q. You use the phrase, "appropriately and objectively re-underwritten."

Do you see that?

A. Yes.

Q. Okay. Those are your 20 reviewers? Right?

A. Yes.

Q. You obtained them from -- what was the name of the group, Analytic --

A. Focus.

A. Well, yes, the originator's guidelines if they're different than ResCap guidelines but applicable to the loan. So those were the ones that they would look at.

Q. Did your reviewers take any steps to verify income?

A. No.

Q. Did they take any steps to run a title report?

A. Beyond the scope we were asked to do.

Q. Did your reviewers check to see if the property or the security was encumbered by other mortgages or liens?

A. Beyond the scope we were asked to look at.

Q. Did your reviewers take any steps to verify owner occupancy?

A. Other than being obvious in the loan file, no.

Q. They didn't go out, for example, and do an Internet search or a tax record search or something to see what the owner was saying was his principal place of occupancy?

A. Correct, we did not.

Q. Did your reviewers run credit reports

1 on the borrowers?
2 A. No.
3 Q. They didn't try to check or verify
4 FICO scores, for example?
5 A. No. And there's a real question
6 whether you have it under privacy acts whether
7 you could do what you're saying.
8 Q. Did you try to reappraise any of the
9 properties?
10 A. No.
11 Q. Did you run any automated valuation
12 model work on any of the properties?
13 A. No.
14 Q. Was there a reason why you didn't do
15 more on appraisals?
16 A. In what sense?
17 Q. Well, you said that your people
18 confirmed that the loans conform to the
19 requirements in the industry when it comes to
20 appraisal.
21 A. Right.
22 Q. How did they do that?
23 A. They reviewed either the appraisal,
24 or the AVM, or whatever was used as that met
25 the criteria for ResCap and that there was

Exhibit 52

CONFIDENTIAL

Ally Financial Inc. Audit Committee

Mortgage Contingencies Review with Disclosure Benchmarking

July 27, 2011

RC40021335

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Exhibit 54

Audit Committee

Supplemental Materials

April 27, 2012

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Exhibit 55

RRMS ADVISORS
Tactical Mortgage Strategists
10 East 40th Street New York, NY 10016
www.rrmsco.com

Brian Lin
Managing Director
RRMS Advisors
10 East 40th Street
New York, NY 10016

June 7, 2011

The Bank of New York Mellon
One Wall Street, 11th Floor
New York, NY 10286

Subject: Opinion Concerning Contemplated Settlement Amount for 530 Trusts

Gentlemen:

Attached please find my independent opinion regarding the contemplated settlement amount for 530 Trusts rendered at the request of your counsel, Mayer Brown.

Should you have any question, please feel free to contact me at (212) 843-9413.

Yours truly,

Brian Lin
Managing Director

RRMS ADVISORS

Tactical Mortgage Strategists

Settlement Amount Opinion
Prepared for: The Bank of New York Mellon
June 7, 2011

Engagement

The Bank of New York Mellon (BNYM) currently acts as Trustee on behalf of the named Trusts and respective investors. In this capacity, BNYM has engaged me to render an independent professional opinion relating to the settlement amount of 530 Trusts (Settlement Portfolio). The underlying collateral are comprised predominately of Alt "A", Subprime, Prime and Pay-Option Arm with a diminutive amount of HELOC and Second Lien residential mortgage loans.

Gibbs & Bruns Spreadsheet

Opinion Summary

I, in conjunction with selected RRMS Advisors personnel under my supervision, have performed a review of the "All Consortium Deals" summarized in the spreadsheet provided by the Investor Group represented by Gibbs & Bruns (Investor Group). Based on the review performed and discussions with representatives from the Investor Group, the presentation appears reasonable with respect to the overall methodology utilized in calculating the settlement amount.

The pros and cons of their calculations are as follows:

Pros:

- Obtaining collateral information from a publicly available third party source.
- Stratification of aggregate population according to performance status.
- Logical calculations in order to determine projected losses.
- Logical calculations and utilization of "Breach Rate" and "Success Rate" haircuts.

Cons:

- Questionable default and loss severity assumptions.
- Aggressive "Breach Rate" and "Success Rate" assumptions.

Assumptions:

- Collateral information is as of the February 2011 remittance reports, and has been obtained from Intex.

Detailed Opinion

Using certain assumptions obtained from Intex, Bank of America (BofA) mortgage research, along with a forensic underwriting review performed by an independent third party, the Investor Group has estimated BofA's exposure amount under various scenarios.

The first step in the methodology was to stratify the Settlement Portfolio on the basis of collateral type and performance status. Up to date balances were obtained from Intex with respect to non-delinquent loans as well as loans greater than 60 days delinquent (which also included the population of loans in bankruptcy, foreclosure and REO). The population of previously modified current loans was also

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RRMS Advisors
Managing Director
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obtained from LoanPerformance, courtesy of MetLife. Please note that without verification, I have accepted the balances presented within each stratification bucket as being correct, and have drawn a conclusion accordingly. In addition, categorizing the pool on this basis proved logical since it allowed for the application of various default and loss assumptions to the different performance status buckets of the portfolio.

At the core of the analysis was the utilization of default and loss severity assumptions. Loss severity, the percentage of lost principal when a loan is foreclosed or sold, was directly obtained from Intex by utilizing data for the three most recent months (averaging 66% for the entire Settlement Portfolio). While based on historical information, this data point can be considered limited since it presents a very short-term time period sample. There is no guarantee that this degree of loss severity will be consistent going forward and based on longer-term trends observed in research reports and other publications, severity rates have in actuality been lower. As for default rates, this particular data was in part taken from Amherst and BofA mortgage research reports. For the population examined in these reports, it was projected that the default rate for loans over 60 days delinquent was approximately 90%. Using this data, a default rate of 50% was derived for the remaining population of the portfolio which represented the current non-modified loans (including loans 30 days delinquent). Furthermore, a 90% default rate assumption was made for previously modified current loans. Although I categorize these calculations as logical, I did not verify any assumptions used to calculate the projected loan default and loss severity figures of the underlying collateral in the research reports.

Default and loss severity rates were then applied to each performance status bucket of the Settlement Portfolio, resulting in a calculation of aggregate actual/projected losses. The actual/estimated loss figure was derived as follows: The sum of (a) actual realized losses ($25B – obtained from Intex), (b) projected losses on loans 60+ days delinquent as well as on previously modified current loans ($50.4B), and (c) projected losses on non-modified current loans (including loans 30 days delinquent) ($32.4B) totals $107.8B. While the assumptions used to project losses can be debated, the mathematical formulas utilized to obtain the results are clear-cut and unquestionable.

After actual and estimated losses were calculated, certain haircuts were applied. The first, "Breach Rate", is the percentage of representation & warranties breached for defected loans in the portfolio; not every loan experiencing a loss was covered by the representations & warranties given to private label securities. As a result, this haircut represents the percentage of loans found defective which were submitted to BofA for repurchase. There is a possibility that BofA may offer resistance relating to some of these loans, resulting in a buyback rejection; thus the "Success Rate" represents the percentage of loans submitted to BofA which would actually be repurchased. The product of (a) the actual/estimated losses of the Settlement Portfolio, (b) the "Breach Rate", and (c) the "Success Rate", represents the expected settlement amount. In my opinion, the calculation and utilization of these particular haircuts is logical since BofA's willingness and legal obligation to repurchase certain loans represents the largest hurdle from Investor Group's perspective.

Brian Lin
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Managing Director
Telephone: 212-843-9413
10 East 40th Street New York, NY 10016

RRMS ADVISORS
Tactical Mortgage Strategists

Settlement Amount Opinion
Prepared for: The Bank of New York Mellon
June 7, 2011

The "Breach Rate" and "Success Rate" were obtained by a third party who completed a forensic underwriting project of a non-agency whole loan portfolio. This review consisted of approximately 250,000 loans of similar product types, and of the same origination period as the Settlement Portfolio. It was observed that there was an instance of a breach in approximately 60% of the loans examined and the actual repurchase rate of these loans by the originator ranged between 50% and 75%. I was not able to verify these figures since I was not given access to any documents or specifics pertaining to this underwriting review. However, based on the limited amount of publicly available information and my industry knowledge, it is my opinion that these percentages are too high.

Utilizing a range of "Breach Rates" and "Success Rates", expected settlement amounts were calculated for each performance status bucket of the Settlement Portfolio. Using BofA's haircut assumptions provided by Investor Group, the settlement amount totals $15.5B. Using assumptions from the Investor Group's analysis which are relatively more severe, the totals range from $27.0B to $52.6B.

In conclusion, although I classify certain assumptions as disputable to some degree, the overall methodology utilized is reasonable for the purposes of Investor Group's presentation.

Brian Lin
RRMS Advisors
Managing Director
Telephone: 212-843-9413
10 East 40th Street New York, NY 10016

RRMS ADVISORS

Tactical Mortgage Strategists

Settlement Amount Opinion
Prepared for: The Bank of New York Mellon
June 7, 2011

April 11, 2011 BofA Presentation

Opinion Summary

I, in conjunction with selected RRMS Advisors personnel under my supervision, have performed a review of the "Presentation to Gibbs & Bruns" dated April 11, 2011 provided by BofA. Based on the review performed and discussions with representatives from BofA, the presentation appears reasonable with respect to the overall methodology utilized in calculating the settlement amount.

The pros and cons of their calculations are as follows:

Pros:

- Utilized a reference mortgage pool representing actual repurchase experience.
- Reasonable approach in calculating "Defect Rates" for the Settlement Portfolio.

Cons:

- Comparison basis between conforming and non-conforming portfolios.
- Inconsistent methodology in calculating certain percentages for the subprime portion of the Settlement Portfolio.
- Lack of historical data to confirm BofA's "Defect Rates" and "Lesser Representation" haircut assumptions.

Assumptions:

- All collateral information is as of March 31, 2011.

Detailed Opinion

Using certain assumptions based on the collateral performance of a GSE portfolio originated between 2004 and 2008, BofA has estimated their exposure as being approximately $4.0B with respect to the current negotiations with the Investor Group. In comparing the severely delinquent and defaulted populations of the GSE and the Settlement Portfolio (which include loans 180+ days delinquent), four separate haircuts were applied to their analysis in order to support the proposed settlement amount. I believe it would have been easier to compare two analogous portfolios rather than to utilize a comparison between conforming and non-conforming portfolios. However, due to the lack of available information, I am of the view that utilization of a GSE portfolio based on actual repurchase experience is a proper alternative with appropriate adjustments.

Please note that without verification, I have accepted the balances for each stratification bucket as being correct.

The first haircut in their analysis is the "Defect Rate", which represents the percentage of GSE buyback requests experienced by BofA. This information was available for the entire GSE portfolio, was categorized for each product type and further stratified by the number of payments the borrower has

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made. The "Defect Rates" for each bucket were applied to the corresponding portion of the Settlement Portfolio, and were re-weighted according to the balance of the Investor Group loans found within each bucket. Given that the subprime portion of the GSE portfolio was insignificant, these particular "Defect Rates" were not simply assigned to the subprime portion of the Settlement Portfolio, but rather were determined as described below.

In order to calculate the "Defect Rates" of the subprime portion of the Settlement Portfolio, the balances of the two aggregate portfolios were similarly stratified according to documentation type and the number of payments made by the borrower. For each of these buckets, the "Defect Rates" of the GSE portfolio were calculated based on actual loan performance. As before, these rates were then assigned to the corresponding bucket of the aggregate Settlement Portfolio, and weighted average "Defect Rates" were calculated which were assigned to the subprime portion of the Settlement Portfolio. With "Defect Rates" available for each product type, these percentages were obtained according to the number of payments made by borrowers and for the aggregate Settlement Portfolio. I find this approach for determining the "Defect Rates" of the Settlement Portfolio to be a reasonable and logical first step in their methodology.

Taking the "Defect Rates" for each bucket according to the number of payments made by the borrower, a factor was then applied to each figure to account for expected claims for the forward unsettled portion with Fannie Mae. Relatively more loans will be bought back currently found in the bucket representing borrowers making more than 36 payments compared to those who have made between zero and 12 payments; thus the rationale for applying a higher factor to the former. In my opinion, the application of a factor to the calculated "Defect Rates" is reasonable, although I cannot validate the accuracy of each individual factor due to a lack of publicly available information.

The next haircut was based on "Lesser Representation", since the GSE portfolio received stronger reps & warranties because borrower misrepresentation would not be a basis for a claim within the Settlement Portfolio. Once again, stratifying the balances of the GSE portfolio according to product type and the number of payments made by the borrower, a figure for each bucket was calculated which represented the percentage of GSE loans repurchased due to borrower misrepresentation. In also stratifying the Settlement Portfolio in a similar fashion, the "Lesser Representation" haircuts for each bucket were applied to the corresponding portion of the Settlement Portfolio, and were re-weighted according to the balance of the Investor Group loans found within each bucket. As before, since the subprime portion of the GSE portfolio is insignificant, the Alt-A "Lesser Representation" haircuts were simply applied to the subprime portion of the Settlement Portfolio. I find this approach for determining the "Lesser Representation" haircut of the Settlement Portfolio to be reasonable. Please note that I find an inconsistency in their methodology pertaining to the manner in which figures were derived for the subprime portion of the GSE portfolio. Initially, while a complex analysis was undertaken in order to assign "Defect Rates" to the subprime portfolio, the Alt-A "Lesser Representation" haircuts were just assumed for the subprime portion of the Settlement Portfolio without any further calculations. The

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inconsistent methodology is still acceptable given the similarity of the two product types for these two attributes.

The "Lesser Representation" haircut is decreased since there could be instances within the Settlement Portfolio where other defects exist for a loan in addition to borrower misrepresentation. Based on BofA's experience, approximately half of private label loans with borrower misrepresentations still need to be repurchased because of these additional defects. This explains the 50% adjustment for each of the "Lesser Representation" haircuts. Based on my industry experience, the application of a factor is reasonable since repurchased loans will possibly have multiple simultaneous breaches. However, I cannot validate the accuracy of applying a factor of exactly 50%.

The third haircut is "Causation", which is based on whether there were material and adverse underwriting defects for the loans. In the case where only 0 - 12 payments were made by the borrower, it can be implied 100% of the time that faulty underwriting contributed to the loan default. These percentages were reduced as more payments were made on the loans, the logic being that the default for these loans was due to some factor other than the underwriting process (i.e., a borrower job loss). Different haircuts were applied to the various product types due to their distinctive payment requirements. A larger causation factor was applied to an option ARM making the same number of total payments as was applied to a fully amortizing loan, since the required payments are much lower. Thus, if the two loan types default after the same number of payments, there is a higher probability of underwriting irregularities with the option ARM. The percentages for Interest-Only loans simply take the average of the corresponding fully amortizing and option ARM percentages. Given that the amount of publicly available information is limited, the accuracy of each of these haircuts is difficult to quantify. In part for these reasons, I did not take these haircuts into consideration for my calculation.

The final haircut is "Presentation", which attempts to quantify whether senior certificate holders would commit to the expenses and time requirement to take action based on the projected amount of losses they would experience. Thus, with BofA's expectations being that the less senior classes will be written down, there is a reduced likelihood that legal action will proceed. Therefore, in the cases with no expected senior losses, BofA assumes no liability exposure whatsoever. In my opinion, the utilization of this haircut may not be necessary, since the Investor Group has already undertaken action(s) to recover damages.

The four haircuts which have been described were utilized in order to estimate a total settlement amount. The settlement amount results in approximately $4.0B by multiplying each of the haircuts by the projected and actual losses of the Settlement Portfolio.

In conclusion, although certain haircuts are difficult to validate and may require a proper expert to address the legal interpretation of their merits, the overall methodology utilized is reasonable for the purpose of BofA's presentation.

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Recommendation

In calculating a reasonable settlement figure, I utilized a mix of the methodologies found in the Investor Group and BofA presentations. As per my analysis below, the settlement range of approximately $8.8 to $11 billion is reasonable without applying any legal haircuts.

Methodology and Calculations

Given that information was obtained from publicly available third-party sources, my analysis began with the Intex / LoanPerformance collateral balances (as provided by Investor Group) of the portfolio which was stratified according to delinquency status. This consisted of (1) a $72.5 billion balance for loans greater than 60 days delinquent (which also included the population in bankruptcy, foreclosure and REO); (2) a $12.8 billion balance for previously modified current loans and (3) a $98.6 billion balance for non-modified current loans (including loans 30 days delinquent). In addition, aggregate realized losses of $25 billion were also taken into account.

Based on publicly available information pertaining to historical mortgage loan performance, I determined reasonable default and loss severity percentages which would be applied to each delinquency bucket of the portfolio. The corresponding plateaus are dependent upon product type and loan size, but when weighted according to the actual collateral composition of the portfolio, loss severity is approximately 60%. In addition, based on information provided by BofA, the historical loss severity for the loans within the Settlement Portfolio is approximately 45%. Thus, these were the ranges utilized in my assumptions.

With respect to the default of previously modified current loans, performance has improved dramatically since the first round of loan modifications in early 2009 due to more aggressive methods taken by both servicers and the government. From recent trends in applicable research reports, defaults for these loans have ranged between 20% and 60%, depending on when the modification took place. In taking an average of the two figures as well as considering the stronger recent performance, I feel that a default rate for previously modified current loans ranging from 35% to 40% is reasonable.

High default rates seem to be leveling off based on historical data and research reports with regard to non-modified current loans (including loans 30 days delinquent). As before with loss severities, these particular plateaus vary depending on product type and year of origination, but when weighted according to the actual collateral composition of the portfolio, the default rate ranges between 11% and 16%. These percentages have been utilized for this portion of the portfolio.

A default rate of 90% was utilized for loans greater than 60 days delinquent, which was supported by an industry research report. It is rational to assume that once a loan becomes severely delinquent, it is uncommon for such loan to achieve performing status once again.

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RRMS ADVISORS
Tactical Mortgage Strategists

Settlement Amount Opinion
Prepared for: The Bank of New York Mellon
June 7, 2011

The last variables used in my analysis were the "Breach" and "Success" rates which represent the amount of loans effectively submitted to BofA for repurchase. Given the lack of meaningful public information regarding this data, I feel it would be reasonable to utilize BofA's percentages for both rates since they are based on the performance of a mortgage pool representing actual repurchase experience. Specifically, a "Breach" rate of 36% and a "Success" rate of 40% were utilized.

Please note that these were the only haircuts utilized in my analysis. The three other haircuts used in the BofA presentation were not included in my analysis due the lack of available data and furthermore, would require a proper expert to address any particular legal interpretation issues.

In conclusion, utilizing the stratified collateral balances of the portfolio and my re-calculated variables, a settlement figure somewhere between $8.8 and $11 billion is reasonable. In my opinion, given the degree of assumptions used in my analysis, a small variance to the range indicated above is still reasonable. Please see the tables below for my assumptions and settlement range.

Low Range

Description	Balance[1]	Default Rate	Severity Rate	Losses	Breach Rate	Success Rate	Settlement
Liquidated Loans				$25.0	36.0%	40.0%	$3.6
60+ Delinquent Loans	$72.5	90.0%	45.0%	$29.4	36.0%	40.0%	$4.2
Mod. Current Loans	$12.8	35.0%	45.0%	$2.0	36.0%	40.0%	$0.3
Non-Mod Current Loans / D30	$98.6	11.0%	45.0%	$4.9	36.0%	40.0%	$0.7
							$8.8

High Range

Description	Balance[1]	Default Rate	Severity Rate	Losses	Breach Rate	Success Rate	Settlement
Liquidated Loans				$25.0	36.0%	40.0%	$3.6
60+ Delinquent Loans	$72.5	90.0%	60.0%	$39.2	36.0%	40.0%	$5.6
Mod. Current Loans	$12.8	40.0%	60.0%	$3.1	36.0%	40.0%	$0.4
Non-Mod Current Loans / D30	$98.6	16.0%	60.0%	$9.5	36.0%	40.0%	$1.4
							$11.0

Note 1: The settlement range of approximately $8.8 - $11 billion was based on the balance of 543 Trusts provided by the Investor Group. It is reasonable to assume the settlement range would be lower, given that 530 Trusts are now being considered for the contemplated settlement portfolio.

Yours truly,

Brian Lin
Managing Director

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Exhibit 56

EXECUTION VERSION

TO BE SIGNED BY THE PARTIES
IMMEDIATELY FOLLOWING THE PETITION DATE

SETTLEMENT AND PLAN SPONSOR AGREEMENT

THIS SETTLEMENT AND PLAN SPONSOR AGREEMENT (the "Agreement"), dated as of May 14, 2012 (the "Execution Date"), is made and entered into by and among Residential Capital, LLC and certain of its direct and indirect subsidiaries, as debtors and debtors-in-possession on behalf of each such entity and its estate (collectively, the "Debtors"),[1] and Ally Financial Inc. ("AFI"), on behalf of its direct and indirect subsidiaries and affiliates other than the Debtors and the Debtors' direct and indirect subsidiaries (collectively, "Ally") (each of the Debtors and Ally is a "Party," and collectively, the "Parties").

RECITALS

WHEREAS, on the date hereof (the "Petition Date"), each of the Debtors filed a voluntary petition for relief under chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code") with the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") commencing cases (the "Chapter 11 Cases"), which are proposed to be jointly administered for procedural purposes;

WHEREAS, the Debtors believe certain claims exist against Ally related to the corporate relationship between the Debtors and Ally, including with respect to certain transactions between the Debtors and Ally, including equitable subordination, debt recharacterization, fraudulent conveyance, avoidance liability under federal or state laws, and other causes of action under theories of veil piercing and alter ego liability;

WHEREAS, Ally denies each allegation of the Debtors and has substantial claims against the Debtors;

---

[1] The Debtors are: Ditech, LLC; DOA Holding Properties, LLC; DOA Holdings NoteCo, LLC; DOA Properties IX (Lots-Other), LLC; EPRE LLC; Equity Investment I, LLC; ETS of Virginia, Inc.; ETS of Washington, Inc.; Executive Trustee Services, LLC; GMAC Model Home Finance I, LLC; GMAC Mortgage USA Corporation; GMAC Mortgage, LLC; GMAC Residential Holding Company, LLC; GMACM Borrower LLC; GMACM REO LLC; GMACR Mortgage Products, LLC; GMAC-RFC Holding Company, LLC; GMACRH Settlement Services, LLC; HFN REO SUB II, LLC; Home Connects Lending Services, LLC; Homecomings Financial, LLC; Homecomings Financial Real Estate Holdings, LLC; Ladue Associates, Inc.; Passive Asset Transactions, LLC; PATI A, LLC; PATI B, LLC; PATI Real Estate Holdings, LLC; RAHI A, LLC; RAHI B, LLC; RAHI Real Estate Holdings, LLC; RCSFJV2004, LLC; Residential Accredit Loans, Inc.; Residential Asset Mortgage Products, Inc.; Residential Asset Securities Corporation; Residential Capital, LLC; Residential Consumer Services of Alabama, LLC; Residential Consumer Services of Ohio, LLC; Residential Consumer Services of Texas, LLC; Residential Consumer Services, LLC; Residential Funding Company, LLC; Residential Funding Mortgage Exchange, LLC; Residential Funding Mortgage Securities I, Inc.; Residential Funding Mortgage Securities II, Inc.; Residential Funding Real Estate Holdings, LLC; Residential Mortgage Real Estate Holdings, LLC; RFC Asset Holdings II, LLC; RFC Asset Management, LLC; RFC Borrower LLC; RFC Construction Funding, LLC; RFC REO LLC; RFC SFJV-2002, LLC; and RFC-GSAP Servicer Advance, LLC.

EXECUTION VERSION

WHEREAS, certain entities, including AFI, GMAC Mortgage Group LLC, Ally Securities LLC, and Ally Bank have been named as defendants in lawsuits brought by third parties in connection with, or arising from, the Debtors' business activities, including with respect to residential mortgage backed securities issued and/or sold by the Debtors; and

WHEREAS, the Debtors and Ally have resolved all issues and disputes between and among the Parties, and have agreed upon a term sheet for a chapter 11 plan of reorganization for the Debtors' restructuring and to implement the terms of the settlement contained herein.

NOW, THEREFORE, in consideration of the promises and mutual covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE I

Definitions

Section 1.1 *Terms Defined in the Preamble and Recitals*. The following terms shall have the meaning ascribed thereto in the preamble and recitals of this Agreement: Ally; AFI; Bankruptcy Code; Bankruptcy Court; Chapter 11 Cases; Debtors; Execution Date; Parties and Party; and Petition Date.

Section 1.2 *Other Defined Terms.* The following definitions shall apply and constitute a part of this Agreement and all annexes and exhibits hereto:

"Ally Bank MSR" means the mortgage servicing rights held by Ally Bank.

"Allowed Claims" means the claims to be allowed under the Plan pursuant to Section 3.1(e).

"Ally Claims" means the Claims of Ally against the Debtors as described in Section 3.1(e) of this Agreement.

"Ally Contribution" means such term as defined in Section 2.1.

"Ally DIP Financing Facility" means the debtor-in-possession financing facility to be provided to the Debtors, attached to the Plan Term Sheet as Exhibit 3.

"Ally LOC" means such term as defined in Section 3.1(e).

"Ally Revolver" means such term as defined in Section 3.1(e).

"Bankruptcy Court Order" means an order of the Bankruptcy Court entered after notice and a hearing.

"Barclays DIP Financing Facility" means the debtor-in-possession financing facility to be provided to the Debtors, attached to the Plan Term Sheet as Exhibit 6.

EXECUTION VERSION

"Cash" means legal tender of the United States of America.

"Cash Collateral Order" means the order attached hereto as Exhibit 1.

"Cash Contribution" means such term as defined in Section 2.1(a).

"Causes of Action" means any and all Claims, actions, causes of action, choses in action, rights, demands, suits, claims, liabilities, encumbrances, lawsuits, adverse consequences, debts, damages, dues, sums of money, accounts, reckonings, deficiencies, bonds, bills, disbursements, expenses, losses, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, judgments, remedies, rights of set-off, third-party claims, subrogation claims, contribution claims, reimbursement claims, indemnity claims, counterclaims, and cross-claims (including those of the Debtors, and/or the bankruptcy estate of any Debtor created pursuant to sections 301 and 541 of the Bankruptcy Code upon the commencement of the Chapter 11 Cases), whether known or unknown, foreseen or unforeseen, suspected or unsuspected, liquidated or unliquidated, fixed or contingent, matured or unmatured, disputed or undisputed, whether held in a personal or representative capacity, that are or may be pending on the Effective Date or instituted after the Effective Date against any entity, based in law or equity, including under the Bankruptcy Code, whether direct, indirect, derivative, or otherwise and whether asserted or unasserted as of the date of entry of the Confirmation Order.

"Claim" means a claim, as such term is defined in section 101(5) of the Bankruptcy Code.

"Confirmation Order" means an order, in form and substance satisfactory to both Parties, confirming the Plan.

"Consent Materials" means (a) the Board of Governors of the Federal Reserve System Consent Order, dated April 13, 2011, by and among AFI, Ally Bank, ResCap, GMAC Mortgage, LLC, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation, (b) the consent judgment entered by the District Court for the District of Columbia, dated February 9, 2012, and (c) the Order of Assessment of a Civil Money Penalty Issued Upon Consent Pursuant to the Federal Deposit Insurance Act, as amended, dated February 10, 2012.

"Consumer Lending Origination Support" means Ally's support of ResCap's consumer origination channel through Ally Bank's continued (a) origination of conforming loans brokered by ResCap to Ally Bank pursuant to the Client Agreement governing broker activity, (b) performance under the GNMA Origination Agreement, and (c) offering of such other products, such as the origination of jumbo loans and the Purchase Power lending program, consistent with current practices.

"Current Program" means such term as defined in Section 2.2(b).

"Data Center Transaction" means that certain sale and buy-back transaction between AFI and the Debtors of the Debtors' real estate interests in the data center property known as "Shady Oak" (MN) and the data center in Lewisville, TX as set forth in Exhibit 2.

"Debtors' Obligations" means such term as defined in Section 3.1.

EXECUTION VERSION

"Disclosure Statement" means the disclosure statement for the Plan, as amended, supplemented or modified from time to time, in form and substance reasonably acceptable to both Parties, including all exhibits and schedules thereto, and as approved by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code.

"Effective Date" means the date of substantial consummation of the Plan, which shall be the first business day upon which all conditions precedent to the effectiveness of the Plan are satisfied or waived in accordance with the Plan.

"Final Order" means an order or judgment of the Bankruptcy Court (or any other court of competent jurisdiction), which has not been modified, amended, reversed, vacated, or stayed, is in full force and effect, and as to which (a) the time to appeal, petition for certiorari, or move for a new trial, stay, reargument, or rehearing has expired and as to which no appeal, petition for certiorari, or motion for new trial, stay, reargument, or rehearing shall then be pending or (b) if an appeal, writ of certiorari, new trial, stay, reargument, or rehearing thereof has been sought, such order or judgment of the Bankruptcy Court (or other court of competent jurisdiction) shall have been affirmed by the highest court to which such order was appealed, or certiorari shall have been denied, or a new trial, stay, reargument, or rehearing shall have been denied or resulted in no modification of such order, and the time to take any further appeal, petition for certiorari, or move for a new trial, stay, reargument, or rehearing shall have expired, as a result of which such order shall have become final in accordance with Rule 8002 of the Federal Rules of Bankruptcy Procedure; provided that the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules, may be filed relating to such order, shall not cause an order not to be a Final Order.

"GNMA Origination Agreement" means the Amended and Restated Master Mortgage Loan Purchase and Sale Agreement with respect to the FHA, USDA, and VA Residential Mortgage Loans (as such terms are defined therein) between Ally Bank, as Seller, and GMAC Mortgage, LLC, as Purchaser.

"GNMA Origination Order" means the Bankruptcy Court Order approving the GNMA Origination Agreement.

"Governing Documents" means articles or certificates of incorporation and bylaws (or other formation documents relating to limited liability companies, limited partnerships, or other forms of entity).

"HFS APA" means such term as defined in Section 2.1(b).

"HFS Portfolio" means ResCap's held-for-sale portfolio of mortgage loans, which are the subject of the HFS APA.

"HFS Sale Price" means such term as defined in Section 2.1(b).

"Interest" means any "Equity Security," as defined in section 101(16) of the Bankruptcy Code, of a Debtor existing immediately prior to the Effective Date.

"Milestones" means the deadlines and conditions set forth in Exhibit A attached hereto.

EXECUTION VERSION

"Person" means such term as defined in section 101(41) of the Bankruptcy Code.

"Plan" means the Debtors' chapter 11 plan, together will all addenda, exhibits, schedules, or other attachments, if any, including the Plan Supplement, and as may be amended, modified, or supplemented from time to time, in form and substance satisfactory to the Debtors and Ally, as set forth in more detail in the Plan Term Sheet.

"Plan Supplement" means the compilation of documents and forms of documents, schedules, and exhibits to the Plan to be filed with the Bankruptcy Court on notice to parties-in-interest, and additional documents to be filed before the Effective Date as supplements or amendments to the Plan Supplement.

"Plan Term Sheet" means the chapter 11 plan term sheet, dated May 14, 2012, which is Exhibit 4 to this Agreement.

"Purchaser" means the buyer of certain of the Debtors' assets in the ResCap Asset Sale.

"Released Parties" means Ally, and each of theirs and the Debtors' respective members, officers, directors, agents, financial advisors, attorneys, employees, partners, affiliates, and representatives.

"Reorganized Debtors" means the Debtors, or any successors thereto by merger, consolidation, or otherwise, on and after the Effective Date.

"ResCap Asset Sale" means the sale of certain of the Debtors' assets pursuant to an Asset Purchase Agreement between the Debtors and Nationstar Mortgage LLC, or such other higher or better offer as may be selected by the Debtors pursuant to the bidding procedures established pursuant to such agreement.

"Restructuring" means the Plan and the transactions contemplated in relation thereto.

"Run Off Period" means such term as defined in Section 2.2(b).

"Section 363 Sale" means a sale under section 363 of the Bankruptcy Code prior to, and outside of, the Plan.

"Shared Services Agreement" means the shared services agreement, dated May 13, 2012, by and between AFI and the Debtors, to be approved by the Bankruptcy Court.

"Solicitation Procedures" means the procedures for soliciting acceptance or rejection of the Plan from each holder of an impaired Claim or Interest that is entitled to vote to accept or reject the Plan.

"Subservicing Agreement" means the Amended and Restated Servicing Agreement, dated May 13, 2012, by and between Ally Bank, as owner, and GMAC Mortgage, LLC, as Servicer.

EXECUTION VERSION

"Subservicing Agreement Order" means a Bankruptcy Court Order approving the Subservicing Agreement.

"Stalking Horse Bidder" means Nationstar Mortgage LLC, as the initially designated bidder for the assets to be purchased in connection with the ResCap Asset Sale.

"Third Party Release" means such term as defined in the section entitled Third Party Releases.

"Transition Services Agreement" means the transition services agreement to be negotiated with the Purchaser in connection with the ResCap Asset Sale.

ARTICLE II

Ally Obligations

Section 2.1 *Ally Contribution*. Ally hereby agrees to make the following contributions to the Debtors:

(a) **Cash Contribution**. Upon satisfaction of the conditions set forth in Section 5.2 hereof, AFI will make a Cash contribution to the Debtors in the amount of $750,000,000 (the "Cash Contribution"); paid to fund the settlement of pending and future claims and to secure the releases in favor of the Released Parties set forth in Section 3.1(d), including third party releases under Section 3.1(d)(ii); provided that if AFI, in its sole discretion, agrees upon an acceptable purchase price for the Ally Bank MSR to be sold in conjunction with the Plan (via a contribution of the Ally Bank MSR by Ally to the Debtors immediately before the Effective Date), Ally shall negotiate with the Debtors in good faith to provide the Debtors with additional consideration from the sale of the Ally Bank MSR.

(b) **HFS Stalking Horse Bid**.

(i) Subject to the conditions set forth in Section 5.2 hereof, AFI will serve as a stalking horse bidder for the HFS Portfolio in the amount (the "HFS Sale Price") set forth in the asset purchase agreement attached as Exhibit 5 hereto (the "HFS APA"). Ally shall not receive any break-up fee or other bid protections in the event ResCap receives a higher or better offer for the HFS Portfolio.

(ii) Notwithstanding the foregoing, if the conditions set forth in Section 5.2 hereof are not satisfied and the ResCap Asset Sale is consummated pursuant to the Section 363 Sale, AFI shall purchase the HFS Portfolio for 87.5% of the HFS Sale Price, subject to higher or better offers, all as set forth in the HFS APA.

EXECUTION VERSION

(c) **Shared Services Agreement**. Subject to Bankruptcy Court approval, AFI will enter into and perform under the Shared Services Agreement with the Debtors during the Chapter 11 Cases attached hereto as Exhibit 7.

(d) **Cash Collateral Order**. Subject to Bankruptcy Court approval, Ally shall provide ResCap with use of Cash Collateral pursuant to the terms of the Cash Collateral Order.

(e) **Transition Services Agreement**. Subject to Bankruptcy Court approval, AFI will negotiate and, upon agreement of the parties, enter into a Transition Services Agreement with the Purchaser in connection with the ResCap Asset Sale.

(f) **Debtor-in-Possession Financing**. Subject to Bankruptcy Court approval, AFI will provide up to $220,000,000 of debtor-in-possession financing to the Debtors in accordance with the terms and conditions set forth in the Ally DIP Term Sheet attached hereto as Exhibit 3.

(g) **Support of Pension**. AFI will honor in the ordinary course of business, obligations under the Employees' Retirement Plan sponsored by GMAC Mortgage Group LLC.

(h) **Continued Consumer Lending Origination Support**. Subject to Bankruptcy Court approval, Ally Bank will provide Consumer Lending Origination Support to the Debtors during the Chapter 11 Cases through and until the closing of the ResCap Asset Sale.

Section 2.2 *ResCap Director and Officer Issues*.

(a) **Indemnification**. AFI stands by and re-affirms its indemnification obligations under its Amended and Restated Certificate of Incorporation regarding ResCap's current and former Directors and Officers to the full extent of Delaware law.

(b) **Insurance**. Ally will use commercially reasonable efforts to continue to renew its current blended directors and officers liability and fiduciary liability insurance program (the "Current Program"), for a period of six years following the Effective Date (the "Run Off Period"), on substantially the same terms and conditions as the Current Program and including prior acts coverage with respect to claims arising from acts or omissions that occurred prior to the Effective Date; provided that if Ally is unable to continue the Current Program for the entire Run Off Period despite its commercially reasonable efforts it shall promptly notify the Debtors and use best efforts to obtain run off coverage for the balance of the Run Off Period.

Section 2.3 *Ally Release.* Subject to the Debtors' satisfaction of their obligations set forth in Section 3.1, on the Effective Date of the Plan, Ally shall release the Debtors and each of their respective members, officers, directors, agents, financial advisors, attorneys, employees, partners, affiliates, and representatives and their respective properties from any and all Causes of Action, whether known or unknown, whether for tort, fraud, contract, violations of federal or state securities laws, or otherwise, arising from or related in any way to the Debtors, including

those that any Ally entity would have been legally entitled to assert against any of the parties above in their own right (whether individually or collectively), other than the Allowed Claims.

Section 2.4 *Ally Plan Sponsor Obligations*.

(a) **Support of Restructuring**. As long as this Agreement has not been terminated in accordance with Article VII, AFI agrees to:

(i) support the relief requested in each of the Debtors' first day pleadings (including interim and final relief thereof, as applicable);

(ii) support the Debtors' efforts to pursue the Restructuring contemplated by the Plan Term Sheet;

(iii) support the Debtors' prosecution of their Chapter 11 Cases consistent with this Agreement and the Plan Term Sheet;

(iv) support entry of an order approving the Disclosure Statement to permit solicitation of the Plan;

(v) vote to accept the Plan, provided that (i) the Bankruptcy Court has entered an order approving the Disclosure Statement, (ii) the Consenting Claimants have been properly solicited pursuant to section 1125 of the Bankruptcy Code, (iii) the material terms of the Plan and the Disclosure Statement are consistent with the terms of the Plan Term Sheet and incorporate the terms of the AFI Settlement Agreement, and (iv) the Plan and the Disclosure Statement are satisfactory to the Consenting Claimants; and

(vi) support confirmation of the Plan and approval of this Agreement incorporated therein.

(b) **Transfer of Claims**. AFI hereby agrees, for so long as this Agreement shall remain in effect, not to sell, assign, transfer, pledge, hypothecate or otherwise dispose of, directly or indirectly, any of the Ally Claims or any right related thereto and including any voting rights associated with such Ally Claims.

(c) **Further Acquisition of Claims**. This Agreement shall in no way be construed to preclude AFI or any of its affiliates (as defined in section 101(2) of the Bankruptcy Code) from acquiring additional claims following its execution of this Agreement; provided, that any such additional claims acquired by AFI shall automatically be deemed to be subject to the terms of this Agreement unless AFI does not have the authority to make any such additional claim subject to the Agreement. AFI further agrees that it will not create any subsidiary or affiliate for the sole purpose of acquiring any claims against or interests in any of the Debtors without causing such affiliate to become a Party hereto prior to such acquisition.

(d) **Representations of AFI's Holdings**. AFI represents that, as of the date hereof (i) it is the legal owner of the Ally Claims; and (ii) it has full power to vote, dispose of, and compromise the Ally Claims.

EXECUTION VERSION

ARTICLE III

Debtors' Obligations

Section 3.1 *Debtors' Obligations*. The Debtors hereby agree to do the following and to use good faith efforts to do the following:

(a) **Agreement**. The Debtors shall file this Agreement on the Petition Date and shall use commercially reasonable efforts to obtain approval of the Debtors' obligations under this Agreement contemporaneously with approval of the Disclosure Statement.

(b) **Plan**. The Debtors shall use good faith efforts to file and prosecute the Plan as set forth in the Plan Term Sheet.

(c) **Regulatory Obligations**. The Debtors shall perform all of the obligations required under the Consent Materials, and fund any and all costs related to such performance during the Chapter 11 Cases through and until the closing of the ResCap Asset Sale. The Debtors shall (i) escrow proceeds from the ResCap Asset Sale in an amount to be agreed upon between Ally and Debtors (or determined by the Bankruptcy Court to the extent no agreement can be reached) for the purpose of funding any and all remaining obligations under the Consent Materials following the ResCap Asset Sale, or (ii) the Purchaser shall assume such obligations as part of the ResCap Asset Sale on terms reasonably acceptable to Ally.

(d) **Plan Releases**. The Confirmation Order and Plan shall include the following provisions in the Plan and the Confirmation Order or such other release provisions as are acceptable to Ally.

(i) Debtor Releases. On and as of the Effective Date, for the good and valuable consideration provided by each of the Released Parties, including: (a) the discharge of debt and all other good and valuable consideration provided pursuant to the Plan; (b) pursuant to the terms of this Agreement; and (c) the services of the Debtors' present officers and directors in facilitating the expeditious implementation of the restructuring contemplated by the Plan, each of the Debtors shall provide a full discharge and release to the Released Parties (and each such Debtor Releasee so released shall be deemed released and discharged by the Debtors)) and their respective properties from any and all Causes of Action, whether known or unknown, whether for tort, fraud, contract, violations of federal or state securities laws, or otherwise, including those Causes of Action based on avoidance liability under federal or state laws, veil piercing or alter-ego theories of liability, a theory of debt recharacterization, or equitable subordination liability, arising from or related in any way to the Debtors, including those that any of the Debtors or Reorganized Debtors would have been legally entitled to assert against a Released Party in their own right (whether individually or collectively) or that any holder of a Claim or Interest or other entity, would have been legally entitled to assert on behalf of any of the Debtors or any of their Estates, including those in any way related to the Bankruptcy Cases or the Plan to the fullest extent of the law; provided that Ally shall reaffirm its obligations under Section 2.2 in conjunction with the Plan; provided, further, that the Debtors' rights to any insurance shall not be adversely affected.

(ii) Third Party Releases. On and as of the Effective Date, the holders of Claims and Interests shall be deemed to provide a full discharge and release to the Released Parties and their respective property from any and all Causes of Action, whether known or unknown, whether for tort, fraud, contract, violations of federal or state securities laws, veil piercing or alter-ego theories of liability, or otherwise, arising from or related in any way to the Debtors, including those in any way related to residential mortgage backed securities issued and/or sold by Debtors and/or the Chapter 11 Cases or the Plan; provided that claims of the Debtors' directors and officers against Ally pursuant to Ally's indemnification obligations and Section 2.2 hereof (as well as any applicable insurance related thereto) shall not be released. Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the releases set forth in this Section 3.1(d)(ii) (the "Third Party Releases"), and further, shall constitute its finding that the Third Party Releases are: (a) in exchange for the good, valuable, and substantial consideration provided by the Released Parties; (b) in the best interests of the Debtors and all holders of Claims; (c) fair, equitable, and reasonable; (d) given and made after due notice and opportunity for hearing; (e) justified by truly unusual circumstances; (f) an essential component and important to the success of the Plan; (g) resulted in increased distributions to the creditors that would otherwise have been unavailable; (h) the result of an identity of interest between the Debtors and the Released Parties regarding the restructuring; and (i) a bar to any party asserting any claim released by the Third Party Release against any of the Released Parties. The Confirmation Order will permanently enjoin the commencement or prosecution by any person or entity, whether directly, derivatively or otherwise, of any Claims, obligations, damages, demands, debts, rights, suits, Causes of Action, judgments, or liabilities released pursuant to the Plan.

(e) **Allowed Claims**. The Confirmation Order shall allow all Claims in full that arise (i) under the Amended and Restated Credit Agreement, dated as of December 30, 2009 (as amended, supplemented, or otherwise modified), among the GMAC Mortgage, LLC and Residential Funding Company, LLC, as borrowers, Residential Capital, LLC, GMAC Residential Holding Company, LLC, GMAC-RFC Holding Company, LLC, and Homecomings Financial, LLC, as guarantors, AFI as initial lender and agent, and Wells Fargo Bank, N.A., as first priority collateral agent (the "Ally Revolver"), (ii) under the Amended and Restated Loan Agreement, dated as of December 30, 2009 (as amended, supplemented, or otherwise modified), by and among GMAC Mortgage, LLC and Residential Funding Company, LLC, as borrowers, Residential Capital, LLC, RFC Asset Holdings II, LLC, Passive Asset Transactions, LLC, GMAC Residential Holding Company, LLC, GMAC-RFC Holding Company, LLC, Homecomings Financial, LLC, and Equity Investment I, LLC, as guarantors, and AFI as lender and agent (the "Ally LOC"), and (iii) claims from and after the Petition Date, which are held by Ally against the Debtors and arise in the ordinary course of business or otherwise agreed to by the Debtors and Ally.

Section 3.2 *Debtors Plan Support Obligations.*

(a) **Implementation of the Restructuring**. As long as this Agreement has not been terminated in accordance with Article VII, the Debtors agree to:

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(i) effectuate and consummate the Restructuring contemplated by the Plan Term Sheet in accordance with the Milestones;

(ii) obtain any and all required regulatory approvals and material third-party approvals for the Restructuring; and

(iii) take any and all reasonably necessary actions in furtherance of the Restructuring.

(b) **Representation of the Debtors**. None of the materials and information provided by or on behalf of the Debtors to AFI in connection with the Restructuring, when read or considered together, contains any untrue statement of a material fact or omits to state a known material fact necessary in order to prevent the statements made therein from being materially misleading.

(c) **Alternative Restructuring**. Notwithstanding anything contained in this Agreement to the contrary, following the good faith determination by the Debtors and their respective Boards of Directors that a proposal or offer for a chapter 11 plan or other restructuring transaction that is not consistent with the Plan Term Sheet (an "Alternative Restructuring") constitutes a proposal that is reasonably likely to be more favorable to the Debtors' estates, their creditors, and other parties to whom the Debtors owe fiduciary duties than the Restructuring, and receipt of approval by the Boards of Directors to pursue such Alternative Restructuring, the Debtors may immediately terminate their obligations under this Agreement (and Ally shall have similar termination rights as set forth in section 7.3) by written notice to Ally.

ARTICLE IV

Mutual Plan Support Obligations

Section 4.1 *Mutual Plan Support Obligations*. As long as this Agreement has not been terminated in accordance with Article VII, each of the Parties agrees that it:

(a) shall negotiate in good faith the Definitive Documents (as defined in the Plan Term Sheet), including the Plan and Disclosure Statement, both of which shall contain the same terms set forth in, and be consistent with, the Plan Term Sheet and this Agreement;

(b) shall not directly or indirectly seek, solicit, support, or vote in favor of any alternative restructuring that could reasonably be expected to prevent, delay, or impede the Restructuring contemplated by the Plan Term Sheet or that is inconsistent with this Agreement, unless the Debtors and AFI have agreed, in writing, to pursue an alternative restructuring;

(c) shall not directly nor indirectly (i) engage in, continue, or otherwise participate in any negotiations regarding any alternative restructuring, (ii) enter into a letter of intent, memorandum of understanding, agreement in principle, or other agreement relating to any alternative restructuring or (iii) withhold, withdraw, qualify, or

modify its approval or recommendation of this Agreement, the Plan Term Sheet, the Plan, or the Restructuring;

(d) shall not encourage any other entity to object to, delay, impede, appeal, or take any other action, directly or indirectly, to interfere with the Restructuring; and

(e) shall not take any action that is inconsistent with this Agreement, the Plan Term Sheet, or the Plan, or that would obstruct or delay approval of the Disclosure Statement or confirmation and consummation of the Plan.

ARTICLE V

Conditions to Effectiveness of the Agreement

Section 5.1 *Conditions to Effectiveness*. This Agreement is effective immediately upon satisfaction of the following conditions precedent:

(a) **Bankruptcy Filing.** The Debtors shall have filed cases under chapter 11 of the Bankruptcy Code on or before May 15, 2012.

(b) **Data Center Transaction.** The Data Center Transaction shall have been executed on or before the date that the Debtors file their cases under chapter 11 of the Bankruptcy Code.

Section 5.2 *Additional Conditions to Effectiveness*. Ally's obligations pursuant to Section 2.1(a), Section 2.2(b)(i) and Section 2.3 shall only apply upon the satisfaction of the following conditions precedent:

(a) **Plan and Confirmation Order.** The Plan and the Confirmation Order shall incorporate the terms and conditions of this Agreement and shall include the Third Party and Debtor Releases.

(b) **Bankruptcy Court Approval.** The Bankruptcy Court shall have entered the Confirmation Order, which shall have become a Final Order.

(c) **Plan Effective Date.** The Effective Date shall have occurred.

ARTICLE VI

Representations And Warranties Of The Parties

The Parties, solely on behalf of themselves and their respective subsidiaries, represent and warrant as of the Effective Date:

Section 6.1 *Due Organization, Standing, and Authority*. Such Party is duly organized, validly existing, and in good standing under the laws of the jurisdiction of its formation. Subject to entry of the Bankruptcy Court Orders set forth herein, such Party has all necessary power and

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authority to execute, deliver, and perform its obligations under this Agreement as contemplated by its Governing Documents.

Section 6.2 *Authorization and Validity of the Agreement*. Subject to entry of the Bankruptcy Court Orders set forth herein, the execution, delivery, and performance of this Agreement (a) are within such Party's powers, (b) have been duly authorized by all necessary action on its behalf and all necessary consents or approvals have been obtained and are in full force and effect, and (c) do not violate any of the terms and conditions of (i) such Party's Governing Documents, (ii) any applicable law, or (iii) any contract to which it is a party.

Section 6.3 *Enforceability*. This Agreement has been duly executed and delivered on behalf of such Party and constitutes a legal, valid, and binding obligation of such Party enforceable against it in accordance with its terms and the terms of the Plan and Confirmation Order.

Section 6.4 *Acknowledgment of Party*. Each Party acknowledges that, except with respect to the representations and warranties made in this Agreement: (a) it has relied on its own independent investigation, and has not relied on any information or representations furnished by any Party or any representative or agent thereof in determining whether or not to enter into this Agreement; (b) it has conducted its own due diligence as well as undertaken the opportunity to review information, ask questions, and receive satisfactory answers concerning the terms and conditions of this Agreement; and (c) it possesses the knowledge, experience, and sophistication to allow it to fully evaluate and accept the merits and risks of entering into the transactions contemplated by this Agreement.

ARTICLE VII

Termination of the Agreement

Section 7.1 *Termination of the Agreement by Ally*. This Agreement shall automatically terminate upon failure to satisfy any of the conditions set forth in Article III, Article IV or Article V hereof, any breach of the Debtors of their obligations under this Agreement, or in the event satisfaction of such conditions becomes a legal impossibility; provided that Ally may waive conditions or a breach by the Debtors in its sole discretion.

Section 7.2 *Termination of the Agreement by the Debtors.* This Agreement may be terminated by the Debtors upon failure to satisfy any of the conditions set forth in Article V or the breach of any of Ally's obligations under Article II hereof; provided that Ally shall have 15 days to cure any such alleged breach of Article II or the Debtors' exercise of their rights pursuant to Section 3.2(c).

Section 7.3 *Additional Termination Events*. Unless waived in writing by Ally, this Agreement shall terminate automatically if:

(a) any material modification is made to the Plan Term Sheet or the Plan that is not in form and substance satisfactory to AFI and the Debtors;

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(b) any of the Definitive Documents (as defined in the Plan Term Sheet), including the Plan, is filed with the Bankruptcy Court by the Debtors and is inconsistent with the Plan Term Sheet in any material respects, unless otherwise acceptable to AFI;

(c) the Bankruptcy Court has entered an order in any of the Debtors' chapter 11 cases appointing (i) a trustee under chapter 7 or chapter 11 of the Bankruptcy Code, (ii) a responsible officer or (iii) an examiner, in each case with enlarged powers relating to the operation of the business (powers beyond those set forth in sub-clauses (3) and (4) of section 1106(a) of the Bankruptcy Code) under section 1106(b) of the Bankruptcy Code;

(d) the obligations of the Debtors under any debtor-in-possession credit facility are accelerated;

(e) any of the Debtors' chapter 11 cases is dismissed;

(f) the Debtors publicly announce their intention not to support the Restructuring or provide written notice to AFI of their intention to do so;

(g) the Debtors' Boards of Directors approve an Alternative Restructuring or the Debtors execute a letter of intent (or similar document) indicating their intention to pursue an Alternative Restructuring;

(h) any court has entered a final, non-appealable judgment or order declaring this Agreement or any material portion hereof to be unenforceable; and

(i) the Debtors fail to achieve any of the Milestones.

Section 7.4 *Automatic Termination*. Unless extended in writing by the Debtors, Ally and Purchaser, this Settlement Agreement shall terminate automatically if (i) the Confirmation Order has not been entered on or before October 31, 2012, or (ii) any of the conditions set forth in Article V have not been satisfied on or before December 15, 2012.

Section 7.5 *Termination Event Procedure*. The Parties hereby waive any requirement under section 362 of the Bankruptcy Code to lift the automatic stay thereunder solely in connection with giving any termination notice (and agree not to object to any non-breaching Party seeking to lift the automatic stay solely in connection with giving any such notice, if necessary), subject to all rights of the Party to contest any such alleged Termination.

Section 7.6 *Survival*. Notwithstanding termination of this Agreement pursuant to this Article VII, Ally's obligations in Section 2.1(b)(ii)-(h), and Section 2.2 shall survive; provided that Ally shall have no remaining obligations under this Agreement to the extent of a breach by the Debtors of Section 3.1(a) or 3.1(b) hereof unless such breach was as a result of the Debtors' determination to pursue an Alternative Restructuring in accordance with the terms hereof, in which case Ally's only remaining obligations shall be those set forth in Section 2.1(c) and (d); provided further that, notwithstanding anything in this Agreement to the contrary, in the event of any Alternative Restructuring or any termination of this Agreement on account thereof, Ally's only remaining obligations shall be those set forth in Section 2.1(c) and (d) hereof.

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ARTICLE VIII

Miscellaneous

Section 8.1 *Notices*. All notices, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given: (a) when personally delivered; (b) upon actual receipt (as established by confirmation of receipt or otherwise) during normal business hours, otherwise on the first business day thereafter, if transmitted by facsimile, e-mail, or telecopier with confirmation of receipt; (c) five business days after being mailed by certified mail, return receipt requested, first class postage prepaid; or (d) one business day after being sent by nationally recognized overnight courier; in each case, to the following addresses, or to such other addresses as a Party may from time to time specify by notice to the other Parties given pursuant hereto.

If to the Debtors, to:

Tammy Hamzehpour
Residential Capital LLC
1100 Virginia Drive
Fort Washington, PA 19034

And with a copy to (which copy shall not constitute notice):

Mr. Larren M. Nashelsky
Mr. Gary S. Lee
Morrison & Foerster
1290 Avenue of the Americas
New York, NY 10100

If to Ally, to:

Mr. William B. Solomon Jr.
Ally Financial Inc.
200 Renaissance Center
Mail Code 482-B09-B11
Detroit, Michigan 48265

And with a copy to (which copy shall not constitute notice):

Mr. Richard M. Cieri
Mr. Ray C. Schrock
Kirkland & Ellis LLP
601 Lexington Avenue
New York, NY 10022

Section 8.2 *Specific Performance*. Each Party acknowledges that the other Party would be irreparably damaged if this Agreement were not performed in accordance with its

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specific terms or were otherwise breached. Accordingly, each Party's sole remedy shall be to seek an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically the terms of this Agreement.

Section 8.3 *Governing Law/Jurisdiction*. This Agreement, the rights and duties of the Parties and all other matters arising out of or relating to this Agreement (whether in contract, tort, or otherwise) will be governed by and construed, enforced, and performed in accordance with the laws of the State of New York, without giving effect to principles of conflicts of laws that would require the application of laws of another jurisdiction. The Parties acknowledge and agree that the Bankruptcy Court shall have the exclusive jurisdiction over this Agreement and that any claims arising out of or related to the interpretation and enforcement of this Agreement shall be properly brought only before the Bankruptcy Court. If and to the extent that the Chapter 11 Cases are closed or dismissed, the United States District Court located in the borough of Manhattan in New York City shall have exclusive jurisdiction over this Agreement and any such claims. This provision shall not constitute a consent by any Party to personal jurisdiction over it for any purpose, other than with respect to the enforcement of this Agreement.

Section 8.4 *Entire Agreement*. This Agreement contains the entire agreement between the Parties with respect to the subject matter hereof and there are no agreements, understandings, representations, or warranties between the Parties other than those set forth or referred to herein.

Section 8.5 *Acknowledgement*. THIS AGREEMENT, THE PLAN TERM SHEET, AND THE TRANSACTIONS CONTEMPLATED HEREIN AND THEREIN, ARE THE PRODUCT OF NEGOTIATIONS BETWEEN THE PARTIES AND THEIR RESPECTIVE REPRESENTATIVES. EACH PARTY HEREBY ACKNOWLEDGES THAT THIS AGREEMENT IS NOT AND SHALL NOT BE DEEMED TO BE A SOLICITATION OF VOTES FOR THE ACCEPTANCE OF A CHAPTER 11 PLAN FOR THE PURPOSES OF SECTIONS 1125 AND 1126 OF THE BANKRUPTCY CODE OR OTHERWISE. THE DEBTORS WILL NOT SOLICIT ACCEPTANCES OF THE PLAN FROM AFI UNTIL AFI HAS BEEN PROVIDED WITH COPIES OF A DISCLOSURE STATEMENT APPROVED BY THE BANKRUPTCY COURT. EACH PARTY FURTHER ACKNOWLEDGES THAT NO SECURITIES OF ANY DEBTOR ARE BEING OFFERED OR SOLD HEREBY AND THAT THIS AGREEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OF ANY DEBTOR.

Section 8.6 *Amendment and Waiver*. This Agreement may not be amended, and no right or obligation under this Agreement may be waived, except by written instrument signed by the Parties.

Section 8.7 *Severability*. Each of the provisions of this Agreement is an integrated, essential and non-severable part of this Agreement. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic and legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to the Parties. Upon any determination that any term or other provision is invalid, illegal, or incapable of being enforced, each Party hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of this Agreement as closely as possible in a

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mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

Section 8.8 *Reliance on Representations*. All representations, warranties, agreements, covenants, and obligations herein are material, and shall be deemed to have been relied upon by the other Parties.

Section 8.9 *Successors and Assigns*. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, and is intended to be binding upon any chapter 11 or chapter 7 trustee, any successor trustee, and the estates of any or all of the Debtors. Without in any manner limiting the scope, extent, or effect of the foregoing, no Party hereto shall transfer, assign, or otherwise dispose of their right, title, and interests in and to any claims or causes of action of such Party that are the subject of this Agreement, and any such transfer shall be void and of no force and effect unless and until such transferee or assignee agrees in writing at the time of such transfer or assignment to be bound by this Agreement in its entirety without revision.

Section 8.10 *No Admission of Liability*. This Agreement is not an admission of any liability, but is a compromise and settlement and this Agreement shall not be treated as an admission of liability. All communications (whether oral or in writing) between and/or among the Parties, their counsel, and/or their respective representatives relating to, concerning, or in connection with this Agreement, or the matters covered hereby and thereby, shall be governed and protected in accordance with the Federal Rule of Evidence 408 and New York Civil Practice Law and Rules Section 4547 to the fullest extent permitted by law.

Section 8.11 *Interpretation*. This Agreement has been jointly drafted by the Parties at arm's-length and each Party has had ample opportunity to consult with independent legal counsel. No provision or ambiguity in this Agreement shall be resolved against any Party solely by virtue of its participation in the drafting of this Agreement.

Section 8.12 *Expenses*. Except as specifically provided otherwise, the Parties shall be responsible for the payment of their own respective costs and expenses (including reasonable attorneys' fees) in connection with the negotiation, participation, execution, and delivery of, and the observance or performance of their obligations under, this Agreement. Nevertheless, in any action or proceeding to enforce this Agreement, the prevailing Party shall be entitled to payment of its reasonable costs and expenses (including reasonable attorneys' fees). The Parties agree that claims for enforcement of this Agreement shall not be released by any of the provisions contained herein.

Section 8.13 *Captions*. The captions of this Agreement are for convenience only and are not a part of this Agreement and do not in any way limit or amplify the terms and provisions of this Agreement and shall have no effect on its interpretation.

Section 8.14 *Counterparts*. This Agreement may be executed in counterparts, by either an original signature or signature transmitted by facsimile transmission, other electronic copy, or other similar process and each copy so executed shall be deemed to be an original and all copies so executed shall constitute one and the same agreement.

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Section 8.15 *Further Assurances*. From time to time, upon request, the Parties shall, without further consideration, promptly execute, deliver, acknowledge, and file all such further documents, agreements, certificates, and instruments and do such further acts as the persons or entities entitled to the benefit of this Agreement may reasonably require to effectuate the transactions contemplated by this Agreement.

Section 8.16 *Taxes*. It is acknowledged and agreed to by each of the Parties hereto that each such Party shall be responsible for paying all taxes, if any, arising out of any payments or transfers made to it pursuant hereto and that it shall pay all such taxes in accordance with applicable law.

Section 8.17 *Construction of Agreement*. Each of the functional words “each”, “every”, “any”, and “all” shall be deemed to include each of the other functional words. This Agreement or any uncertainty or ambiguity herein shall not be construed against any one party but shall be construed as if all parties to this Agreement jointly prepared all aspects of this Agreement.

[SIGNATURE PAGE FOLLOWS]

EXECUTION COPY

RESIDENTIAL CAPITAL, LLC for itself and its debtor subsidiaries

By: _____
Name: Jonathan Ilany
Title: Independent Director

By: _____
Name: John E. Mack
Title: Independent Director

ALLY FINANCIAL INC. on behalf of itself and its subsidiaries and affiliates (excluding the Debtors and their direct and indirect subsidiaries)

By: _____
Name:
Title:

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ALLY FINANCIAL INC. on behalf of itself and its subsidiaries and affiliates (excluding the Debtors and their direct and indirect subsidiaries)

By: _____
Name: Michael A. Carpenter
Title: Chief Executive Officer

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Exhibit A

MILESTONES

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MILESTONES

The Debtors' failure to comply with the following milestones (the "Milestones") will result in a termination under Section 7.3 of this Agreement, unless waived pursuant to the terms of this Agreement:

1) The Debtors shall have commenced the Chapter 11 Cases on or before May 15, 2012;

2) On or before the Petition Date, the Debtors shall have:

   a) executed the Asset Purchase Agreement with the Stalking Horse Bidder that is in form, scope, and substance satisfactory to AFI;

   b) executed the Held-For-Sale Asset Purchase Agreement with AFI that is in form, scope, and substance satisfactory to AFI;

   c) executed the Barclays DIP Financing Facility that is substantially consistent with the term sheet attached as Exhibit 6 to this Agreement; and

   d) agreed upon the term sheet for the Ally DIP Financing Facility that is substantially consistent with the form as Exhibit 3 attached to this Agreement.

3) On or before May 18, 2012, the Debtors shall have obtained entry of orders of the Bankruptcy Court on an interim basis approving the Barclays DIP Financing Facility and the Ally DIP Financing Facility that are in form, scope, and substance satisfactory to AFI;

4) On or before May 18, 2012, the Debtors shall have obtained entry of the Cash Collateral Order, on an interim basis, in form, scope, and substance satisfactory to AFI;

5) On or before May 18, 2012, the Debtors shall have filed with the Bankruptcy Court a motion to approve their proposed bidding procedures with respect to the ResCap Asset Sale, which bidding procedures will propose a timeline for the asset sale consistent with the terms of the Plan Term Sheet and provide for the ResCap Asset Sale to be approved in conjunction with the Plan;

6) On or before May 18, 2012, the Debtors shall have entered into the following agreements and have obtained entry of the following Bankruptcy Court Orders on an interim basis, in each case in form, scope and substance satisfactory to the Debtors and AFI:

   a) the Subservicing Agreement and the Subservicing Agreement Order;

   b) the Shared Services Agreement and the Shared Services Agreement Order; and

   c) the GNMA Origination Agreement and the GNMA Origination Order.

7) On or before May 25, 2012, the Debtors shall have filed a motion, in form and substance satisfactory to AFI, to extend the automatic stay of section 362(a) of the Bankruptcy Code to AFI and certain of its affiliates;

8) On or before June 15, 2012, the Debtors shall have filed a motion seeking the Bankruptcy Court's approval of this Agreement;

9) On or before June 15, 2012, the Debtors shall have filed with the Bankruptcy Court the Plan, Disclosure Statement, a motion to approve the Disclosure Statement, and a motion to approve solicitation procedures in relation to the Plan and Disclosure Statement, all of which shall be in form and substance satisfactory to AFI;

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10) On or before 50 days following the Petition Date, the Debtors shall have obtained entry of the Bankruptcy Court of Final Orders approving the Barclays DIP Financing Facility, Ally DIP Financing Facility, the Shared Servicing Agreement, the GNMA Origination Agreement and the Subservicing Agreement, in each case in form, scope and substance satisfactory to AFI;

11) On or before ninety (90) days following the Petition Date], the Bankruptcy Court shall have entered (a) an order approving the Disclosure Statement, which shall be in form and substance satisfactory to AFI, (b) an order approving the Debtors' proposed bidding procedures related to the ResCap Asset Sale, in each case in form and substance satisfactory to the Debtors and AFI, and (c) an order approving this Agreement;

12) On or before October 31, 2012, the Bankruptcy Court shall have entered the Confirmation Order, which such order will grant final approval of the Plan, the ResCap Asset Sale and the Agreement, in the form and substance satisfactory to AFI; and

13) On or before December 15, 2012, the effective date of the Plan shall have occurred.

Exhibit 1

CASH COLLATERAL ORDER

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Case No. 12-
	)	
RESIDENTIAL CAPITAL, LLC, et al.,[1]	)	Chapter 11
	)	
Debtors.	)	Jointly Administered
	)	

INTERIM ORDER UNDER SECTIONS 105, 361, 362, 363, AND 364 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 2002, 4001, 6004, AND 9014 (I) AUTHORIZING THE DEBTORS TO OBTAIN POSTPETITION FINANCING ON A SECURED SUPERPRIORITY BASIS, (II) AUTHORIZING THE DEBTORS TO USE CASH COLLATERAL, (III) GRANTING ADEQUATE PROTECTION TO ADEQUATE PROTECTION PARTIES AND (IV) PRESCRIBING THE FORM AND MANNER OF NOTICE AND SETTING TIME FOR THE FINAL HEARING

Upon the motion, dated May ___, 2012, (the "***Motion***")[2] of the above-captioned debtors and debtors in possession (collectively, the "***Debtors***") filed in these chapter 11 cases (the "***Chapter 11 Cases***")[3] for entry of interim and final orders under sections 105, 361, 362, 363(c), and 364 of title 11 of the United States Code (the "***Bankruptcy Code***"), and Rules 2002, 4001,

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1 The Debtors are: Ditech, LLC; DOA Holding Properties, LLC; DOA Holdings NoteCo, LLC; DOA Properties IX (Lots-Other), LLC; EPRE LLC; Equity Investment I, LLC; ETS of Virginia, Inc.; ETS of Washington, Inc.; Executive Trustee Services, LLC; GMAC Model Home Finance I, LLC; GMAC Mortgage USA Corporation; GMAC Mortgage, LLC; GMAC Residential Holding Company, LLC; GMACM Borrower LLC; GMACR Mortgage Products, LLC; GMAC-RFC Holding Company, LLC; GMACRH Settlement Services, LLC; HFN REO SUB II, LLC; Home Connects Lending Services, LLC; Homecomings Financial, LLC; Homecomings Financial Real Estate Holdings, LLC; Ladue Associates, Inc.; Passive Asset Transactions, LLC; PATI A, LLC; PATI B, LLC; PATI Real Estate Holdings, LLC; RAHI A, LLC; RAHI B, LLC; RAHI Real Estate Holdings, LLC; RCSFJV2004, LLC; Residential Accredit Loans, Inc.; Residential Asset Mortgage Products, Inc.; Residential Asset Securities Corporation; Residential Capital, LLC; Residential Consumer Services of Alabama, LLC; Residential Consumer Services of Ohio, LLC; Residential Consumer Services of Texas, LLC; Residential Consumer Services, LLC; Residential Funding Company, LLC; Residential Funding Mortgage Exchange, LLC; Residential Funding Mortgage Securities I, Inc.; Residential Funding Mortgage Securities II, Inc.; Residential Funding Real Estate Holdings, LLC; Residential Mortgage Real Estate Holdings, LLC; RFC Asset Holdings II, LLC; RFC Asset Management, LLC; RFC Borrower LLC; RFC Construction Funding, LLC; RFC SFJV-2002, LLC; and RFC-GSAP Servicer Advance, LLC.

2 Capitalized terms used but not otherwise defined herein have the meaning ascribed to such terms in the Motion.

3 These Chapter 11 Cases were commenced on May ___, 2012 (the "***Petition Date***").

6004, and 9014 of the Federal Rules of Bankruptcy Procedure (the "***Bankruptcy Rules***"), seeking:

(I) authorization for

(a) GMAC Mortgage, LLC and Residential Funding Company, LLC (collectively, the "***Borrowers***") to use Cash Collateral and all other Prepetition Collateral (each as defined below) pursuant to sections 361, 362 and 363 of the Bankruptcy Code, as set forth herein;

(b) the Debtors to provide adequate protection to Ally Financial Inc. ("***AFI***")

(x) as lender under the Amended and Restated Credit Agreement, dated as of December 30, 2009 (as amended, supplemented or otherwise modified, the "***AFI Revolver Loan***"), among the Borrowers, Residential Capital, LLC, GMAC Residential Holding Company, LLC, GMAC-RFC Holding Company, LLC, and Homecomings Financial, LLC (together with certain other affiliates of the Borrowers as guarantors or obligors, collectively, the "***AFI Revolver Guarantors***"), AFI as initial lender (the "***AFI Revolver Lender***") and agent for the AFI Revolver Lender, and Wells Fargo Bank, N.A., as First Priority Collateral Agent, and

(y) as secured party under the Amended and Restated First Priority Pledge and Security Agreement and Irrevocable Proxy dated as of December 30, 2009 (as amended, supplemented or otherwise modified, the "***AFI Revolver Security Agreement***," and together with the AFI Revolver Loan, collectively, the "***AFI Revolver***"), among the Borrowers, the AFI

Revolver Guarantors and certain other affiliates of the Borrowers, the AFI Revolver Lender, as agent for the AFI Revolver Lender, and Wells Fargo Bank, N.A. as First Priority Collateral Agent and Collateral Control Agent;

(c) the Debtors to provide adequate protection to AFI

(x) as lender under the Amended and Restated Loan Agreement, dated as of December 30, 2009 (as amended, supplemented or otherwise modified, the "***AFI LOC Loan***"), by and among GMAC Mortgage, LLC and Residential Funding Company, LLC, as borrowers (in such capacity, the "***AFI LOC Borrowers***"), Residential Capital, LLC, RFC Asset Holdings II, LLC, Passive Asset Transactions, LLC, GMAC Residential Holding Company, LLC, GMAC-RFC Holding Company, LLC, Homecomings Financial, LLC, and Equity Investment I, LLC as guarantors (the "***AFI LOC Guarantors***"), AFI as lender (the "***AFI LOC Lender***" and, together with the AFI Revolver Lender, collectively, the "***AFI Lender***") and agent for the AFI LOC Lender, and

(y) as a secured party under the Amended and Restated Pledge and Security Agreement and Irrevocable Proxy (as amended, supplemented or otherwise modified, the "***AFI LOC Security Agreement***," and together with the AFI LOC Loan, collectively, the "***AFI LOC***"), dated as of December 30, 2009, among the Borrowers and the AFI LOC Guarantors, and the AFI LOC Lender, GMAC Investment Management, LLC, as secured parties; and

(d) the Debtors to provide adequate protection to the holders (the "***Junior Secured Noteholders***") of the 9.625% Junior Secured Guaranteed Notes due 2015 (the "***Junior Secured Notes***") issued under that certain Indenture (the "***Indenture***" and, together with the Junior Secured Notes, the Security Documents (as defined in the Indenture) and all other documents executed in connection therewith, the "***Junior Secured Notes Documents***") dated as of June 6, 2008, among Residential Capital, LLC, as issuer, GMAC Residential Holding Company, LLC, GMAC-RFC Holding Company, LLC, GMAC Mortgage, LLC, Residential Funding Company, LLC, and Homecoming Financial, LLC as guarantors (the "***Junior Secured Notes Guarantors***" and, together with the AFI Revolver Guarantors and the AFI LOC Guarantors, the "***Guarantors***"), and U.S. Bank National Association, as trustee (the "***Trustee***") for the benefit of the Junior Secured Noteholders; (ii) the Trustee, as trustee under the Indenture; and (iii) Wells Fargo Bank, N.A., as collateral agent under the Junior Secured Note Documents (the "***Collateral Agent***" and, together with the Junior Secured Parties and the Trustee, the "***Junior Secured Parties***"). All obligations of the Debtors arising under the Junior Secured Notes Documents shall collectively be referred to herein as the "***Junior Secured Notes Obligations***";

(II) authorization for the Debtors' waiver and release of any right to surcharge against the Prepetition Collateral (hereinafter defined) and the AFI DIP Loan Collateral (hereinafter defined) pursuant to section 506(c) of the Bankruptcy Code, as set forth herein;

(III) authorization for the Debtors' waiver and release of any right to seek a court order invalidating or otherwise voiding AFI Lender's and the Junior Secured Parties'

security interests in their respective collateral pursuant to section 552(b)(1) of the Bankruptcy Code, as set forth herein;

(IV) authorization for the AFI LOC Borrowers to request postpetition draws under the AFI LOC in an aggregate principal amount not to exceed $150 million, no more than $__ of which will be available upon the entry of the Interim Order (as hereinafter defined) and the balance of which will be available upon the entry of the Final Order (as hereinafter defined), *provided* that up to an additional $70 million in postpetition draws may be made available to the AFI LOC Borrowers under the AFI LOC if the AFI LOC Borrowers and AFI agree upon written mutually satisfactory terms for such incremental $70 million before the Final Hearing, *provided further* that the aggregate amount of AFI LOC prepetition and postpetition draws (plus any unpaid, interest, expenses or other costs payable thereunder) may not exceed $600 million (the "***AFI DIP Loan***") pursuant to the terms of the Eighth Amendment to the AFI LOC (the "***AFI LOC Amendment***"), the principal terms of which are included on the term sheet that is attached the Motion as **Exhibit 1**, and the terms of the Interim Order and Final Order (as hereinafter defined); and

(V) authorization for the AFI LOC Borrowers to execute the AFI LOC Amendment, and perform such other and further acts as may be required in connection with the AFI LOC Amendment and the AFI LOC;

(VI) the grant of superpriority administrative expense claims to the AFI Lender in its capacity as the lender under the AFI DIP Loan (in such capacity, the "***AFI DIP Lender***");

(VII) to schedule, pursuant to Bankruptcy Rule 4001, an interim hearing (the "***Interim Hearing***") for this Court to consider entry of the interim order (the "***Interim Order***") in substantially the form annexed to the Motion authorizing the Borrowers (collectively, the

"***Loan Parties***") to (a) use Cash Collateral and granting adequate protection to AFI Lender and the Junior Secured Parties (collectively, as applicable, the "***Adequate Protection Parties***"), and (b) to obtain postpetition secured superpriority financing under the AFI DIP Loan to fund, in a manner consistent with past practices, the repurchase of whole loans from Ginnie Mae pools in order to (i) avoid GMAC Mortgage being in violation of delinquency triggers applicable to it under Chapter 18 of the Ginnie Mae Guide, (ii) effect foreclosures, conveyances or other normal course loss mitigation activities with respect to the related properties in connection with the submission of HUD Claims (as hereinafter defined), and (iii) allow for trial modifications under programs implemented by the Debtors for which the related loans and borrowers are qualified, in each case, pursuant to the terms of the Interim Order and the Final Order;

(VIII) to schedule, pursuant to Bankruptcy Rule 4001, a final hearing (the "***Final Hearing***") for this Court to consider entry of the final order (the "***Final Order***") in substantially the form annexed to the Motion authorizing the Loan Parties on a final basis to use Cash Collateral and obtain the AFI DIP Loan, and providing such additional relief on a final basis as set forth therein.

WHEREAS, the Interim Hearing was held by this Court on _____, 2012 at _:___ _.m.

NOW THEREFORE, upon the record established at the Interim Hearing, and all objections to the entry of this Interim Order having been withdrawn, resolved or overruled by the Court, and after due deliberation and consideration, and sufficient cause appearing therefor;

IT IS FOUND, DETERMINED, ORDERED AND ADJUDGED, that:

1. *Jurisdiction.* The Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409.

2. *Notice.* Notice of the Motion, the relief requested therein and the Interim Hearing was given to the following parties, or in lieu thereof, to their counsel: (a) the Office of the United States Trustee for the Southern District of New York; (b) the office of the United States Attorney General; (c) the office of the New York Attorney General; (d) the office of the United States Attorney for the Southern District of New York; (e) the Internal Revenue Service; (f) the Securities and Exchange Commission; (g) the Administrative Agent and its counsel; (h) the Collateral Agent; (i) Barclays Bank PLC ("***Barclays***"), as the Administrative Agent under the Barclays DIP Facility; (j) The Bank of New York Mellon, as indenture trustee under the Pre-Petition GSAP Facility; (k) Barclays Bank PLC, as administrative agent under the Pre-Petition GSAP Facility; (l) Ally Financial, Inc. and its counsel, Kirkland & Ellis LLP; (m) Ally Bank and its counsel, Kirkland & Ellis LLP; (n) Citibank, N.A. as secured lender under the MSR Facility; (o) U.S. Bank National Association, as Trustee for the Junior Secured Notes, and its counsel, Kelley Drye & Warren LLP, as collateral agent for the Prepetition Junior Secured Notes, as collateral agent for the Prepetition Ally Revolver, and as collateral control agent under the Intercreditor Agreement, dated as June 6, 2008; (q) BMMZ, as buyer under the Pre-Petition Ally Repo Facility; (r) Fannie Mae; (s) Freddie Mac; (t) Ginnie Mae; [(u) servicers and sub-servicers under the Designated Servicing Agreements and the Specified Servicing Agreements (each term as defined in the DIP Credit Agreement); (v) the MBS Trustees (as defined in the DIP Credit Agreement);] (x) Nationstar Mortgage LLC and its counsel; and (y) the parties included on the

Debtors' list of fifty (50) largest unsecured creditors (collectively, the "***Notice Parties***"). The Court finds that, in view of the facts and circumstances, such notice is sufficient and no other or further notice need be provided.

3. *Debtors' Stipulations.* Without prejudice to the rights of any other party (but subject to the limitations thereon contained in paragraph [24] below), the Debtors admit, stipulate and agree that:

(a) the Debtors' proposed chapter 11 plan (the "***Plan***") incorporates a settlement between AFI and the Debtors of all claims held by AFI and Ally Bank (together with their subsidiaries and affiliates, excluding Residential Capital, LLC and its subsidiaries, "***Ally***") against the Debtors, and of all claims held by the Debtors against Ally, as set forth in the Settlement and Plan Sponsor Agreement dated as of May [13], 2012 (the "***Ally Settlement Agreement***"), and the Debtors have agreed to use commercially reasonable efforts to seek this Court's approval of the Plan (and the Ally Settlement Agreement, whether under the Plan or otherwise);

(b) As of the Petition Date, the aggregate principal amount outstanding (i) under the AFI Revolver was at least $749,000,000, (ii) under the AFI LOC was at least $380,000,000, and (iii) under the Junior Secured Notes Documents was at least $2,120,452,000, in each case plus accrued and unpaid interest thereon, reimbursement obligations in respect thereof and additional fees and expenses and other amounts now or hereafter due under the Junior Secured Notes Documents (including any fees and expenses of the Junior Secured Parties' attorneys and financial advisors that are chargeable or reimbursable under the Junior Secured Notes Documents) and other obligations incurred in connection therewith (collectively, the "***Prepetition Obligations***");

(c) the Junior Secured Notes Obligations constitute legal, valid and binding obligations of the Loan Parties, enforceable in accordance with their terms (other than in respect of the stay of enforcement arising from section 362 of the Bankruptcy Code);

(d) no portion of the Junior Secured Notes is subject to avoidance, recharacterization, recovery, subordination, setoff, or counterclaim pursuant to the Bankruptcy Code or applicable nonbankruptcy law;

(e) the Debtors have granted liens and security interests to the AFI Lender pursuant to and in connection with the AFI LOC, including the liens and security interests in

(x) certain of the accounts described in the *Amended Interim Order (A) Authorizing, But Not Directing, the Debtors to Continue Their Existing Cash Management System, Bank Accounts and Business Forms, (B) Granting Postpetition Intercompany Claims Administrative Expense Priority, (C) Authorizing Continued Investment of Excess Funds in Investment Accounts and (D) Authorizing Continued Intercompany Arrangements and Historical Practices*, which was entered by this Court on _____, 2012 [Docket No. ___] (the "***Interim Cash Management Order***"), and

(y) in the other personal and real property constituting "Collateral" under, and as defined in, the AFI LOC (the "***AFI LOC Collateral***"), and such liens and security interests are presently subject and subordinate only to (A) the Carve Out, as defined in paragraph 14(g), (B) certain liens and security interests granted to secure the Adequate Protection Obligations (as defined in paragraph 14 below), and (C) certain liens and security interests granted to secure the AFI DIP Loan;

(f) the Debtors have granted liens and security interests to the AFI Lender pursuant to and in connection with the AFI Revolver, including the liens and security interests in

certain of the accounts described in the Interim Cash Management Order, and in the other personal and real property constituting "Collateral" under, and as defined in, the AFI Revolver (the "***AFI Revolver Collateral***," and together with the AFI LOC Collateral, collectively, the "***AFI Lender Collateral***"), and such liens and security interests are presently subject and subordinate only to (A) the Carve Out, as defined in paragraph 14(g), and (B) certain liens and security interests granted to secure the Adequate Protection Obligations (as defined in paragraph 14 below);

(g) the liens and security interests granted to the Junior Secured Parties pursuant to the Junior Secured Notes Documents and in connection with Junior Secured Notes (the "***Junior Secured Notes Liens***") are valid, binding, perfected, and enforceable first priority liens on and security interests in the personal and real property constituting "Collateral" under, and as defined in, the Junior Secured Notes Documents (together with the AFI Lender Collateral, the "***Prepetition Collateral***") and (i) were granted to, or for the benefit of, the Junior Secured Parties for fair consideration and reasonably equivalent value; (ii) are not subject to avoidance, recharacterization or subordination pursuant to the Bankruptcy Code or applicable non-bankruptcy law; and (iii) are subject and subordinate only to (A) the liens and security interests granted to the AFI Lender under the AFI Revolver, all subject to the terms and conditions of the Intercreditor Agreement, dated as of June 6, 2008 (as amended, the "***Intercreditor Agreement***" and, together with the instruments and agreement evidencing or providing for the issuance of the Prepetition Obligations, the "***Existing Agreements***"), (B) the Carve Out, and (C) the liens and security interests granted to secure the Adequate Protection Obligations (as defined in paragraph 14 below); and

(h) the Collateral securing the Junior Secured Notes Obligations includes, among others, the categories of assets set forth on Exhibit [__];

(i) no setoffs, recoupments, offsets, defenses or counterclaims to any of the Junior Secured Notes Obligations exist, and no portion of the Junior Secured Notes Obligations or any payments made to any or all of the Junior Secured Parties are subject to avoidance, recharacterization, recovery, subordination, attach, recoupment, offset, counterclaim, defense, or "claim" (as defined in the Bankruptcy Code) of any kind pursuant to the Bankruptcy Code or applicable non-bankruptcy law, except for the priming contemplated herein;

(j) there are no claims, defenses, or causes of action against the Junior Secured Parties with respect to the Junior Secured Notes Documents (the "***Junior Secured Parties Claims***");

(k) subject to the reservation of rights set forth in paragraph 25 below, each Debtor and its estate shall be deemed to have forever waived, discharged and released each of the Junior Secured Parties in their respective capacities as such and their respective affiliates, members, managers, equity security holders, agents, attorneys, financial advisors, consultants, officers, directors, and employees of any and all "claims" (as defined in the Bankruptcy Code), counterclaims, causes of action, defenses, setoff, recoupment, or other offset rights, whether arising at law or in equity, relating to and/or otherwise in connection with the Junior Secured Notes Obligations and the Junior Secured Notes Liens, or the debtor creditor relationship between the Junior Secured Parties and the Debtors, including, without limitation, (x) any recharacterization, subordination, avoidance, or other claim arising under or pursuant to section 105 or chapter 5 of the Bankruptcy Code or under any other similar provisions of applicable state law, federal law or municipal law, and (y) any right or basis to challenge or object to the amount,

validity or enforceability of the Junior Secured Notes Obligations, or the validity, enforceability, priority or non-avoidability of the Junior Secured Notes Liens securing the Junior Secured Notes Obligations;

(l) the Adequate Protection Parties retain, and have not waived or otherwise prejudiced, any of their rights, claims, defenses or counterclaims at law or in equity with respect to the Debtors or any other Person or Governmental Unit (each such term as defined in the Bankruptcy Code); and

(m) prior to the Petition Date, the AFI LOC Borrowers funded the repurchase of whole loans (the "***Repurchased Loans***") from Ginnie Mae pools in order (i) to avoid GMAC Mortgage being in violation of delinquency triggers applicable to it under Chapter 18 of the Ginnie Mae Guide, (ii) to effect foreclosures, conveyances or other normal course loss mitigation activities of the related properties in connection with the submission of HUD Claims (as defined below), and (iii) to allow for trial modifications under programs implemented by the Debtors for which the related loans and borrowers are qualified (collectively, the "***GNMA Buyouts***"), and for additional reasons determined at the Debtors' discretion. Following the GNMA Buyouts, the AFI LOC Borrowers submit a claim to the Secretary of the U.S. Department of Housing and Urban Development (such a claim, a "***HUD Claim***") for payments of amounts related to the Repurchased Loans insured by the Federal Housing Administration (the "***FHA***") or guaranteed by the U.S. Department of Veterans Affairs ("***VA***"), as applicable. Following a period of review and processing of a HUD Claim, it is typically converted to cash that is remitted to the AFI LOC Borrowers. The AFI LOC Borrowers will continue to fund GNMA Buyouts with the proceeds of the AFI DIP Loan on a postpetition basis and with Cash Collateral (as hereinafter defined) under the AFI Revolver Loan and submit HUD Claims in the ordinary course of business.

4. *Certain Findings Regarding the Use of Cash Collateral and the AFI DIP Loan.*

(a) Good cause has been shown for entry of this Interim Order. The Debtors do not have sufficient available sources of working capital and financing to carry on the operation of their businesses without the use of Cash Collateral. The use of Cash Collateral, will, therefore, help preserve the going concern value of the Debtors and their estates and will enhance the prospects for successful Chapter 11 Cases.

(b) The Debtors have an immediate need to obtain the financing available under the AFI DIP Loan in order to permit the orderly continuation of the operation of their businesses, including the continued funding of GNMA Buyouts to ensure their compliance with the GNMA Mae Guide and maintain their current issuer status. The Debtors' access to sufficient working capital and liquidity through the incurrence of new indebtedness for borrowed money is vital to the preservation and maintenance of the going concern values of the Debtors and to a successful reorganization of the Debtors.

(c) The Debtors are unable to obtain financing on more favorable terms from sources other than the AFI DIP Lender under the AFI DIP Loan. The Debtors are also unable to obtain secured credit allowable under sections 364(c)(1), 364(c)(2), and 364(c)(3) of the Bankruptcy Code without the Debtors granting to the AFI DIP Lender, subject to the Carve Out (as defined below) as provided for herein, the AFI DIP Liens (as defined below) and the AFI Superpriority Claims (as defined below) upon the terms and conditions set forth in this Interim Order and in the AFI DIP Loan.

(d) The terms of the AFI DIP Loan are fair and reasonable, reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties.

(e) The AFI DIP Loan has been negotiated in good faith and at arm's length among the Debtors and the AFI DIP Lender, and all of the Debtors' obligations and indebtedness arising under, in respect of or in connection with the AFI DIP Loan, including (i) all future draws remitted to the AFI LOC Borrowers pursuant to the AFI DIP Loan, and (ii) any other obligations under the AFI DIP Loan (clauses (i) and (ii) collectively, the "***AFI DIP Obligations***"), shall be deemed to have been extended by the AFI DIP Lender in good faith, as that term is used in section 364(e) of the Bankruptcy Code, and in express reliance upon the protections offered by section 364(e) of the Bankruptcy Code, and shall be entitled to the full protection of section 364(e) of the Bankruptcy Code in the event that this Interim Order or any provision hereof is vacated, reversed or modified, on appeal or otherwise.

(f) Based on the record established in the Court at the Interim Hearing, the terms of the Debtors' use of Cash Collateral appear to be fair and reasonable, and reflect the Debtors' and their respective managers' and directors' exercise of prudent business judgment consistent with their fiduciary duties. Entry of this Interim Order is in the best interests of the Debtors' estates and creditors.

(g) The terms of the use of the Cash Collateral have been the subject of extensive negotiations conducted in good faith and at arm's-length among the Debtors and the Adequate Protection Parties, and the Adequate Protection Parties are found to have acted in "good faith" in connection with the negotiation and entry of this Interim Order, and are entitled to the protections provided to good faith lenders under section 364(e) of the Bankruptcy Code.

(h) The Debtors have requested entry of this Interim Order pursuant to Bankruptcy Rule 4001(b)(2) and (c)(2). Absent granting the relief set forth in this Interim Order, the Debtors' estates will be immediately and irreparably harmed. Consummation of the AFI DIP

Loan in accordance with this Interim Order is therefore in the best interest of the Debtors' estates.

5. *Authorization for the AFI LOC Amendment and for Continued Borrowings Under the AFI LOC.*

(a) The Debtors are hereby authorized and directed to continue to perform under the AFI LOC. Further, the AFI LOC Borrowers are hereby authorized to execute the AFI LOC Amendment. Each of the AFI LOC Borrowers is hereby authorized to borrow money pursuant to the AFI DIP Loan, and the AFI DIP Loan Guarantors (as defined in the AFI LOC Amendment) are hereby authorized to unconditionally guaranty (on a joint and several basis) such borrowings and the AFI LOC Borrowers' joint and several obligations with respect to such borrowings up to an aggregate principal or face amount not to exceed $150 million, no more than $__ of which will be available upon the entry of this Interim Order and the balance of which will be available upon the entry of the Final Order, *provided* that up to an additional $70 million in postpetition draws may be made available to the AFI LOC Borrowers under the AFI LOC if the AFI LOC Borrowers and AFI agree upon written mutually satisfactory terms for such incremental $70 million before the Final Hearing, *provided further* that the aggregate amount of AFI LOC prepetition and postpetition draws (plus any unpaid, interest, expenses or other costs payable thereunder) authorized under the Final Order may not exceed $600 million.

(b) In furtherance of the foregoing and without further approval of this Court, each Debtor is authorized and directed to perform all acts, to make, execute and deliver all instruments and documents (including the execution or recordation of security agreements, mortgages and financing statements), and to accrue all fees, payment of which shall be waived subject to consummation of a Plan pursuant to the terms of the Ally Settlement Agreement, that

may be reasonably required or necessary for the Debtors' performance of their obligations under the AFI DIP Loan, including:

(i) the execution, delivery and performance of the AFI LOC Amendment;

(ii) the performance of all other acts required under or in connection with the AFI DIP Loan pursuant to the AFI LOC, as amended by the AFI LOC Amendment (including the indemnity provisions contained therein).

(c) Upon execution and delivery of the AFI LOC Amendment, the AFI DIP Loan shall constitute valid and binding obligations of the Debtors, enforceable against each Debtor party thereto in accordance with their terms and this Order. No obligation, payment, transfer or grant of security under the AFI DIP Loan or this Interim Order shall be stayed, restrained, voidable, or recoverable under the Bankruptcy Code or under any applicable law (including under section 502(d) of the Bankruptcy Code), or subject to any defense, reduction, setoff, recoupment or counterclaim.

6. *AFI DIP Loan Liens*. As security for the AFI DIP Obligations, effective and perfected upon the date of this Interim Order and without the necessity of the execution, recordation or filing of mortgages, security agreements, control agreements, pledge agreements, financing statements or other similar documents, or the possession or control by the AFI Lender, the following security interests and liens are hereby granted to the AFI Lender (all tangible and intangible property, whether real or personal, identified in clauses (a) and (b) below being collectively referred to as the "***AFI DIP Loan Collateral***"); all such liens and security interests granted to the AFI Lender pursuant to this Interim Order, the "***AFI DIP Liens***", subject and subordinate only to the payment of the Carve Out:

(a) Pursuant to sections 364(c)(2) of the Bankruptcy Code, a valid, binding, continuing, enforceable, fully-perfected first priority security interest in and lien upon all right, title and interest in all Repurchased Loans (including the related mortgage notes, mortgage, or any assignments of mortgage) and HUD Claims funded with the proceeds of the AFI DIP Loan, together with all proceeds, products, and supporting obligations with respect thereto; and

(b) Pursuant to sections 364(d) of the Bankruptcy Code, a valid, binding, continuing, enforceable, fully-perfected priming security interest in and lien upon all property of the Debtors, whether existing on the Petition Date or thereafter arising, coming into existence or acquired, whether tangible or intangible, whether real or personal, together with all proceeds and products thereof, that constitutes the AFI LOC Collateral (other than the property described in (a) of this paragraph).

7. *Superpriority Claims*.

(a) Pursuant to section 364(c)(1) of the Bankruptcy Code, all of the AFI DIP Obligations shall constitute allowed claims against each of the Debtors (without the need to file a proof of claim) with priority over any and all administrative expenses, and all other claims against the Debtors, now existing or hereafter arising, of any kind whatsoever, including all administrative expenses of the kind specified in sections 503(b) and 507(b) of the Bankruptcy Code, and over any and all administrative expenses or other claims arising under section 105, 326, 328, 330, 331, 503(b), 506(c) (upon entry of the Final Order, to the extent therein approved), 507(a), 507(b), 546, 726, 1113 or 1114 of the Bankruptcy Code, including any superpriority claims granted as adequate protection in favor of the Debtors' pre-petition secured lenders or other secured parties in the Cases (the "***Superpriority Claims***"), whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy or

attachment, which Superpriority Claims shall be subject only to the Carve Out to the extent specifically provided for herein and shall be junior to the "Superpriority Claims" granted in respect of the obligations under the Barclays DIP Facility (as defined hereinafter) pursuant to section 364(c)(1) of the Bankruptcy Code (the "***Barclays 364(c)(1) Claims***") as provided in paragraph 11 of the Barclays DIP Order;[4] *provided*, that the Barclays 364(c)(1) Claims are junior to the AFI Lender's rights in the AFI DIP Loan Collateral and all proceeds and other consideration received upon the sale, exchange, transfer or other disposition thereof.

8. *Perfection of the AFI DIP Liens.*

(a) The AFI DIP Lender is hereby authorized, but not required, to file or record financing statements, mortgages, notices of lien or similar instruments in any jurisdiction, or take possession of or control over, or take any other action in order to validate and perfect the liens and security interests granted hereunder. Whether or not the AFI DIP Lender shall, in its sole discretion, choose to file such financing statements, mortgages, notices of lien or similar instruments, or take possession of or control over, or otherwise confirm perfection of the liens and security interests granted hereunder, such liens and security interests shall be deemed valid, perfected, allowed, enforceable, non-avoidable and not subject to challenge, dispute or subordination, at the time and on the date of entry of this Order.

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4 The "***Barclays DIP Order***" means either the *Interim Order Pursuant to 11 U.S.C. §§ 105, 362, 363(b)(1), 363(f), 363(m), 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1) and 364(e) and Bankruptcy Rules 4001 and 6004 (I) Authorizing Debtors (A) to Enter into and Perform Under Receivables Purchase Agreements and Mortgage Loan Purchase and Contribution Agreements Relating to Initial Receivables and Mortgage Loans and Receivables Pooling Agreements Relating to Additional Receivables, and (B) to Obtain Post-Petition Financing on a Secured Superpriority Basis, (II) Scheduling Final Hearing Pursuant to Bankruptcy Rules 4001(B) and (C) and (III) Granting Related Relief* or the *Final Order Pursuant to 11 U.S.C. §§ 105, 362, 363(b)(1), 363(f), 363(m), 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1) and 364(e) and Bankruptcy Rules 4001 and 6004 (I) Authorizing Debtors (A) to Enter into and Perform Under Receivables Purchase Agreements and Mortgage Loan Purchase and Contribution Agreements Relating to Initial Receivables and Mortgage Loans and Receivables Pooling Agreements Relating to Additional Receivables, and (B) to Obtain Post-Petition Financing on a Secured Superpriority Basis, (II) Scheduling Final Hearing Pursuant to Bankruptcy Rules 4001(B) and (C) and (III) Granting Related Relief*, as applicable.

(b) A certified copy of this Interim Order may, in the discretion of the AFI DIP Lender, be filed with or recorded in filing or recording offices in addition to or in lieu of such financing statements, mortgages, notices of lien or similar instruments, and all filing offices are hereby authorized and directed to accept such certified copy of this Interim Order for filing and recording. For the avoidance of doubt, the automatic stay of section 362(a) of the Bankruptcy Code shall be modified to the extent necessary to permit the AFI Lender, and the Secured Parties to take all actions, as applicable, referenced in this paragraph [8].

9. *Use of AFI DIP Loan Proceeds.* The proceeds of the AFI DIP Loan shall be used solely to fund GNMA Buyouts to the extent necessary in order to (a) avoid Debtor GMAC Mortgage being in violation of delinquency triggers applicable to it under Chapter 18 of the Ginnie Mae Guide, (b) effect foreclosures, conveyances or other normal course loss mitigation activities of the related properties in connection with the submission of HUD Claims, and (c) allow for trial modifications under programs implemented by the Debtors for which the related loans and borrowers are qualified. For the avoidance of doubt, no proceeds may be used to fund the purchase of whole loans for any other purpose, including for non-compliance with eligibility representations, lack of insurance or guaranty, or for title defects, or for any other purpose other than as identified in the first sentence of this paragraph.

10. *Conditions Precedent to AFI DIP Loan Draws*. Notwithstanding the terms of the AFI DIP Loan, the AFI LOC Borrowers shall not be permitted to draw under the AFI DIP Loan unless the following conditions are satisfied:

(a) the Debtors shall have performed and shall be current on all of their obligations required under (a) the Board of Governors of the Federal Reserve System Consent Order, dated April 13, 2011, by and among AFI, Ally Bank, ResCap, GMAC Mortgage, LLC,

the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation, (b) the consent judgment entered by the District Court for the District of Columbia, dated February 9, 2012, (c) the Order of Assessment of a Civil Money Penalty Issued Upon Consent Pursuant to the Federal Deposit Insurance Act, as amended, dated February 10, 2012, and (d) all related agreements with Ally (collectively, the "***Consent Obligations***");

(b) the Bankruptcy Court shall have entered the *Interim Order Pursuant to Sections 105(A) and 363 of the Bankruptcy Code Authorizing the Debtors to Continue to Perform under the Ally Bank Servicing Agreement in the Ordinary Course of Business* in form and substance satisfactory to the AFI Lender;

(c) the Bankruptcy Court shall have entered the Interim Cash Management Order in form and substance reasonably satisfactory to the AFI Lender; and

(d) the Debtors shall use good faith efforts to comply with all requirements attendant to their position as subsidiaries of a Bank Holding Company;

(e) no Termination Event (as hereinafter defined) shall have occurred and be continuing.

11. *Cash Collateral.* The Debtors' cash and cash equivalents on deposit or maintained in any account or accounts by the Debtors that is subject to a security interest in favor of the AFI Lender or the Junior Secured Parties and cash and cash equivalents generated by the collection of accounts receivable, sale of inventory or other disposition of the Prepetition Collateral constitutes proceeds of the Prepetition Collateral and, therefore, are and shall be deemed to be cash collateral of the Adequate Protection Parties within the meaning of section 363(a) of the Bankruptcy Code for the purposes hereof and under the terms hereof

(collectively, and together with all cash and cash equivalents otherwise constituting Prepetition Collateral and the AFI DIP Loan Collateral, the "***Cash Collateral***").

12. *Reporting.* The Debtors have delivered to the Adequate Protection Parties a 20-week forecast of anticipated cash receipts and disbursements for such period (the "***Initial 20-Week Forecast***"), a copy of which is attached hereto as **Exhibit A**. In lieu of the reporting requirements set forth in the documents underlying the Prepetition Obligations, the Debtors shall deliver to the Adequate Protection Parties: (i) beginning on the first Monday immediately following five (5) weeks after the Petition Date (or if the Petition Date is a Monday, beginning five (5) weeks after the Closing Date), as soon as available, but not later than 1:00 p.m. (New York City time) on the sixth (6th) business day following each four-week period ended six (6) business days prior to such date, an updated 20-week forecast (an "***Updated Forecast***") for the following 20-week period (each such subsequent forecast delivered after the Initial 20-Week Forecast shall be, for the period of its applicability, referred to herein as the "***Forecast***") that is in form satisfactory to the AFI Lender; (ii) beginning on the first Monday immediately following three (3) weeks after the Petition Date (or if the Petition Date is a Monday, beginning three (3) weeks after the Petition Date), as soon as available, but not later than 1:00 p.m. (New York City time) on the sixth (6th) business day following the two-week period ended six (6) business days prior to such date, a bi-weekly variance report for each prior two (2) week period setting forth, for such two-week period (x) actual results noting therein aggregate variances from amounts set forth for the two-week period in the relevant Forecast, (y) with respect to the AFI LOC, a report, in form and detail satisfactory to the AFI Lender, of all deposits into and withdrawals from the concentration account established and maintained pursuant to the AFI LOC, and (z) with respect to the AFI Revolver, a report, in form and detail satisfactory to the AFI Lender, of all deposits

into and withdrawals from the concentration account established and maintained pursuant to the AFI Revolver; provided that on any date on which an Updated Forecast is provided, the variance report shall set forth actual results against the amounts projected in the relevant Forecast for the prior four-week period; and (iii) no later than the fifteenth (15) business day of each calendar month, a collateral report that reflects updated values as of the end of the prior calendar month (each such revised report, for the period of its applicability, to be referred to herein as the "***Collateral Report***"). Thereafter, promptly following request by either AFI Lender or the Trustee, the Debtors shall make themselves reasonably available to discuss such Forecast and the details thereof.

13. *Authorization of Use of Cash Collateral.* Subject to the terms hereof, including all reservations of rights herein, the Loan Parties are authorized to use Cash Collateral during the period from the Petition Date through and including the Termination Date (as defined in paragraph 18 below) solely for the purposes detailed within the Initial 20-Week Forecast and each subsequent Forecast and, in the case of the AFI Revolver Loan Cash Collateral, to fund GNMA Buyouts, subject to the restriction on the use thereof for such purpose set forth in the first sentence of paragraph 9. Each Forecast will be subject to the written approval of the AFI Lender, which shall use reasonable efforts to deliver its approval, or non-approval, as the case may be, to the Debtors within two business days of the receipt of the Forecast. The Debtors are enjoined and prohibited from using Cash Collateral and other Prepetition Collateral at any time, except as set forth in this Interim Order.

14. *Adequate Protection.* Subject to the provisions of paragraph 26 hereof, the Adequate Protection Parties are entitled, pursuant to sections 362, 363(c)(2), and 364 of the Bankruptcy Code, to adequate protection of their interests in the Prepetition Collateral, including

Cash Collateral, in an amount equal to the aggregate diminution in value of the Prepetition Collateral to the extent of their interests therein, including any such diminution resulting from the sale, lease or use by the Debtors (or other decline in value) of any Prepetition Collateral, including Cash Collateral, the priming of the AFI Lenders' liens on the AFI LOC Collateral by the Carve Out and AFI DIP Loan, and the automatic stay pursuant to section 362 of the Bankruptcy Code (such diminution in value, if any, the "***Adequate Protection Obligations***"). As adequate protection, the Adequate Protection Parties are granted the following:

(a) The AFI Lender, in its capacity as AFI LOC Lender, shall receive:

(i) as security for the Adequate Protection Obligations, effective and perfected upon the Petition Date and without the necessity of the execution by the Debtors (or recordation or other filing) of security agreements, control agreements, pledge agreements, financing statements, mortgages or other similar documents, or the possession or control by the AFI Lender of any collateral, additional and replacement continuing, valid, binding, enforceable, non-avoidable and automatically perfected security interests and liens on all of the collateral securing the AFI LOC (the "***Adequate Protection Liens***"). The Adequate Protection Liens shall not be subject or subordinate to any lien or security interest that is avoided and preserved for the benefit of the Loan Parties and their estates under section 551 of the Bankruptcy Code. The Adequate Protection Liens shall be (i) senior to the (A) existing liens granted to the AFI Lender under the AFI LOC, (B) junior liens in the AFI LOC Collateral granted under paragraph 11 of the Barclays DIP Order to secure the obligations under the Barclays DIP Facility under the Debtors' postpetition debtor-in-possession financing facility ("***Barclays***

DIP Facility"), (C) Adequate Protection Liens granted to the AFI Lender in its capacity as AFI Revolver Lender, and (D) Adequate Protection Liens granted to the Junior Secured Parties, and (ii) junior to the Carve Out and the AFI DIP Liens;

(ii) superpriority administrative expense claims as and to the extent provided in section 507(b) of the Bankruptcy Code with priority in payment over any and all unsecured claims and administrative expense claims, now existing or after arising, of the kinds specified or ordered pursuant to any provision of the Bankruptcy Code, including sections 326, 328, 330, 331, 503(b), 506(c) and 726 of the Bankruptcy Code (a "***507(b) Claim***"), which 507(b) Claims shall be payable from and have recourse to all prepetition and postpetition property of the Debtors and all proceeds thereof, and shall at all times be senior to the rights of the Loan Parties, and any successor trustee or any creditor, in the Chapter 11 Cases or any subsequent proceedings under the Bankruptcy Code subject and subordinate only to the Carve Out and that shall be (x) senior to the 507(b) Claims granted to the Junior Secured Parties, and (y) *pari passu* with the 507(b) Claims granted to Citibank, N.A. and the AFI Lender on account of the AFI Revolver; and

(iii) adequate protection payments ("***Adequate Protection Payments***") consisting of accrued and unpaid prepetition interest as well as current postpetition payments of interest at the non-default rate set forth in the AFI LOC (the foregoing to include all unpaid prepetition interest)

(b) AFI Lender, in its capacity as the AFI Revolver Lender, shall receive:

(i) Adequate Protection Liens on all of the collateral securing the AFI Revolver and on the Repurchased Loans on the repurchase of which is funded through the use of AFI Revolver Loan Cash Collateral, which shall be (x) junior only to the existing liens granted to the AFI Revolver Lender under the AFI Revolver, and (y) senior to (A) the existing liens granted to the Junior Secured Parties, and (B) Adequate Protection Liens granted to the Junior Secured Parties;

(ii) additional Adequate Protection Liens on all of the collateral securing the AFI LOC, which shall be (x) junior to the (A) existing liens granted to the AFI Lender under the AFI LOC, (B) Adequate Protection Liens granted to the AFI LOC Lender, (C) the liens granted under paragraph 11 of the Barclays DIP Order to secure the obligations under the Barclays DIP Facility (the "***Barclays DIP Liens***") and (D) the AFI DIP Liens, and (y) senior to the Adequate Protection Liens granted to the Junior Secured Parties on the collateral securing the AFI LOC as set forth below;

(iii) 507(b) Claims that are (x) senior to the 507(b) Claims granted to the Junior Secured Parties and (y) *pari passu* with the 507(b) Claims granted to Citibank and the AFI Lender on account of the AFI LOC (but senior to the claims referred to in this clause (y) to the extent relating to Cash Collateral that is used to fund GNMA Buyouts); and

(iv) Additional Adequate Protection Liens on all of the equity of GMACM Borrower, LLC and RFC Borrower, LLC (the "***Barclays DIP Borrowers***"), which shall be senior to the Adequate Protection Liens granted to the Junior Secured Parties on the equity of the DIP Borrowers;

(v) Adequate Protection Payments consisting of accrued and unpaid prepetition interest as well as current postpetition payments of interest at the non-default rate set forth in the AFI Revolver (the foregoing to include all unpaid prepetition interest) calculated based on the AFI Revolver balance of $400 million; provided that if that certain Plan Support Agreement between AFI, certain Junior Secured Noteholders, and the Debtors (the "***Junior Notes PSA***") is terminated pursuant to its terms, the AFI Lenders shall be entitled to payment of interest on the full amount outstanding under the AFI Revolver, including all accrued and unpaid interest thereon; and

(c) the Junior Secured Parties shall receive:

(i) Adequate Protection Liens on all of the collateral securing the AFI Revolver, which shall be junior to the (x) existing liens granted to the AFI Lender under the AFI Revolver, (y) Adequate Protection Liens granted to the AFI Lender in its capacity as AFI Revolver Lender and (z) existing liens granted to the Junior Secured Parties, *provided*, that the enforcement of the Adequate Protection Liens shall be subject to, in all respects, the Intercreditor Agreement and paragraph 21 below;

(ii) additional Adequate Protection Liens on all of the collateral securing the AFI LOC, which shall be junior to (x) all existing liens and Adequate Protection Liens granted to the AFI Lender (on both the AFI LOC and the AFI Revolver), (y) the Barclays DIP Liens and (z) the AFI DIP Liens;

(iii) additional Adequate Protection Liens on all of the equity interests of the DIP Borrowers, which shall be junior to the Adequate Protection Liens granted to the AFI Revolver Lender on the equity of the DIP Borrowers;

(iv) to the extent the Adequate Protection Liens are insufficient to provide adequate protection, 507(b) Claims that are junior to the 507(b) Claims granted to the DIP Lenders under the DIP Facility and all 507(b) Claims granted to the AFI Revolver Lender but *pari passu* with any and all other 507(b) Claims; and

(v) The Debtors shall promptly pay the reasonable fees and expenses of (i) the Trustee (including the reasonable fees and expenses of Kelley Drye & Warren LLP), and (ii) that certain Ad Hoc Committee of Holders of Junior Secured Notes represented by White & Case LLP (including the reasonable fees and expenses of White & Case LLP and Houlihan Lokey); *provided* that none of such fees and expenses as adequate protection payments hereunder shall be subject to further approval by the Court or the United States Trustee Guidelines, but such professional shall provide copies of summary invoices and statements (subject in all respects to applicable privilege or work product doctrines) to the official committee of unsecured creditors appointed in the Cases (the "***Committee***") and the U.S. Trustee, and the Debtors shall promptly pay all reasonable fees and expenses not subject to objection of the U.S. Trustee within ten business days after the receipt of such invoices. No recipient of any such payment shall be required to file with respect thereto any interim or final fee application with the Court; provided, however, that the Court shall have

jurisdiction to determine any dispute concerning such invoices, *provided*, *further*, however, that nothing shall prejudice the rights of any party to seek to recharacterize any such payments, upon motion and further order of the Court, as payments of principal under the Junior Secured Notes.

(d) Notwithstanding anything to the contrary in this Order, the sum of the obligations under the (x) AFI DIP Loan, (y) the AFI LOC Loan and (z) the Adequate Protection Obligations in respect of the AFI LOC Loan that shall be senior to the Barclays DIP Liens in the AFI LOC Collateral granted in paragraph 11 of the Barclays DIP Order, in the aggregate, shall not exceed $600,000,000.

(e) All 507(b) claims granted herein are junior and subordinate to all administrative expense claims granted priority under section 364(c)(1) of the Bankruptcy Code whether under this order, the Barclays DIP Order, or otherwise.

(f) All reasonable, documented fees, and expenses incurred or accrued by the AFI Lender, including reasonable documented fees and expenses of counsel, shall accrue during the Chapter 11 Cases and be waived by AFI Lender subject to confirmation of the Plan that is in accordance with the terms of the Ally Settlement Agreement. In the event that a Plan incorporating the Ally Settlement Agreement in accordance with the terms thereof is confirmed, AFI Lenders reserves all rights to assert claims against the Debtors' estates for payment of all such fees and expenses. In the event that a Plan incorporating the Ally Settlement Agreement in accordance with the terms thereof is not confirmed, the Debtors shall pay all of the AFI Lenders such fees and expenses.

(g) For purposes hereof, the "***Carve Out***"[5] shall mean the sum of: (i) all fees required to be paid to the Clerk of the Bankruptcy Court and to the U.S. Trustee under section 1930(a) of title 28 of the United States Code and section 3717 of title 31 of the United States Code, and (ii) at any time after the first business day after the occurrence and during the continuance of a Termination Event hereunder, and delivery of notice thereof to the U.S. Trustee and each of the lead counsel for the Debtors (the "***Carve Out Notice***"), to the extent allowed at any time, whether by interim order, procedural order or otherwise, the payment of accrued and unpaid professional fees, costs and expenses (collectively, the "***Professional Fees***") incurred by persons or firms whose retention is approved pursuant to sections 327 and 1103 of the Bankruptcy Code after the Business Day following delivery of the Carve Out Notice and allowed by this Court, in an aggregate amount not exceeding $25 million (the "***Carve Out Cap***") (plus all unpaid Professional Fees allowed by this Court at any time that were incurred on or prior to the Business Day following delivery of the Carve Out Notice, whether paid or unpaid); provided further that (A) the Carve Out shall not be available to pay any such Professional Fees incurred in connection with the initiation or prosecution of any claims, causes of action, adversary proceedings or other litigation against the Adequate Protection Parties, (B) so long as no event of default shall have occurred and be continuing, the Carve Out shall not be reduced by the payment of fees and expenses allowed by this Court and payable under sections 328, 330 and 331 of the Bankruptcy Code, and (C) nothing in this Interim Order shall impair the right of any party to object to any such fees or expenses to be paid by the Debtors' estates.

15. *Replacement Liens*. Pursuant to section 363(e) and (f) of the Bankruptcy Code or otherwise, the AFI Revolver Lender shall receive first priority replacement liens and the Junior

[5] The Carve Out is intended to mirror the Barclays' Carve Out (and not be in addition to). Allocation of the $25 million Carve Out monies between the Barclays' DIP collateral and AFI Collateral TBD.

Secured Parties shall receive second priority replacement liens (collectively, the "***Replacement Liens***"), junior only to the Replacement Liens granted to the AFI Revolver Lender, on all of the equity of the DIP Borrowers as adequate protection for the transfer of the Initial Purchased Assets (as defined in the Barclays DIP Order).

16. *Additional Adequate Protection.*

(a) Covenants: As additional adequate protection:

(i) the Debtors shall maintain (x) their cash management system and (y) the treatment of any and all claims on account of postpetition distributions and transfers by the Loan Parties to any Affiliated Debtor (the "***Priority Intercompany Claim***"), in each case, in a manner consistent with such arrangements and treatment described in the Interim Cash Management Order, without further modification thereto;

(ii) the Debtors shall use good faith efforts to be in compliance with all requirements attendant to their position as subsidiaries of a Bank Holding Company;

(iii) the Debtors shall continue to perform and remain current with, and require that all of the Debtors continue to perform and remain current with, all of their obligations under the Consent Obligations;

(iv) the Debtors shall comply with the terms of the Amended and Restated Servicing Agreement by and between Ally Bank, as Owner, and GMAC Mortgage, LLC, as Servicer, dated as of May [__], 2012;

(v) the Debtors shall comply with the terms of the *Interim Order Pursuant to Sections 105(A) and 363 of the Bankruptcy Code Authorizing the*

Debtors to Continue to Perform under the Ally Bank Servicing Agreement in the Ordinary Course of Business, which was entered by this Court on _____, 2012 [Docket No. ___], and the *Final Order Pursuant to Sections 105(A) and 363 of the Bankruptcy Code Authorizing the Debtors to Continue to Perform under the Ally Bank Servicing Agreement in the Ordinary Course of Business*;

(vi) the Debtors shall use the AFI DIP Loan proceeds to fund only the GNMA Buyouts; and

(vii) the Debtors shall perform and comply with all obligations under the Ally Settlement in accordance with the terms thereof.

(b) Reporting: As further adequate protection hereunder, the Debtors shall comply with the reporting requirements set forth in paragraph 12 (the "***Reporting Requirements***"). Further, the Adequate Protection Parties shall receive copies of all reports provided to the DIP Lenders pursuant to the DIP Facility and the DIP order.

(c) Section 552 Waiver. Upon entry of the Final Order, the "equities of the case" exception contained in section 552(b) of the Bankruptcy Code is deemed waived with respect to the Prepetition Collateral.

17. *Exercise of Rights and Remedies against Deposit Accounts*. Notwithstanding anything to the contrary contained in any instrument or agreement to which the Loan Parties, or any Loan Party, are party or subject, or in any order entered by this Court, no Person (as defined by the Bankruptcy Code) that holds or has lien or other security interest on any demand deposit or other accounts of a Loan Party may exercise any rights or remedies against any such account (including by way of set off), whether pursuant to an account control agreement or otherwise, without first providing seven days written notice (by facsimile electronic mail, overnight mail or

hand delivery) to the U.S. Trustee, counsel to the Debtors, counsel to any statutory committee appointed in the Debtors' chapter 11 cases, counsel for the AFI Lender, counsel to the Junior Secured Notes, counsel for Citibank, N.A. and counsel for Barclays (the "Account Notice Parties"). The AFI Lender hereby acknowledges and stipulates that its liens on any demand deposit or other account, whether such lien arises under a prepetition control agreement or under this Order, attach only to the proceeds of its collateral, and such liens do not attach to amounts on deposit in any such account to the extent such amount constitutes the proceeds of any other Person's collateral or property that was unencumbered prior to its being deposited in such an account. In the event any Person asserts the occurrence and continuance of a default or an event of default and the right to exercise remedies with respect to such an account, the Debtors within three days will prepare and serve on the Account Notice Parties a detailed accounting of each Person's interest in the amounts on deposit in such account. All parties rights to review and object to such accounting are hereby preserved. Each Account Notice Party shall serve on the others a notice of objections with respect to such accounting within 5 days following service thereof. Any unresolved disputes with the Debtors' accounting shall be determined by this Court at a hearing to be held on not less than 15 days written notice to the Account Notice Parties. All amounts in dispute shall remain on deposit in such account pending Court order. No commingling of amounts on deposit in any such account shall in any way adversely affect, detract from, or otherwise impair the perfection of any Person's lien on such proceeds.

18. *Termination.* The Loan Parties' right to use Prepetition Collateral, including Cash Collateral, pursuant to this Interim Order shall automatically terminate (the date of any such termination, the "***Termination Date***") without further notice or order of the court (x) on the effective date of a Plan for any Debtor or (y) upon written notice (the "***Termination Notice***") to

the Loan Parties (with a copy to counsel for the official committee of unsecured creditors (the "***Creditors' Committee***" and the Administrative Agent and the Collateral Agent under the Barclays DIP Facility), if appointed in the Chapter 11 Cases, and the United States Trustee) after the occurrence and during the continuance of any of the following events (unless waived by the Adequate Protection Parties, "***Termination Events***") beyond any applicable grace period set forth below:

(a) the occurrence and continuance of an event of default under the Barclays DIP Facility, or if the Barclays DIP Facility has been paid in full, an event, condition or occurrence that would have been event of default under the Barclays DIP Facility;

(b) the occurrence and continuance of an event of default under the AFI DIP Loan;

(c) the Debtors seek to reject under section 365 of the Bankruptcy Code, or otherwise, either the Master Servicing Agreement (1st Lien Mortgages Servicing Released) dated as of April 16, 2006 and amended as of June 1, 2007 between Residential Funding Company, LLC (f/k/a Residential Funding Corporation) and Ally Bank (f/k/a GMAC Bank) or the Master Servicing Agreement (1st Lien Mortgages Servicing Retained) dated as of August 15, 2005 and amended as of March 31, 2006 between Residential Funding Company, LLC (f/k/a Residential Funding Corporation) and Ally Bank (f/k/a GMAC Bank);

(d) failure to perform or remain current on all of the Consent Obligations;

(e) failure to obtain entry of the *Interim Order Pursuant to Sections 105(A)and 363 of the Bankruptcy Code Authorizing the Debtors to Continue to Perform under the Ally Bank Servicing Agreement in the Ordinary Course of Business* in form and substance satisfactory to the AFI Lender within five days of the Petition Date;

(f) failure to satisfy the Reporting Requirements that continues unremedied for a period of five (5) business days after the date of such failure;

(g) failure of the Loan Parties to comply with any other covenant or agreement specified in this Interim Order that continues unremedied for a period of five (5) business days after the date of such failure;

(h) any event of default, early amortization event, termination event or other similar event (other than as a result of the commencement of the Chapter 11 Cases) shall occur under any material document or agreement that relates to the Prepetition Collateral and such event could reasonably be expected to be materially adverse to the rights and interests of the Adequate Protection Parties, as applicable;

(i) any event of default, early amortization event, termination event or other similar event (other than as a result of the commencement of the Chapter 11 Cases) shall occur under any material document or agreement that relates to the Prepetition Collateral and such event could reasonably be expected to be materially adverse to the rights and interests of the Adequate Protection Parties, as applicable;

(j) any of the material Chapter 11 Cases shall be dismissed or converted to a chapter 7 case; or a chapter 11 trustee with plenary powers, a responsible officer or an examiner with enlarged powers relating to the operation of the businesses of the Debtors (powers beyond those set forth in section 1106(a)(3) and (4) of the Bankruptcy Code) shall be appointed in any of the material Chapter 11 Cases;

(k) appointment of a trustee (or comparable person) or a responsible officer or examiner with expanded powers in any of the material Chapter 11 Cases (or any of the Debtors or their affiliates seeking or supporting such appointment);

(l) this Court shall enter an order granting relief from the automatic stay as to any Prepetition Collateral which has an aggregate value in excess of $25 million and such order shall not, at any time, be subject to stay pending appeal;

(m) a court shall enter an order amending, supplementing, staying, vacating or otherwise modifying the Cash Collateral Orders except as otherwise agreed to in writing by the Adequate Protection Parties, or the Cash Collateral Orders shall cease to be in full force and effect; provided that no event of default shall occur to the extent that any such amendment, supplement or other modification is made in compliance with the Cash Collateral Orders and is not adverse, in the reasonable judgment of the Adequate Protection Parties, as applicable;

(n) entry of a Bankruptcy Court order granting any superpriority claim (or claim of equivalent status) that is senior to or *pari passu* with the claims of the Adequate Protection Parties or any lien or security interest that is senior to or *pari passu* with the liens and security interests securing the AFI Revolver, the AFI LOC, or the Junior Secured Notes, except as provided herein;

(o) entry of an order authorizing recovery from Prepetition Collateral, including Cash Collateral, for any cost of preservation or disposition thereof, under section 506(c) of the Bankruptcy Code or otherwise, other than as may be provided in the Cash Collateral Orders, or certain *de minimis* amounts as may be agreed to by the Adequate Protection Parties;

(p) any judgment in excess of $10 million as to any postpetition obligation not covered by insurance shall be rendered against the Debtors and the enforcement thereof shall not effectively be stayed at all times; or there shall be rendered against the Debtors a non-monetary judgment with respect to a postpetition event which has or could reasonably be expected to have

a material adverse effect on the property, business or condition (financial or otherwise) of the Debtors taken as a whole or the ability of the Debtors to perform their obligations under this Interim Order; or

(q) any Loan Party shall make any payment (whether by way of adequate protection or otherwise) of principal or interest or otherwise on account of any prepetition indebtedness or payables (including reclamation claims) other than payments authorized by the Court.

The Loan Parties shall, within two business days of an occurrence of a Termination Event, provide the corresponding Termination Notice to the parties set forth above.

19. *Remedies After Termination Event.*

(a) The automatic stay provisions of section 362 of the Bankruptcy Code are vacated and modified to the extent necessary to permit

(i) the Adequate Protection Parties to, immediately upon the occurrence and during the continuation of a Termination Event, and issuance of a the Termination Notice, terminate the right of the Loan Parties to use Prepetition Collateral, including Cash Collateral;

(ii) In no event shall the Adequate Protection Parties be subject to the equitable doctrine of "marshaling" or any similar doctrine with respect to the Prepetition Collateral. The delay or failure of the Adequate Protection Parties to exercise rights and remedies under the Prepetition Obligations or this Interim Order shall not constitute a waiver of their respective rights hereunder, thereunder or otherwise, unless any such waiver is pursuant to a written instrument executed in accordance with the terms of the Prepetition Obligations; and

(iii) the AFI DIP Lender to exercise all rights and remedies under the AFI DIP Loan, and, to the extent provided for in the AFI DIP Loan, to take any or all of the following actions without further order of or application to this Court: (a) cease to make any extensions of credit or loans or advances to the Debtors; (b) declare all AFI DIP Obligations to be immediately due and payable without presentment, demand, protest or notice; (c) the AFI DIP Lender shall exercise any and all remedies available to it under the AFI DIP Loan; (d) take any other actions or exercise any other rights or remedies permitted under this Order, the AFI DIP Loan, or applicable law to realize upon the AFI DIP Loan Collateral and/or effect the repayment and satisfaction of the DIP Obligations; subject to the AFI DIP Lender providing seven (7) days written notice (by facsimile, telecopy, electronic mail or otherwise) to the U.S. Trustee, counsel to the Debtors ,counsel to any Committee and counsel to the Administrative Agent and Collateral Agent under the Barclays DIP Facility, prior to exercising any enforcement rights or remedies in respect of the Collateral (other than the rights described in clauses (a) and (b) above (to the extent they might be deemed remedies in respect of the Collateral) and other than with respect to the placement of administrative holds on any other deposit accounts or securities accounts). All rights of the AFI DIP Lender and Adequate Protection Parties are subject to paragraphs 13[(e)-(g)] of the Barclays DIP Order.

(b) In any hearing regarding any exercise of rights or remedies by the AFI Lender, the only issue that may be raised by the Debtors and any party in interest shall be whether, in fact, a Termination Event has occurred and is continuing, and neither the Debtors nor

any party in interest shall be entitled to seek relief, including under section 105 of the Bankruptcy Code, to the extent such relief would in any way impair or restrict the rights and remedies of the AFI DIP Lender set forth in this Order or the AFI DIP Loan. In no event shall the AFI DIP Lender be subject to the equitable doctrine of "marshaling" or any similar doctrine with respect to the AFI DIP Loan Collateral.

(c) Subject to the provisions of the Junior Notes PSA or further order of the Court, following the occurrence of an event of default under the Prepetition Obligations, the Junior Secured Parties may not exercise any rights or remedies under the Junior Secured Notes Documents or this Interim Order unless and until all the indebtedness of the AFI Lender attributable to the AFI Revolver, including the Adequate Protection Liens, 507(b) Claims, and Adequate Protection Payments granted to the AFI Lender on account the AFI Revolver pursuant to the terms of this Interim Order (collectively, the "***AFI Revolver Payable***"), has been paid in full in cash and all commitments under the AFI Revolver and AFI Revolver Payable have been terminated or an amount sufficient to satisfy the AFI Revolver Payable has been escrowed by the Debtors (calculated in accordance with the Junior Notes PSA to the extent then in effect). If, prior to the payment in full in cash of all of the AFI Revolver Payable and all commitments under the AFI Revolver and AFI Revolver Payable having been terminated, the Junior Secured Parties or any other party holding a claim junior to the AFI Revolver Payable receive(s) any Prepetition Collateral or proceeds thereof, such Prepetition Collateral or proceeds thereof shall be considered to be held in trust for the benefit of the AFI Revolver Lender and shall be immediately payable to the AFI Revolver Lender. For the avoidance of doubt, other than the use of the Carve Out in accordance with the terms of this Interim Order, the Loan Parties may not

use the Prepetition Collateral or Cash Collateral to challenge in any manner the claims and liens of the Adequate Protection Parties.

20. *Limitation On Charging Expenses Against Prepetition Collateral and AFI DIP Loan Collateral.* Subject only to, and effective upon entry of, the Final Order, and only to the extend provided for therein, except to the extent of the Carve Out, no expenses of administration of the Chapter 11 Cases or any future proceeding that may result therefrom, including liquidation in bankruptcy or other proceedings under the Bankruptcy Code, shall be charged against or recovered from the Prepetition Collateral and AFI DIP Loan Collateral pursuant to sections 105 or 506(c) of the Bankruptcy Code or any similar principle of law, without the prior written consent of the Adequate Protection Parties or AFI DIP Lender, as applicable and no such consent shall be implied from any other action, inaction, or acquiescence by the Adequate Protection Parties or AFI DIP Lender, as applicable.

21. *Reservation Of Rights Of The Adequate Protection Parties.* The Adequate Protection provided herein is reasonable and sufficient to protect the interests of the Adequate Protection Parties. Notwithstanding any other provision hereof, the grant of Adequate Protection to the Adequate Protection Parties pursuant hereto is without prejudice to the right of the Adequate Protection Parties to seek modification of the grant of Adequate Protection provided hereby so as to provide different or additional Adequate Protection, and without prejudice to the right of the Debtors or any other party in interest to contest any such modification. Nothing herein shall be deemed to waive, modify or otherwise impair the rights of the Adequate Protection Parties under the Existing Agreements, and the Adequate Protection Parties expressly reserve all rights and remedies that the Adequate Protection Parties now or may in the future have under the Existing Agreements and/or applicable law in connection with all defaults and

events of default. Except as expressly provided herein, nothing contained in this Interim Order (including the authorization to use any Prepetition Collateral, including Cash Collateral) shall have the effect of, or shall be construed as having the effect of, amending or waiving any covenant, term or provision of the Existing Agreements, or any rights or remedies of the Adequate Protection Parties thereunder, including any right to argue that failure to strictly comply with any such covenant, term or provision during the course of the Chapter 11 Cases or that any use of Prepetition Collateral, including Cash Collateral, permitted or contemplated hereby constitutes a default or event of default that is not subject to cure under section 1124 of the Bankruptcy Code or otherwise despite any consent or agreement contained herein.

22. *Reservation Of Rights Of The Debtors.* The foregoing Adequate Protection provisions contained in this Interim Order shall be without prejudice to the rights of the Debtors to object to the Adequate Protection Parties' request for any other, further or additional Adequate Protection. Nothing in this Interim Order shall be deemed to waive, modify or otherwise impair the respective rights of the Debtors under the Existing Agreements, and the Debtors expressly reserve all rights and remedies that each has now or may in the future have under the Existing Agreements and/or applicable law (subject to paragraphs 3 and 25).

23. *Reservation of Rights of the Junior Secured Parties*. The Junior Secured Parties hereby reserve their rights to assert arguments that the adequate protection provided hereunder is insufficient on account of diminution in value of the AFI Revolver Collateral resulting from the Barclays DIP Loan; *provided*, that the Junior Secured Parties shall not assert any such arguments, if at all, prior to January 1, 2013, with such date subject to extension solely at the discretion of the Junior Secured Parties, and that the assertion of such arguments may in no way adversely affect Ally.

24. *Perfection Of Adequate Protection Liens.* The Adequate Protection Parties are authorized, but not required, to file or record financing statements, intellectual property filings, mortgages, notices of lien or similar instruments in any jurisdiction, take possession of or control over or take any other action in order to validate and perfect the liens and security interests granted to it hereunder. Whether or not the Adequate Protection Parties shall, in their sole discretion, choose to file such financing statements, intellectual property filings, mortgages, notices of lien or similar instruments, take possession of or control over or otherwise confirm perfection of the liens and security interests granted to it hereunder, such liens and security interests shall be deemed valid, perfected, allowed, enforceable, non-avoidable and not subject to challenge, dispute or subordination as of the Petition Date.

25. *Preservation Of Rights Granted Under The Interim Order.*

(a) Except as permitted in this Interim Order, no claim or lien having a priority senior to or *pari passu* with those granted by this Interim Order to the Adequate Protection Parties shall be granted or allowed while any portion of the Adequate Protection Obligations remain outstanding, and Adequate Protection Liens shall not be subject or junior to any lien or security interest that is avoided and preserved for the benefit of the Loan Parties' estates under section 551 of the Bankruptcy Code or subordinated to or made *pari passu* with any other lien or security interest, whether under section 364(d) of the Bankruptcy Code or otherwise.

(b) Except as otherwise provided for herein, no claim or lien having a priority superior to or *pari passu* with those granted by this Order to the AFI DIP Lender shall be granted or allowed while any portion of the AFI DIP Loan or the commitments thereunder or the DIP Obligations remain outstanding, and the AFI DIP Liens shall not be (i) subject or junior to any

lien or security interest that is avoided and preserved for the benefit of the Debtors' estates under section 551 of the Bankruptcy Code or (ii) subordinated to or made *pari passu* with any other lien or security interest, whether under section 364(d) of the Bankruptcy Code or otherwise (other than the Carve Out and as expressly provided in this Order).

(c) Unless all AFI DIP Obligations shall have been indefeasibly paid in full, the Debtors shall not seek (i) any modifications or extensions of this Order without the prior written consent of the AFI DIP Lender, and no such consent shall be implied by any other action, inaction or acquiescence by the AFI DIP Lender, or (ii) an order converting or dismissing any of the Chapter 11 Cases. If an order dismissing any of the Chapter 11 Cases under section 305 or 1112 of the Bankruptcy Code or otherwise is at any time entered, such order shall provide (in accordance with sections 105 and 349 of the Bankruptcy Code) that (i) the Superpriority Claims and AFI DIP Liens granted to the AFI DIP Lender pursuant to this Interim Order shall continue in full force and effect, shall maintain their priorities as provided in this Interim Order and shall, notwithstanding such dismissal, remain binding on all parties in interest until all AFI DIP Obligations shall have been indefeasibly paid in full in cash and the commitments under the AFI DIP Loan have been terminated in accordance with the AFI DIP Loan and (ii) this Bankruptcy Court shall retain jurisdiction, notwithstanding such dismissal, for the purposes of enforcing the Superpriority Claims and AFI DIP Liens.

(d) If an order dismissing any of the Chapter 11 Cases under section 1112 of the Bankruptcy Code or otherwise is at any time entered, such order shall provide (in accordance with sections 105 and 349 of the Bankruptcy Code) that (i) the 507(b) Claims, the other administrative claims granted pursuant to this Interim Order and the Adequate Protection Liens shall continue in full force and effect and shall maintain their priorities as provided in this

Interim Order until all Adequate Protection Obligations shall have been paid and satisfied in full (and that such 507(b) Claims, the other administrative claims granted pursuant to this Interim Order and the Adequate Protection Liens shall, notwithstanding such dismissal, remain binding on all parties in interest) and (ii) this Court shall retain jurisdiction, notwithstanding such dismissal, for the purposes of enforcing the claims, liens and security interests referred to in clause (i) above.

(e) If any or all of the provisions of this Interim Order are hereafter reversed, modified, vacated or stayed, such reversal, stay, modification or vacatur shall not affect (i) the validity, priority or enforceability of any Adequate Protection Obligations incurred prior to the actual receipt of written notice by the Adequate Protection Parties of the effective date of such reversal, stay, modification or vacatur or (ii) the validity, priority or enforceability of the Adequate Protection Liens. Notwithstanding any such reversal, stay, modification or vacatur, any use of Prepetition Collateral, including Cash Collateral, or any Adequate Protection Obligations incurred by the Loan Parties hereunder, as the case may be, prior to the actual receipt of written notice by the Adequate Protection Parties of the effective date of such reversal, stay, modification or vacatur shall be governed in all respects by the original provisions of this Interim Order, and the Adequate Protection Parties shall be entitled to all of the rights, remedies, privileges and benefits granted in this Interim Order with respect to all uses of Prepetition Collateral, including Cash Collateral, and all Adequate Protection Obligations.

(f) If any or all of the provisions of this Order are hereafter reversed, modified, vacated or stayed, such reversal, stay, modification or vacation shall not affect (i) the validity of any DIP Obligations incurred prior to the actual receipt by the AFI Lender of written notice of the effective date of such reversal, stay, modification or vacation or (ii) the validity or

enforceability of the AFI DIP Liens and Superpriority Claims authorized or created hereby or pursuant to the AFI DIP Loan with respect to any DIP Obligations. Notwithstanding any such reversal, stay, modification or vacation, the DIP Obligations incurred by the Debtors pursuant to the AFI DIP Loan, prior to the actual receipt by the AFI DIP Lender of written notice of the effective date of such reversal, stay, modification or vacation shall be governed in all respects by the original provisions of this Interim Order, and the AFI DIP Lender shall be entitled to all the rights, remedies, privileges and benefits granted in section 364(e) of the Bankruptcy Code, this Interim Order and pursuant to the AFI DIP Loan.

(g) The Adequate Protection Payments shall not be subject to counterclaim, setoff, subordination, recharacterization, defense or avoidance in the Chapter 11 Cases or any subsequent chapter 7 case.

(h) Except as expressly provided in this Interim Order or in the Prepetition Obligations, the Adequate Protection Obligations, the 507(b) Claims and all other rights and remedies of the Adequate Protection Parties granted by the provisions of this Interim Order and the Prepetition Obligations shall survive, and shall not be modified, impaired or discharged by (i) the entry of an order converting any of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code, dismissing any of the Chapter 11 Cases or by any other act or omission, or (ii) the entry of an order confirming a Plan in any of the Chapter 11 Cases and, pursuant to section 1141(d)(4) of the Bankruptcy Code, the Debtors have waived any discharge as to any remaining Adequate Protection Obligations. The terms and provisions of this Interim Order and the Prepetition Obligations shall continue in the Chapter 11 Cases, in any successor cases, or in any superseding chapter 7 cases under the Bankruptcy Code, and the Adequate Protection Liens, the 507(b) Claims, the other administrative claims granted pursuant to this Interim Order, and all

other rights and remedies of the Adequate Protection Parties granted by the provisions of this Interim Order and the Prepetition Obligations shall continue in full force and effect until all Adequate Protection Obligations are indefeasibly paid in full in cash. Notwithstanding anything contained in this paragraph, nothing in this Interim Order shall (i) limit the Debtors' rights, if any, with respect to unimpairment of the Debtors' prepetition debt or (ii) be deemed to modify the Prepetition Obligations.

(i) Except as expressly provided in this Interim Order or in the AFI DIP Loan, the AFI DIP Liens, the Superpriority Claims and all other rights and remedies of the AFI DIP Lender granted by the provisions of this Interim Order and the AFI DIP Loan shall survive, and shall not be modified, impaired or discharged by (i) the entry of an order converting any of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code, dismissing any of the Chapter 11 Cases, terminating the joint administration of these Chapter 11 Cases or by any other act or omission, or (ii) the entry of an order confirming a plan of reorganization in any of the Chapter 11 Cases and, pursuant to section 1141(d)(4) of the Bankruptcy Code, the Debtors have waived any discharge as to any remaining DIP Obligations. The terms and provisions of this Interim Order and the AFI DIP Loan shall continue in these Chapter 11 Cases, in any successor cases if these Chapter 11 Cases cease to be jointly administered, or in any superseding chapter 7 cases under the Bankruptcy Code, and the AFI DIP Liens, the Superpriority Claims and all other rights and remedies of the AFI DIP Lender granted by the provisions of this Interim Order and the AFI DIP Loan shall continue in full force and effect until the DIP Obligations are indefeasibly paid in full.

26. *Effect Of Stipulations On Third Parties.* The stipulations, admissions, and releases contained in paragraph **[**3(b)-3(h)**]** of this Order, shall be binding on the Debtors upon

entry of this Interim Order, subject to the terms of paragraph 3, effective as of the Petition Date. The stipulations, admissions, and releases contained in paragraph **[**3(b)-3(h)**]** of this Order, shall be binding on all parties in interest, including any Committee, unless, and solely to the extent that, any party in interest files an objection to this Interim Order challenging such stipulations, admissions, releases, or otherwise asserting any claims or causes of action on behalf of the Debtors' estates against the Junior Secured Parties (an "***Objection***"), in each case no later than the later of seventy-five (75) days after entry of this Interim Order. If no such Objection is timely filed then, without further order of this Court, all of the stipulations, admissions and releases set forth in paragraph **[**3**]** shall be binding on all parties in interest in the Chapter 11 Cases and shall not be subject to challenge or modification in any respect. If such an Objection is timely filed, the stipulations, admissions and releases shall nonetheless remain binding on all parties in interest and shall be preclusive except to the extent that any such stipulations, admissions and releases are expressly challenged pursuant to such timely filed Objection, and there is an order sustaining such Objection. Notwithstanding anything to the contrary, if the Junior Notes PSA is terminated, the stipulation contained in paragraph 3(g)(ii)(A) or this Interim Order shall not be binding on the Junior Secured Notes.

27. *Reservation of Rights.* Notwithstanding anything herein to the contrary, this Order shall not modify or affect the terms and provisions of, nor the rights and obligations under, the Consent Obligations.

28. *Limitation On Use Of Prepetition Collateral and Proceeds of AFI DIP Loan.* The Loan Parties shall use the proceeds of the Prepetition Collateral, including Cash Collateral, and the proceeds of the AFI DIP Loan solely as provided in this Interim Order. Notwithstanding anything herein or in any other order of this Court to the contrary, no Prepetition Collateral,

including Cash Collateral, or the proceeds thereof, or the proceeds of the AFI DIP Loan, or the Carve Out may be used to (a) object, contest or raise any defense to, the validity, perfection, priority, extent or enforceability of any amount due under the Prepetition Obligations, or to any of the liens or claims granted under this Interim Order or the Prepetition Obligations, (b) assert any claims and defenses or any other causes of action against the AFI Lender or their respective agents, affiliates, subsidiaries, directors, officers, representatives, attorneys or advisors, (c) prevent, hinder or otherwise delay the AFI Lender's assertion, enforcement or realization on the Prepetition Collateral in accordance with the Prepetition Obligations or this Interim Order, (d) seek to modify any of the rights granted to the AFI Lender hereunder or under the Prepetition Obligations, in the case of each of the foregoing clauses (a) through (d), without such party's prior written consent or (e) pay any amount on account of any claims arising prior to the Petition Date unless such payments are (i) approved by an order of this Court and (ii) permitted hereunder; *provided*, that without duplication of the limitations on the use of the Carve Out, up to $100,000 in the aggregate of such proceeds may be used to pay allowed fees and expenses of professionals to any Court-appointed committee to investigate (but not initiate or prosecute any claims with respect to) any Ally Debt Claims or Junior Secured Parties Claims.

29. *Waiver of Setoff and Recoupment Rights*. The parties on whose behalf the Borrowers are making servicer advances hereby waive any and all rights of setoff or recoupment against the Debtors and AFI to the extent such advances are directly funded by Cash Collateral.

30. *Notice to MBS Trustees Regarding Advance Facility and Debtors' Status as an Advancing Person/Advancing Counterparty*. The Debtors shall serve this Interim Order and the notice of the Final Hearing on all MBS trustees or other persons for which it is servicing mortgage loans. Service of this Interim Order in accordance with the preceding sentence shall

constitute notice and payment direction by the Debtors as the master servicer and servicer to each MBS trustee or other person for which it is servicing mortgage loans (other than the GSEs) to pay, or cause to be paid, all collections with respect to, and all other proceeds of, receivables to the applicable Debtor, as the party to whom the master servicer's or servicer's advance reimbursement rights have been sold, assigned and/or pledged, and each MBS trustee shall pay, or cause to be paid, all collections with respect to, and all other proceeds of, receivables to the applicable Debtor, as the party to whom the master servicer's or servicer's advance reimbursement rights have been sold, assigned and/or pledged (as such party may be otherwise defined) as so provided.

31. *Waiver of Claims and Causes of Action.* Without prejudice to the rights of any other party, the Debtors waive any and all claims and causes of action against the AFI Lender and its respective agents, affiliates, subsidiaries, directors, officers, representatives, attorneys or advisors related to this Interim Order or the negotiation of the terms thereof.

32. *Binding Effect; Successors and Assigns.* Subject to paragraph 26, the provisions of this Interim Order, including all findings herein, shall be binding upon all parties in interest in the Chapter 11 Cases, including the Adequate Protection Parties, the Creditors' Committee and the Debtors and their respective successors and assigns (including any chapter 7 or chapter 11 trustee hereinafter appointed or elected for the estates of any of the Debtors, an examiner appointed pursuant to section 1104 of the Bankruptcy Code, or any other fiduciary appointed as a legal representative of any of the Debtors or with respect to the property of the estate of any of the Debtors) and shall inure to the benefit of the Adequate Protection Parties and the Debtors and their respective successors and assigns, *provided*, that, except to the extent expressly set forth in this Interim Order, the Adequate Protection Parties shall have no obligation to permit the use of

Prepetition Collateral, including Cash Collateral, or extend any financing to any chapter 7 trustee or similar responsible person appointed for the estates of the Debtors.

33. *Limitation of Liability.* Subject to entry of the Final Order, solely in connection with permitting the use of Prepetition Collateral, including Cash Collateral, or exercising any rights or remedies as and when permitted pursuant to this Interim Order or the Prepetition Obligations, the Adequate Protection Parties shall not be deemed, from and after the Petition Date, to be in control of the operations of the Debtors or to be acting as a "responsible person" or "owner or operator" with respect to the operation or management of the Debtors (as such terms, or any similar terms, are used in the United States Comprehensive Environmental Response, Compensation and Liability Act, 29 U.S.C. §§ 9601 et seq. as amended, or any similar federal or state statute). Furthermore, nothing in this Interim Order shall in any way be construed or interpreted to impose or allow the imposition upon the Adequate Protection Parties any liability for any claims arising from the prepetition or postpetition activities of any of the Debtors and their respective affiliates (as defined in section 101(2) of the Bankruptcy Code).

34. *No Impact on Certain Contracts/ Transactions.* No rights of any entity under sections 555, 556, 559, 560 and 561 of the Bankruptcy Code shall be affected by the entry of this Interim Order as to any contract or transaction of the kind listed in such sections of the Bankruptcy Code.

35. *Effectiveness.* This Interim Order shall take effect immediately upon entry and shall constitute findings of fact and conclusions of law. This Interim Order is effective *nunc pro tunc* as of the Petition Date.

36. *Final Hearing Notice*. The Debtors shall promptly mail copies of this Interim Order (which shall constitute adequate notice of the Final Hearing) to the parties that received

notice of the Interim Hearing, and to any other party that has filed a request for notices with this Court and to any committee after the same has been appointed, or committee counsel, if the same shall have been appointed. Any party in interest objecting to the relief sought at the Final Hearing shall serve and file written objections; which objections shall be served upon (a) counsel to the Debtors, Morrison & Foerster LLP, 1290 Avenue of the Americas, New York, New York, 10104, Attn: Larren Nashelsky, Gary Lee and Todd Goren; (b) counsel for Ally Bank, Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022, Attn.: Richard M. Cieri, Ray C. Schrock, and Stephen E. Hessler; (c) counsel to U.S. Bank National Association, Kelley Drye & Warren LLP, 101 Park Avenue, New York, New York 10178, Attn: Eric R. Wilson and Benjamin D. Feder; (d) counsel to the Ad Hoc Group of Junior Secured Notes, White & Case LLP, 1155 Avenue of the Americas, New York, New York, 10036, Attn.: Gerard Uzzi and Harrison Denman; (e) the Office of the United States Trustee for the Southern District of New York at 33 Whitehall Street, 21st Floor, New York, New York 10004, Attn.: [__]; (f) the Debtors' postpetition lenders; and (g) counsel to any official statutory committee appointed in these cases and shall be filed with the Clerk of the United States Bankruptcy Court, Southern District of New York, in each case to allow actual receipt by the foregoing no later than _____ __, 2012 at _:__ _.m. prevailing Eastern time (with any replies filed by _____ __, 2012 at _:__ _.m.).

37. *Objections Overruled.* Any objection that has not been withdrawn or resolved is, to the extent not resolved, hereby overruled.

Dated: _____ __, 2012
New York, New York

_____
UNITED STATES BANKRUPTCY JUDGE

Exhibit 2

DATA CENTER TRANSACTION

PURCHASE AND SALE AGREEMENT

between

EPRE LLC, a Delaware limited liability company,

as Seller,

and

ALLY FINANCIAL INC., a Delaware corporation,

as Purchaser

May 9, 2012

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this "Agreement") is executed as of the 9th day of May, 2012 (the "Effective Date"), by and between **EPRE LLC**, a Delaware limited liability company ("Seller"), and **ALLY FINANCIAL INC.**, a Delaware limited liability company ("Purchaser").

1. DEFINITIONS AND EXHIBITS.

1.1 Definitions. In this Agreement, the following defined terms have the meanings set forth for them in the Section of this Agreement indicated below:

Term		Term	
Agreement	Opening	Permitted Exceptions	Section 3.1
Asset Closing	Section 9.1	Property	Section 2.1(b)
Closing	Section 2.4	Property Interest	Section 2.1
Closing Date	Section 7.1	Purchaser	Opening
Effective Date	Opening	Purchase Price	Section 2.4
First Assignment of Leasehold	Section 2.3	Repurchase	Section 9.1
GMAC	Section 2.3	Repurchase Closing	Section 9.1
Improvements	Section 2.1(b)	Repurchase Price	Section 9.1
Land	Section 2.1(a)	Seller	Opening
Lease	Section 2.3	Shared Services Agreement	Section 8.1
Leasehold Interest	Section 2.3	Transfer Taxes	Section 7.2(d)
Other Costs	Section 7.2(d)		

1.2 Exhibits. The Exhibits listed below are attached to and incorporated into this Agreement. In the event of any inconsistency between such Exhibits and the terms and provisions of this Agreement, the terms and provisions of the Exhibits shall control. The Exhibits to this Agreement are:

EXHIBIT A	Legal Description of the Land
EXHIBIT B	Form of Deed
EXHIBIT C	Assignment of Leasehold Interest

2. PURCHASE AND SALE OF THE PROPERTY INTEREST.

2.1 Sale. For the consideration hereinafter set forth, and subject to the provisions contained herein, Seller hereby agrees to sell and convey to Purchaser, and Purchaser hereby agrees to purchase from Seller, an undivided fifty-one percent (51%) interest in the following (the "Property Interest"):

(a) The real property located at 6875 Shady Oak Road in Hennepin County, Minnesota described in Exhibit A, together with all of Seller's right, title and interest to reversions, remainders, easements, rights-of-way, appurtenances, hereditaments and water and mineral rights appertaining to or otherwise benefiting or used in connection with such real property, together with all of Seller's right, title and interest in and to any strips of land, streets, and alleys abutting or adjoining such real property (the "Land"); and

(b) All existing buildings or other improvements, structures, open parking facilities and fixtures placed, constructed, installed or located on the Land, and all plants, trees, and other appurtenances located upon, over or under the Land (collectively, the "Improvements";

the Land and Improvements are sometimes hereinafter collectively referred to as the "Property").

2.2 Title. After the Closing (defined below), title to the Property shall be held by Purchaser and Seller as tenants-in-common.

2.3 Leasehold Interest. The acquisition and sale of the Property Interest is conditioned upon the assignment by GMAC Mortgage LLC, an affiliate of Seller ("GMAC"), to Purchaser of an undivided fifty-one percent (51%) interest in certain Lease Agreement dated as of July 30, 2002, as amended by that certain First Amendment to Lease Agreement dated March 23, 2004, that certain Second Amendment to Lease Agreement dated November 4, 2005, and that certain Third Amendment to Lease Agreement dated August 25, 2011 (collectively, the "Lease") between Breof Convergence, LP, a Delaware limited partnership, as assignee of Lewisville LSF, L.P., as landlord and GMAC, as tenant (the "Leasehold Interest") pursuant to the Assignment of Leasehold Interest attached hereto as Exhibit C (the "First Assignment of Leasehold Interest"),

2.4 Purchase Price. The purchase price for the Property Interest and the Leasehold Interest shall be Six Million Dollars ($6,000,000) (the "Purchase Price"), which Purchase Price was determined based on fair market value appraisals of the Property Interest and Leasehold Interests. The Purchase Price shall be paid at the closing of the purchase contemplated hereby (the "Closing") in cash, by certified check, cashier's check, wire transfer, or other immediately available funds.

3. SELLER'S REPRESENTATIONS AND WARRANTIES.

Seller represents and warrants to Purchaser as follows:

3.1 Title. Seller holds good and marketable title to the Land in fee simple absolute, free and clear of all matters affecting title, except for (i) taxes not yet due and payable, (ii) all zoning and other regulatory laws and ordinances affecting the Property, (iii) all matters shown or that would be shown on a current ALTA survey of the Property, and (iv) those liens and other matters of record as of the Effective Date affecting any of the Property (collectively, the "Permitted Exceptions"). None of the Permitted Exceptions will materially affect Purchaser's acquisition, ownership, use or enjoyment of the Property Interest.

3.2 No Possessory Rights. Except for any rights of possession granted under the Permitted Exceptions, there are no parties in possession of any of the Property except Seller and Purchaser, and there are no other rights of possession or use which have been granted to any third party or parties.

3.3 No Third-Party Interests. Seller has not granted to any party any option, contract or other agreement with respect to the purchase or sale of the Property.

3.4 No Actions. There are no actions, suits, proceedings or claims pending or to Seller's knowledge threatened with respect to or in any manner affecting any of the Property or the ability of Seller to consummate the transaction contemplated by this Agreement.

3.5 Eminent Domain; Special Assessments. There are no pending or, to Seller's knowledge, threatened condemnation or similar proceedings affecting any of the Property.

3.6 Access. Seller has no knowledge of any fact or condition that would result or could result in the termination or reduction of the current access to or from the Property to existing thoroughfares or of any reduction in or to a sewer or other utility services currently servicing the Property.

3.7 Authority. Seller is a limited liability company duly organized and existing and in good standing under the laws of the State of Delaware. Seller has the full right and authority to enter into this Agreement and consummate the transactions contemplated by this Agreement. All requisite company action has been taken by Seller in connection with the execution of this Agreement and the documents referenced herein and the consummation of the transactions contemplated hereby. Each of the Persons signing this Agreement on behalf of Seller is authorized to do so.

3.8 Consents; Restrictions; Binding Obligations. No third party approval or consent is required to enter into this Agreement or the documents referenced herein or to consummate the transactions contemplated hereby except for any such approval or consent that has already been received. To Seller's knowledge, the entering into and consummation of the transactions contemplated hereby will not conflict with or, with or without notice or the passage of time or both, constitute a default under, any loan agreement, security agreement, lease or other agreement to which Seller is a party or by which Seller may be bound or any law, rule, license, regulation, judgment, order or decree governing or affecting Seller or the Property. This Agreement and all documents referenced herein to be executed by Seller are and shall be valid and legally binding obligations of Seller.

3.9 No Additional or Implied Warranties. Purchaser acknowledges that Purchaser and Purchaser's representatives have fully inspected the Property or will have done so prior to Closing, are or will be fully familiar with the financial and physical (including, without limitation, environmental) condition thereof as of Closing, and that the Property Interest will be purchased by Purchaser in "AS-IS" and "WHERE IS" condition and with all existing defects (patent and latent) as a result of such inspections and investigations and not in reliance on any agreement, understanding, condition, warranty (including without limitation warranties of habitability, merchantability or fitness for a particular purpose) or representations made by Seller or any agent, employee or principal of Seller or any other party as to the financial or physical (including, without limitation, environmental) condition of the Property, or as to any other matter whatsoever, including, without limitation, as to any permitted use thereof, the zoning classification thereof or compliance with any federal, state or local laws, as to the income or expense in connection therewith, or as to any other matter in connection therewith. Purchaser acknowledges that, except as otherwise expressly provided in Section 3, neither Seller nor any agent or employee of Seller, nor any other party acting on behalf of Seller has made or shall be deemed to have made any such agreement, condition, representation or warranty either expressed or implied and that Purchaser assumes the risk that adverse physical, environmental, economic or legal conditions may not have been revealed by Purchaser's investigation. The limitations set forth in this Section 3.11 shall not be deemed to supersede, restrict, modify, replace or eliminate any representations or warranties of Seller expressly set forth in this Agreement. This section shall survive the Closing and shall be deemed incorporated by reference and made a part of all documents delivered by Seller to Purchaser in connection with the sale of the Property Interest.

4. PURCHASER'S REPRESENTATIONS AND WARRANTIES.

Purchaser represents and warrants to Seller as follows:

4.1 Authority. Purchaser is a corporation duly organized and existing and in good standing under the laws of the State of Delaware. Purchaser has the full right and authority to enter into this Agreement and consummate the transactions contemplated by this Agreement. All requisite corporate action has been taken by Purchaser in connection with the execution of this Agreement and the documents referenced herein and the consummation of the transactions contemplated hereby. Each of the Persons signing this Agreement on behalf of Purchaser is authorized to do so.

4.2 Consents; Restrictions; Binding Obligations. No third party approval or consent is required to enter into this Agreement or the documents referenced herein or to consummate the

transactions contemplated hereby. To Purchaser's knowledge, the entering into and consummation of the transactions contemplated hereby will not conflict with or, with or without notice or the passage of time or both, constitute a default under, any loan agreement, security agreement, lease or other agreement to which Purchaser is a party or by which Purchaser may be bound or any law, rule, license, regulation, judgment, order or decree governing or affecting Purchaser or the Property. This Agreement and all documents required hereby to be executed by Purchaser are and shall be valid and legally binding obligations of Purchaser.

5. SELLER'S UNDERTAKINGS PENDING CLOSING.

5.1 Operation of the Property. Until the earlier of the Closing or the termination of this Agreement, Seller shall:

(a) Status of Title. Not do anything, or permit anything to be done, that would impair or modify the status of title.

(b) Operation. Operate and maintain the Property in the same manner as immediately prior to the Effective Date, reasonable wear and tear excepted.

(c) Contracts. Not enter into any lease, service contract or other contract that, following Closing, will be binding upon Purchaser or the Property without, in each instance, obtaining the prior written approval of Purchaser.

(d) Transfer. Not cause or permit the transfer, conveyance, sale, assignment, pledge, mortgage, or encumbrance of any of the Property.

6. PURCHASER'S OBLIGATION TO CLOSE.

6.1 Conditions. Purchaser shall not be obligated to close the transaction contemplated hereunder unless each of the following conditions shall be satisfied on the Closing Date:

(a) Accuracy of Representations. The representations and warranties of Seller in this Agreement shall be true and correct on and as of the Closing Date with the same force and effect as though such representations and warranties had been made on and as of the Closing Date, and Seller shall so certify.

(b) Condition of Repair. The Improvements shall be in substantially the same condition and repair as on the date hereof.

(c) Seller's Performance. Seller shall have performed all covenants and obligations and complied with all conditions required by this Agreement to be performed or complied with by Seller on or before the Closing Date.

7. CLOSING.

7.1 Time of Closing. The Closing shall take place via mail on May 9, 2012, or such earlier or other date as may be mutually acceptable to the parties (the "Closing Date").

7.2 Deliveries. At the Closing the following shall occur:

(a) Deed. Seller shall deliver to Purchaser a duly executed and acknowledged deed, in substantially the form and content of Exhibit B, containing general warranties of title and

conveying the Property Interest to Purchaser, free and clear of all matters affecting title, except for those matters of record.

(b) Purchase Price. Purchaser shall pay to Seller the Purchase Price as provided in Section 2.2.

(c) Transfer Taxes and Other Costs. Purchaser shall pay any and all city, county and state transfer taxes or documentary stamp taxes applicable to the sale of the Property Interest (collectively, the "Transfer Taxes") and any and all other third party fees, costs and expenses (including the reasonable attorneys' fees of Seller) applicable to the sale of the Property Interest (collectively, "Other Costs").

(d) Shared Services Agreement. Seller and Purchaser shall have agreed in principal to the Shared Services Agreement (as defined below), which, upon its effectiveness, the operation of the Property shall be governed after the Closing (the "Shared Services Agreement").

(e) Additional Documents. Seller and Purchaser shall execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, any and all conveyances, assignments and all other instruments and documents as may be reasonably necessary in order to complete the transaction herein provided and to carry out the intent and purposes of this Agreement.

8. POST-CLOSING OBLIGATIONS.

8.1 Operation of the Property. Seller's and Purchaser's duties, obligations and authority with respect to the Property and all consents, approvals and other decisions regarding the Property shall be set forth in the Shared Services Agreement.

8.2 Partition. Seller and Purchaser each covenants that after the Closing it shall not bring, nor be entitled to bring, an action for partition of the Property.

8.3 Indemnity.

(a) Purchaser Indemnity. Purchaser shall defend, indemnify and hold harmless Seller and each affiliate of Seller for, from and against any and all claims, demands and liability directly or indirectly related to the acts or omissions of Purchaser relating to this Agreement or the Property during the period from and after the Closing Date through the date on which Purchaser transfers all of the Property Interest back to Seller pursuant to Section 9.11 hereof. Purchaser's indemnity obligation hereunder shall survive the Closing.

(b) Seller Indemnity. Seller shall defend, indemnify and hold harmless Purchaser for, from and against any and all claims, demands and liability directly or indirectly related to the acts or omissions of Seller relating to this Agreement or the Property. Seller's indemnity obligation hereunder shall survive the Closing.

8.4 Retroactive Transfer Taxes. In the event that it is determined that Transfer Taxes are not due at the Closing or the Repurchase Closing, but are later determined to be due, Purchaser shall promptly pay such Transfer Taxes and shall indemnify Seller in connection with the same. Purchaser's indemnity obligation under this Section 8.4 shall survive the Closing.

9. REPURCHASE RIGHT.

9.1 Repurchase. Seller shall re-purchase the Property Interest from Purchaser (the "Repurchase") at any time from and after the closing of the sale of all or substantially all of the assets of Seller and/or its affiliates to one or more purchasers (the "Asset Closing"), but in no event later than December 31, 2014. The closing of the Property Interest (the "Repurchase Closing") shall take place on a date mutually agreed upon between Seller and Purchaser, but in any event, within 30 days after notice from Seller to Purchaser that Seller is exercising its right to purchase the Property Interest. Subject to the terms of this Section 9.1, Seller shall be entitled to exercise its right to purchase the Property Interest on the day immediately prior to the Asset Closing. As a condition to the Repurchase Closing, at least five (5) business days' prior to the Asset Closing, Seller shall deliver, or cause to be delivered, documentation reasonably acceptable to Purchaser, providing Purchaser, for a period of at least twelve (12) months, with an option to extend such time period for an additional twelve (12) months at Purchaser's option, after the Asset Closing, with (i) the right to possession of that portion of the Premises set forth in the Lease (subject to the terms of the Lease) and the Property occupied by Purchaser as of the Effective Date, and (ii) those services as set forth in the Shared Services Agreement or any other agreement executed by Purchaser and the purchaser of Seller's assets as set forth above. Purchaser's right to possession of the Premises and Property as set forth in the preceding sentence shall be subject to Purchaser's agreement to payment of a portion of the rent under the Lease, a rent payment for the portion of the Property then occupied by Purchaser reasonably acceptable to Purchaser and such other terms which are customarily agreed to by subtenants (for the Premises) and tenants(for the Property), as applicable, and which are otherwise reasonably acceptable to Purchaser.

Deliveries. At the Repurchase Closing, the following shall occur:

(i) Deed. Purchaser shall deliver to Seller a duly executed and acknowledged deed, in substantially the form and content of the deed the Seller delivered to Purchaser in connection with the Closing, which form of deed is attached as Exhibit B, containing general warranties of title and conveying the Property Interest to Seller, free and clear of all matters affecting title, except for the Permitted Exceptions.

(ii) Purchase Price. Seller shall pay to Purchaser a purchase price of Six Million Dollars ($6,000,000) (the "Repurchase Price") in connection with the Repurchase and the assignment of leasehold interest described in subsection (v) below. The Repurchase Price shall be paid at the Repurchase Closing in cash, by certified check, cashier's check, wire transfer, or other immediately available funds.

(iii) Transfer Taxes and Other Costs. Purchaser shall pay any and all Transfer Taxes and Other Costs in connection with the transactions described in this Section 9.1.

(iv) Additional Documents. Seller and Purchaser shall execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, any and all conveyances, assignments and all other instruments and documents as may be reasonably necessary in order to complete the transaction provided above with respect to the Repurchase.

(v) Assignment of Leasehold Interest. Purchaser and GMAC shall have executed an Assignment of Leasehold Interest in substantially the same form and substance as the First Assignment of Leasehold Interest pursuant to which Purchaser shall assign back to GMAC the Leasehold Interest.

10. GENERAL PROVISIONS.

10.1 Construction. As used in this Agreement, the singular shall include the plural and any gender shall include all genders as the context requires and the following words and phrases shall have the following meanings: (a) "including" shall mean "including without limitation"; (b) "provisions" shall mean "provisions, terms, agreements, covenants and/or conditions"; (c) "lien" shall mean "lien, charge, encumbrance, title retention agreement, pledge, security interest, mortgage and/or deed of trust"; (d) "obligation" shall mean "obligation, duty, agreement, liability, covenant and/or condition"; (e) "any of the Property" shall mean "the Property or any part thereof or interest therein"; (f) "any of the Land" shall mean "the Land or any part thereof or interest therein"; and (g) "any of the Improvements" shall mean "the Improvements or any part thereof or interest therein."

10.2 Further Assurances. Each of the parties hereto undertakes and agrees to execute and deliver such documents, writings and further assurances as may be required to carry out the intent and purposes of this Agreement.

10.3 Entire Agreement. No change or modification of this Agreement shall be valid unless the same is in writing and signed by the parties hereto. No waiver of any of the provisions of this Agreement shall be valid unless in writing and signed by the party against whom such waiver is sought to be enforced. This Agreement contains the entire agreement between the parties relating to the purchase and sale of the Property Interest. All prior negotiations between the parties are merged in this Agreement, and there are no promises, agreements, conditions, undertakings, warranties or representations, oral or written, express or implied, between the parties other than as herein set forth.

10.4 Survival. All of the parties' representations, warranties, covenants and agreements hereunder, to the extent not fully performed or discharged by or through the Closing, shall not be deemed merged into any instrument delivered at Closing, shall survive Closing, and shall remain fully enforceable thereafter.

10.5 Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the state on Minnesota.

10.6 Headings. The headings of Articles and Sections of this Agreement are for purposes of convenience and reference and shall not be construed as modifying the Articles or Sections in which they appear.

10.7 Assignment. Seller may transfer and assign its rights under Section 9, in whole but not in part, to any purchaser of all or substantially all of its assets. Except as provided in the prior sentence, neither Seller nor Purchaser shall sell, assign or transfer this Agreement, without the prior written consent of the other, which may be granted or withheld in its sole discretion.

10.8 Time of Essence. Time is of the essence with respect to the parties' obligations hereunder.

10.9 Attorneys' Fees. If either party commences an action to enforce the terms of, or resolve a dispute concerning, this Agreement, the court shall award the prevailing party in such action all costs and expenses incurred by such party in connection therewith, including reasonable attorneys' fees.

10.10 Severability. If any provision of this Agreement is declared void or unenforceable by a final judicial or administrative order, this Agreement shall continue in full force and effect, except that the void or unenforceable provision shall be deemed deleted and replaced with a provision as similar in terms to such void or unenforceable provision as may be possible and be valid and enforceable.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date(s) set forth below, but as of the Effective Date.

SELLER:

EPRE LLC, a Delaware limited liability company

Date: As of May 9, 2012

By: _____
Name: JAMES WHITLINGER
Title: CFO

PURCHASER:

ALLY FINANCIAL INC., a Delaware corporation

Date: As of May 9, 2012

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date(s) set forth below, but as of the Effective Date.

SELLER:

EPRE LLC, a Delaware limited liability company

Date: As of May 9, 2012

By:_____
Name:_____
Title:_____

PURCHASER:

ALLY FINANCIAL INC., a Delaware corporation

Date: As of May 9, 2012

By:_____
Name: EVAN NOULAS
Title: PRESIDENT, ALLY SERVICING and CHIEF PROCURENT OFFICER, ALLY FINANCIAL INC.

EXHIBIT A

LEGAL DESCRIPTION

PARCEL 1:

That part of Lot 1, Block 2, Shady Oak Industrial Park, Hennepin County, Minnesota lying West of a line drawn at a right angle to the South line of said Lot 1 from a point on said South line distant 340.84 feet West of the Southeast corner of said Lot 1.

PARCEL 2:

Appurtenant non-exclusive easement for roadway purposes over the Southeasterly and Southerly 30 feet of the part of Lot 2, Block 2, Shady Oak Industrial Park, lying Westerly of the Easterly 124.98 feet of said Lot 2, as set forth in Mutual Easement Agreement, dated August 21, 2000, filed August 28, 2000, as Document Number 7345470, Office of the County Recorder, Hennepin County, Minnesota.

EXHIBIT B

FORM OF DEED

_____
(RESERVED FOR RECORDING DATA)

LIMITED WARRANTY DEED

STATE DEED TAX DUE HEREON: $1.70

Dated as of May 9, 2012

FOR VALUABLE CONSIDERATION, **EPRE LLC**, a Delaware limited liability company, ("Grantor"), does hereby convey and warrant to **ALLY FINANCIAL INC.**, a Delaware corporation, ("Grantee"), an undivided 51% interest as tenant-in-common in the real property in Hennepin County, Minnesota, described on Exhibit A attached hereto (the "Property"), together with all hereditaments and appurtenances belonging thereto, subject to all matters of record.

This Deed conveys after-acquired title. Grantor warrants that Grantor has not made, done, executed or suffered any act or thing whereby the herein-described property or any part hereof, now or at any time hereafter, shall or may be imperiled, charged or encumbered in any manner, and Grantor will warrant the title to the herein-described property against all persons claiming the same from or through Grantor as a result of any such act or thing.

Grantor and Grantee each covenants that it shall not bring, nor be entitled to bring, an action for partition of the Property.

Grantor certifies that Grantor does not know of any wells on the Property.

[Signature Page Follows]

EPRE LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

On the ____ day of _____ in the year 2012, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.

_____
NOTARY PUBLIC
Type/Print Name: _____ [SEAL]
My commission expires: _____

ALLY FINANCIAL INC., a Delaware corporation

By: _____
Name: _____
Title: _____

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

On the ____ day of _____ in the year 2012, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.

_____
NOTARY PUBLIC
Type/Print Name: _____ [SEAL]
My commission expires: _____

This instrument was drafted by David W. Fell, Esq., Lowe, Fell & Skogg, LLC, 370 17th Street, Suite 4900, Denver, Colorado 80202.

Tax statements for the real property described in Exhibit A to this instrument should be sent to:
Ally Financial Inc., a Delaware corporation

Ally Financial Inc.
c/o GMAC Financial Services
Global Real Estate
1100 Virginia Drive
Mail Code 190-FTW-M98
Fort Washington, PA 19034

_____
_____

EXHIBIT A

LEGAL DESCRIPTION

TAX ID NO: 01-116-22-44-0017

PARCEL 1:

That part of Lot 1, Block 2, Shady Oak Industrial Park, Hennepin County, Minnesota lying West of a line drawn at a right angle to the South line of said Lot 1 from a point on said South line distant 340.84 feet West of the Southeast corner of said Lot 1.

PARCEL 2:

Appurtenant non-exclusive easement for roadway purposes over the Southeasterly and Southerly 30 feet of the part of Lot 2, Block 2, Shady Oak Industrial Park, lying Westerly of the Easterly 124.98 feet of said Lot 2, as set forth in Mutual Easement Agreement, dated August 21, 2000, filed August 28, 2000, as Document Number 7345470, Office of the County Recorder, Hennepin County, Minnesota.

EXHIBIT C

FORM OF ASSIGNMENT OF LEASEHOLD INTERST

ASSIGNMENT OF LEASEHOLD INTEREST

THIS ASSIGNMENT OF LEASEHOLD INTEREST (this "Assignment") is executed as of the 9th day of May 2012 (the "Effective Date"), by and between **GMAC MORTGAGE LLC**, a Delaware limited liability company, fka GMAC Mortgage Corporation ("Assignor"), and **ALLY FINANCIAL INC.**, a Delaware corporation ("Assignee").

RECITALS

A. Pursuant to that certain Lease Agreement dated as of July 30, 2002, as amended by that certain First Amendment to Lease Agreement dated March 23, 2004, that certain Second Amendment to Lease Agreement dated November 4, 2005, and that certain Third Amendment to Lease Agreement dated August 25, 2011 (collectively, the "Lease"), Breof Convergence, LP, a Delaware limited partnership, as assignee of Lewisville LSF, L.P. ("Landlord") leased approximately 78,413 square feet of real property designated as Building 3 of the project commonly referred to as Convergence Office Center in Lewisville, Texas, as more fully described in the Lease (the "Premises"), to Assignor, as tenant.

B. Section 11 of the Lease provides that Assignor may assign the Lease without Landlord's consent to an Affiliate (as defined in the Lease) of Assignor. Assignee is an Affiliate of Assignor.

C. Assignor now wishes to assign an undivided fifty-one percent (51%) leasehold interest (the "Leasehold Interest") to Assignee in accordance with the terms of this Assignment.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee hereby agree as follows:

1. Assignment of Leasehold Interest. As of the Effective Date, Assignor does hereby grant, bargain, sell, assign, transfer and set over unto Assignee the Leasehold Interest, together with all rights and benefits thereunder, to have and to hold the same unto Assignee, its successor and assigns.

2. Assumption of Leasehold Interest. As of the Effective Date, Assignee hereby assumes the obligations of Assignor under the Lease to the extent of the Leasehold Interest. Assignor's and Assignee's duties, obligations and authority with respect to the Lease, the Premises and all consents, approvals and other decisions regarding the Premises, the Lease and matters relating to or between the Landlord and the tenant under the Lease are set forth in that certain Shared Services Agreement between Assignor and Assignee, which, upon its effectiveness, shall govern the operations of the Premises after the transfer described herein.

3. Further Assurances. It is the intention of the parties hereto that the Leasehold Interest shall be fully and absolutely transferred by Assignor to Assignee. Assignor therefore agrees that it shall execute any additional documents that may hereafter reasonably be requested by Assignee in order more fully to effectuate such transfer and assignment.

4. Representations and Warranties. Assignor hereby represents and warrants that, as of the Effective Date:

a. Assignor is the sole holder of the lessee's or tenant's interest in the Lease and the same has not been assigned or pledged;

b. To the best of Assignor's actual knowledge, there exist no matters of title or record which would impair Assignor's transfer of the Leasehold Interest to Assignee or the right of Assignee to acquire and hold the Leasehold Interest in the Premises;

c. Assignor has fully power and authority to enter into this Assignment and no approval of any third party is required ;

d. There have been no amendments, oral or written, to the terms of the Lease, other than those set forth in Recital A above; and

e. There exists no event of default and no circumstance which would, with the giving of notice or the passage of time or both, constitute an event of default under the Lease by Assignor or, to the best of Assignor's actual knowledge, Landlord.

5. Indemnity.

a. Assignee shall defend, indemnify and hold harmless Assignor and its affiliates for, from and against any and all claims, demands and liability (i) arising under or relating to the Lease that are directly or indirectly related to the failure of Assignee to perform or otherwise comply with all of the terms, covenants and agreements of the Lease which accrue during the period from and after the Effective Date through the date on which Assignee transfers all of the Leasehold Interest back to Assignor pursuant to Section 7 below, or (ii) arising from or relating to Assignee's breach of this Assignment.

b. Assignor shall defend, indemnify and hold harmless Assignee and its affiliates for, from and against any and all claims, demands and liability (i) arising under or relating to the Lease prior to or following the Effective Date that are directly or indirectly related to the failure of Assignor to perform or otherwise comply with all of the terms, covenants and agreements of tenant under the Lease, or (ii) arising from or relating to Assignor's breach of this Assignment, including, without limitation, a breach of the representations contained herein.

6. Re-Assignment Right.

(b) Re-Assignment. The Leasehold Interest shall be re-assigned to Assignor by Assignee (the "Re-Assignment") at any time from and after the closing of the sale of all or substantially all of the assets of Seller and/or its affiliates to one or more purchasers (the "Asset Closing"), but in no event later than December 31, 2014. The closing of the Re-Assignment (the "Re-Assignment Closing") shall take place on a date mutually agreed upon between Assignor and Assignee, but in any event, within thirty (30) days after notice from Assignor to Assignee that Assignor is exercising its right to have the Leasehold Interest re-assigned to Assignor. Subject to the terms of this Section 6, Seller shall be entitled to exercise its right to the Re-Assignment on the day immediately prior to the Asset Closing.

(c) Deliveries. At the Re-Assignment Closing the following shall occur:

(A) Assignment. Assignee and Assignor shall deliver to each other a counterpart of a duly executed and acknowledged assignment of leasehold interest, in substantially the form and content of this Assignment.

(B) Additional Documents. Assignee and Assignor shall execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, any and all assignments and all other instruments and documents as may be reasonably necessary in order to complete the transaction provided above with respect to the Re-Assignment.

(C) Repurchase of Property Interest. Reference is made to the Purchase and Sale Agreement dated as of May 9, 2012 between EPRE LLC, as seller, and Purchaser, as buyer, with respect to certain property in Hennepin County, Minnesota, and the Repurchase Closing (as defined therein) shall have occurred or shall occur simultaneously with the Re-Assignment Closing.

(d) Assignment. Assignor may transfer and assign its rights under this Section 6, in whole but not in part, to any purchaser of all or substantially all of its assets.

7. Counterparts. This Assignment may be executed in counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same Assignment.

8. Binding Effect. This Assignment shall be for the benefit of, and shall bind and inure to, Assignor, Assignee and their respective successors and assigns.

9. Fees and Expenses. Assignee shall pay any third party costs, fees, taxes and expenses (including the reasonable attorneys' fees of Assignor) applicable to the assignment of the Leasehold Interest to Assignee and Assignee shall pay any third party costs, fees, taxes and expenses (including the reasonable attorneys' fees of Assignor) applicable to the Re-Assignment of the Leasehold Interest to Assignor, in each case when due.

[Signature Page Follows]

IN WITNESS WHEREOF, Assignor and Assignee have executed and delivered this Assignment as of the Effective Date.

ASSIGNOR:

GMAC MORTGAGE LLC, a Delaware limited liability company

By:_____
Name:_____
Title:_____

ASSIGNEE:

ALLY FINANCIAL INC., a Delaware corporation

By:_____
Name:_____
Title:_____

Doc No **T4953858**

Certified, filed and/or recorded on
5/10/12 2:59 PM
Office of the Registrar of Titles
Hennepin County, Minnesota
Rachel Smith, Acting Registrar of Titles
Mark V. Chapin, County Auditor and Treasurer

Deputy 55 Pkg ID 802925C

Doc Name: Limited Warranty Deed

Certified Copy of any document	$10.00
Document Recording Fee	$46.00
State Deed Tax (.0033 rate)	$1.65
Conservation Fee	$5.00
Environmental Response Fund (SDT .0001)	$0.05
Document Total	$62.70

Existing Certs	**New Certs**
1315177	

REGISTRAR OF TITLES
L'ETOILE DU NORD
HENNEPIN COUNTY, MINN.

STATE OF MINNESOTA, COUNTY OF HENNEPIN
Certified to be a true and correct copy of the original on file and of record in my office

MAY 10 2012

Rachel Smith, Acting Registrar of Titles

By _____ Deputy

This cover sheet is now a permanent part of the recorded document.

01-116-22-440011
undivided 51% int

(RESERVED FOR RECORDING DATA)

LIMITED WARRANTY DEED

STATE DEED TAX DUE HEREON: $1.70

Dated as of May 9, 2012

FOR VALUABLE CONSIDERATION, **EPRE LLC**, a Delaware limited liability company, ("Grantor"), does hereby convey and warrant to **ALLY FINANCIAL INC.**, a Delaware corporation, ("Grantee"), an undivided 51% interest as tenant-in-common in the real property in Hennepin County, Minnesota, described on Exhibit A attached hereto (the "Property"), together with all hereditaments and appurtenances belonging thereto, subject to all matters of record.

This Deed conveys after-acquired title. Grantor warrants that Grantor has not made, done, executed or suffered any act or thing whereby the herein-described property or any part hereof, now or at any time hereafter, shall or may be imperiled, charged or encumbered in any manner, and Grantor will warrant the title to the herein-described property against all persons claiming the same from or through Grantor as a result of any such act or thing.

Grantor and Grantee each covenants that it shall not bring, nor be entitled to bring, an action for partition of the Property.

Grantor certifies that Grantor does not know of any wells on the Property.

[Signature Page Follows]

RETURN TO Box 104
First American Title Insurance Co.
National Commercial Services
801 Nicollet Mall, Suite 1900
Minneapolis, MN 55402
NCS 543592 MPLS(CH)

EPRE LLC, a Delaware limited liability company

By: _____
Name: JAMES WHITLINGER
Title: CFO

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

On the 9th day of May in the year 2012, before me, the undersigned, personally appeared JAMES WHITLINGER, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.

Nilene R Evans
NOTARY PUBLIC
Type/Print Name: Nilene R. Evans [SEAL]
My commission expires: December 31, 2013

NILENE R. EVANS
Notary Public, State of New York
No. 314752880
Qualified in New York County
Commission Expires December 31, 2013

ALLY FINANCIAL INC., a Delaware corporation

By: Cathy L. Quenneville
Name: Cathy L. Quenneville
Title: Corporate Secretary

STATE OF MICHIGAN)
) SS.
COUNTY OF WAYNE)

The foregoing instrument was acknowledged before me this 9th day of May 2012 by Cathy L. Quenneville, Corporate Secretary of Ally Financial Inc., a Delaware corporation, on behalf of the corporation.

April A. Ellenburg
Notary Public
Acting in the Wayne County, Michigan
My commission expires April 25 2012

APRIL A. ELLENBURG
NOTARY PUBLIC, STATE OF MI
COUNTY OF MACOMB
MY COMMISSION EXPIRES Apr 25, 2013
ACTING IN THE COUNTY OF Wayne

This instrument was drafted by David W. Fell, Esq., Lowe, Fell & Skogg, LLC, 370 17th Street, Suite 4900, Denver, Colorado 80202.

Tax statements for the real property described in Exhibit A to this instrument should be sent to:
Ally Financial Inc., a Delaware corporation

Ally Financial Inc.
c/o GMAC Financial Services
Global Real Estate
1100 Virginia Drive
Mail Code 190-FTW-M98
Fort Washington, PA 19034

EXHIBIT A

LEGAL DESCRIPTION

TAX ID NO: 01-116-22-44-0017

PARCEL 1:

That part of Lot 1, Block 2, Shady Oak Industrial Park, Hennepin County, Minnesota lying West of a line drawn at a right angle to the South line of said Lot 1 from a point on said South line distant 340.84 feet West of the Southeast corner of said Lot 1.

PARCEL 2:

Appurtenant non-exclusive easement for roadway purposes over the Southeasterly and Southerly 30 feet of the part of Lot 2, Block 2, Shady Oak Industrial Park, lying Westerly of the Easterly 124.98 feet of said Lot 2, as set forth in Mutual Easement Agreement, dated August 21, 2000, filed August 28, 2000, as Document Number 7345470, Office of the County Recorder, Hennepin County, Minnesota.

MINNESOTA · REVENUE **DT1**

Deed Tax

Form DT1 may be used to document your claim for an exempt or minimum tax transfer. Note: In the absence of a qualifying reason, deed tax must be based on at least the fair market value of the property being conveyed (M.S. 287.20, subd. 2). The "full" deed tax rate is .0033 (.0034 for Hennepin and Ramsey counties).

Deed tax

Name of grantor: EPRE LLC, a Delaware limited liability cmpany	Enter reason code (see below): 16
Name of grantee: ALLY FINANCIAL, INC., a Delaware corporation	Deed tax amount: $1.70
Property ID number: 01-116-22-44-0017	**Minimum tax = $1.65** ($1.70 for Hennepin and Ramsey counties)

Sign here

Grantor, grantee or representative, sign below

I declare that the information on this certificate is correct and complete to the best of my knowledge and belief. I understand that there are penalties for underpayment of tax (M.S. 287.31 and M.S. 287.325).

Signature of grantor/grantee or authorized agent	Title	Date
[signature]	CFO	5/9/12
Print name	**E-mail address (optional)**	**Daytime phone**
JAMES WHITLINGER	JIM.WHITLINGER@GMACM.COM	215 734 5806
Address	**City**	**State** / **Zip code**
1100 VIRGINIA DRIVE	FT WASHINGTON	PA 19034

If you have questions, call 651-556-4721. TTY: Call 711 for Minnesota Relay. Fax: 651-297-1939.

Reason codes

Exempt transfers

1 Transfer of real property by court order. The change in ownership must result from the order itself.

2 Transfer of real property through certificate of sale issued to the purchaser in a mortgage or lien foreclosure sale.

3 Transfer of real property through a certificate of redemption issued to the redeeming mortgagor, their heir, devisee or representative.

4 Deed to or from the federal government.

5 Deed conveying real property located within the historic boundaries of a federally recognized American Indian tribe if the grantor or grantee is the tribal government or member of a tribe.

6 Deed between the parties to a marriage dissolution pursuant to the terms of the dissolution decree.

7 Deed conveying a cemetery lot or lots.

8 Deed by a personal representative distributing the decedent's property according to the terms of the will or probate court order.

9 Transfer on death deed defined under M.S. 507.071.

10 Deed between co-owners partitioning their undivided interest in the same piece of property.

11 Deed to a builder for the purpose of obtaining financing to build an improvement for the grantor. Upon completion the real property is reconveyed to the land owner.

12 Transfer pursuant to a permanent school fund land exchange under M.S. 92.121 and related laws.

13 Deed or other instrument that grants, creates, modifies or terminates an easement.

14 Deed transferring real property pursuant to a Ch. 11 or Ch. 12 plan of reorganization.

15 Deed resulting from a business conversion as listed in M.S. 287.21.

Minimum tax transfers

Designated transfers (codes 16 through 20).

16 Deed between a sole owner and entity owned directly or indirectly by that sole owner, or between two entities owned directly or indirectly by the sole owner.

17 Deed between a husband and wife and an entity owned directly or indirectly by the couple, or between two entities owned directly or indirectly by the couple.

18 Deed between co-owners and an entity owned directly or indirectly by the co-owners, or between two entities owned directly or indirectly by the co-owners.

19 Deed between a grantor and a revocable trust created by that grantor.

20 Deed transferring substantially all assets of a corporation pursuant to a reorganization under IRC section 368(a).

21 Deed transferring substantially all assets of a partnership pursuant to a continuation under IRC section 708.

Ownership change provision: Any ownership change in the grantee/transferee entity within six months after a designated transfer triggers a **retroactive deed tax**.

22 Deed of real property resulting from the consolidation or merger of two or more corporations, limited liability companies, or partnerships, or any combination of such entities.

23 Deed gifting real property.

24 Deed given in lieu of foreclosure. Deed includes non-merger language and the FMV of the property minus the mortgage lien is $500 or less.

25 Deed correcting error for less than $500 of consideration (corrective deed).

26 Deed from an intermediary as part of an IRC section 1031 exchange. The intermediary's total document fee for the transfer is $500 or less. A "full" deed tax was paid on the FMV of the real property when the transfer was made to the intermediary.

27 Deed written between a principal and agent, and the agent's total compensation for the entire transaction, monetary or otherwise, is less than $500.

28 If above codes do not apply, use Code 28 and explain below or attach a separate sheet.

(Rev 11/08)

ASSIGNMENT OF LEASEHOLD INTEREST

THIS ASSIGNMENT OF LEASEHOLD INTEREST (this "Assignment") is executed as of the 9th day of May 2012 (the "Effective Date"), by and between **GMAC MORTGAGE LLC**, a Delaware limited liability company, fka GMAC Mortgage Corporation ("Assignor"), and **ALLY FINANCIAL INC.**, a Delaware corporation ("Assignee").

RECITALS

A. Pursuant to that certain Lease Agreement dated as of July 30, 2002, as amended by that certain First Amendment to Lease Agreement dated March 23, 2004, that certain Second Amendment to Lease Agreement dated November 4, 2005, and that certain Third Amendment to Lease Agreement dated August 25, 2011 (collectively, the "Lease"), Breof Convergence, LP, a Delaware limited partnership, as assignee of Lewisville LSF, L.P. ("Landlord") leased approximately 78,413 square feet of real property designated as Building 3 of the project commonly referred to as Convergence Office Center in Lewisville, Texas, as more fully described in the Lease (the "Premises"), to Assignor, as tenant.

B. Section 11 of the Lease provides that Assignor may assign the Lease without Landlord's consent to an Affiliate (as defined in the Lease) of Assignor. Assignee is an Affiliate of Assignor.

C. Assignor now wishes to assign an undivided fifty-one percent (51%) leasehold interest (the "Leasehold Interest") to Assignee in accordance with the terms of this Assignment.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee hereby agree as follows:

1. Assignment of Leasehold Interest. As of the Effective Date, Assignor does hereby grant, bargain, sell, assign, transfer and set over unto Assignee the Leasehold Interest, together with all rights and benefits thereunder, to have and to hold the same unto Assignee, its successor and assigns.

2. Assumption of Leasehold Interest. As of the Effective Date, Assignee hereby assumes the obligations of Assignor under the Lease to the extent of the Leasehold Interest. Assignor's and Assignee's duties, obligations and authority with respect to the Lease, the Premises and all consents, approvals and other decisions regarding the Premises, the Lease and matters relating to or between the Landlord and the tenant under the Lease are set forth in that certain Shared Services Agreement between Assignor and Assignee, which, upon its effectiveness, shall govern the operations of the Premises after the transfer described herein.

3. Further Assurances. It is the intention of the parties hereto that the Leasehold Interest shall be fully and absolutely transferred by Assignor to Assignee. Assignor therefore agrees that it shall execute any additional documents that may hereafter reasonably be requested by Assignee in order more fully to effectuate such transfer and assignment.

4. Representations and Warranties. Assignor hereby represents and warrants that, as of the Effective Date:

a. Assignor is the sole holder of the lessee's or tenant's interest in the Lease and the same has not been assigned or pledged;

b. To the best of Assignor's actual knowledge, there exist no matters of title or record which would impair Assignor's transfer of the Leasehold Interest to Assignee or the right of Assignee to acquire and hold the Leasehold Interest in the Premises;

c. Assignor has fully power and authority to enter into this Assignment and no approval of any third party is required ;

d. There have been no amendments, oral or written, to the terms of the Lease, other than those set forth in Recital A above; and

e. There exists no event of default and no circumstance which would, with the giving of notice or the passage of time or both, constitute an event of default under the Lease by Assignor or, to the best of Assignor's actual knowledge, Landlord.

5. Indemnity.

a. Assignee shall defend, indemnify and hold harmless Assignor and its affiliates for, from and against any and all claims, demands and liability (i) arising under or relating to the Lease that are directly or indirectly related to the failure of Assignee to perform or otherwise comply with all of the terms, covenants and agreements of the Lease which accrue during the period from and after the Effective Date through the date on which Assignee transfers all of the Leasehold Interest back to Assignor pursuant to Section 7 below, or (ii) arising from or relating to Assignee's breach of this Assignment.

b. Assignor shall defend, indemnify and hold harmless Assignee and its affiliates for, from and against any and all claims, demands and liability (i) arising under or relating to the Lease prior to or following the Effective Date that are directly or indirectly related to the failure of Assignor to perform or otherwise comply with all of the terms, covenants and agreements of tenant under the Lease, or (ii) arising from or relating to Assignor's breach of this Assignment, including, without limitation, a breach of the representations contained herein.

6. Re-Assignment Right.

(a) Re-Assignment. The Leasehold Interest shall be re-assigned to Assignor by Assignee (the "Re-Assignment") at any time from and after the closing of the sale of all or substantially all of the assets of Seller and/or its affiliates to one or more purchasers (the "Asset Closing"), but in no event later than December 31, 2014. The closing of the Re-Assignment (the "Re-Assignment Closing") shall take place on a date mutually agreed upon between Assignor and Assignee, but in any event, within thirty (30) days after notice from Assignor to Assignee that Assignor is exercising its right to have the Leasehold Interest re-assigned to Assignor. Subject to the terms of this Section 6, Seller shall be entitled to exercise its right to the Re-Assignment on the day immediately prior to the Asset Closing.

(b) Deliveries. At the Re-Assignment Closing the following shall occur:

(A) Assignment. Assignee and Assignor shall deliver to each other a counterpart of a duly executed and acknowledged assignment of leasehold interest, in substantially the form and content of this Assignment.

(B) Additional Documents. Assignee and Assignor shall execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, any and all assignments and all other instruments and documents as may be reasonably

necessary in order to complete the transaction provided above with respect to the Re-Assignment.

(C) Repurchase of Property Interest. Reference is made to the Purchase and Sale Agreement dated as of May 9, 2012 between EPRE LLC, as seller, and Purchaser, as buyer, with respect to certain property in Hennepin County, Minnesota, and the Repurchase Closing (as defined therein) shall have occurred or shall occur simultaneously with the Re-Assignment Closing.

(c) Assignment. Assignor may transfer and assign its rights under this Section 6, in whole but not in part, to any purchaser of all or substantially all of its assets.

7. Counterparts. This Assignment may be executed in counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same Assignment.

8. Binding Effect. This Assignment shall be for the benefit of, and shall bind and inure to, Assignor, Assignee and their respective successors and assigns.

9. Fees and Expenses. Assignee shall pay any third party costs, fees, taxes and expenses (including the reasonable attorneys' fees of Assignor) applicable to the assignment of the Leasehold Interest to Assignee and Assignee shall pay any third party costs, fees, taxes and expenses (including the reasonable attorneys' fees of Assignor) applicable to the Re-Assignment of the Leasehold Interest to Assignor, in each case when due.

[Signature Page Follows]

IN WITNESS WHEREOF, Assignor and Assignee have executed and delivered this Assignment as of the Effective Date.

ASSIGNOR:

GMAC MORTGAGE LLC, a Delaware limited liability company

By: _____
Name: JAMES WHITLINGER
Title: CFO

An[illegible]
Notary Pub[illegible]
No [illegible]
Certified [illegible]
Commission [illegible]

ASSIGNEE:

ALLY FINANCIAL INC., a Delaware corporation

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, Assignor and Assignee have executed and delivered this Assignment as of the Effective Date.

ASSIGNOR:

GMAC MORTGAGE LLC, a Delaware limited liability company

By:_____
Name:_____
Title:_____

ASSIGNEE:

ALLY FINANCIAL INC., a Delaware corporation

By:_____
Name: EVAN NOULAS
Title: PRESIDENT, ALLY SERVICING and CHIEF PROCUREMENT OFFICER.
ALLY FINANCIAL INC.

Exhibit 3

ALLY DIP FINANCING FACILITY

Attorney-Client Communication
Attorney Work Product
Legally Privileged & Confidential
DRAFT 05/13/12

This submission contains confidential business information. Any public disclosure of this information could harm the commercial or financial interest of Ally Financial Inc. and its affiliates (collectively, "Ally"). If disclosed, this information would permit Ally's competitors to learn details of Ally's business plans. Accordingly, we request, pursuant to 5 U.S.C. Section 552(b)(4), confidential treatment of this document. Also we request notification if anyone submits a Freedom of Information Act request for a copy of this document.

This preliminary, non-binding term sheet (this "**Term Sheet**") is confidential and its contents or existence may not be distributed, disclosed or discussed with any other party. This Term Sheet shall be governed by Rule 408 of the Federal Rules of Evidence and any and all similar and applicable rules and statutory provisions governing the non-admissibility of settlement discussions.

This Term Sheet is provided as a basis for discussion, and summarizes the terms and provisions of any definitive documentation that is being or will be provided in connection with the proposed transaction described herein. To the extent of any discrepancy between this Term Sheet and such definitive documentation, the terms and provisions of such definitive documentation will control.

ALLY FINANCIAL INC. POST-PETITION DRAWS UNDER LINE OF CREDIT	
LOC:	That certain Amended and Restated Loan Agreement, dated as of December 30, 2009, by and among Residential Capital, LLC, GMAC Mortgage, LLC, Residential Funding Company, LLC, Passive Asset Transactions, LLC, RFC Asset Holdings II, LLC, Equity Investment I, LLC and GMAC Inc. (now known as Ally Financial, Inc. "**AFI**"), as amended by the First Amendment, dated as of April 30, 2010, as further amended by the Second Amendment, dated as of May 14, 2010, as further amended by the Third Amendment, dated as of August 31, 2010, as further amended by the Fourth Amendment, dated as of December 23, 2010, as further amended by the Fifth Amendment, dated as of April 18, 2011, as further amended by the Sixth Amendment, dated as of May 27, 2011, as further amended by the Seventh Amendment, dated as of April 10, 2012 (as further amended or supplemented, the "**LOC**"), including, without limitation, the other Facility Documents (as defined in the LOC) (each as amended or supplemented).
Commitment:	Notwithstanding the commencement of cases under the United States Bankruptcy Code (the "**Cases**") by one or more borrowers under the LOC, AFI will permit postpetition draws to be requested under the LOC, and will honor such draw requests, subject to entry by the Bankruptcy Court of a DIP order or orders approving the postpetition extension of credit pursuant to the terms hereof, in an aggregate amount not to exceed $150,000,000 (such commitment, the "**Buyout Funding Commitment**").
Availability Period:	Subject to satisfaction of the conditions precedent referred to herein, the Buyout Funding Commitment will be available between [●], 2012 and [●], 2013.
Draw Requests:	Subject to the Amendment described below, as provided for the in the LOC.

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Use of Proceeds:	The postpetition extensions of credit under the Buyout Funding Commitment may only be used, in a manner consistent with past practices, to fund (A) the repurchase of whole loans from Ginnie Mae pools in order to avoid GMAC Mortgage being in violation of delinquency triggers applicable to it under Chapter 18 of the Ginnie Mae Guide, (B) to effect foreclosures and conveyances of the related properties in connection with the submission of HUD Claims, and (C) to allow for trial modifications under programs implemented by the Debtors for which the related loans and borrowers are qualified. For the avoidance of doubt, no proceeds may be used to repurchase whole loans for any other purpose, including without limitation, for non-compliance with eligibility representations, lack of insurance or guaranty, or for title defects.
Cash Collateral:	The postpetition credit extended under the Buyout Funding Commitment will be included in a cash collateral and DIP order that permits use of LOC cash collateral during the pendency of the Cases, subject to the terms of such order.
Collateral:	Perfected first lien on the repurchased whole loans in addition to all other collateral pledged prepetition to secure the LOC, and a superpriority administrative claim with respect to the repurchased whole loans senior to the superpriority administrative claim of the Barclays DIP Lenders, together with a superpriority administrative claim in an amount equal to the principal and interest on the draws made under the Buyout Funding Commitment junior to the superpriority administrative claim of the Barclays DIP Lenders, except with respect to the Lenders' rights in the repurchased loans and proceeds thereof. The "**Barclays DIP Lenders**" mean the lenders under the $1,450,000,000 Secured Debtor-in-Possession Credit Agreement, agented by Barclays Bank PLC, and provided to the debtors in connection with the Cases (the "**Barclays DIP Facility**").

Conditions	1. Entry of a DIP order, in form and substance satisfactory to AFI, permitting the postpetition credit extensions under the Buyout Funding Commitment, granting perfected first priority liens in the whole loans repurchased with the proceeds of such postpetition credit extensions, extending the pre-petition liens on collateral under the LOC to secure the postpetition credit extensions under the Buyout Funding Commitment, granting the administrative claims described above under "Collateral", permitting the execution, delivery and performance of the Amendment described below, and otherwise granting the protections customarily afforded to lenders under debtor-in-possession credit facilities (collectively, the "**AFI DIP Order(s)**"). 2. Execution, delivery and performance by the parties to the LOC, and approval by the Court in the AFI DIP Order(s), of an eighth amendment to the LOC (the "**Amendment**"), in form and substance satisfactory to AFI, to restrict the use of proceeds for the purposes described above, modify the conditions precedent under the LOC to permit the Buyout Funding Commitment to be effected, to modify the prepayment and repayment provisions of the LOC as described below, to add events of default and conditions to borrowing congruent with those in the Barclays DIP Facility and customary for lenders under debtor-in-possession credit facilities, and to make the technical and conforming edits necessary to accommodate the Buyout Funding Commitment. 3. After giving effect to the Amendment, all conditions precedent to the funding of advances under the LOC shall apply in respect of draw requests under the Buyout Funding Commitment. 4. All collateral eligibility requirements under the LOC shall apply in respect of the loans purchased with the proceeds of the Buyout Funding Commitment.
Interest:	Interest will accrue postpetition on amounts drawn under the Buyout Funding Commitment at the rate of LIBOR + 400bps, with a LIBOR Floor of 1.25%. Interest will be payable monthly on the last day of each applicable interest period, and on the maturity or earlier repayment of advances under the Buyout Funding Commitment. Customary breakage costs, consistent with the Barclays DIP Facility, will be payable if applicable.
Prepayment:	As provided for in the LOC. Amounts voluntarily prepaid under the Buyout Funding Commitment may not be reborrowed.
Repayment:	As provided for in the Amendment, mandatory repayment of all obligations will be due upon the earliest of (i) contemplated sale(s) of the Debtors' assets, (ii) the effectiveness of a plan of reorganization, (iii) a stated maturity date consistent with the maturity of the A-1 term loan under the Barclays DIP Facility, and (iv) the occurrence of an event of default, provided that in any event all outstanding obligations shall be repaid in full contemporaneously with the repayment of the Barclays DIP Facility. The Amendment will deem repayments to be made first to indebtedness drawn under the Buyout Funding Commitment, and second to the pre-petition indebtedness under the LOC.
Representations and Warranties:	After giving effect to the Amendment, as provided for in the LOC.
Affirmative Covenants:	After giving effect to the Amendment, as provided for in the LOC.

Negative Covenants:	After giving effect to the Amendment, as provided for in the LOC.
Events of Default:	After giving effect to the Amendment, as provided for in the LOC.
Governing Law:	New York and the Bankruptcy Code.
Fees and Expenses:	All fees and expenses of counsel to AFI in connection with the Buyout Funding Commitment shall be payable by GMAC Mortgage.

Exhibit 4

PLAN TERM SHEET

RESIDENTIAL CAPITAL LLC AND
CERTAIN OF ITS DIRECT AND INDIRECT SUBSIDIARIES

TERM SHEET FOR PROPOSED
JOINT CHAPTER 11 PLAN OF REORGANIZATION

This term sheet (the "Term Sheet") describes the principal terms of a proposed joint plan (the "Plan") of reorganization (the "Reorganization") of Residential Capital LLC ("ResCap" or the "Company") and each subsidiary of the Company that files as a debtor in possession in a case in the United States Bankruptcy Court for the Southern District of New York (collectively, the "Debtors").

THIS TERM SHEET IS NOT AN OFFER WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF ACCEPTANCES OF A CHAPTER 11 PLAN. SUCH OFFER OR SOLICITATION ONLY WILL BE MADE IN COMPLIANCE WITH ALL APPLICABLE SECURITIES LAWS AND/OR PROVISIONS OF THE BANKRUPTCY CODE.

PARTIES:	
Debtors	The following entities are Debtors under the Plan: Ditech, LLC; DOA Holding Properties, LLC; DOA Holdings NoteCo, LLC; DOA Properties IX LLC; EPRE LLC; Equity Investment I, LLC; ETS of Virginia, Inc.; ETS of Washington, Inc.; Executive Trustee Services, LLC; Foreign Obligation Exchange, Inc. 2003-H12; Foreign Obligation Exchange, Inc. 2003-H14; GMAC Model Home Finance I, LLC; GMAC Mortgage USA Corporation; GMAC Mortgage, LLC; GMAC Residential Holding Company, LLC; GMACR Mortgage Products, LLC; GMAC-RFC Holding Company, LLC; GMACRH Settlement Services, LLC; HFN REO SUB II, LLC; Home Connects Lending Services, LLC; Homecoming Finanial, LLC; Homecomings Financial Real Estate Holdings, LLC; Ladue Associates, Inc.; Passive Asset Transactions, LLC; PATI A, LLC; PATI B, LLC; PATI Real Estate Holdings, LLC; Phoenix Residential Securities, LLC; RAHI A, LLC; RAHI B, LLC; RAHI Real Estate Holdings, LLC; RCSFJV2004, LLC; Residential Accredit Loans, Inc.; Residential Asset Mortgage Products, Inc.; Residential Asset Securities Corporation; Residential Capital, LLC; Residential Consumer Services of Alabama, LLC; Residential Consumer Services of Ohio, LLC; Residential Consumer Services of Texas, LLC; Residential Consumer Services, LLC; Residential Funding Company, LLC;

	Residential Funding Mortgage Exchange, LLC; Residential Funding Mortgage Securities I, Inc.; Residential Funding Mortgage Securities II, Inc.; Residential Funding Real Estate Holdings, LLC; Residential Mortgage Real Estate Holdings, LLC; RFC Asset Holdings II, LLC; RFC Asset Management, LLC; RFC Construction Funding, LLC; RFC SFJV-2002, LLC; and RFC-GSAP Servicer Advance, LLC. The Plan proposes partial consolidation for Plan purposes only with the following Debtor entities: (a) ResCap, GMAC Residential Holding Company, LLC ("GMACM Holding"), and GMAC-RFC Holding Company, LLC ("RFC Holding" and, together with ResCap and GMACM Holding, the "ResCap Debtors"); (b) each of the Debtor subsidiaries of GMACM Holding (collectively, the "GMACM Debtors"); and (c) each of the Debtor subsidiaries of RFC Holding (collectively, the "RFC Debtors").
DIP Lenders	Barclays Bank PLC and any other lenders that are parties to the DIP Financing Facility
Purchaser	Nationstar Mortgage LLC (the "Stalking Horse Bidder") or, if the Stalking Horse Bidder is not the Winning Bidder at the Auction, the Winning Bidder.
Prepetition Secured Lenders[1]	(a) Ally Financial Inc. ("AFI" and, together with its direct and indirect subsidiaries (other than ResCap and its subsidiaries, collectively, "Ally") under (i) that certain senior secured credit facility agreement (the "AFI Revolver"), as amended and restated on December 30, 2009, and (ii) that certain secured loan agreement, as amended and restated on December 30, 2009 (the "AFI LOC"); (b) Citibank N.A. ("Citibank") under that certain $158 million revolving facility (the "Citibank MSR Facility"); and (c) Federal National Mortgage Association ("Fannie Mae"), under that certain Term Sheet dated August 10, 2010, as amended and restated as of January 18, 2011 and as further amended on July 29, 2011 (the "FNMA EAF Facility").

[1] This Term Sheet is conditioned upon the GSAP Facility and BMMZ Repo Facility being refinanced by the DIP Financing Facility.

Junior Secured Noteholders	Holders of 9.625% junior secured notes due 2015 issued by ResCap (the "Junior Secured Notes").
Senior Unsecured Noteholders	Holders of senior unsecured notes (the "Senior Unsecured Notes") consisting of U.S. dollar denominated notes maturing between June 2012 and June 2015, euro denominated notes maturing in May 2012, and U.K. sterling denominated notes maturing between May 2013 and July 2014, each issued by ResCap, under the Indenture dated as of June 24, 2005, and certain supplements thereto.
Treatment of Subservicing Agreement	The Bankruptcy Court shall enter an order, approving the continued performance under the Subservicing Agreement attached hereto as Exhibit 1 on an interim basis within five (5) business days of the Petition Date, and on a final basis within fifty (50) days of the Petition Date, unless Ally in its sole discretion extends such dates.
Treatment of Shared Services Agreement	The Bankruptcy Court shall enter an order approving the performance under the Shared Services Agreement attached to the Ally Settlement Agreement as Exhibit 7 on an interim basis within five (5) business days of the Petition Date, and on a final basis within fifty (50) days of the Petition Date, unless Ally in its sole discretion extends such dates.
Treatment of GNMA Forward Flow Agreement	The Bankruptcy Court shall enter an order, approving the continued performance under the GNMA Forward Flow Agreement attached hereto as Exhibit 2 on an interim basis within five (5) business days of the Petition Date, and on a final basis within fifty (50) days of the Petition Date, unless Ally in its sole discretion extends such dates.
Automatic Stay Extension Motion	The Debtors shall file a motion to extend the automatic stay under section 362 of the Bankruptcy Code to Ally during the Debtors' chapter 11 cases.
Subordination Rights	Except as expressly provided otherwise (including modification pursuant to the Plan Support Agreements), the Plan shall give effect to any subordination rights as required by section 510(a) of the Bankruptcy Code.
PLAN OF REORGANIZATION:	
Initiation of Chapter 11 Cases	No later than May 14, 2012 (the "Petition Date"), each of the Debtors shall file with the Bankruptcy Court a voluntary

	petition under Chapter 11 of the Bankruptcy Code. Within thirty (30) days of the Petition Date, the Debtors shall file the Plan and related disclosure statement (the "Disclosure Statement") that incorporate, and are consistent with, the terms of this Term Sheet, and shall use commercially reasonable efforts to satisfy the terms of this Term Sheet, including the Consummation of the Plan. The Plan and Disclosure Statement shall be in form and substance satisfactory to the Debtors, Ally, and other parties that are party to the Plan Support Agreements.
Plan Treatment	The Plan shall address, among other things: (a) obligations under the DIP Financing Facility; (b) obligations under the Prepetition Secured Facilities; (c) obligations under the Junior Secured Notes; (d) other secured obligations; (e) obligations under the Senior Unsecured Notes; (f) general unsecured obligations; (g) statutorily subordinated obligations; (h) intercompany obligations; and (i) equity interests including common stock, partnership interests, or other ownership interests, and rights related thereto.
Ally Settlement Agreement	The Plan will incorporate a settlement with Ally, as described in this Term Sheet and as set forth in the Ally Settlement Agreement pursuant to which Ally will agree to contribute the value set forth in the Ally Settlement Agreement to the Debtors' estates for, among other things, Debtor Releases and Third Party Releases (each as defined below), subject to Bankruptcy Court approval as part of the Plan.
Plan Funding	The Plan will be funded with the proceeds derived from: (a) the Debtors' asset sale executed pursuant to the Platform Asset Purchase Agreement, attached hereto as Exhibit 4; (b) the Ally Settlement Agreement; (c) the Debtors' asset sale executed pursuant to the HFS Asset Purchase Agreement, attached to the Ally Settlement Agreement as Exhibit 5; and (d) other sales of the Debtors' assets (whether occurring before or after the Effective Date). The Ally Settlement proceeds will be allocated in any manner consistent with the Plan Support Agreements among the ResCap Debtors, GMACM Debtors, and RFC Debtors in the Debtors' sole discretion.

TREATMENT OF CLAIMS AND INTERESTS:	
I. RESCAP DEBTORS	
Administrative Expense Claims	Unclassified. On or as soon as practicable after the Effective Date, each holder of an allowed Administrative Expense Claim shall be paid in full in cash or otherwise receive treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code; provided, that Allowed Administrative Expense Claims that arise in the ordinary course of the Debtors' business shall be paid in full in the ordinary course of business in accordance with the terms and subject to the conditions of any agreements governing, instruments evidencing, or other documents relating to, such transactions.
Priority Tax Claims	Unclassified. On or as soon as practicable after the Effective Date, each holder of an allowed Priority Tax Claim shall be paid in full in cash or otherwise receive treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code.
Class R-1: Other Priority Claims	Unimpaired; deemed to accept and not entitled to vote on the Plan pursuant to section 1126(f) of the Bankruptcy Code. On or as soon as practicable after the Effective Date, each holder of an allowed Other Priority Claim shall be paid in full in cash or otherwise receive treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code; provided, that Other Priority Claims that arise in the ordinary course of the Debtors' business and that are not due and payable on or before the Effective Date shall be paid in the ordinary course of business in accordance with the terms thereof.
Class R-2: AFI Revolver Claims	Unimpaired; deemed to accept and not entitled to vote on the Plan pursuant to section 1126(f) of the Bankruptcy Code. Except as otherwise provided under the Ally Settlement Agreement, on or as soon as practicable after the Effective Date, each holder of an allowed AFI Revolver Claim shall be satisfied by payment in full in cash in accordance with, and to the extent modified by, the Junior Secured Notes Plan Support Agreement, or otherwise receive treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code.

Class R-3: Other Secured Claims	Unimpaired; deemed to accept and not entitled to vote on the Plan pursuant to section 1126(f) of the Bankruptcy Code. On or as soon as practicable after the Effective Date, each holder of an allowed Other Secured Claim shall be paid in full in cash or otherwise receive treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code.
Class R-4: Junior Secured Notes Claims	Impaired; entitled to vote on the Plan. The Junior Secured Notes Claims shall be Allowed in the aggregate amount of not less than $2,120,452,000. Each holder of a Junior Secured Notes Claim shall receive, in full and final satisfaction of such a Claim and after giving full effect to the terms of the Junior Secured Notes Plan Support Agreement, treatment consistent with section 1129(b)(2)(A)(ii) of the Bankruptcy Code.
Class R-5: Senior Unsecured Notes Claims	Impaired; entitled to vote on the Plan. The Senior Unsecured Notes Claims shall be Allowed in the aggregate amount of principal plus interest prior to the Petition Date. Each holder of an Allowed Senior Unsecured Notes Claim shall receive, in full and final satisfaction of such Claim, an amount equal to its pro rata share of the ResCap Unsecured Claims Pool.
Class R-6: Junior Secured Notes Deficiency Claims	Impaired; entitled to vote on the Plan. Each holder of an Allowed Junior Secured Notes Deficiency Claim shall receive, in full and final satisfaction of such Claim, its pro rata share of the ResCap Unsecured Claims Pool; provided that at the Debtors' option, if the Junior Secured Notes Plan Support Agreement becomes effective, each holder of a Junior Secured Note will be deemed to have waived its right to receive any recovery on account of the Class R-9 Junior Secured Notes Deficiency Claims.
Class R-7: General Unsecured Claims	Impaired; entitled to vote on the Plan. Each holder of an Allowed General Unsecured Claim shall receive, in full and final satisfaction of such Claim, an amount equal to its pro rata share of the ResCap Unsecured Claims Pool, unless the holder and applicable Debtor otherwise agree to a different treatment.

Class R-8: Intercompany Claims	Impaired; deemed to reject the Plan pursuant to section 1126(g) of the Bankruptcy Code. Unless the Junior Secured Claims have been paid in full based upon their Secured Claims, Allowed Intercompany Claims shall receive in full satisfaction of such Allowed Intercompany Claims an amount equal to its pro rata share of ResCap Unsecured Claims Pool.
Class R-9: Section 510(b) Claims	Impaired; deemed to reject the Plan pursuant to section 1126(g) of the Bankruptcy Code. Holders of Section 510(b) Claims shall receive no recovery on account of such claims.
Class R-10: Equity Interests	Impaired; deemed to reject the Plan pursuant to section 1126(g) of the Bankruptcy Code. Holders of Equity Interests shall receive no recovery on account of such interests.
II. GMACM DEBTORS	
Administrative Expense Claims	Unclassified. On or as soon as practicable after the Effective Date, each holder of an allowed Administrative Expense Claim shall be paid in full in cash or otherwise receive treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code; provided that Allowed Administrative Expense Claims that arise in the ordinary course of the Debtors' business shall be paid in full in the ordinary course of business in accordance with the terms and subject to the conditions of any agreements governing, instruments evidencing, or other documents relating to, such transactions.
Priority Tax Claims	Unclassified. On or as soon as practicable after the Effective Date, each holder of an allowed Priority Tax Claim shall be paid in full in cash or otherwise receive treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code.

Class GS-1: Other Priority Claims	Unimpaired; deemed to accept and not entitled to vote on the Plan pursuant to section 1126(f) of the Bankruptcy Code. On or as soon as practicable after the Effective Date, each holder of an allowed Other Priority Claim shall be paid in full in cash or otherwise receive treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code; provided, that Other Priority Claims that arise in the ordinary course of the Debtors' business and that are not due and payable on or before the Effective Date shall be paid in the ordinary course of business in accordance with the terms thereof.
Class GS-2: AFI Revolver Claims	Unimpaired; deemed to accept and not entitled to vote on the Plan pursuant to section 1126(f) of the Bankruptcy Code. Except as otherwise provided under the Ally Settlement Agreement, on or as soon as practicable after the Effective Date, each holder of an allowed AFI Revolver Claim shall be satisfied by payment in full in cash in accordance with, and to the extent modified by, the Junior Secured Notes Plan Support Agreement or otherwise receive treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code.
Class GS-3: AFI LOC Claims	Unimpaired; deemed to accept and not entitled to vote on the Plan pursuant to section 1126(f) of the Bankruptcy Code. Except as otherwise provided under the Ally Settlement Agreement, on or as soon as practicable after the Effective Date, each holder of an allowed AFI LOC Claim shall be satisfied by payment in full in cash or otherwise receive treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code.
Class GS-4: Citibank Secured Lender Claims	Unimpaired; deemed to accept and not entitled to vote on the Plan pursuant to section 1126(f) of the Bankruptcy Code. On or as soon as practicable after the Effective Date, each holder of an allowed Citibank Secured Lender Claim shall be satisfied by payment in full in cash or otherwise receive treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code.
Class GS-5: FNMA EAF Claims	Unimpaired; deemed to accept and not entitled to vote on the Plan pursuant to section 1126(f) of the Bankruptcy Code. On or as soon as practicable after the Effective Date, each holder of an allowed FNMA EAF Claim shall be satisfied by payment in full in cash or otherwise receive treatment consistent with the provisions of section

	1129(a)(9) of the Bankruptcy Code.
Class GS-6: Other Secured Claims	Unimpaired; deemed to accept and not entitled to vote on the Plan pursuant to section 1126(f) of the Bankruptcy Code. On or as soon as practicable after the Effective Date, each holder of an allowed Other Secured Claim shall be paid in full in cash or otherwise receive treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code.
Class GS-7: Junior Secured Notes Claims	Impaired; entitled to vote on the Plan. The Junior Secured Notes Claims shall be Allowed in the aggregate amount of not less than $2,120,452,000. Each holder of a Junior Secured Notes Claim shall receive, in full and final satisfaction of such a Claim and after giving full effect to the terms of the Junior Secured Notes Plan Support Agreement, treatment consistent with section 1129(b)(2)(A)(ii) of the Bankruptcy Code.
Class GS-8: Junior Secured Notes Deficiency Claims	Impaired; entitled to vote on the Plan. Each holder of an Allowed Junior Secured Notes Deficiency Claim shall receive, in full and final satisfaction of such Claim, an amount equal to its pro rata share of the GMACM Unsecured Claims Pool, in accordance with, and to the extent modified by, the Junior Secured Notes Plan Support Agreement, unless the holder and applicable Debtor otherwise agree to a different treatment. Under no circumstances shall a Junior Secured Noteholder be entitled to receive aggregate distributions in excess of its Allowed Claims.
Class GS-9: Rep and Warranty Contract Claims	Impaired; entitled to vote on the Plan. Each holder of an Allowed Rep and Warranty Contract Claim shall receive, in full and final satisfaction of such Claim, an amount equal to its pro rata share of the GMACM Unsecured Claims Pool, unless the holder and applicable Debtor otherwise agree to a different treatment.
Class GS-10: General Unsecured Claims[2]	Impaired; entitled to vote on the Plan. Each holder of an Allowed General Unsecured Claim shall receive, in full and

[2] This Term Sheet assumes that the medium-term unsecured peso-denominated notes maturing in June 2012 issued by the non-Debtor Mexican subsidiary of ResCap and guaranteed by various Debtors will

	final satisfaction of such Claim, an amount equal to its pro rata share of the GMACM Unsecured Claims Pool, unless the holder and applicable Debtor otherwise agree to a different treatment.
Class GS-11: Intercompany Claims	Impaired; deemed to reject the Plan pursuant to section 1126(g) of the Bankruptcy Code. Unless the Junior Secured Claims have been paid in full based upon their Secured Claim, Allowed Intercompany Claims shall receive in full satisfaction of such Allowed Intercompany Claims an amount equal to its pro rata share of ResCap Unsecured Claims Pool.
Class GS-12: Section 510(b) Claims	Impaired; deemed to reject the Plan pursuant to section 1126(g) of the Bankruptcy Code. Holders of Section 510(b) Claims shall receive no recovery on account of such claims.
Class GS-13: Equity Interests	Impaired; deemed to reject the Plan pursuant to section 1126(g) of the Bankruptcy Code. Holders of Equity Interests shall receive no recovery on account of such interests.
II. RFC DEBTORS	
Administrative Expense Claims	Unclassified. On or as soon as practicable after the Effective Date, each holder of an allowed Administrative Expense Claim shall be paid in full in cash or otherwise receive treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code; provided that Allowed Administrative Expense Claims that arise in the ordinary course of the Debtors' business shall be paid in full in the ordinary course of business in accordance with the terms and subject to the conditions of any agreements governing, instruments evidencing, or other documents relating to, such transactions.
Priority Tax Claims	Unclassified. On or as soon as practicable after the Effective Date, each holder of an allowed Priority Tax Claim shall be paid in full in cash or otherwise receive treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code.

no longer constitute obligations of the Debtors following an exchange offer in Mexico in connection with the pending sale of equity of the subsidiary.

Class RS-1: Other Priority Claims	Unimpaired; deemed to accept and not entitled to vote on the Plan pursuant to section 1126(f) of the Bankruptcy Code. On or as soon as practicable after the Effective Date, each holder of an allowed Other Priority Claim shall be paid in full in cash or otherwise receive treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code; provided, that Other Priority Claims that arise in the ordinary course of the Debtors' business and that are not due and payable on or before the Effective Date shall be paid in the ordinary course of business in accordance with the terms thereof.
Class RS-2: AFI Revolver Claims	Unimpaired; deemed to accept and not entitled to vote on the Plan pursuant to section 1126(f) of the Bankruptcy Code. Except as otherwise provided under the Ally Settlement Agreement, on or as soon as practicable after the Effective Date, each holder of an allowed AFI Revolver Claim shall be satisfied by payment in full in cash in accordance with, and to the extent modified by the Junior Secured Notes Plan Support Agreement or otherwise receive treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code.
Class RS-3: AFI LOC Claims	Unimpaired; deemed to accept and not entitled to vote on the Plan pursuant to section 1126(f) of the Bankruptcy Code. Except as otherwise provided under the Ally Settlement Agreement, on or as soon as practicable after the Effective Date, each holder of an allowed AFI LOC Claim shall be satisfied by payment in full in cash or otherwise receive treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code.
Class RS-4: Other Secured Claims	Unimpaired; deemed to accept and not entitled to vote on the Plan pursuant to section 1126(f) of the Bankruptcy Code. On or as soon as practicable after the Effective Date, each holder of an allowed Other Secured Claim shall be paid in full in cash or otherwise receive treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code.
Class RS-5: Junior Secured Notes Claims	Impaired; entitled to vote on the Plan. The Junior Secured Notes Claims shall be Allowed in the aggregate amount of not less than $2,120,452,000. Each holder of a Junior Secured Notes Claim shall receive,

	in full and final satisfaction of such a Claim and after giving full effect to the terms of the Junior Secured Notes Plan Support Agreement, treatment consistent with section 1129(b)(2)(A)(ii) of the Bankruptcy Code.
Class RS-6: Junior Secured Notes Deficiency Claims	Impaired; entitled to vote on the Plan. Each holder of an Allowed Junior Secured Notes Deficiency Claim shall receive, in full and final satisfaction of such Claim, an amount equal to its pro rata share of the RFC Unsecured Claims Pool in accordance with, and to the extent modified by, the Junior Secured Notes Plan Support Agreement, unless the holder and applicable Debtor otherwise agree to a different treatment. Under no circumstances shall a Junior Secured Noteholder be entitled to receive aggregate distributions in excess of its Allowed Claims.
Class RS-7: Rep and Warranty Contract Claims	Impaired; entitled to vote on the Plan. Each holder of an Allowed Rep and Warranty Contract Claim shall receive, in full and final satisfaction of such Claim, an amount equal to its pro rata share of the RFC Unsecured Claims Pool, unless the holder and applicable Debtor otherwise agree to a different treatment.
Class RS-8: General Unsecured Claims	Impaired; entitled to vote on the Plan. Each holder of an Allowed General Unsecured Claim shall receive, in full and final satisfaction of such Claim, an amount equal to its pro rata share of the RFC Unsecured Claims Pool, unless the holder and applicable Debtor otherwise agree to a different treatment.
Class RS-9: Intercompany Claims	Impaired; deemed to reject the Plan pursuant to section 1126(g) of the Bankruptcy Code. Holders of Intercompany Claims shall receive no recovery on account of such claims.
Class RS-10: Section 510(b) Claims	Impaired; deemed to reject the Plan pursuant to section 1126(g) of the Bankruptcy Code. Holders of Section 510(b) Claims shall receive no recovery on account of such claims.
Class RS-11: Equity Interests	Impaired; deemed to reject the Plan pursuant to section 1126(g) of the Bankruptcy Code. Holders of Equity Interests shall receive no recovery on account of such interests.

CONDITIONS TO CONFIRMATION & EFFECTIVE DATE:	
	The Plan shall contain various usual and customary conditions precedent to confirmation and to the Effective Date that must be satisfied or waived. Such conditions to the Effective Date shall include, without limitation, the following:
	(a) the Plan shall be in form and substance consistent in all material respects with this Term Sheet and satisfactory to the Debtors, Ally and the Consenting Holders; (b) all AFI Revolver Claims and AFI LOC Claims, and additional Claims held by Ally, are Allowed in full and approved by the Bankruptcy Court without subordination of any kind unless otherwise agreed by Ally; (c) the Bankruptcy Court shall have entered the Confirmation Order, which such order will grant final approval of the Plan, the Asset Sales, the Debtor Releases, the Third Party Releases, and the Ally Settlement Agreement, all in the form and substance satisfactory to the Debtors, Ally and the Consenting Holders; (d) the Ally Settlement Agreement shall remain in full force and effect; (e) the HFS Asset Purchase Agreement shall be approved by the Bankruptcy Court in form and substance acceptable to the Debtors, the Consenting Holders, and Ally if Ally is the purchaser of such assets; (f) the Platform Asset Purchase Agreement shall have been approved by the Bankruptcy Court in form and substance satisfactory to the Debtors and Ally; (g) all material governmental and third party approvals and consents, including Bankruptcy Court approval, necessary in connection with the transactions contemplated by this Term Sheet, including the Asset Sales, shall have been obtained and be in full force and effect, and all applicable waiting periods

	shall have expired without any action being taken or threatened by any competent authority that would restrain, prevent, or otherwise impose materially adverse conditions on such transactions; (h) at no time shall the Bankruptcy Court have approved the appointment of an examiner with expanded powers; (i) at no time shall the Bankruptcy Court have approved the appointment of a trustee; and (j) no reduction in the value of Petition Date Collateral (as defined in the Junior Notes Plan Support Agreement) due to (i) the successful challenge of the validity of the liens on such Petition Date Collateral or (ii) a determination that any asset or assets that were designated by a Debtor as being Petition Date Collateral do not constitute Joint Collateral (as defined in the Junior Notes Plan Support Agreement), in an aggregate amount (taking into account additional Joint Collateral that was not specified as Petition Date Collateral) for all such assets that exceeds one hundred million dollars ($100,000,000), based on the Debtors' book value as of February 29, 2012.
DEFINITIVE DOCUMENTS:	
	The transactions described in this Plan Term Sheet are subject in all respects to, among other things, definitive documentation, including:
	(a) the Ally Settlement Agreement; (b) the Platform Asset Purchase Agreement, in which the Debtors shall, among other things, effectuate the sale to Purchaser of the Debtors' mortgage loan origination and servicing platform, including mortgage servicing rights and servicer advances, and certain other assets, in exchange for Purchaser's payment of a cash purchase price of approximately $2.3 billion, plus other consideration, including reimbursements for prior expenses and the assumption of certain liabilities as set forth in the

	Platform Asset Purchase Agreement; (c) the HFS Asset Purchase Agreement, in which the Debtors shall, among other things, effectuate the sale to Ally of the Purchased Assets, as defined in the HFS Asset Purchase Agreement; (d) the Plan, the Disclosure Statement and the documents to be included in the Plan Supplement; (e) the Cash Collateral Order; (f) the DIP Financing Facility; (g) the Subservicing Agreement; (h) the Shared Services Agreement; (i) the GNMA Forward Flow Agreement; and (j) the Transition Services Agreement.
RELEASES AND EXCULPATIONS:	
Releases	The Plan shall contain Debtor and third party releases consistent with the Ally Settlement Agreement. The Order of the Bankruptcy Court confirming the Plan will permanently enjoin the commencement or prosecution by any person or entity, whether directly, derivatively or otherwise, of any Claims, obligations, damages, demands, debts, rights, suits, Causes of Action, judgments, or liabilities released pursuant to the Plan. In addition, the Plan will include a mutual release of all claims between and among Ally and the holders of the Junior Secured Note Claims, which shall be in form and substance reasonably satisfactory to Ally and the Consenting Holders.
Exculpation	The Debtors, Ally, the Consenting Holders, Trustees for Trusts that accept the compromise proposed in the RMBS Trust Settlement Agreement in accordance with the terms therein, provided such agreement is approved and continues to be in effect, and their respective Representatives shall neither have, nor incur any liability to any entity for any

	pre-petition or post-petition act taken or omitted to be taken in connection with, or related to formulating, negotiating, preparing, disseminating, implementing, administering, confirming, or effecting the Consummation of the Plan, the Disclosure Statement, or any contract, instrument, release, or other agreement or document created or entered into in connection with the Plan or any other pre-petition or post-petition act taken or omitted to be taken in connection with or in contemplation of the restructuring of the Company; provided, that the foregoing provisions of this exculpation shall have no effect on the liability of any entity that results from any such act or omission that is determined in a final order to have constituted gross negligence or willful misconduct; provided, further, that each Exculpated Party shall be entitled to rely upon the advice of counsel concerning his, her or its duties pursuant to, or in connection with, the Plan.
OTHER PRINCIPAL PLAN TERMS:	
Executory Contracts and Unexpired Leases	Executory contracts and unexpired leases shall be rejected by the Debtors unless set forth on a schedule of assumed contracts and leases to be attached to the Platform Asset Purchase Agreement with Purchaser or otherwise assumed or rejected, prior to the Effective Date.
Indemnification of Officers and Directors	As set forth in the Ally Settlement Agreement.
Compromise and Settlement	The Plan shall contain customary provisions for the compromise and settlement of Claims stating that, notwithstanding anything in the Plan to the contrary, the allowance, classification, and treatment of allowed Claims and equity interests and their respective distributions take into account and conform to the relative priority and rights of such Claims and interests.
Retention of Jurisdiction	The Plan shall provide for a broad retention of jurisdiction by the Bankruptcy Court, including for: (a) resolution of Claims; (b) allowance of compensation and expenses for pre-Effective Date services; (c) resolution of motions, adversary proceedings, or other contested matters; (d) entering such orders as necessary to implement or consummate the Plan and any related documents or agreements; (e) enforcement of the Plan Injunction; and (f) other purposes.

Resolution of Disputed Claims	The Plan shall provide customary terms for the resolution of disputed Claims and any reserves therefore.
Liquidating Trust	The Plan shall contain customary provisions for the establishment of a Liquidating Trust to administer the assets of the Debtors' Estates on and after the Effective Date in accordance with the Plan. The Liquidating Trust shall be subject to the oversight committee consistent with the provisions of Junior Secured Notes Plan Support Agreement.
Additional Provisions	The Plan shall contain other provisions customarily found in other similar plans of reorganization.
DEFINITIONS:	
	"Administrative Expense Claim" means any claim for costs and expenses of administration under section 503(b), 507(b), or 1114(e)(2) of the Bankruptcy Code, including: (a) any actual and necessary costs and expenses incurred after the Petition Date of preserving the Debtors' estates and operating the businesses of the Debtors; (b) compensation for legal, financial, advisory, accounting, and other services and reimbursement of expenses allowed by the Bankruptcy Court under sections 327, 330, 331, 363, or 503(b) of the Bankruptcy Code to the extent incurred prior to the Effective Date; and (c) all fees and charges assessed against the Debtors' estates under section 1930, chapter 123, of title 28, United States Code.
	"AFI" means such term as defined in the section entitled "Prepetition Secured Lenders."
	"AFI LOC" means such term as defined in the section entitled "Prepetition Secured Lenders."
	"AFI LOC Claim" means any Secured Claim of AFI arising under the AFI LOC.
	"AFI Revolver" means such term as defined in the section entitled "Prepetition Secured Lenders."
	"AFI Revolver Claim" means any Secured Claim of AFI arising under the AFI Revolver.

	"Allowed" means with respect to any Claim, except as otherwise provided herein: (a) a Claim that is scheduled by the Debtors in their Schedules as neither disputed, contingent nor unliquidated, and as to which the Debtors or other party in interest have not filed an objection by the Claims Objection Bar Date; (b) a Claim that either is not a Disputed Claim or has been Allowed by a Final Order; (c) a Claim that is Allowed (i) pursuant to the Plan, (ii) in any stipulation that is approved by the Bankruptcy Court, or (iii) pursuant to any contract, instrument, indenture, or other agreement entered into or assumed in connection herewith; (d) a Claim relating to a rejected Executory Contract or Unexpired Lease that either (i) is not a Disputed Claim or (ii) has been Allowed by a Final Order; (e) a Claim that is Allowed pursuant to the terms of the Plan; or (f) a Disputed Claim as to which a proof of Claim has been timely filed and as to which no objection has been filed by the Claims Objection Bar Date.
	"Ally" means such term as defined in the section entitled "Prepetition Secured Lenders."
	"Ally DIP Financing Facility" means the debtor-in-possession financing facility to be provided to the Debtors, attached hereto as Exhibit 3.
	"Ally Settlement Agreement" means the agreement between Ally and the Debtors, attached hereto as Exhibit 5.
	"Asset Sales" means, collectively, the sale of the Debtors' servicing platform together with substantially all of the Debtors' owned agency mortgage servicing rights pursuant to the Platform Asset Purchase Agreement, and the sale of certain of Ally's collateral pursuant to the HFS Asset Purchase Agreement.
	"Auction" means an auction held in connection with the Asset Sales pursuant to the bidding procedures.
	"Bankruptcy Code" means Title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.*
	"Bankruptcy Court" means the United States Bankruptcy Court for the Southern District of New York.

	"Cash Collateral Order" means an order of the Bankruptcy Court authorizing the Debtors to use Ally's cash collateral.
	"Causes of Action" means all actions, causes of action, Claims, liabilities, obligations, rights, suits, debts, damages, judgments, remedies, demands, setoffs, defenses, recoupments, crossclaims, counterclaims, third party claims, indemnity claims, contribution claims, or any other claims, disputed or undisputed, suspected or unsuspected, foreseen or unforeseen, direct or indirect, choate or inchoate, existing or hereafter arising, in law, equity, or otherwise, based in whole or in part upon any act or omission or other event occurring prior to the Petition Date or during the course of the Chapter 11 Cases, including through the Effective Date.
	"Chapter 11 Cases" mean (a) when used with reference to a particular Debtor, the chapter 11 case to be filed for that Debtor under chapter 11 of the Bankruptcy Code in the Bankruptcy Court and (b) when used with reference to all Debtors, the procedurally consolidated chapter 11 cases for all of the Debtors.
	"Citibank" means such term as defined in the section entitled "Prepetition Secured Lenders."
	"Citibank MSR Facility" means such term as defined in the section entitled "Prepetition Secured Lenders."
	"Citibank Secured Lender Claim" means any Secured Claim of Citibank arising under the Citibank MSR Facility.
	"Claim" has the meaning set forth in 11 U.S.C. § 101(5).
	"Company" means such term as defined in the preamble.
	"Confirmation Order" means the order of the Bankruptcy Court confirming the Plan pursuant to, among others, section 1129 of the Bankruptcy Code.
	"Consummation" means the occurrence of the Effective Date.
	"Creditor" means any holder of a Claim.

	"Debtor" means one of the Debtors, in its individual capacity as a debtor and debtor in possession in the Chapter 11 Cases.
	"Debtors" means such term as defined in the preamble.
	"DIP Financing Facility" means that certain Debtor-in-Possession Credit Agreement, dated on or around May 14, 2012, by and between the Debtors and Barclays Bank Plc, attached hereto as Exhibit 6.
	"Disclosure Statement" means such term as defined in the section entitled "Initiation of Chapter 11 Cases."
	"DOJ/AG Settlement" means that certain Consent Judgment filed on March 12, 2012 in the United States District Court for the District of Columbia to which ResCap and AFI, among others, are parties.
	"Effective Date" means the date of substantial consummation of the Plan, which shall be the first business day upon which all conditions precedent to the effectiveness of the Plan are satisfied or waived in accordance with the Plan.
	"Estate" means, as to each Debtor, the estate created for the Debtor in its Chapter 11 case pursuant to section 541 of the Bankruptcy Code.
	"Equity Interest" means an equity security (as defined in section 101 of the Bankruptcy Code) in any of the Debtors.
	"Fannie Mae" means such term as defined in the section entitled "Prepetition Secured Lenders."
	"FNMA EAF Claim" means any Secured Claim of Fannie Mae arising under the FNMA EAF Facility.
	"FNMA EAF Facility" means such term as defined in the section entitled "Prepetition Secured Lenders."
	"FRB Consent Order" means that certain Consent Order dated April 13, 2011 among ResCap, GMAC Mortgage, LLC, AFI, the Federal Reserve Board and the Federal Deposit Insurance Company.

	"General Unsecured Claim" means any and all Claims against any of the Debtors that are not a/an (a) Administrative Expense Claim; (b) Priority Tax Claim; (c) Other Priority Claim; (d) Secured Lender Claim; (e) Junior Secured Notes Claim; (f) Other Secured Claim; (g) Senior Unsecured Notes Claim; (h) Junior Secured Notes Deficiency Claim; (i) Rep and Warranty Contract Claim; or (j) Intercompany Claim.
	"GMACM Debtors" means such term as defined in the section entitled "Debtors."
	"GMACM Unsecured Claims Pool" means the proceeds of any assets allocable to the GMACM Debtors remaining after distributions have been made under the Plan to each holder of an Allowed Administrative Expense Claim, Priority Tax Claim, Other Priority Tax Clam, Secured Lender Claim, Junior Secured Notes Claim, or Other Secured Claim against the GMACM Debtors.
	"GNMA Forward Flow Agreement" means that Amended and Restated Master Mortgage Loan Purchase and Sale Agreement between Ally Bank as Seller, and GMAC Mortgage, LLC as Purchaser, dated as of May 1, 2012.
	"HFS Asset Purchase Agreement" means that certain asset purchase agreement dated on or around May 14 by and between Ally and the Debtors, attached to the Ally Settlement Agreement as Exhibit 5.
	"Impaired" has the meaning set forth in section 1124 of the Bankruptcy Code.
	"Intercompany Claims" means any and all Claims of a Debtor against another Debtor. For the avoidance of doubt, Intercompany Claims do not include Claims that Ally may assert against the Debtors.
	"Intercreditor Agreement" means the agreement dated as of June 6, 2008, among Wells Fargo Bank, N.A., as First Priority Collateral Agent for the First Priority Secured Parties under the First Priority Documents, Wells Fargo Bank, N.A., as Second Priority Collateral Agent for the Second Priority Secured Parties under the Second Priority Documents, Wells Fargo Bank, N.A., as Third Priority Collateral Agent for the Third Priority Secured Parties under

	the Third Priority Documents, Ally, in its capacity as agent for the Lenders under the Loan Agreement, U.S. Bank National Association, as Trustee under the 2010 Indenture, U.S. Bank National Association, as Trustee under the 2015 Indenture, Residential Funding Company, LLC, GMAC Mortgage, LLC, and Residential Capital, LLC.
	"Junior Secured Notes" means such term as defined in the section entitled "Junior Secured Noteholders."
	"Junior Secured Notes Claim" means any Secured Claim of the Junior Secured Noteholders under the Junior Secured Notes.
	"Junior Secured Notes Deficiency Claims" means any Claim of the Junior Secured Noteholders under the Junior Secured Notes to the extent such Claims are not Secured Claims.
	"Liquidating Trust" means the trust formed pursuant to the Plan for the purpose of holding, administering, and liquidating Estate assets on and after the Effective Date.
	"Other Priority Claim" means any Claim, other than an Administrative Expense Claim or Priority Tax Claim, that is entitled to priority in payment pursuant to section 507(a) of the Bankruptcy Code.
	"Other Secured Claim" means any Secured Claim other than Administrative Expense Claims, Priority Tax Claims, Other Priority Claims, Secured Lender Claims or Junior Secured Claims. For the avoidance of doubt, Other Secured Claims shall include Claims arising under the Barclays GSAP Facility.
	"Petition Date" means such term as defined in the section entitled "Initiation of the Chapter 11 Cases."
	"Plan" means such term as defined in the preamble.
	"Plan Injunction" means that, from and after the Effective Date, all entities are permanently enjoined from commencing or continuing in any manner, any Cause of Action released or to be released pursuant to the Plan or the Confirmation Order.

	"Plan Supplement" means, with respect to the Plan, all exhibits, appendices, Plan supplement documents and related documents.
	"Plan Support Agreements" means the three plan support agreements to support the Plan among the Debtors and each of (i) Ally and members of the ad hoc committee of unaffiliated holders of the Junior Secured Notes holding at least 50% of all Junior Secured Notes (the "Junior Secured Notes Plan Support Agreement"), (ii) Ally and certain holders of securities backed by mortgage loans sold by the Debtors, and (iii) Ally Financial Inc., respectively.
	"Platform Asset Purchase Agreement" means that certain asset purchase agreement dated on or around May 14 by and between Purchaser and the Debtors, attached hereto as Exhibit 4.
	"Priority Tax Claim" means any Claim of a governmental unit of the kind specified in sections 502(i) and 507(a)(8) of the Bankruptcy Code.
	"Reorganization" means such term as defined in the preamble.
	"Reorganized Debtors" means, collectively, the Debtors after the Effective Date.
	"Representatives" means such person or entity's respective members, partners, equity-holders, officers, directors, employees, representatives, advisors, attorneys, agents and professionals, each solely in its capacity as such.
	"ResCap" means such term as defined in the preamble.
	"ResCap Debtors" means such term as defined in the section entitled "Debtors."
	"ResCap Unsecured Claims Pool" means the proceeds of any assets allocable to the ResCap Debtors remaining after distributions have been made under the Plan to each holder of an Allowed Administrative Expense Claim, Priority Tax Claim, Other Priority Tax Clam, Secured Lender Claim, Junior Secured Notes Claim, or Other Secured Claim against the GMACM Debtors.

	"RFC Debtors" means such term as defined in the section entitled "Debtors."
	"RFC Unsecured Claims Pool" means the proceeds of any assets allocable to the RFC Debtors remaining after distributions have been made under the Plan to each holder of an Allowed Administrative Expense Claim, Priority Tax Claim, Other Priority Tax Clam, Secured Lender Claim, Junior Secured Notes Claim, or Other Secured Claim against the RFC Debtors.
	"RMBS Trust Settlement Agreement" means the agreement dated as of May 13, 2012 among Residential Capital, LLC and its direct and indirect subsidiaries and certain Institutional Investors, attached hereto as Exhibit 7.
	"Section 510(b) Claims" means any Claim arising from rescission of a purchase or sale of security (including any Interest) of the Debtors, for damages arising from the purchase or sale of such a security, or for reimbursement or contribution allowed under section 502 of the Bankruptcy Code on account of such a Claim.
	"Secured Claim" means any Claim that is secured by a lien on property in which a Debtor's estate has an interest or that is subject to setoff under section 553 of the Bankruptcy Code, to the extent of the value of the Claim holder's interest in the applicable estate's interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code or, in the case of setoff, pursuant to section 553 of the Bankruptcy Code.
	"Secured Lender Claim" means any AFI Revolver Claim, AFI LOC Claim, Citibank Secured Lender Claim, or FNMA EAF Claim.
	"Senior Unsecured Claim" means any Claim of the Senior Unsecured Noteholders under the Senior Unsecured Notes.
	"Senior Unsecured Notes" means such term as defined in the section entitled "Senior Unsecured Noteholders."
	"Shared Services Agreement" means the agreement between Ally and the Debtors, attached hereto as Exhibit 8.

	"Stalking Horse Bidder" means such term as defined in the section entitled "Purchaser."
	"Subservicing Agreement" means the agreement between Ally Bank and the Debtors, attached hereto as Exhibit 1.
	"Term Sheet" means such term as defined in the preamble.
	"Transition Services Agreement" means the agreement between Ally and the Debtors, attached hereto as Exhibit 9.
	"Trustees" means the indenture trustees for the Trusts.
	"Trusts" means the securitization trusts identified on Exhibit A to the RMBS Trust Settlement Agreement.
	"Unimpaired" means Claims that are not Impaired.
	"Winning Bidder" means the party who submits the winning bid for the purchase of substantially all of the Debtors' assets with an accompanying asset purchase agreement.

EXHIBIT 1
"Subservicing Agreement"

EXHIBIT 2
"GNMA Forward Flow Agreement"

EXHIBIT 3
"Ally DIP Financing Facility"

EXHIBIT 4
"Platform Asset Purchase Agreement"

EXHIBIT 5
"Ally Settlement Agreement"

EXHIBIT 6
"Barclays DIP Financing Facility"

EXHIBIT 7
"RMBS Trust Agreement"

EXHIBIT 8
"Shared Services Agreement"

EXHIBIT 9
"Transition Services Agreement"

Exhibit 5

HFS APA

EXECUTION VERSION

ASSET PURCHASE AGREEMENT

Between

ALLY FINANCIAL INC.

and

BMMZ HOLDINGS LLC

and

RESIDENTIAL CAPITAL, LLC

RESIDENTIAL FUNDING COMPANY, LLC

GMAC MORTGAGE, LLC

and

THE ADDITIONAL SELLERS IDENTIFIED ON SCHEDULE A HERETO

dated as of

May 13, 2012

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DISCLOSURE MEMORANDUM

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement, dated as of May 13, 2012, is entered into between Ally Financial Inc., a Delaware corporation ("Parent") and BMMZ Holdings LLC, a Delaware limited liability company ("Purchaser"), and Residential Capital, LLC ("ResCap"), Residential Funding Company, LLC ("RFC"), and GMAC Mortgage, LLC ("GMAC Mortgage"), each of which is a Delaware limited liability company, and the additional sellers identified on Schedule A hereto (together with ResCap, RFC and GMAC Mortgage, "Sellers").

WHEREAS, Sellers, together with other Affiliates (as hereinafter defined), intend to file voluntary petitions ("Petitions") for relief (collectively, the "Bankruptcy Case") under Chapter 11 of Title 11, U.S.C. §§ 101, *et seq*., as amended (the "Bankruptcy Code"), in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") on or shortly after the date this Agreement is executed;

WHEREAS, upon the terms and subject to the conditions set forth in this Agreement, and as authorized under sections 105, 363 and 365 of the Bankruptcy Code, Sellers wish to sell to Purchaser, and Purchaser (or Purchaser's assignee or assignees pursuant to Section 10.7 hereof) wishes to purchase from Sellers, the Purchased Assets (as hereinafter defined); and

WHEREAS, Sellers, as debtors and debtors-in-possession, will continue in the possession of their respective assets pursuant to sections 1107 and 1108 of the Bankruptcy Code.

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, warranties, covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

ARTICLE I.

DEFINITIONS AND INTERPRETATION

Section 1.1 Definitions. As used in this Agreement, the following terms have the meanings set forth below:

"Acceptable Servicing Procedures" means the procedures, including collection and loan administration procedures, for servicing mortgage loans using the same standard of care that Sellers customarily employ and exercise in servicing and administering similar mortgage loans for their own account, which shall be in compliance with Applicable Law.

"Accrued Interest" means interest accrued in accordance with the AFI Global Accounting Policy #2255 whereby interest is accrued up to the date the Whole Loan is classified as 60 days delinquent or, in the case the Whole Loan was previously modified, has had a sustained period of repayment performance of at least six months by the borrower.

"Adjustment Amount" has the meaning specified in Section 3.2(b).

"Adjustment Report" has the meaning specified in Section 3.2(d).

"Advances" means, with respect to each Mortgage Loan, the aggregate outstanding amount that, as of any date of determination, has been advanced directly by Sellers from their own funds or from funds advanced under any loan facility in connection with servicing of such Mortgage Loans in accordance with Acceptable Servicing Procedures solely with respect to Taxes, insurance premiums and corporate advances as permitted by Applicable Requirements, including in each case the right to reimbursement for, and enforce payment of, such Advances. For the avoidance of doubt, "Advances" shall not include (i) any HELOC draws and (ii) any advances of, or on account of, principal and interest.

"Affiliate" means a Person that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with the Person specified. For purposes of this definition, the term "control" of a Person means the possession, direct or indirect, of the power to (i) vote 20% or more of the voting securities of such Person or (ii) direct or cause the direction of the management and policies of such Person, whether by Contract or otherwise, and the terms and phrases "controlling," "controlled by" and "under common control with" have correlative meanings. Notwithstanding the foregoing, for purposes of this Agreement, unless otherwise specifically provided, Affiliates of Sellers include only direct or indirect Subsidiaries of ResCap, and other Affiliates of Purchaser are excluded from the definition of Sellers' Affiliates and references to Affiliates of Purchaser exclude Sellers and their Affiliates.

"Affiliate Purchased Assets" has the meaning specified in Section 2.4(a).

"Affiliate Seller" has the meaning specified in Section 2.4(a).

"Agency" means a government-sponsored secondary mortgage market enterprise or Government Entity acquiring, owning or guaranteeing Mortgage Loans, including for purposes of this Agreement, Fannie Mae, Ginnie Mae, Freddie Mac, FHA and HUD.

"Agreement" or "this Agreement" means this Asset Purchase Agreement, together with the Exhibits, Schedules and Disclosure Memorandum attached hereto, as any of them may be amended from time to time.

"Allocation Schedule" has the meaning specified in Section 3.3(a).

"ALTA" means the American Land Title Association or any successor thereto.

"Alternative Restructuring" means a proposal or offer for a chapter 11 plan or other restructuring transaction which Sellers and their respective Boards of Directors have determined in good faith constitutes a proposal that is reasonably likely to be more favorable to Sellers' estates, their creditors and other parties to whom Sellers owe fiduciary duties than the Chapter 11 Plan.

"Amended Disclosure Memorandum" has the meaning specified in Section 6.11(b).

"Ancillary Agreements" has the meaning specified in Section 2.8.

"Antitrust Authority" has the meaning specified in Section 6.13(b).

"Applicable Law" means, as of the time of reference and as applicable, any Law that is applicable to the Purchased Assets.

"Applicable Requirements" means and includes, as of the time of reference, with respect to the origination, purchase, sale and servicing of Mortgage Loans, (in each case to the extent applicable to any particular Mortgage Loan): (i) contractual obligations of Sellers (except those rendered unenforceable by the Bankruptcy Code), including with respect to any Mortgage Loan Document or any other commitment or other contractual obligation relating to a Mortgage Loan, (ii) Applicable Laws, (iii) other applicable requirements and guidelines of any Government Entity and (iv) applicable requirements of MERS.

"April Collateral Exceptions Report" means the collateral exceptions report prepared by Sellers' custodians in April 2012 and most recently updated as of May 6, 2012, with respect to each Whole Loan included in the Purchased Assets hereunder, identifying on the "Custodial Exceptions" tabs of such report which of the Mortgage Loan Documents are not in its possession, to the extent applicable, or have document deficiencies. No Seller shall have any obligation to deliver any documents included in the April Collateral Exceptions Report or cure any document deficiencies identified in the April Collateral Exceptions Report.

"Auction" has the meaning specified in the Sale Procedures Order.

"Bankruptcy Case" has the meaning specified in the preamble.

"Bankruptcy Code" has the meaning specified in the preamble.

"Bankruptcy Court" has the meaning specified in the preamble.

"Bankruptcy Exceptions" means (i) as a result of Sellers operating as debtors in possession under the Bankruptcy Code, (a) Sellers' inability to maintain the services of their officers or other employees, including the possibility that a substantial number of Sellers' employees have left, or will leave, their positions, and (b) vendors and counterparties of Sellers failing to continue to perform their obligations to Sellers, and (ii) any limitation or obligation imposed on Sellers by Order of the Bankruptcy Court or the DIP Financing Agreements.

"Bankruptcy Rules" means the Federal Rules of Bankruptcy Procedure.

"Bill of Sale" means one or more bills of sale to be executed by Sellers and Purchaser in respect of certain Purchased Assets, in a customary form as mutually agreed between Sellers and Purchaser.

"Business Day" means any day of the year, other than any Saturday, Sunday or any day on which banks located in New York, New York generally are closed for business.

"Chapter 11 Plan" shall mean the Chapter 11 plan of reorganization, in form and substance in accordance with the terms set forth in Schedule 6.12(f) and otherwise satisfactory to Sellers and Purchaser, which shall be confirmed by the Bankruptcy Court in accordance with section 1129 of the Bankruptcy Code.

"Chapter 11 Plan Effective Date" shall mean the date upon which all the conditions to effectiveness of the Chapter 11 Plan shall have been satisfied or waived and the transactions contemplated hereunder shall have been substantially consummated.

"Claims" means any right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured, known or unknown; or any right to an equitable remedy for breach of performance if such breach gives rise to a right of payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured, known or unknown.

"Closing" has the meaning specified in Section 2.7.

"Closing Collateral Exceptions Report" means the collateral exceptions report generated by Sellers' custodians upon Sellers' request and at Purchaser's expense, with respect to each Whole Loan included in the Purchased Assets hereunder, identifying on the "Custodial Exceptions" tabs of such report which of the Mortgage Loan Documents are not in Sellers' possession, to the extent applicable, or have document deficiencies. No Seller shall have any obligation to deliver any documents included in the Closing Collateral Exceptions Report or cure any document deficiencies identified in the Closing Collateral Exceptions Report.

"Closing Date" means the date upon which the Closing occurs.

"Closing Date Mortgage Loan Schedule" has the meaning specified in Section 4.5.

"Closing Date Purchase Price" has the meaning specified in Section 3.2(a).

"Collateral Exceptions Report" means the April Collateral Exceptions Report or the Closing Collateral Exceptions Report, as applicable.

"Competing Transaction" has the meaning specified in Section 7.1.

"Confidential Information" has the meaning specified in Section 6.15(a).

"Confirmation Order" means the order of the Bankruptcy Court confirming the Chapter 11 Plan in accordance with section 1129 of the Bankruptcy Code.

"Consent" means the Permits, authorizations, consents, waivers, approvals and licenses from third parties or Government Entities necessary to consummate this Agreement and the transactions contemplated hereby and for Purchaser to hold the Purchased Assets after the Closing.

"Consent Order" means the Consent Order entered into on April 13, 2011, by and among the FDIC, the FRB and Parent, Ally Bank, ResCap and GMAC Mortgage.

"Consumer Privacy Ombudsperson" has the meaning specified in Section 2.11.

"Contract" means any agreement, consensual obligation, promise, understanding, arrangement, commitment or undertaking of any nature (whether written or oral and whether express or implied), including leases, subleases, licenses, sublicenses, purchase orders, indentures and loan agreements (other than this Agreement and the Ancillary Agreements) (including each amendment, extension, exhibit, attachment, addendum, appendix, statement of work, change order and any other similar instrument or document relating thereto).

"Credit File" means with respect to any Mortgage Loan, a file pertaining to such Mortgage Loan that contains, if available, the documents described on Schedule B hereto, together with the credit documentation relating to the origination of such Mortgage Loan which may be maintained on microfilm, optical storage or any other comparable medium.

"Cut-off Date" means the last day of the month immediately preceding the month of the expected Closing Date or such other date as Purchaser and Sellers may agree.

"Cut-off Date Mortgage Loan Schedule" has the meaning specified in Section 4.5.

"Cut-off Date Purchase Price" has the meaning specified in Section 3.1(d).

"Determination" has the meaning specified in Section 3.3(a).

"DIP Financing Agreements" means the Debtor-in-Possession Loan and Security Agreements identified on Schedule C hereto, as such agreements may be amended from time to time.

"DIP Borrowers" means GMACM Borrower LLC, a wholly owned subsidiary of GMAC Mortgage, and RFC Borrower LLC, a wholly owned subsidiary of RFC.

"Disclosure Memorandum" has the meaning specified in Section 6.11(a).

"Disclosure Statement" has the meaning specified in Section 6.12(d).

"Dispute Notice" has the meaning specified in Section 3.2(c).

"DOJ/AG Settlement" means the Consent Judgment filed with the U.S. District Court for the District of Columbia on March 12, 2012 to which Parent, ResCap and GMAC Mortgage are parties.

"Electronic Data File" means test tape(s), sale tape(s) and/or transfer tape(s) containing Mortgage Loan information delivered or to be delivered by Sellers to Purchaser in connection with the transfer of the Whole Loans contemplated hereby.

"Enforceability Exceptions" has the meaning specified in Section 4.1.

"Escrow Payments" means the aggregate amount of the escrows for real estate taxes, insurance, private mortgage insurance, and other payments required to be escrowed by the Mortgagor with the mortgagee pursuant to any Mortgage Loan.

"Excluded Assets" has the meaning specified in Section 2.2.

"Fannie Mae" means Fannie Mae, formerly known as The Federal National Mortgage Association, or any successor thereto.

"FDIC" means the Federal Deposit Insurance Corporation or any successor thereto.

"Fed Funds Rate" means, for any date, the weighted average of the rates set forth in the weekly statistical release H.15(519) (or any successor publication) published by the Board of Governors of the Federal Reserve System opposite the caption "Federal Funds (Effective)."

"FHA" means the Federal Housing Administration of HUD, or any successor thereto.

"FHA Loans" means mortgages insured by the FHA.

"Final Order" means an Order (i) as to which the time to appeal, petition for certiorari or move for review or rehearing has expired and as to which no appeal, petition for certiorari or other proceeding for review or rehearing is pending, or (ii) if an appeal, writ of certiorari, reargument or rehearing has been filed or sought, the Order has been affirmed by the highest court to which such Order was appealed or certiorari has been denied, or reargument or rehearing shall have been denied or resulted in no modification of such Order and the time to take any further appeal or to seek certiorari or further reargument or rehearing has expired; provided, that the theoretical possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Federal Rules of Bankruptcy Procedure, as amended, or any successor rules, may be filed with respect to such order or judgment shall not prevent such Order from being considered a Final Order.

"FRB" means the Board of Governors of the Federal Reserve System.

"Freddie Mac" means Freddie Mac, formerly known as The Federal Home Loan Mortgage Corporation, or any successor thereto.

"GAAP" means United States generally accepted accounting principles, applied on a consistent basis.

"Ginnie Mae" means the Government National Mortgage Association, a body corporate organized and existing under the laws of the United States of America within HUD, or any successor thereto.

"GMAC Mortgage" has the meaning specified in the preamble.

"Government Entity" means any United States federal, state or local, or any supranational, court, judicial or arbitral body, administrative or regulatory body or other governmental or quasi-Government Entity with competent jurisdiction (including any political or other subdivision thereof), including the Agencies, the FHA, HUD, the VA, the FRB, the FDIC, the IRS, any state agency and any Antitrust Authority.

"Guaranteed Obligations" has the meaning specified in Section 10.15.

"HAMP" means the Treasury Department's Home Affordable Modification Program established in connection with the "Making Home Affordable" loan modification program, as in effect from time to time.

"HARP" means the Treasury Department's Home Affordable Refinance Program established in connection with the "Making Home Affordable" loan modification program, as in effect from time to time.

"HASP" means the Treasury Department's Homeowner Affordability and Stability Plan established in connection with the "Making Home Affordable" loan modification program, as in effect from time to time.

"HELOC" means a Mortgage Loan that is a home equity line of credit.

"Homes Act" means the Helping Families Save Their Homes Act of 2009, as amended.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"HUD" means the Department of Housing and Urban Development of the United States of America.

"Indebtedness" means (i) all indebtedness for borrowed money or for the deferred purchase price of property or services (other than current trade Liabilities incurred in the Ordinary Course of Business and payable in accordance with customary practices), (ii) any other indebtedness that is evidenced by a note, bond, debenture or similar instrument, (iii) liabilities under or in connection with letters of credit or bankers' acceptances or similar items, (iv) all obligations under financing leases, (v) all Liabilities secured by any Lien on any property, and (vi) all guarantee obligations.

"Independent Accounting Firm" means a nationally recognized independent accounting firm mutually chosen by Purchaser and ResCap.

"Insurance Policy" means (i) any private mortgage insurance or commitment of any private mortgage insurer to insure, (ii) any title insurance policy, (iii) any hazard insurance policy, (iv) any flood insurance policy, (v) any fidelity bond, direct surety bond, or errors and omissions insurance policy required by private mortgage insurers, (vi) any surety bonds required by state banking authorities for licensing purposes or (vii) any surety or guaranty agreement.

"Insurer" means an issuer of an Insurance Policy.

"IRS" means the Internal Revenue Service.

"Knowledge of Sellers" concerning a particular subject, the affairs of any Seller or the Purchased Assets, means the actual knowledge of any individual listed on Schedule D hereto.

"Law" means any law, statute, ordinance, rule, regulation, code, Order, Permit, or other legal requirement enacted, issued, promulgated, enforced, or entered by a Government Entity.

"Liabilities" means any and all Indebtedness, liabilities, costs, Losses, commitments and obligations of any kind, whether fixed, contingent or absolute, matured or unmatured, liquidated or unliquidated, accrued or not accrued, asserted or not asserted, known or unknown, determined, determinable or otherwise, whenever or however arising (including whether arising out of any Contract or tort based on negligence or strict liability), and whether or not the same would be required by GAAP to be reflected in financial statements or disclosed in the notes thereto.

"Licenses" means the Permits required by Law or an Agency or other Government Entity in order to hold the Purchased Assets.

"Lien" means any lien, charge, pledge, deed of trust, right of first refusal, security interest, conditional sale agreement or other title retention agreement, lease, mortgage, option, proxy, hypothecation, voting trust agreement, transfer restriction, easement, servitude, encroachment, or other encumbrance (including the filing of, or agreement to give, any financing statement under the Uniform Commercial Code of any jurisdiction).

"Loss" or "Losses" means any and all damages, losses, actions, proceedings, causes of action, Liabilities, claims, Liens, penalties, fines, demands, Taxes, assessments, awards, judgments, settlements, costs and expenses, including (i) court costs and similar costs of litigation; (ii) reasonable attorneys' and consultants' fees, including those incurred in connection with (a) investigating or attempting to avoid the matter giving rise to the Losses or (b) successfully establishing a valid right to indemnification for Losses; and (iii) interest awarded as part of a judgment or settlement, if any, but in any event "Loss" or "Losses" shall exclude punitive damages claimed, incurred or suffered by any Person (which exclusion does not include any such damages for which such Person is liable to a third party as a direct, out-of-pocket cost of such Person).

"Master Servicing Rights" means any and all rights of a Seller to master service the Mortgage Loans and to monitor the performance of the primary servicers, including to the extent applicable any and all rights of a Seller to the following: (a) any payments or monies received as compensation for master servicing the Mortgage Loans; (b) collection of any late fees, penalties or similar payments with respect to the Mortgage Loans; (c) administration and maintenance of all agreements or documents creating, defining or evidencing any such master servicing rights of the related Seller thereunder; (d) maintenance of all accounts and other rights to payment related to any of the property described in this paragraph; and (e) administration and maintenance of any and all documents, files, records, servicing files, servicing documents, servicing records, data tapes, computer records, or other information pertaining to the applicable Mortgage Loans.

"Material Adverse Effect" means any condition, circumstance, event, state of facts, change or effect that is materially adverse to the Purchased Assets or to Sellers' ability to effect the transactions contemplated herein or to perform their obligations under this Agreement and the Ancillary Agreements; provided, that, for purposes of this Agreement, a Material Adverse Effect shall not include any condition, circumstance, event, state of facts, change or effect to the Purchased Assets resulting from (i) conditions, circumstances, events or changes to the housing or mortgage market or the mortgage servicing industry; (ii) the announcement or disclosure of the transactions contemplated herein, (iii) general economic, regulatory or political conditions or changes in the United States; (iv) military action or acts of terrorism; (v) changes in Law or

changes in GAAP or in the application of GAAP that become effective after the date hereof that Sellers are required to adopt in accordance therewith; (vi) actions taken or not taken, in each case, at the request of Purchaser; (vii) conditions in or changes to any financial, banking or securities markets (including any disruption thereof and any decline in the price of any security or market index); (viii) changes in or with respect to any of the Agencies, including in their legal organization, responsibilities, oversight obligations or roles in the mortgage loan and securities markets; or (ix) any effects on the Purchased Assets resulting from the fact that Sellers will be operating as debtors-in-possession under the Bankruptcy Code; and provided, further, that, in the case of each of clauses (i), (iii), (iv), (v) and (vii), the Purchased Assets are not, or not reasonably likely to be, materially disproportionately affected by such condition, circumstance, event, state of facts, change or effect compared to similar assets of other Persons engaged in the conduct of similar businesses.

"MERS" means the Mortgage Electronic Registration System maintained by Merscorp Holdings, Inc.

"MERS Loan" means any Mortgage Loan registered on the MERS system for which MERS is listed as the record mortgagee or beneficiary on the related mortgage or assignment thereof.

"MIN" means the mortgage identification number issued to each MERS Loan.

"MOM Loan" means any Mortgage Loan that was registered on the MERS system at the time of origination thereof and for which MERS appears as the record mortgagee or beneficiary on the related mortgage.

"Mortgage File" means, with respect to any Mortgage Loan, a file pertaining to such Mortgage Loan that contains each of the Mortgage Loan Documents except as specified in any applicable Collateral Exceptions Report.

"Mortgage Loan" means any U.S. individual residential (one-to-four family) mortgage loan or other extension of credit secured by a Lien on U.S. real property of a borrower originated, purchased or serviced by a Seller or any Affiliate Seller (which may be a charged-off Mortgage Loan or the receivable with respect to a funded HELOC advance).

"Mortgage Loan Documents" means, for any Mortgage Loan:

(A) either:

(i) the original Mortgage Note, endorsed (on the Mortgage Note or an allonge attached thereto) "Pay to the order of _____ without recourse," and signed by facsimile signature in the name of the last holder of record by an authorized officer; or

(ii) a copy of the Mortgage Note (endorsed as provided above) together with a lost note affidavit and indemnity, bearing all intervening endorsements, to the extent of any such endorsements, from the original payee to

an endorsement in blank, and if previously endorsed, signed in the name of the last endorsee by a duly qualified officer of the last endorsee;

(B) the original mortgage, with evidence of recording thereon (and, in the case of a MOM Loan, with evidence of the MIN); provided, that (A) if the original mortgage has been delivered for recording to the public recording office of the jurisdiction in which the Mortgaged Property is located but has not yet been returned to the applicable Seller by such recording office, such Seller shall (i) provide to Purchaser a copy of the mortgage, and (ii) as soon as the original mortgage becomes available, deliver to Purchaser the original of such mortgage, with evidence of recording thereon, and (B) if such original mortgage is not available, has been lost or if such public recording office retains the original recorded mortgage, such Seller shall deliver or cause to be delivered to Purchaser a photocopy of such mortgage with the recording information included on such copy, certified by such Seller to be a copy of the original recorded mortgage;

(C) unless such Mortgage Loan is a MERS Loan, the original assignment of the mortgage, from the applicable Seller signed by original signature of an authorized officer, in blank, which assignment shall be in form and substance acceptable for recording (except for the insertion of the names of the assignee and the recording information);

(D) unless such Mortgage Loan is a MOM Loan, originals or copies of all recorded intervening assignments of the mortgage; provided, that (A) if any original intervening assignment of the mortgage has been delivered for recording to the appropriate public recording office of the jurisdiction in which the Mortgaged Property is located but has not yet been returned to the applicable Seller by such recording office, such Seller shall deliver to Purchaser such original intervening assignment of the mortgage, with evidence of recording thereon, if and when such assignment of the mortgage becomes available, and (B) if such intervening assignment of the mortgage is not available or if such public recording office retains the original recorded intervening assignment of the mortgage, a Seller may deliver a photocopy of such intervening assignment of the mortgage showing evidence of recordation;

(E) the originals of all assumption, modification, consolidation or extension agreements, with evidence of recording thereon, if any, or if such assumption, modification, consolidation or extension agreements are not available , a copy of such assumption, modification, consolidation or extension agreements; and

(F) the original copy of the original lender's title insurance policy in the form of an ALTA mortgage title insurance policy and insuring Purchaser and its successors and assigns as to the first priority lien of the mortgage in the original principal amount of the Mortgage Loan or, if the original lender's title insurance policy has not been issued, the commitment to issue the same; provided, that this subsection (F) shall not apply to second lien Mortgage Loans.

"Mortgage Loan Schedule" has the meaning specified in Section 4.5.

"Mortgage Note" means, with respect to a Mortgage Loan, a promissory note or notes, a loan agreement or other evidence of Indebtedness with respect to such Mortgage Loan, secured by a mortgage or mortgages or a deed or deeds of trust, together with any assignment, reinstatement, extension, endorsement or modification thereof.

"Mortgage Securities" means the trading/financing securities to be included in the Purchased Assets, which are identified on Schedule E hereto.

"Mortgage Securities Purchase Price Percentage" means 0.8194%.

"Mortgaged Property" means the real property securing repayment of the Indebtedness evidenced by a Mortgage Note pursuant to a related Mortgage Loan.

"Mortgagor" means the obligor on a Mortgage Note, the owner of the Mortgaged Property and the grantor or mortgagor named in the related mortgage and such grantor's or mortgagor's successors in title to the Mortgaged Property.

"Nationstar" means Nationstar Mortgage LLC.

"Necessary Consent" has the meaning specified in Section 2.5.

"Non-performing" means, with respect to any Mortgage Loan as of any date of determination, that (a) such Mortgage Loan is 30 or more days past due with respect to a scheduled payment of principal and interest, or (b) there exists an event of default under the terms of the related Mortgage Note or mortgage.

"Order" means, with respect to any Person, any award, decision, injunction, judgment, stipulation, order, ruling, subpoena, writ, decree, consent decree or verdict entered, issued, made or rendered by any Government Entity affecting such Person or any of its properties.

"Ordinary Course of Business" means the ordinary course of business of Sellers during the six months immediately preceding the date of this Agreement as modified from time to time in order to comply with the Consent Order, the DOJ/AG Settlement and any other change required by any Government Entity or MERS, and, from and after the Petition Date, in accordance with the budget contemplated by the DIP Financing Agreements.

"Performing" means, with respect to any Mortgage Loan as of any date of determination, such Mortgage Loan is current or fewer than 30 days past due with respect to a scheduled payment of principal and interest.

"Permits" means permits, concessions, grants, franchises, licenses, variances, exemptions, exceptions, clearances, registrations, qualifications, filings and other authorizations and approvals required or issued by any Government Entity and related to the Purchased Assets.

"Permitted Liens" means (i) statutory liens for current Taxes, assessments or other governmental charges not yet due and payable or the amount or validity of which is being contested in good faith by appropriate proceedings or the making of appropriate demands, notices or filings; provided, that an appropriate reserve is established therefor against the

carrying amount of the related assets; (ii) mechanics', carriers', workers', repairers' and similar Liens arising or incurred in the Ordinary Course of Business and the amount or validity of which is being contested in good faith by appropriate proceedings or the making of appropriate demands, notices or filings; provided, that an appropriate reserve is established therefor against the carrying amount of the related assets; and (iii) Liens that will be and are discharged or released either prior to, or simultaneously with the Closing; provided, that, except in the case of clause (i), such exceptions (a) do not render title to the property encumbered thereby unmarketable and (b) do not, individually or in the aggregate, materially detract from the value or use of such property for its current purposes.

"Person" means a natural person, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, Government Entity or other entity or organization.

"Petition Date" means the date on which the Petitions in respect of the Bankruptcy Case are filed with the Bankruptcy Court.

"Petitions" has the meaning specified in the preamble.

"Primary APA" means that certain Asset Purchase Agreement, dated as of the date hereof, between Sellers, on the one hand, and Nationstar or another Winning Bidder that is acceptable to Sellers, on the other hand.

"Primary Servicing Rights" means any and all rights of a Seller to service the Mortgage Loans, including to the extent applicable any and all rights of a Seller to the following: (a) any payments or monies received for servicing the Mortgage Loans; (b) any late fees, penalties or similar payments with respect to the Mortgage Loans; (c) all agreements or documents creating, defining or evidencing any such servicing rights to the extent they relate to such servicing rights and all rights of the related Seller thereunder; (d) Escrow Payments with respect to the Mortgage Loans and any amounts actually collected with respect thereto, subject to the rights of the related Mortgagor in such amounts; (e) all accounts and other rights to payment related to any of the property described in this paragraph; and (f) any and all documents, files, records, servicing files, servicing documents, servicing records, data tapes, computer records or other information pertaining to the Mortgage Loans or pertaining to the past, present or prospective servicing of the Mortgage Loans.

"Privileged Documents" has the meaning specified in Section 2.3.

"Purchase Price" has the meaning specified in Section 3.1(a).

"Purchase Price Adjustment Statement" has the meaning specified in Section 3.2(a).

"Purchase Price Document Deficiency Multiplier" means, for each Whole Loan Bucket, the multiplier to be applied to the Whole Loan Purchase Price Percentage for such Whole Loan Bucket based on the percentage of Mortgage Files in such Whole Loan Bucket determined to contain deficiencies (as set forth in the Closing Collateral Exceptions Report) as follows:

Percentage	Purchase Price

Deficient	Document Deficiency Multiplier
< =6%	1.033
8%	1.029
10%	1.021
12%	1.013
15%	1.000
18%	0.979
20%	0.962
22%	0.948
> =24%	0.937

"Purchase Price Schedule" means Schedule F hereto which sets forth an example of the calculations to be made pursuant to Section 3.1 in order to calculate the Purchase Price as if calculated as of December 31, 2011.

"Purchased Assets" has the meaning specified in Section 2.1.

"Purchased Servicing Rights" means (i) with respect to Mortgage Loans indicated on the Mortgage Loan Schedule as being primary serviced by an SBO Servicer, the Master Servicing Rights, (ii) with respect to Mortgage Loans indicated on the Mortgage Loan Schedule as being primary serviced by a Seller, the Primary Servicing Rights and the Master Servicing Rights, and (iii) with respect to 41 Mortgage Loans as to which a Seller owns both the Primary Servicing Rights and the Master Servicing Rights, but which are indicated on the Mortgage Loan Schedule as being primary serviced by a third-party servicer on a subservicing basis, the Primary Servicing Rights and the Master Servicing Rights.

"Purchaser" has the meaning specified in the preamble.

"Report Request Date" has the meaning specified in Section 3.1(d).

"ResCap" has the meaning specified in the preamble.

"Retained Liabilities" means any and all Liabilities of any kind or nature whatsoever of a Seller or any of its Affiliates, including but not limited to any Liabilities relating to the origination or securitization of Mortgage Loans by Sellers or any Affiliate of Sellers, including repurchase obligations relating thereto.

"RFC" has the meaning specified in the preamble.

"Sale Approval Order" means a Final Order or Final Orders of the Bankruptcy Court issued pursuant to sections 105, 363, and 365 of the Bankruptcy Code, in substantially the form set forth in Exhibit 1 hereto, authorizing and approving, among other things, (i) the sale, transfer and assignment of the Purchased Assets to Purchaser in accordance with the terms and conditions of this Agreement, free and clear of all Claims and Liens and (ii) that Purchaser is a

good faith purchaser entitled to the protections of Section 363(m) of the Bankruptcy Code. References to the "Sale Approval Order" in this Agreement shall be deemed to include the Confirmation Order provided (1) the Confirmation Order has been entered by the Bankruptcy Court by October 31, 2012, (2) the Chapter 11 Plan Effective Date has occurred by December 15, 2012, (3) the provisions of the Confirmation Order are reasonably acceptable to Purchaser, (4) the Confirmation Order has become a Final Order by December 15, 2012 and (5) Purchaser and Sellers agree, in their reasonable judgment, that the Sale Approval Order should be incorporated into the Confirmation Order.

"Sale Hearing" has the meaning specified in the Sale Procedures Order.

"Sale Motion" means the motion filed by Sellers with the Bankruptcy Court for the approval of the Sale Procedures Order and the Sale Approval Order, in form and substance reasonably satisfactory to Purchaser, Parent and Sellers.

"Sale Procedures" means the Sale Procedures substantially in the form set forth in Exhibit 2, as such procedures may be amended and approved in the Sale Procedures Order and in form and substance reasonably satisfactory to Purchaser, Parent and Sellers.

"Sale Procedures Order" means a Final Order of the Bankruptcy Court, in the form set forth in Exhibit3, with modifications, if any, to be in form and substance reasonably satisfactory to Purchaser that, among other things, approves the Sale Procedures and designates Purchaser as a "stalking horse bidder" for the Purchased Assets.

"SBO Loan" means a Mortgage Loan serviced by an SBO Servicer under an SBO Servicing Agreement.

"SBO Servicer" means the Person responsible for performing loan servicing functions with respect to a Mortgage Loan under an SBO Servicing Agreement.

"SBO Servicing Agreements" means the servicing agreements between any Seller, on the one hand, and any third-party servicer or subservicer, on the other hand.

"Section 363 Sale" means a sale process conducted by the Bankruptcy Court pursuant to section 363 of the Bankruptcy Code.

"Sellers" has the meaning specified in the preamble.

"Servicing File" means for each Mortgage Loan other than an SBO Loan, all loan documents and information (including any servicing tapes, images and conversion reports) received or obtained through the efforts of servicing the Mortgage Loan, which may be maintained on CD or DVD. To the extent available, each Servicing File shall contain: (a) documentation relating to any releases of collateral, (b) any correspondence between the current servicer of the mortgage and the Mortgagor, (c) payment history, (d) collection letters or form notices, and (e) foreclosure correspondence and legal notification. For the SBO Loans, the term "Servicing File" means only such copies of the foregoing documents as shall have been provided by the primary servicer and retained by the master servicing group of the applicable Seller.

"Subsidiary" means, with respect to any Person, any corporation or other organization, whether incorporated or unincorporated, of which (i) at least a majority of the securities or other interests having by their terms ordinary voting power to elect a majority of the board of directors or others performing similar functions with respect to such corporation or other organization is directly or indirectly owned or controlled by such Person or by any one or more of its Subsidiaries or (ii) such Person or any other Subsidiary of such Person is a general partner (excluding any such partnership where such Person or any Subsidiary of such Person does not have a majority of the voting interest in such partnership).

"Tax" or "Taxes" means all (i) taxes, charges, fees, duties, levies, penalties or other assessments imposed by any federal, state, local or foreign Government Entity, including income, gross receipts, excise, property, sales, gain, use, license, custom duty, unemployment, capital stock, transfer, franchise, payroll, withholding, social security, minimum estimated, profit, gift, severance, value added, disability, premium, recapture, credit, occupation, service, leasing, employment, stamp and other taxes, any amounts attributable thereto or attributable to any failure to comply with any requirement regarding Tax Returns, (ii) liability for the payment of any Taxes as a result of being or having been on or before the Closing Date a member of an affiliated, consolidated, combined or unitary group or other association, and (iii) any transferee or secondary Liability in respect of Taxes, and, in each case, any interest or penalty thereon or addition thereto, whether disputed or not.

"Tax Code" means the Internal Revenue Code of 1986, as amended.

"Tax Return" means any return, declaration, report, claim for refund or information return or statement relating to Taxes, including any such document prepared on a consolidated, combined or unitary basis and also including any schedule or attachment thereto or amendment thereof.

"Third Party Servicing Agreement" means the servicing agreement to be executed by and between Purchaser and the Winning Bidder.

"Transaction Proceeds" mean the proceeds obtained by Sellers in connection with the payment of the Purchase Price pursuant to Article III hereof.

"Transfer Taxes" means any federal, state, county, local, foreign and other excise, sales, use, value added, transfer (including real property transfer or gains), conveyance, stamp, documentary transfer, filing, recording or other similar Tax, fee or charge, together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties, resulting directly from the transactions contemplated by this Agreement.

"UPB" means, with respect to each Mortgage Loan as of any date of determination, the unpaid principal balance of such Mortgage Loan as of the close of business on such date of determination, after deduction and application of all payments of principal received by such date of determination.

"VA" means the Department of Veteran Affairs of the United States of America, or any successor thereto.

"VA Loans" means mortgages guaranteed by the VA.

"Whole Loan Bucket" means each of the following categories of Whole Loans included in the Purchased Assets, calculated as set forth in the Purchase Price Schedule: Performing First Lien, Non-Performing First Lien, Performing Second Lien, Non-Performing Second Lien, Other and HELOC Advances.

"Whole Loan Purchase Price Percentage" means, for the Whole Loans in each Whole Loan Bucket included in the Purchased Assets, the following percentages with respect to a Chapter 11 Plan and a Section 363 Sale, respectively, which shall be adjusted by applying the applicable Purchase Price Document Deficiency Multiplier to reflect the percentage of Mortgage Files determined to be deficient based on the Closing Collateral Exceptions Report:

Whole Loan Bucket	Purchase Price Percentage with respect to a Chapter 11 Plan	Purchase Price Percentage with respect to a Section 363 Sale
Performing First Lien	49.20%	43.05%
Non-Performing First Lien	34.50%	30.1875%
Performing Second Lien	52.80%	46.20%
Non-Performing Second Lien	17.10%	14.9625%
Other	40.00%	35.00%
HELOC Advances	58.80%	51.45%

"Whole Loans" means the first and second lien Mortgage Loans, HELOCs and other Mortgage Loans owned by Sellers and intended to be purchased by Purchaser, and any collateral, insurance, guaranty or other credit support arrangement related thereto, as identified on the Mortgage Loan Schedule, the Cut-off Date Mortgage Loan Schedule or the Closing Date Mortgage Loan Schedule, as applicable.

"Winning Bidder" means Nationstar or any other winning bidder for substantially all of the assets of Sellers contemplated to be sold by Sellers substantially on the terms and conditions set forth in the Primary APA.

Section 1.2 Interpretation. For purposes of this Agreement:

(a) The headings preceding the text of Articles and Sections included in this Agreement are for convenience only and shall not be deemed part of this Agreement or be given any effect in interpreting this Agreement.

(b) The use of the masculine, feminine or neuter gender or the singular or plural form of words herein shall not limit any provision of this Agreement.

(c) The use of the terms "including" or "include" shall in all cases herein mean "including, without limitation" or "include, without limitation," respectively.

(d) Reference to any Person includes such Person's successors and assigns to the extent such successors and assigns are permitted by the terms of any applicable

agreement. Reference to a Person in a particular capacity excludes such Person in any other capacity or individually.

(e) Reference to any agreement (including this Agreement), document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof.

(f) Underscored references to Articles, Sections, paragraphs, clauses or Exhibits shall refer to those portions of this Agreement. The use of the terms "hereunder," "hereby," "hereof," "hereto" and words of similar import shall refer to this Agreement as a whole and not to any particular Article, Section, paragraph or clause of, or Schedule or Exhibit to, this Agreement.

(g) All references to amounts denominated in dollars shall mean U.S. dollars, except where specifically noted otherwise.

(h) Whenever any payment hereunder is to be paid in "cash," payment shall be made in U.S. dollars and the method for payment shall be by wire transfer of immediately available funds.

(i) A reference to any legislation or to any provision of any legislation shall include any amendment to, and any modification or reenactment thereof, any legislative provision substituted therefor and all regulations and statutory instruments issued thereunder or pursuant thereto.

(j) When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded. If the last day of such period is a non-Business Day, the period in question shall end on the next succeeding Business Day.

(k) Each of the parties has participated in the drafting and negotiation of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if it is drafted by all the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of authorship of any of the provisions of this Agreement.

ARTICLE II.

PURCHASE AND SALE OF ASSETS

Section 2.1 Purchase and Sale of Assets. On the terms and subject to the conditions set forth herein, at the Closing, Sellers shall sell, convey, transfer, assign and deliver (or cause to be sold, conveyed, transferred, assigned and delivered) to Purchaser, and Purchaser shall purchase from Sellers, all of Sellers' right, title and interest in, to and under the following assets (collectively, the "~~Purchased Assets~~"), in each case free and clear of all Claims and Liens except

Permitted Liens, as approved for sale, transfer and assignment pursuant to the Sale Approval Order:

(a) the pool of Whole Loans, servicing released to the extent of the Purchased Servicing Rights (including any and all Primary Servicing Rights and Master Servicing Rights included in the Purchased Servicing Rights owned by a Seller), and the right to all payments of Accrued Interest, principal, penalties, fees, charges and other amounts received or receivable on or in respect of the Mortgage Loans after the Closing Date (except to the extent that an SBO Servicer is entitled to such amounts under an SBO Servicing Agreement), together with the Mortgage Files and the Credit Files, and any and all proceeds of the foregoing; provided, that HELOCs shall only be included in the Purchased Assets if the condition set forth in Section 8.3(d)(i) is satisfied or waived by Purchaser;

(b) the Mortgage Securities;

(c) the Advances as of the Closing Date;

(d) the Purchased Servicing Rights and the related Servicing Files;

(e) the causes of action, lawsuits, judgments, refunds, choses in action, rights of recovery, rights of set-off, rights of recoupment, demands and any other rights or Claims, including those indicated by the presence of a "litigation flag" or indicated to be in bankruptcy or active foreclosure on the Mortgage Loan Schedule, including all preference or avoidance claims and actions of any of the Sellers, in each case that are related to the Purchased Assets, including any such claims and actions arising under sections 544, 547, 548, 549, and 550 of the Bankruptcy Code (provided, that Sellers shall be entitled to participate in the defense of any counterclaim);

(f) all rights to receive mail and other communications addressed to Sellers that pertains to the Purchased Assets, including any mail and communications from any Person who holds any Whole Loan (or any interest therein), trustees, customers, suppliers, distributors and their respective representatives;

(g) to the extent transferable, all rights under insurance policies and insurance proceeds directly relating to Whole Loans serviced pursuant to any servicing agreement, and all escrow accounts and any other accounts related to the Purchased Assets and all funds and property credited thereto; and

(h) to the extent transferable, all guaranties, warranties, indemnities and similar rights in favor of any Seller or any Affiliate Seller to the extent related to any Purchased Asset.

Section 2.2 Excluded Assets. Notwithstanding anything herein to the contrary, Sellers will not sell, assign, convey, transfer or deliver to Purchaser, and Purchaser will not purchase, acquire or assume or take assignment or delivery of, any and all assets, Contracts or rights that are not expressly Purchased Assets, whether tangible, real, personal or mixed (collectively, the "Excluded Assets"). For the avoidance of doubt, the servicing rights of SBO

Servicers under the SBO Servicing Agreements are not the property of Sellers and are Excluded Assets.

Section 2.3 Post-Closing Asset Deliveries. If any Seller or Purchaser, in its reasonable discretion, determines after the Closing that any other materials or assets constituting Purchased Assets are still in the possession of such Seller or any Affiliate Seller, such Seller shall, or shall cause such Affiliate Seller to, promptly deliver them to Purchaser at no additional cost or expense to Purchaser. If any Seller or Purchaser, in its reasonable discretion, determines after the Closing that other materials or assets constituting Excluded Assets were delivered to Purchaser in error, Purchaser shall promptly return them to the applicable Seller at Sellers' sole cost and expense. In furtherance and not in limitation of the foregoing (and notwithstanding any provision in this Agreement to the contrary), each of Sellers and Purchaser acknowledges and agrees that it is neither Sellers' nor Purchaser's intention to sell, assign or transfer possession of any documents or communications of Sellers that are subject to Sellers' attorney-client privilege and/or the work-product immunity doctrine (the "Privileged Documents"). If it is discovered that any such Privileged Documents have been inadvertently or unintentionally turned over to Purchaser, Purchaser agrees, upon Sellers' request, to promptly turn over to Sellers or destroy such Privileged Documents, in each case at Sellers' sole cost and expense; provided, that (i) Purchaser shall in no way be obligated or responsible for reviewing, identifying or making a determination that any documents or communications in its possession are Privileged Documents and (ii) Purchaser shall not be obligated to take any actions under this Section 2.3 that may subject it to any liability or otherwise be in violation with any applicable Law.

Section 2.4 Conveyance of Assets by Affiliate Sellers.

(a) Notwithstanding anything to the contrary contained in this Agreement, if it is determined by Sellers and Purchaser before, at or after the Closing that any direct or indirect Subsidiary of ResCap (an "Affiliate Seller") owns or possesses any assets or properties that would be deemed to be Purchased Assets if such Affiliate Seller were a Seller under this Agreement (such assets and properties, the "Affiliate Purchased Assets"), then Sellers shall, upon Purchaser's request, promptly cause such Affiliate Seller to transfer, assign, convey and deliver to Purchaser such Affiliate Purchased Assets in accordance with the terms and conditions of this Agreement; provided, that Purchaser shall not be obligated to pay any additional amounts to Sellers in consideration for the transfer of such Affiliate Purchased Assets to Purchaser other than those amounts that Purchaser is obligated to pay to Sellers pursuant to Section 3.1.

(b) To the extent that any Affiliate Purchased Assets are transferred, assigned, conveyed and delivered by an Affiliate Seller to Purchaser pursuant to this Section 2.4, then each representation and warranty set forth in Article IV and each covenant in Article VI shall be deemed to be applicable to such Affiliate Seller as if such Affiliate Seller were a Seller and to such Affiliate Purchased Assets as if such Affiliate Purchased Assets were Purchased Assets.

Section 2.5 Non-Assignable Purchased Assets; Necessary Consents. Notwithstanding any other provision of this Agreement to the contrary, this Agreement shall not constitute an agreement to assign or transfer and shall not effect the assignment or transfer of any

Purchased Asset if an attempted assignment thereof, without the approval, authorization or consent of, or granting or issuance of any license or permit by, any third party thereto (each such action, a "Necessary Consent"), would constitute a breach thereof or in any way adversely affect the rights of Purchaser thereunder unless the Bankruptcy Court has entered a Final Order (which may include the Sale Approval Order) whose effectiveness has not been stayed providing that (i) such Necessary Consent is not required or (ii) the Purchased Assets shall be assigned or transferred regardless of any such Necessary Consent and there shall be no breach or adverse effect on the rights of Purchaser thereunder for the failure to obtain any such Necessary Consent. As Purchaser may reasonably request, if the Bankruptcy Court has not entered such an Order, Sellers and Purchaser will use their commercially reasonable efforts to obtain the Necessary Consents with respect to any such Purchased Asset or any claim or right or any benefit arising thereunder for the assignment thereof to Purchaser. If any such Necessary Consent is not obtained, or if an attempted assignment thereof would be ineffective or would adversely affect the rights of any Seller thereunder so that Purchaser would not in fact receive all such rights, such Seller and Purchaser will cooperate in a mutually agreeable arrangement under which Purchaser would obtain the benefits and assume the obligations thereunder in accordance with this Agreement, including, to the extent that such an arrangement would be permitted by Law and the related Contract, subcontracting, sub-licensing or sub-leasing to Purchaser, or under which such Seller would enforce for the benefit of Purchaser, with Purchaser assuming such Seller's obligations in accordance with this Agreement, any and all rights of such Seller against a third party thereto.

Section 2.6 Retained Liabilities. Sellers shall retain and be responsible for all Retained Liabilities and Purchaser shall not have any obligation of any nature or kind with respect thereto.

Section 2.7 Closing. Subject to the terms and conditions of this Agreement, the closing (the "Closing") of the transactions contemplated hereby shall take place at the offices of Morrison & Foerster LLP, 1290 Avenue of the Americas, New York, New York 10104 on the second Business Day following the date on which the conditions set forth in Sections 8.1, 8.2 and 8.3 (other than those conditions that by their nature can be satisfied only at the Closing but subject to the fulfillment or waiver of those conditions) have been satisfied or waived but no earlier than 18 Business Days following the Cut-off Date nor, at Purchaser's option, later than the last Business Day of the month in which such conditions are satisfied or waived, or at such other time and place as the parties hereto may mutually agree. At the Closing, Purchaser shall deliver the Purchase Price in accordance with Sections 2.9 and 3.1, the transfer of title to the Purchased Assets shall take place, and the appropriate parties shall take all actions required under Sections 2.8, 2.9 and 2.10 and all other actions not previously taken but required to be taken hereunder at or prior to the Closing Date. It is a condition of the Closing that all matters of payment and the execution and delivery of documents by any party to the others pursuant to the terms of this Agreement be concurrent requirements, and that nothing will be complete at the Closing until everything required as a condition precedent to the Closing has been paid, executed and delivered, as the case may be.

Section 2.8 Ancillary Agreements. At the Closing, Sellers shall duly execute and deliver to Purchaser, and Purchaser shall duly execute and deliver to Sellers, as applicable, each of the following agreements (the "Ancillary Agreements"):

(a) Bills of Sale;

(b) Transfer Tax forms, if applicable, in the form required by Law;

(c) such other agreements as may be entered into between the parties in connection with this Agreement;

(d) all instruments or documents necessary to change the names of the individuals who have access to or are authorized to make withdrawals from or dispositions of all escrow or other accounts related to the Purchased Assets; and

(e) any other documents that may be required by the Sale Approval Order or pursuant to any other direction by the Bankruptcy Court to be effected on or prior to the Closing.

Section 2.9 Deliveries by Purchaser.

(a) At the Closing, Purchaser shall deliver to Sellers the following:

(i) the Cut-off Date Purchase Price, in immediately available funds by wire transfer to an account or accounts designated by Sellers at least two Business Days prior to the Closing Date;

(ii) the certificate to be delivered pursuant to Section 8.2(c);

(iii) Ancillary Agreements duly executed by Purchaser; and

(iv) such other customary instruments of transfer and assumption and other instruments or documents, in form and substance reasonably acceptable to Sellers, as may be necessary to effectuate the assignment of the Purchased Assets or to give effect to this Agreement or any Ancillary Agreement.

Section 2.10 Deliveries by Sellers.

(a) At the Closing, Sellers shall deliver, or cause to be delivered, to Purchaser the following:

(i) the certificates to be delivered pursuant to Section 8.3(c);

(ii) a receipt acknowledging payment of the Cut-off Date Purchase Price payable in accordance with Section 3.1(b);

(iii) affidavits of Sellers' non-foreign status, in form and substance reasonably satisfactory to Purchaser, that comply with Section 1445 of the Tax Code and the regulations thereunder;

(iv) Ancillary Agreements duly executed by the applicable Sellers;

(v) if the Confirmation Order is received, a certified copy of the Confirmation Order, which shall be a Final Order;

(vi) the Mortgage Files delivered pursuant to Section 6.16(a); provided, that if the Mortgage Files are in the possession of a custodian, Purchaser shall have received a trust receipt or similar document from such custodian acknowledging that such custodian holds the Mortgage Files for the benefit of Purchaser, and such custodian shall provide a copy of such trust receipt or similar document to Sellers; and

(vii) such other customary instruments of transfer and assumption and other instruments or documents, in form and substance reasonably acceptable to Purchaser, as may be necessary to effect this Agreement, including Sellers' assignment of the Purchased Assets to Purchaser (or its assignee), or as may be required to give effect to any Ancillary Agreement.

Section 2.11 Consumer Privacy Matters. The sale, if any, of customer lists, customer data and other consumer privacy information pursuant to this Agreement is subject to and shall conform to the recommendations of any consumer privacy ombudsperson that may be appointed pursuant to section 332 of the Bankruptcy Code (the "Consumer Privacy Ombudsperson") (to the extent that appointment of a Consumer Privacy Ombudsperson is determined to be necessary) in connection with the transactions contemplated in this Agreement.

Section 2.12 "As Is, Where Is" Transaction. Purchaser hereby acknowledges and agrees that, except as expressly set forth in this Agreement, Sellers make no representations or warranties whatsoever, express or implied, with respect to any matter relating to the Purchased Assets. Without in any way limiting the foregoing, Sellers hereby disclaim any warranty (express or implied) of merchantability or fitness for any particular purpose as to any portion of the Purchased Assets. Purchaser further acknowledges that it is proceeding with its acquisition of the Purchased Assets, based solely upon its independent inspections and investigations and the representations and warranties herein and in the Ancillary Agreements. Accordingly, except as expressly set forth in this Agreement, Purchaser will accept the Purchased Assets on the Closing Date "AS IS" and "WHERE IS."

ARTICLE III.

PURCHASE PRICE; ADJUSTMENT; ALLOCATION

Section 3.1 Purchase Price; Payment of Purchase Price.

(a) Subject to the terms and conditions of this Article III, as aggregate consideration for the Purchased Assets, Purchaser will pay an aggregate amount in cash (the "Purchase Price") on the Closing Date equal to:

(i) the product of (a) the sum, for each Whole Loan included in a Whole Loan Bucket (other than the Whole Loan Buckets related to HELOC Advances and Other), of the Whole Loan Purchase Price Percentage of the aggregate UPB of such Whole Loans included in such Whole Loan Buckets as of

the Cut-off Date, times (b) the applicable Purchase Price Document Deficiency Multiplier;

(ii) the sum, for each Whole Loan included in a Whole Loan Bucket related to the HELOC Advances and Other, of the Whole Loan Purchase Price Percentage of the aggregate UPB of such Whole Loans included in such Whole Loan Buckets as of the Cut-off Date; provided, that if the condition in Section 8.3(d)(i) is not satisfied or waived by Purchaser, then the Purchase Price shall be reduced by an amount equal to the sum, for each Whole Loan that is a HELOC Advance, of the Whole Loan Purchase Price Percentage applicable to such HELOC Advances of the aggregate UPB of such HELOC Advances as of the Cut-off Date;

(iii) for each Whole Loan, to the extent applicable, the aggregate amount of unpaid Accrued Interest as of the Cut-off Date; and

(iv) the Mortgage Securities Purchase Price Percentage of the aggregate UPB of the Mortgage Securities included in the Purchased Assets as of the Cut-off Date.

(b) As soon as reasonably practical following the Cut-off Date, but in no event later than 15 Business Days following the Cut-off Date (and, in any event, at least three Business Days prior to the Closing Date), Sellers shall deliver to Purchaser the Cut-off Date Mortgage Loan Schedule, prepared in good faith consistently with the preparation of the Mortgage Loan Schedule. The Cut-off Date Mortgage Loan Schedule shall be subject to approval by Purchaser, such approval not to be unreasonably withheld, conditioned or delayed.

(c) The April Collateral Exceptions Report has been delivered to Purchaser prior to the date hereof as document #16.8.2 in the data room established in connection with this Agreement. Sellers shall have the right, but not the obligation, to remedy any document deficiencies identified in the April Collateral Exceptions Report up to and including the Report Request Date.

(d) On the date that is twelve Business Days prior to the Closing Date, or such earlier date as the custodians shall require (the "Report Request Date"), Sellers shall instruct the custodians who prepared the April Collateral Exceptions Report to produce the Closing Collateral Exceptions Report and deliver it to Sellers and Purchaser as soon as reasonably practicable. Purchaser shall be responsible for all costs, expenses and fees incurred in connection with the production of the Closing Collateral Exceptions Report. Not less than five Business Days prior to the Closing Date, Sellers will provide Purchaser with a statement of Sellers' good faith calculation of the Purchase Price as of the Cut-off Date (the "Cut-off Date Purchase Price") prepared in a manner consistent with, and using the same principles, methodologies and policies as those set forth in, the Purchase Price Schedule. The Closing Collateral Exceptions Report and the calculation of the Cut-off Date Purchase Price shall be subject to approval by Purchaser, such approval not to be unreasonably withheld, conditioned or delayed.

Section 3.2 Purchase Price Adjustment; Final Payment.

(a) Post-Closing Determination. As soon as reasonably practical following the Closing Date, but in no event later than 30 days following the Closing Date, Purchaser shall deliver to Sellers (i) the Closing Date Mortgage Loan Schedule and (ii) a statement (the "Purchase Price Adjustment Statement") setting forth Purchaser's calculation (prepared in a manner consistent with, and using the same principles, methodologies and policies as those set forth in, the Purchase Price Schedule) of the Purchase Price as of the Closing Date (the "Closing Date Purchase Price"). Sellers shall provide Purchaser and its representatives full cooperation, including full access to books, records and employees in connection with the preparation of the Purchase Price Adjustment Statement.

(b) Purchase Price True-up. Subject to Section 3.2(d), within 30 days of delivery of the Purchase Price Adjustment Statement (or within 15 days of the final determination of the Purchase Price in accordance with Section 3.2(d)), (i) if the Closing Date Purchase Price is less than the Cut-off Date Purchase Price, then Sellers shall pay to Purchaser an amount equal to such shortfall; and (ii) if the Closing Date Purchase Price is greater than the Cut-off Date Purchase Price, then Purchaser shall pay to Sellers an amount equal to such excess (in either event, the "Adjustment Amount"). The Adjustment Amount will (A) bear simple interest from the Closing Date to the date of payment at an interest rate equal to the Fed Funds Rate per annum as published in *The Wall Street Journal* as of the Closing Date and (B) be paid by wire transfer of immediately available funds to an account or accounts designated by the recipient thereof.

(c) Objections. Unless Sellers deliver written notice to Purchaser of an objection to all or a part of the Purchase Price Adjustment Statement (a "Dispute Notice") prior to the expiration of the 30-day period provided in Section 3.2(b) above, the Purchase Price Adjustment Statement shall become binding in its entirety at the end of such 30-day period. The Dispute Notice shall set forth, in reasonable detail on a line-item by line-item basis, the basis for such dispute, the amounts involved and Sellers' determination of the Purchase Price. If Sellers deliver a Dispute Notice to Purchaser within such period and the parties are unable to agree as to all issues in the Dispute Notice within the ten Business Day period immediately following the day after the Dispute Notice is received by Purchaser, then the Dispute Notice may be submitted by either Sellers or Purchaser to an Independent Accounting Firm to resolve the disputed items set forth therein in accordance with Section 3.2(d).

(d) Dispute Resolution. An Independent Accounting Firm shall conduct a review of the Dispute Notice and any supporting documentation submitted by either Purchaser or Sellers. The parties shall direct the Independent Accounting Firm to, as promptly as practicable and in no event later than 30 days following its receipt of the Dispute Notice, deliver to Sellers and Purchaser a report (the "Adjustment Report") setting forth in reasonable detail the Independent Accounting Firm's determination with respect to the issues specified in the Dispute Notice, and the revisions, if any, to be made to the Purchase Price Adjustment Statement together with supporting calculations. The

Independent Accounting Firm has no authority to review or raise items not expressly identified in the Dispute Notice. With respect to each disputed line item, such determination, if not in accordance with the position of either Sellers or Purchaser, shall not be in excess of the higher, nor less than the lower, of the amounts advocated by either Sellers or Purchaser in the Dispute Notice or the Purchase Price Adjustment Statement, respectively, with respect to such disputed line item. Such Adjustment Report and the revisions, if any, to be made to the Purchase Price Adjustment Statement shall be final and binding on the parties, absent arithmetical error, and shall be deemed a final arbitration award that is enforceable against each of the parties in any court of competent jurisdiction, and the Purchase Price shall be adjusted according to such Adjustment Report and paid in accordance with Section 3.2(b). The fees and expenses of the Independent Accounting Firm shall be borne 50% by Sellers and 50% by Purchaser.

Section 3.3 Allocation of the Purchase Price for Tax Purposes.

(a) The Purchase Price shall be allocated among the Purchased Assets in accordance with Section 1060 of the Tax Code and the Treasury Regulations thereunder in a manner consistent with an allocation schedule (the "Allocation Schedule"), which Allocation Schedule shall be prepared by Purchaser and provided to Sellers for their review and the parties' mutual agreement within 90 days after the Closing Date. The parties shall cooperate reasonably in attempting to reach such a mutual agreement. If the Allocation Schedule is not mutually agreed upon within such period, the parties shall submit such dispute to an Independent Accounting Firm for a decision that shall be rendered in a timely manner in order to permit the timely filing of all applicable Tax forms. The Independent Accounting Firm's review shall be final and binding on the parties except as otherwise required by a "determination" within the meaning of Section 1313(a) of the Tax Code or similar provision of other Tax law (a "Determination"). The fees and expenses of the Independent Accounting Firm shall be borne 50% by Sellers and 50% by Purchaser.

(b) Each of Sellers and Purchaser shall (i) be bound by such allocation for purposes of determining Taxes (but not for any other purpose), (ii) prepare and file, and cause its Affiliates to prepare and file, its Tax Returns on a basis consistent with such allocation, and (iii) take no position, and cause its Affiliates to take no position, inconsistent with such allocation on any applicable Tax Return, except in each case as otherwise required by a Determination. If the allocation set forth on the Allocation Schedule is disputed by any Government Entity with taxing authority, the party receiving notice of such dispute shall promptly notify the other party hereto concerning the existence of, material developments regarding, and resolution of such dispute.

ARTICLE IV.

REPRESENTATIONS AND WARRANTIES OF SELLERS

Except as disclosed to Purchaser by Sellers in the Disclosure Memorandum, Sellers jointly and severally represent and warrant to Purchaser, as of the date hereof and as of the Closing Date (except to the extent any such representations and warranties shall have been

expressly made as of a particular date, in which case such representations and warranties shall be made only as of such date), as follows:

Section 4.1 Organization and Authority. Each Seller is a legal entity duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation or organization, and has all requisite corporate or other organizational power and authority to own, lease, hold and operate its properties and assets and to carry on its business as presently conducted. Each Seller has the corporate or other organizational power, authority and right to enter into and deliver this Agreement and the Ancillary Agreements to which it is a party, to perform its obligations hereunder and thereunder, and to complete the transactions contemplated hereby and thereby (subject to entry of the Sale Procedures Order, the Sale Approval Order and the Confirmation Order). The execution and delivery of this Agreement and the Ancillary Agreements and the consummation of the transactions contemplated hereby and thereby have been duly and (subject to entry of the Sale Procedures Order, the Sale Approval Order and the Confirmation Order) validly authorized by all appropriate corporate or other organizational authority, and no other corporate or other organizational action on the part of any Seller is necessary to authorize the execution, delivery and performance by such Seller of this Agreement or any of the Ancillary Agreements or the consummation of the transactions contemplated hereby or thereby. This Agreement constitutes the valid and legally binding obligations of each Seller, enforceable against each Seller in accordance with its terms, except (i) as such enforceability may be limited by principles of public policy and subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and similar Laws of general applicability relating to or affecting creditor's rights or by general equity principles (the "Enforceability Exceptions"); (ii) that enforceability of the provisions hereof requiring consummation of the transactions contemplated hereby is subject to entry of the Sale Approval Order or any other Order by the Bankruptcy Court; and (iii) that enforceability of all other provisions hereof is subject to entry of the Sale Procedures Order, the Confirmation Order and any other action by the Bankruptcy Court. Each Ancillary Agreement, when required by this Agreement to be delivered to Purchaser, will be duly and validly executed and delivered by each Seller that will be a party thereto, and upon such execution and delivery (assuming such Ancillary Agreement constitutes a valid and binding obligation of each other party thereto) will constitute the legal, valid and binding obligation of such Seller, enforceable against such Seller in accordance with its respective terms, subject to the Enforceability Exceptions.

Section 4.2 Non-Contravention. Assuming all Consents, declarations, filings or registrations set forth on Schedule 4.3 have been obtained or made, as applicable, and receipt of the Sale Approval Order and the Confirmation Order, the execution, delivery and performance of this Agreement and the Ancillary Agreement by Sellers and the consummation of the transactions contemplated hereby and thereby and the compliance by Sellers with the applicable terms and conditions hereof and thereof, do not and will not (a) conflict with or violate, result in a material breach or violation of or default (or an event which with notice or the passage of time or both would become a material breach or default) under, give rise to a right of termination, cancellation, acceleration of any material obligation or loss of any material benefit under (i) the organizational or governing documents of any Seller, (ii) any Law or Order applicable to Sellers, or (iii) any material terms, conditions or provisions of any SBO Servicing Agreement or (b) result in the creation of any Lien, other than Permitted Liens, on the Purchased Assets.

Section 4.3 Consents and Approvals. Upon entry of the Sale Approval Order and the Confirmation Order and the satisfaction of the conditions set forth therein, no material Consent of, or declaration, filing or registration with, any Government Entity or any other Person is required to be obtained or made, as applicable, by any Seller in connection with the execution, delivery and performance of this Agreement and the Ancillary Agreements, or the consummation of the transactions contemplated hereby or thereby, except for (i) Consents, declarations, filings and registrations listed on Schedule 4.3 or (ii) the failure to have which, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect; provided, that Sellers are not making any representation with respect to any Consent, including Permits, or declarations, filings or registrations with, any Government Entity or any other Person that must be or may be made by Purchaser (as a result of facts and circumstances specific to Purchaser) in order to acquire the Purchased Assets.

Section 4.4 Title to Assets. Upon entry of the Sale Approval Order at the Closing, Sellers shall transfer to Purchaser good and valid title to the Purchased Assets free and clear of any Lien, other than Permitted Liens.

Section 4.5 Mortgage Loan Portfolio. Sellers have delivered to Purchaser Electronic Data Files dated as of March 31, 2012 that provide loan level information with respect to the Whole Loans, with the loan level fields being those described on Schedule 4.5 (collectively, the "Mortgage Loan Schedule," which term includes, except where the context requires otherwise, updated data tapes to be prepared as of (i) the close of business on the day immediately preceding the Cut-off Date (the "Cut-off Date Mortgage Loan Schedule"), and (ii) the close of business on the day immediately preceding the Closing Date (the "Closing Date Mortgage Loan Schedule"), each to be delivered pursuant to Section 6.10). The information set forth in the Mortgage Loan Schedule is true, complete and correct in all material respects as of the date thereof and the information in each of the Cut-off Date Mortgage Loan Schedule and the Closing Date Mortgage Loan Schedule to be prepared and delivered to Purchaser in accordance with Section 6.10 will be true, complete and correct in all material respects as of their applicable dates.

Section 4.6 [Reserved.]

Section 4.7 Litigation and Claims. Except as listed on Section 4.7 of the Disclosure Memorandum or as may be ordered by the Bankruptcy Court, as of the date hereof, (i) there is no action, suit, demand, inquiry, proceeding, claim, cease and desist letter, hearing or investigation by or before any Government Entity pending, or, to the Knowledge of Sellers, threatened in respect of the Purchased Assets that could materially and adversely affect the ability of Sellers to complete the transactions contemplated by this Agreement, and (ii) no Purchased Asset is subject to any material Order.

Section 4.8 Brokers, Finders and Financial Advisors. Except for Centerview Partners LLC, whose fees will be paid by ResCap in the Bankruptcy Case, no Person has acted, directly or indirectly, as a broker, finder or financial advisor for Sellers or any Affiliate Seller, or will be entitled to any brokers' or finders' fee or any other commission or similar fee from Sellers or any Affiliate Seller, in connection with the transactions contemplated by this Agreement and no Person is entitled to any fee or commission or like payment in respect thereof.

Section 4.9 Whole Loans

(a) Subject to the related Collateral Exception Reports, the Mortgage Loan Documents include customer information and originals or copies of all material documents (either in physical or electronic form) that are required in order to service such Whole Loan in accordance with Applicable Requirements.

(b) Except as set forth on the Mortgage Loan Schedule and the Closing Date Mortgage Loan Schedule, no payment of principal or interest is more than 60 days past due on any Whole Loan.

(c) Sellers are the sole owners and holders of each Whole Loan, and Sellers have full right and authority to sell and assign each Whole Loan to Purchaser pursuant to this Agreement. Except as set forth on Section 4.9(c) of the Disclosure Memorandum, the Whole Loans have not been assigned or pledged by any Seller (except for pledges or other grants of security interests which will be released on or prior to the Closing), and Sellers have good and marketable thereto.

(d) Each Whole Loan is genuine and constitutes the legal, valid and binding obligation of the maker thereof, enforceable in accordance with its terms in all material respects, except as such enforcement may be limited by the Enforceability Exceptions.

(e) Except as set forth on Section 4.9(e) of the Disclosure Memorandum, for each Whole Loan that is a first lien residential mortgage loan on the applicable Mortgaged Property, including all improvements on such Mortgaged Property, such lien is subject only to (i) the Lien of current real property taxes and assessments, (ii) covenants, conditions, restrictions, rights of way, mineral right reservations, zoning and other land use restrictions, easements and other matters of public record as of the date of recording of the mortgage, (iii) any state of facts an accurate land survey of the Mortgaged Property might show, (iv) such exceptions appearing of record that are acceptable to mortgage lending institutions generally in the area where the Mortgaged Property is located or specifically reflected in any appraisal obtained in connection with the origination of the Whole Loan, and (v) other matters to which like properties are commonly subject that do not materially interfere with the benefits of the security intended to be provided by such mortgage.

(f) Except as set forth on Section 4.9(f) of the Disclosure Memorandum, for each Whole Loan that is a second lien residential mortgage loan on the applicable Mortgaged Property, including all improvements on such Mortgaged Property, such lien is subject only to (i) any first lien, (ii) the Lien of current real property taxes and assessments, (iii) covenants, conditions, restrictions, rights of way, mineral right reservations, zoning and other land use restrictions, easements and other matters of public record as of the date of recording of the mortgage, (iv) any state of facts an accurate land survey of the Mortgaged Property might show, (v) such exceptions appearing of record that are acceptable to mortgage lending institutions generally in the area where the Mortgaged Property is located or specifically reflected in any appraisal obtained in connection with the origination of the Whole Loan, and (vi) other matters to which like

properties are commonly subject that do not materially interfere with the benefits of the security intended to be provided by such mortgage.

(g) Except as set forth on Section 4.9(g) of the Disclosure Memorandum, no provision of any Whole Loan has been impaired, waived, altered or modified in any respect, except by written instrument that has been recorded, if required by Applicable Law or if necessary to maintain the lien priority of the Whole Loan, and that is included in the Mortgage Loan Documents relating to such Whole Loan.

(h) Each Whole Loan that is a first lien Mortgage Loan is covered by either an ALTA mortgage title insurance policy acceptable to Sellers and issued by a title insurer duly qualified to do business in the jurisdiction where the Mortgaged Property is located, or such other generally used and acceptable form of policy and applicable endorsements acceptable to prudent mortgage lending institutions making loans in the area where the Mortgaged Property is located.

(i) As of the date hereof and as of the Closing Date, no Whole Loan that is a first lien Mortgage Loan, has been satisfied, canceled or subordinated in whole or in part or rescinded (other than pursuant to a statutory right of rescission), and no Mortgaged Property has been released from the Lien of the related mortgage in whole or in part, nor has any instrument been executed that would effect any such release, cancellation, subordination or rescission.

(j) As of the date hereof and as of the Closing Date, no Whole Loan that is a second lien Mortgage Loan has been satisfied or canceled in whole or in part or rescinded (other than pursuant to a statutory right of rescission), and no Mortgaged Property has been released from the Lien of the related mortgage in whole or in part, nor has any instrument been executed that would effect any such release, cancellation or rescission.

(k) All improvements upon the Mortgaged Property pursuant to each Whole Loan are insured against loss by fire and such other hazards as are customary in the area where such Mortgaged Property is located, pursuant to insurance policies maintained by the Mortgagor or a blanket insurance policy maintained by Sellers or the applicable SBO Servicer.

(l) Except with respect to the Whole Loans listed in ~~Section 4.9(l)~~ of the Disclosure Memorandum, none of the Whole Loans provides for recourse to or against Sellers.

Section 4.10 Mortgage Securities. In connection with the sale and purchase of the Mortgage Securities hereunder, on the Closing Date Sellers shall convey to Purchaser (or, if applicable, its designee) all right, title and interest in the Mortgage Securities being delivered on the Closing Date free and clear of any and all Liens (including any counterclaim, defense or right of set off by or of the issuer of the Mortgage Securities). The transfer of the Mortgage Securities by Sellers to Purchaser shall not require or cause Purchaser to assume, and shall not subject Purchaser to, any obligation, Liability or commitment to lend additional funds, including any outstanding contingent commitment.

ARTICLE V.

REPRESENTATIONS AND WARRANTIES OF PURCHASER

Except as disclosed to Sellers by Purchaser in writing on the date hereof, Purchaser represents and warrants to Sellers, as of the date hereof and as of the Closing Date (except to the extent any such representations and warranties shall have been expressly made as of a particular date, in which case such representations and warranties shall be made only as of such date), as follows:

Section 5.1 Organization and Authority. Purchaser has been duly incorporated, and is validly existing and in good standing under the Laws of its jurisdiction of incorporation, has all corporate power and authority to execute and deliver this Agreement and the Ancillary Agreements to which it is a party and to consummate the transactions contemplated hereby and thereby, and has taken all necessary corporate or other organizational action to authorize the execution, delivery and performance of this Agreement and the Ancillary Agreements. This Agreement has been, and the Ancillary Agreements to which it is a party will be, duly and validly executed and delivered by Purchaser and this Agreement constitutes, and each of the Ancillary Agreements to which it is a party will constitute, the legal, valid and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms, except as such enforceability may be limited by the Enforceability Exceptions.

Section 5.2 Non-Contravention. The execution, delivery and performance of this Agreement and the Ancillary Agreements by Purchaser and the consummation of the transactions contemplated hereby and thereby and the compliance by Purchaser with the applicable terms and conditions hereof or thereof, do not and will not conflict with or violate, result in a material breach of or default (or an event which with notice or the passage of time or both would become a material breach or default) under, give rise to a right of termination, cancellation, acceleration of any material obligation or loss of any material benefit under (i) the organizational or governing documents of Purchaser or (ii) assuming all Consents, declarations, filings or registrations set forth on Schedule 5.3 have been obtained or made, as applicable, any Law or Order applicable to Purchaser.

Section 5.3 Consents and Approvals. No Consent of, or declaration, filing or registration with, any Government Entity or any other Person is required to be obtained or made, as applicable, by Purchaser in connection with the execution, delivery and performance of this Agreement and the Ancillary Agreements, or the consummation of the transactions contemplated by this Agreement or by any of the Ancillary Agreements, except for Consents, declarations, filings and registrations (i) listed on Schedule 5.3, or (ii) Consents, the failure to have which, individually or in the aggregate, would not reasonably be expected to materially impact the ability of Purchaser to consummate the transactions contemplated hereby and satisfy all its obligations hereunder.

Section 5.4 Financing. Purchaser has and will have, as of the Closing Date, all necessary financial resources available to consummate the transactions contemplated hereby.

Section 5.5 Non-reliance. Purchaser has not relied and is not relying on any representations, warranties or other statements whatsoever, whether written or oral (from or by Sellers, or any Person acting on their behalf) other than those expressly set out in this Agreement (or other related documents referred to herein) and acknowledges and agrees that, except for any fraud claim, it will not have any right or remedy rising out of any representation, warranty or other statement not expressly set out in this Agreement.

Section 5.6 Brokers, Finders and Financial Advisors. Except for Evercore Partners Inc., whose fees will be paid by Parent, no agent, broker, investment banker, financial advisor or other firm or Person is or will be entitled to any brokers' or finder's fee or any other commission or similar fee in connection with the transactions contemplated hereby as a result of any action taken by Purchaser.

ARTICLE VI.

PRE-CLOSING MATTERS AND OTHER COVENANTS

Section 6.1 Subsequent Actions; Further Assurances. Subject to the Bankruptcy Exceptions, Sellers and Purchaser shall use commercially reasonable efforts to take, or cause to be taken, all appropriate action to do, or cause to be done, all things reasonably necessary, proper or advisable under applicable Law or otherwise to consummate and make effective the transactions contemplated by this Agreement and the Ancillary Agreements as promptly as practicable, including, (i) opposing any objections to, appeals from or petitions to reconsider or reopen any such approval by Persons not a party to this Agreement and (ii) obtaining any Final Orders approving the transactions contemplated by this Agreement or the Ancillary Agreements, if required. If at any time after the Closing, Purchaser shall consider or be advised that any assurances or any other actions or things are necessary or desirable (a) to vest, perfect or confirm ownership (of record or otherwise) in Purchaser, as applicable, its title or interest in the Purchased Assets or (b) otherwise to carry out this Agreement or the Ancillary Agreements, Sellers shall use commercially reasonable efforts to execute and deliver all bills of sale, instruments of conveyance, UCC filings, powers of attorney, assignments, assurances and orders and take and do all such other actions and things as may be reasonably requested by Purchaser, in order to vest, perfect or confirm any and all right, title and interest in, to and under such rights, properties or assets in the Purchased Assets.

Section 6.2 Third Party Consents. Sellers and Purchaser shall use commercially reasonable efforts to obtain, as soon as reasonably practicable, all Necessary Consents, including from Government Entities and Insurers; ~~provided~~, that Purchaser shall not be required to agree to actions, conditions or restrictions that would materially impair the value to Purchaser of the Purchased Assets or have a materially adverse effect on the business of Purchaser or its Affiliates. Each party hereto shall promptly provide the other parties with copies of any communication, including any written objection, litigation or administrative proceeding that challenges the transactions contemplated hereby received by such party from any Government Entity or any other Person regarding transactions contemplated hereby.

Section 6.3 Access to Information. From and after the date of this Agreement until the Closing Date, Sellers shall afford to Purchaser and its accountants, counsel and other

representatives reasonable access, upon reasonable notice during normal business hours, to the Mortgage Files, Servicing Files and Credit Files for the Mortgage Loans and personnel with knowledge thereof; provided, that such access shall not unreasonably disrupt the business of Sellers and that nothing herein will obligate Sellers to violate any Applicable Law.

Section 6.4 Records; Post-Closing Access to Information.

(a) On and after the Closing Date, Sellers shall execute, deliver, file and record any specific assignment, novation or other document and take any other action that may be necessary, customary or desirable and reasonably requested by Purchaser in connection with Sellers' delivery of the Mortgage Securities.

(b) From and after the Closing Date, each party shall, and shall cause its Affiliates to, afford the other party and its counsel, accountants and other authorized representatives, with five Business Days' prior notice, reasonable access during normal business hours to the respective premises, properties, personnel, books and records and to any other assets or information, in each case relating to the Purchased Assets, that such other party reasonably deems necessary, including in connection with the Bankruptcy Case or any report or Tax Return required to be filed under applicable Law (but so as not to unduly disrupt the normal course of operations of Purchaser).

(c) If and for so long as any party hereto is contesting or defending against any third-party charge, complaint, action, suit, proceeding, hearing, investigation, claim or demand, including in the Bankruptcy Case, in connection with (i) any transaction contemplated under this Agreement or (ii) any fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction involving the Purchased Assets or the Excluded Assets and Retained Liabilities in any respect, each other party hereto shall (A) reasonably cooperate with and assist it and its counsel and other advisors in the contest or defense, (B) make available its personnel (including for purposes of fact finding, consultation, interviews, depositions and, if required, as witnesses) and (C) provide such information, testimony and access to its books and records, in each case as shall be reasonably requested in connection with the contest or defense, all at the sole cost and expense (not including employee compensation and benefits costs) of the contesting or defending party. For the avoidance of doubt, this ~~Section 6.4(c)~~ shall not apply with respect to disputes between the parties hereto.

(d) Purchaser agrees, at Sellers' cost and expense, to make available, at the reasonable request of Sellers, any books and records that may be included in the Purchased Assets to the extent they may relate to Excluded Assets and, if necessary, to provide such original books and records to any purchaser of such Excluded Assets and to retain only a copy thereof, subject to the delivery by such purchaser of a non-disclosure agreement as reasonably requested by Purchaser.

(e) Notwithstanding anything to the contrary in this Agreement, each of the parties will comply with federal and state laws and regulations regarding the

confidentiality and privacy relating to information collected and used in connection with the application for and processing and servicing of Mortgage Loans.

Section 6.5 Interim Operations. Sellers covenant and agree that, after the date hereof and prior to the Closing, subject to the Bankruptcy Exceptions and except as (i) set forth in Section 6.5 of the Disclosure Memorandum, (ii) expressly provided in or as a result of the consummation of this Agreement, (iii) provided in the DIP Financing Agreements, (iv) ordered by the Bankruptcy Court or (v) may be agreed in writing by Purchaser:

(a) Sellers' business relating to the Purchased Assets shall be conducted in the Ordinary Course of Business in compliance with the Applicable Requirements and Acceptable Servicing Procedures; provided, that notwithstanding the foregoing, Sellers shall not be obligated to fund any draws under HELOCs except in accordance with any motion approved by the Bankruptcy Court;

(b) Sellers and Affiliate Sellers shall service, or cause to be serviced, the Mortgage Loans in the Ordinary Course of Business and in accordance with all requirements of any Applicable Requirements and Acceptable Servicing Procedures. With respect to the Mortgage Loans, Sellers and Affiliate Sellers shall take no action, and refrain from taking action, which, in either case, would reasonably be expected to (i) impair the ability of Purchaser to realize on or enforce any Mortgage Note or the lien of the mortgage or any other document related thereto or (ii) jeopardize the rights or remedies available to Purchaser with respect to any Mortgage Loan or otherwise impair the ability of Purchaser to realize on the Mortgaged Property with respect to such Mortgage Loan. For the avoidance of doubt, nothing in this Agreement shall prevent Sellers from making payments to former mortgagors pursuant to the Consent Order or from offering, and effecting refinancing of or modifications to, Mortgage Loans as contemplated by the terms of the DOJ/AG Settlement, or by HAMP, HARP, HASP or any similar program that Sellers have or may develop in the Ordinary Course of Business; provided, that Sellers shall promptly provide copies to Purchaser of any reports provided to the settlement master under the DOJ/AG Settlement with respect to such agreements, arrangements and actions;

(c) Sellers and Affiliate Sellers shall not terminate or permit to lapse any material Permits that are necessary for the ownership or servicing of the Purchased Assets;

(d) Sellers and Affiliate Sellers shall not change its servicing or administration practices with respect to the Whole Loans or the Mortgage Securities in any material respect, except in the Ordinary Course of Business;

(e) With respect to any Purchased Asset, Sellers shall not, and shall use their best efforts to ensure that any Affiliates shall not: (i) agree to allow any form of relief from the automatic stay in the Bankruptcy Case; or (ii) fail to use commercially reasonable efforts to oppose any action by a third party to obtain relief from the automatic stay in the Bankruptcy Case;

(f) Sellers and Affiliate Sellers shall not take, or agree to or commit to take, any action that would or is reasonably likely to result in any of the conditions set forth in Article VIII, not being satisfied, or would make any representation or warranty of Sellers contained herein inaccurate in any material respect at, or as of any time prior to, the Closing Date or that would materially impair the ability of Sellers or Purchaser to consummate the Closing in accordance with the terms hereof or materially delay such consummation;

(g) With respect to clauses (a) through (f) (inclusive), Sellers and Affiliate Sellers shall not enter into any Contract to do any of the foregoing, or authorize, recommend, propose or announce an intention to do, any of the foregoing.

Section 6.6 Mortgage Approvals and Licenses. Promptly following execution of this Agreement, in each case to the extent not already obtained by Purchaser, Purchaser shall have filed or shall file all applications and use commercially reasonable efforts to (i) be approved (A) by HUD to hold FHA Loans and (B) by the VA to hold VA Loans, in each case to the extent necessary; (ii) obtain all necessary licenses in all states in which it proposes to hold the Purchased Assets; and (iii) obtain all other material Permits and Licenses that are necessary to hold the Purchased Assets. All such actions shall be at Purchaser's cost and expense, and Sellers shall cooperate with, and use commercially reasonable efforts to provide assistance to, Purchaser in all such efforts.

Section 6.7 Notices of Certain Events. From the date hereof until the Closing Date,

(a) A Seller shall promptly notify Purchaser of:

(i) any written notice or other written communication from any Person (including any notices or communications filed with the Bankruptcy Court other than notices or other written communications that provide for a copy to be provided to Purchaser) alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement, or objecting to the consummation of any of the transactions contemplated by this Agreement;

(ii) any written notice or other written communication from any Government Entity in connection with the transactions contemplated by this Agreement;

(iii) any change or fact with respect to any of Sellers' representations, warranties or obligations hereunder of which Seller becomes aware that, with notice or lapse of time or both, will or is reasonably expected to result in a material breach by Sellers of this Agreement or otherwise result in any of the conditions set forth in Article VIII becoming incapable of being satisfied; or

(iv) any Material Adverse Effect (but without giving effect to clause (ix) of the definition of Material Adverse Effect).

(b) Purchaser shall promptly notify Sellers of

(i) any written notice or other written communication from any Person (other than notices or other written communications directed to Sellers or to the Bankruptcy Court, with a copy provided to Purchaser) alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement, or objecting to the consummation of any of the transactions contemplated by this Agreement;

(ii) any written notice or other written communication from any Government Entity (other than notices or other written communications directed to Sellers or to the Bankruptcy Court, with a copy provided to Purchaser) in connection with the transactions contemplated by this Agreement; or

(iii) any change or fact with respect to any of Purchaser's representations, warranties or obligations hereunder of which it becomes aware that, with notice or lapse of time or both, will or is reasonably expected to result in a material breach by Purchaser of this Agreement or otherwise result in any of the conditions set forth in Article VIII becoming incapable of being satisfied.

No disclosure by any party hereto pursuant to this Section 6.7 shall be deemed to amend or supplement the Disclosure Memorandum with respect thereto or prevent or cure any misrepresentation or breach of warranty for purposes of this Agreement.

Section 6.8 Tax Matters.

(a) Purchaser shall pay and be responsible for all Transfer Taxes imposed in connection with the closings of the transactions contemplated hereby. Sellers and Purchaser shall cooperate to timely prepare, and Purchaser shall file or cause to be filed any returns or other filings relating to such Transfer Taxes (unless Sellers are required by applicable Law to file the return), including any claim for exemption or exclusion from the application or imposition of any Transfer Taxes.

(b) Sellers and Purchaser shall cooperate with each other and furnish or cause to be furnished to each other, upon request, as promptly as practicable, such information (including access to books and records) and assistance relating to the Purchased Assets as is reasonably requested for the preparation or filing of any Tax Returns and for the satisfaction of legitimate Tax or accounting requirements.

Section 6.9 Insurance. Purchaser and Sellers shall not take any action that may adversely affect the rights of the other with respect to any outstanding claims made or for new claims that may be made against insurance policies relating to the Purchased Assets purchased or maintained by Purchaser for the benefit of itself and its Subsidiaries and Affiliates that the other may or will have as of the Closing Date and shall use commercially reasonable efforts to cooperate with the other in the settlement or other resolution of such claims.

Section 6.10 Mortgage Loan Schedules. Sellers shall deliver to Purchaser (i) an updated version of the Mortgage Loan Schedule within 15 Business Days after the end of each month during the period from the date hereof to the Closing Date, and (ii) the Cut-off Date Mortgage Loan Schedule as provided in ~~Section 3.1(b)~~.

Section 6.11 Schedules and Disclosure Memorandum.

(a) Concurrently with the execution and delivery of this Agreement, Sellers are delivering to Purchaser the Schedules to be provided by Sellers identified in the Table of Contents (the "Schedules") and a disclosure memorandum (the "Disclosure Memorandum") that sets forth all of the items that it deems to be necessary or appropriate (i) as an exception to a provision of this Agreement, (ii) in response to an express disclosure requirement contained in a provision hereof or (iii) as an exception to one or more representations or warranties contained in Article IV, as applicable, or to one or more of the covenants of Sellers contained in this Agreement; provided, that the mere inclusion of an item in the Schedules or Disclosure Memorandum as an exception to a provision or representation or warranty shall not be deemed an admission by any Seller or Purchaser, as applicable, that such item represents a material exception or event, state of facts, circumstance, development, change or effect or that such item would reasonably be expected to have or result in a Material Adverse Effect; and provided, further, that any disclosures or exceptions made with respect to a section or subsection of this Agreement shall be deemed to qualify not only the specific section(s) referenced but also such other sections or subsections that may be affected thereby to the extent the relevance of such disclosure or exception to such other sections or subsections is readily apparent on its face. In the event of an inconsistency between the statements in the body of this Agreement and those in the Schedules or Disclosure Memorandum, the statements in the Schedules or Disclosure Memorandum will control.

(b) Sellers and Purchaser agree that, with respect to Sellers' representations and warranties contained in this Agreement, Sellers shall have the obligation until the Closing to correct, supplement or amend no later than five Business Days prior to the expected Closing Date the Disclosure Memorandum with respect to any matter arising or discovered after the date of this Agreement (whether or not existing or known at the date of this Agreement) that causes the representations and warranties of Sellers to be untrue or inaccurate in any material respect (as so amended, the "Amended Disclosure Memorandum"); provided, that until May 31, 2012, any such correction, supplement or amendment shall be taken into account when determining the accuracy, truth and correctness of the representations and warranties of Sellers for purposes of Article VIII, including the certificates to be delivered pursuant to Section 8.3(iii) except to the extent any such correction, supplement or amendment would reasonably be expected to result in a Material Adverse Effect, but thereafter, in no event shall any such correction, supplement or amendment be taken into account when determining the accuracy, truth and correctness of the representations and warranties of Sellers for purposes of Article VIII, including the certificates to be delivered pursuant to Section 8.3(c), except for the updates explicitly required by the representations set forth in Section 4.5 (which required updates shall only be taken into account when determining the accuracy, truth and correctness of such representations and warranties as of the Closing Date); and provided, further , that there is no obligation to update any representation that is as of a specified date.

Section 6.12 Bankruptcy Actions.

(a) As soon as practicable, but not later than two Business Days after the date hereof, Sellers shall file Petitions for relief under Chapter 11 of the Bankruptcy Code. On the Petition Date, Sellers shall file, together with other customary "first day" motions, the Sale Motion with the Bankruptcy Court.

(b) Sellers shall, and Sellers shall cause all of their Subsidiaries to, comply with all of the obligations of Sellers under the Sale Procedures Order (after entry of such Order by the Bankruptcy Court) and the Sale Approval Order (after the entry of such Order by the Bankruptcy Court).

(c) Sellers shall use reasonable efforts to comply (or obtain an order from the Bankruptcy Court waiving compliance) with all requirements under the Bankruptcy Code and Bankruptcy Rules in connection with obtaining approval of the transactions contemplated by this Agreement. Sellers shall serve on all required Persons in the Bankruptcy Case, including (i) all Persons who are known to possess or assert a Claim or Lien against or interest in any of the Purchased Assets, (ii) the IRS, (iii) all applicable state attorneys general, and local Government Entities, (iv) all applicable state and local Government Entities with taxing authority, (v) all other Persons required by any order of the Bankruptcy Court, and (vi) using their best efforts to serve any other Persons that Purchaser reasonably may request, any notice of the Sale Motion, the Sale Hearing, the Sale Procedures Order, the Sale Approval Order, and all objection deadlines in accordance with all applicable Bankruptcy Rules, the Sale Procedures Order, and any applicable local rules of the Bankruptcy Court.

(d) Sellers shall, no later than 45 days from the date of this Agreement, prepare and file with the Bankruptcy Court: (A) a Disclosure Statement with respect to the Chapter 11 Plan (the "Disclosure Statement") and (B) the Chapter 11 Plan. The Chapter 11 Plan, any and all exhibits and attachments to the Chapter 11 Plan, the Disclosure Statement and the Orders approving the same (including the Confirmation Order), to the extent any of the foregoing impact the transactions contemplated under this Agreement, shall be in accordance with the terms set forth in Schedule 6.12(f) and reasonably acceptable in form and substance to Purchaser.

Section 6.13 Antitrust Clearances and Obligations.

(a) Each of Purchaser and Sellers shall promptly after the date of this Agreement and in any event by July 1, 2012, prepare and file all notification and report forms required to be filed under the HSR Act with respect to the transactions contemplated by this Agreement, and request early termination of the waiting period under the HSR Act. Purchaser, on the one hand, and Sellers, on the other hand, shall be responsible for payment of their own fees and expenses incurred in connection with or relating to the review of the transactions contemplated hereby pursuant to the HSR Act or their efforts to consummate the transactions contemplated hereby pursuant to this Section 6.13, and shall each bear the cost of 50% of the applicable filing fee under the HSR Act.

(b) Each of Purchaser and Sellers shall (i) respond as promptly as practicable to any inquiries or requests for additional information or documentation received from

the Federal Trade Commission, the Department of Justice, any attorney general of any state of the United States, or any other antitrust or competition authority of any jurisdiction ("Antitrust Authority"); (ii) keep the other party reasonably informed of any communication received by such party from, or given by such party to, any Antitrust Authority regarding the transactions contemplated by this Agreement, and any communication received or given in connection with any proceeding by a private party regarding the transactions contemplated by this Agreement, in each case in a manner that protects attorney-client or attorney work product privilege; (iii) provide copies of any written communications received from or given to any Antitrust Authority unless prohibited by applicable Law; and (iv) permit the other party to review and incorporate the other party's reasonable comments in any communication given by it to any Antitrust Authority or in connection with any proceeding by a private party related to Antitrust Laws with any other person, in each case regarding the transactions contemplated under this Agreement and in a manner that protects attorney-client or attorney work product privilege.

(c) Neither Purchaser nor Sellers shall, after the entry of the Sale Approval Order, agree to accept any agreement that would have the effect of delaying the consummation of any action contemplated by this Agreement without the written consent of the other party. For the avoidance of doubt, no party shall commit to or agree with any Antitrust Authority to stay, toll or extend any applicable waiting period under the HSR Act or other applicable Laws, without the prior written consent of the other parties.

(d) Neither Purchaser nor any of its controlled Subsidiaries shall take any action or acquire any assets or securities of any other Person or agree to acquire assets or securities of any other Person if such action, acquisition or agreement would reasonably be expected to impair Purchaser's ability to consummate the transactions contemplated hereby.

Section 6.14 Post-Closing Amounts Received and Paid. All amounts that are received by a Seller or any Affiliate of Seller in respect of any of the Purchased Assets with respect to a period following the Closing shall be received by such Person as agent, in trust for and on behalf of Purchaser and shall be paid pursuant to ~~Section 6.18(i)~~. All amounts that are received by Purchaser or any of its Affiliates following the Closing in respect of any Excluded Assets with respect to a period prior to the Closing shall be received by such Person as agent, in trust for and on behalf of Sellers, and Purchaser shall, on a monthly basis, pay or cause to be paid all such amounts over to Sellers by wire transfer of immediately available funds and shall provide Seller with information as to the nature and source of all such payments, including any invoice relating thereto.

Section 6.15 Confidentiality.

(a) After the Closing, Sellers shall, and shall cause their respective Subsidiaries and instruct their respective Affiliates to, hold in confidence and not use in any manner detrimental to Sellers' business all Confidential Information concerning the Purchased Assets, except to the extent that such information can be shown to have been (i) in the public domain prior to the Closing or (ii) in the public domain at or after the

Closing through no fault of Sellers or any of their Affiliates or any of their respective representatives. If, after the Closing, Sellers or any of their Affiliates or any of their respective representatives are legally required to disclose any Confidential Information, Sellers shall to the extent permitted by Law (A) promptly notify Purchaser to permit Purchaser, at its expense, to seek a protective order or take other appropriate action and (B) cooperate as reasonably requested by Purchaser in Purchaser's efforts to obtain a protective order or other reasonable assurance that confidential treatment will be accorded such Confidential Information, but only at Purchaser's sole cost and expense. If, after the Closing and in the absence of a protective order, Sellers or any of their Affiliates or any of their respective Representatives are compelled as a matter of Law to disclose any such Confidential Information to a third party, such Person may disclose to the third party compelling disclosure only the part of such Confidential Information as is required by Law to be disclosed; provided, that to the extent permitted by Law, prior to any such disclosure, such Person consults in good faith with Purchaser and its legal counsel as to such disclosure and the nature and wording of such disclosure. "Confidential Information" shall mean any confidential information concerning the Purchased Assets, including methods of operation, products, prices, fees, costs, markets or other specialized information or proprietary matters.

(b) If the Closing does not occur, each party shall, upon the written request of the other party, return to the other party or destroy (such destruction to be confirmed in writing to the other party upon written request) all materials, documentation, data, records and other papers and copies thereof (whether on paper or in electronic, magnetic, photographic, mechanical or optical storage) that constitutes Confidential Information of the other party, and not use any such information or knowledge for any purpose whatsoever, provided that a party may maintain such information to the extent required by Law or such party's established document retention policies (including any requirement to retain email on an automated email archival system) or relating to the safeguarding or backup storage of electronic data or in connection with a legal dispute with the other party.

(c) Notwithstanding the foregoing, the parties to this Agreement acknowledge that each of them (and each of their employees, representatives, or other agents) has been and is permitted to disclose to any and all persons, without limitation of any kind, the federal tax treatment and structure of this Agreement (including Confidential Information) and all materials of any kind (including opinions or other tax analyses) that are or have been provided to them relating to such federal tax treatment and structure. This provision is intended to qualify for the presumption that this Agreement is not offered under conditions of confidentiality as set forth in Treasury Regulation Section 1.6011-4(b)(3) and shall be interpreted to authorize disclosure only to the extent necessary to so qualify.

Section 6.16 Delivery of Mortgage Files.

(a) Not later than five Business Days prior to the Closing Date (or on such later date as Purchaser shall reasonably request), Sellers shall deliver to Purchaser or

Purchaser's custodian as Purchaser's designee the Mortgage File for each Mortgage Loan.

(b) In connection with the transfer of any MERS Loan pursuant to Section 2.1 hereof, Sellers shall request that the MERS system indicate that such MERS Loan has been assigned to Purchaser. Purchaser may, at its cost and in its discretion, direct Sellers to deliver for recording to the appropriate public recording office of the jurisdiction in which the Mortgaged Property is located, and cause to be duly recorded, any of the original assignments of mortgage. Purchaser shall pay all recording fees relating to the recordation of the assignments of mortgage from a Seller to Purchaser and any intervening assignments.

(c) Purchaser shall cause the notice required by Section 404 of the Homes Act to be provided within 30 days of the Closing Date to each Mortgagor with respect to each Mortgage Loan and each such notice shall, to the extent permitted by the Helping Families Act, specify (i) Purchaser or its assignee as designated by Purchaser on the Closing Date is a "creditor" for purposes of the Homes Act; (ii) the address of Purchaser or its assignee as designated by Purchaser, as applicable; (iii) the Closing Date; (iv) that the entity selected by Purchaser to assume obligations to service the Mortgage Loan on the Closing Date is the contact person with authority to act on behalf of Purchaser or its assignee, as applicable; and (v) assignments of mortgage are not being recorded in connection with the sale of the Mortgage Loans. If the Mortgage Loan is a MERS Loan, such notice shall state: "Ownership of your Mortgage Loan is also recorded on Mortgage Electronic Registrations System's registry at 1818 Library Street, Suite 300 Reston, Virginia 20190."

Section 6.17 Third Party Servicing Agreement. Sellers and Purchaser shall use commercially reasonable efforts to cooperate with each other in order to negotiate and enter into the Third Party Servicing Agreement with the Winning Bidder, pursuant to which the Winning Bidder or its subservicer will provide servicing to Purchaser following the Closing Date.

Section 6.18 Transfer of Servicing. Without limiting the generality of this Section 6.18, Sellers or their designees shall take, or cause to be taken, the following actions with respect to the Mortgage Loans (other than SBO Loans) prior to the Closing Date (or within such time as may otherwise be specified below) in order to effect the transfer of the servicing of such Mortgage Loans to Purchaser or its designee on the Closing Date:

(a) Notice to Mortgagors. Sellers (or their designees) shall inform in writing all Mortgagors of the change in servicer from any Seller (or its designee) to Purchaser (or its designee) all in accordance with Applicable Law and the terms of such "goodbye" letter (which may be combined, to the extent permitted by Applicable Law, with any "hello" letter to be sent to Mortgagors by Purchaser) shall be reasonably acceptable to Purchaser.

(b) Transfer of Servicing. On the Closing Date (or such later date as Purchaser shall reasonably request), Sellers shall transfer servicing of the related Mortgage Loans to Purchaser or its designee pursuant to the terms of this Agreement and

the procedures set forth in reasonable and customary servicing transfer instructions agreed to by Purchaser and Sellers.

(c) Delivery of Files. Within 10 Business Days after the Closing Date (or such later date as Purchaser shall reasonably request), Sellers shall forward to Purchaser the Servicing Files and the Credit Files for each Mortgage Loan.

(d) Payments Received Prior to the Closing Date. Sellers shall transfer all amounts received with respect to the Mortgage Loans on and after the Cut-off Date and prior to the Closing Date to Purchaser by wire transfer within three Business Days after the Closing Date to such account or accounts as may be designated by Purchaser to Sellers by prior written notice.

(e) Escrow Payments. The aggregate balances of all Escrow Payments as of the Closing Date shall be remitted to Purchaser by wire transfer within three Business Days after the Closing Date to such account or accounts as may be designated by Purchaser to Sellers by prior written notice.

(f) Reconciliation Statement. On the Closing Date or within three Business Days thereafter, Sellers shall provide Purchaser with an electronic accounting statement in a format agreed to by Sellers and Purchaser of the amounts received with respect to the Mortgage Loans on and after the Cut-off Date, Escrow Payments and remaining negative escrow balances, if any, sufficient to enable Purchaser to reconcile the amount of such payments with the accounts of the related Mortgage Loans.

(g) Notice to Hazard, Flood and Earthquake Insurers. Sellers shall deliver an electronic or written notice to all hazard, flood and earthquake insurance companies or their agents of the transfer of servicing within five Business Days after the Closing Date (or such other date as Purchaser shall reasonably request).

(h) Notice to Taxing Authorities and Tax Servicers. Sellers shall deliver an electronic or written notice to all taxing authorities and tax servicers and/or their agents of the transfer of servicing within five Business Days after the Closing Date (or such other date as Purchaser shall reasonably request).

(i) Payments Received After the Closing Date. Any payments with respect to the Mortgage Loans received by Sellers on the Closing Date or within 90 days after the Closing Date shall be remitted to Purchaser by wire transfer within two Business Day to such account or accounts as may be designated by Purchaser to Sellers by prior written notice, provided, that any payment received by Sellers for the purposes of a full payoff shall be forwarded to Purchaser within two Business Days of receipt by courier or overnight mail.

Section 6.19 Use of Proceeds. In no event shall any Seller use the Transaction Proceeds under this Agreement to directly or indirectly fund any challenge, complaint, action, suit, proceeding, hearing, investigation, claim or demand, whether in law, equity or otherwise, either (a) against Purchaser or its Affiliates or (b) that has a material adverse effect on Purchaser or its Affiliates; provided, that this Section 6.19 shall in no way prevent Sellers from using the

Transaction Proceeds to repay loans outstanding under the DIP Financing Agreements in accordance with the terms thereof.

Section 6.20 Electronic Data Files. Sellers shall deliver to Purchaser an updated version of the Electronic Data Files, which shall provide loan level information with respect to the Whole Loans, with the loan level fields set forth on the Mortgage Loan Schedule, within 15 Business Days after the end of each month during the period from the date hereof to the Closing Date.

Section 6.21 Transfer of Assets to DIP Borrowers. In accordance with the terms and conditions of the DIP Financing Agreements, promptly after approval of such agreements by the Bankruptcy Court, Sellers will transfer the Purchased Assets that are currently pledged to Purchaser under the Master Repurchase Agreement, dated as of December 21, 2011, as amended, by and among Purchaser, GMAC Mortgage, RFC and ResCap to the respective DIP Borrowers, and from and after that transfer, the DIP Borrowers will be "Additional Sellers" hereunder.

Section 6.22 Mortgage Loan Modifications. With respect to each HAMP Loan and each Mortgage Loan that becomes subject to a HAMP modification agreement after the Cut-off Date, Purchaser shall, or shall cause its servicer to, comply with the terms of each modification agreement applicable to such Mortgage Loan and all guidelines, procedures and directives issued by the United States Treasury, Fannie Mae or Freddie Mac applicable to the servicing of such Mortgage Loan. With respect to any Mortgage Loan that is the subject of an application for modification or is in its trial period pursuant to the terms of the related modification on the Closing Date, and is not a HAMP Loan, Purchaser shall, or shall cause its servicer to, accept and continue processing such pending loan modification requests and shall honor trial and permanent loan modifications entered into by the prior servicer in effect on the Closing Date, in all cases to the extent set forth on a schedule to be delivered by Sellers to Purchaser no later than June 1, 2012. The parties hereto acknowledge and agree that the related Mortgagor on any such Mortgage Loan shall be deemed a third party beneficiary of this Section 6.22 with respect to its Mortgage Loan.

ARTICLE VII.

BANKRUPTCY COURT MATTERS

Section 7.1 Competing Transaction. From the date hereof until the earlier of the entry of the Sale Procedures Order and the termination of this Agreement, no Seller shall and each Seller shall cause its Affiliates and such Seller's and Affiliates' respective officers, directors, managers, employees, representatives and agents not to, directly or indirectly, (i) engage in substantive negotiations or discussions with, or enter into any agreement or understanding with, any Person (other than Purchaser and its Affiliates, agents and representatives) concerning any transaction (or series of transactions) involving the direct or indirect sale, transfer or other disposition of the Purchased Assets (each a "Competing Transaction"), or (ii) furnish any non-public information concerning any of the Purchased Assets; provided, that notwithstanding the foregoing, Seller and its Affiliates shall be permitted to (a) communicate with prospective bidders concerning the proposed sale process, including the proposed timetable and the requirements for Qualified Bids (as defined in the Sale Procedures

Order), and (b) enter into confidentiality agreements with prospective bidders (no more favorable to such bidders than the Confidentiality Agreement) and take such other actions that may facilitate a prospective bidder's ability immediately to commence (or resume) diligence as soon as the Sale Procedures Order has been entered. Following entry of the Sale Procedures Order, other than pursuant to and in compliance with the terms and conditions of the Sale Procedures Order, in no event may Sellers or their respective Affiliates initiate contact with, or solicit or encourage submission of any inquiries, proposals or offers by, any Person (other than Purchaser and its Affiliates, agents and representatives) with respect to a Competing Transaction or accept an offer or proposal from any Person (other than Purchaser and its Affiliates, agents and representatives) with respect to a Competing Transaction.

Section 7.2 Bankruptcy Court Filings. As promptly as practicable but no later than two Business Days following the execution of this Agreement, Sellers shall file Petitions for relief under Chapter 11 of the Bankruptcy Code and shall file, together with other customary "first day" motions, the Sale Motion with the Bankruptcy Court. Subject to Section 7.1, Sellers shall thereafter pursue diligently the entry of the Sale Procedures Order and the Sale Approval Order. Purchaser agrees that it will promptly take such actions as are reasonably requested by Sellers to assist in obtaining entry of the Sale Procedures Order and the Sale Approval Order and all parties hereto shall use their respective reasonable best efforts to obtain a finding demonstrating that Purchaser is a "good-faith" purchaser under Section 363(m) of the Bankruptcy Code, including furnishing affidavits or other documents or information for filing with the Bankruptcy Court. In the event the entry of the Sale Procedures Order or the Sale Approval Order shall be appealed, Sellers and Purchaser shall use their respective reasonable efforts to defend such appeal.

ARTICLE VIII.

CONDITIONS

Section 8.1 Conditions to Obligations of Purchaser and Sellers. The respective obligations of each party to consummate the Closing shall be subject to the satisfaction, or waiver by Purchaser and Sellers, on or prior to the Closing Date of all of the following conditions precedent:

(a) Sale Procedures Order. The Sale Procedures Order (i) shall have been entered by the Bankruptcy Court and not be subject to any stay of effectiveness, (ii) shall not have been modified or amended in any manner materially adverse to Purchaser unless agreed to in writing by Purchaser in its sole discretion and (iii) shall have become a Final Order; provided, that the condition set forth in clause (iii) shall be waivable only by Purchaser on behalf of the parties.

(b) Sale Approval Order. The Sale Approval Order (i) shall have been entered by the Bankruptcy Court and not be subject to any stay of effectiveness, (ii) shall not have been modified or amended in any manner adverse to Purchaser unless agreed to in writing by Purchaser in its sole discretion and (iii) shall have become a Final Order.

(c) The Confirmation Order. The Confirmation Order shall have been entered by the Bankruptcy Court and not be subject to any stay of effectiveness, and the Chapter 11 Plan Effective Date shall have occurred as of or concurrently with the Closing Date; provided, that if the Confirmation Order has not been entered by October 31, 2012, or the Chapter 11 Plan Effective Date has not occurred by December 15, 2012, then this condition precedent shall be deemed to be waived by all parties.

(d) No Law, Judgments, Etc. No Government Entity of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law or any decree, judgment, injunction or other Order, which is in effect and that restricts, prevents, prohibits, makes illegal or enjoins the consummation of the transactions contemplated by this Agreement. No proceeding or investigation by any Government Entity or other Person shall have been instituted that restricts, prevents, prohibits, makes illegal, enjoins or results in material damages in respect of the consummation of the transactions contemplated by this Agreement or any Ancillary Agreement.

(e) Injunctions. No Government Entity shall have issued an Order enjoining, restraining or prohibiting the completion of the transactions contemplated hereby and no suit, action or proceeding shall have been instituted by a Government Entity or any other Person that would reasonably be expected to have a Material Adverse Effect on the Purchased Assets or enjoin, restrain, prohibit or otherwise challenge the transactions contemplated by this Agreement, or that would be reasonably likely to prevent or make illegal the consummation of the transactions contemplated by this Agreement, and no Government Entity shall have notified Purchaser or Sellers in writing that this Agreement or the consummation of the transactions contemplated by this Agreement would in any manner constitute a violation of any Law and that it intends to commence any suit, action, or proceeding to restrain, enjoin or prohibit the transactions contemplated by this Agreement.

(f) Agency Approvals. Purchaser shall be approved (i) by HUD to hold FHA Loans and (ii) by the VA to hold VA Loans, in each case to the extent necessary.

(g) Antitrust Clearances. The waiting period applicable to the transactions contemplated by this Agreement under the HSR Act shall have expired or been terminated.

Section 8.2 Conditions to Obligations of Sellers. The obligations of Sellers to consummate the Closing shall be subject to the satisfaction or waiver, at or prior to the Closing Date, of the following conditions:

(a) Warranties of Purchaser True as of Closing Date. The representations and warranties of Purchaser contained herein that are qualified by materiality or Material Adverse Effect shall be accurate, true and correct in all respects, and all other representations and warranties of Purchaser contained herein shall be accurate, true and correct in all material respects, in each case on and as of the date hereof and as of the Closing Date as though made at and as of such time (except to the extent expressly made as of an earlier date, in which case as of such date).

(b) Compliance with Covenants. Purchaser shall have performed and complied in all material respects with each of the covenants and agreements contained in this Agreement required to be performed and complied with by it on or prior to the Closing Date.

(c) Certificate. Sellers shall have received a certificate, signed by a duly authorized officer of Purchaser and dated the Closing Date, to the effect that the conditions set forth in Sections 8.2(a) and 8.2(b) have been satisfied.

(d) Third Party Consents. All Consents set forth on Schedule 5.3 shall have been duly obtained, made or given, shall be in form and substance reasonably satisfactory to Sellers, shall not be subject to the satisfaction of any condition that has not been satisfied or waived and shall be in full force and effect.

Section 8.3 Conditions to Obligations of Purchaser. The obligations of Purchaser to consummate the Closing shall be subject to the satisfaction or waiver, at or prior to the Closing Date of each of the following conditions:

(a) Warranties of Sellers True as of Closing Date. The representations and warranties of Sellers or any Affiliate Seller contained herein that are qualified by materiality or Material Adverse Effect shall be accurate, true and correct in all respects, and all other representations and warranties of Sellers or any Affiliate Seller contained herein shall be accurate, true and correct in all material respects, in each case on and as of the date hereof and as of the Closing Date as though made at and as of such time (except to the extent expressly made as of an earlier date, in which case as of such date).

(b) Compliance with Covenants. Sellers shall have performed and complied with the covenants set forth in Sections 6.12(d) in all respects, and shall have performed and complied in all material respects with each of the covenants and agreements contained in this Agreement required to be performed and complied with by them on or prior to the Closing Date.

(c) Certificate. Purchaser shall have received certificates, signed by duly authorized officers of Sellers and dated the Closing Date, to the effect that the conditions set forth in Sections 8.3(a) and 8.3(b) have been satisfied.

(d) Sale Approval Order.

(i) Solely with respect to the purchase of HELOCs under this Agreement, the Sale Approval Order shall have been entered and become a Final Order in form and substance reasonably satisfactory to Purchaser (including with respect to the treatment of HELOC advances); and

(ii) With respect to obligations and benefits that can be realized prior to the Closing Date, Sellers shall have complied, in all material respects, with all of their obligations under, and Purchaser shall have received the benefits of, the Sale Approval Order.

(e) Other Third Party Consents. All Consents set forth on Schedule 4.3 shall have been duly obtained, made or given, shall be in form and substance reasonably satisfactory to Purchaser, shall not be subject to the satisfaction of any condition that has not been satisfied or waived and shall be in full force and effect.

(f) Licenses. Purchaser shall have obtained all Licenses and Permits necessary to own the Purchased Assets in all material respects, including those set forth in Section 6.6.

ARTICLE IX.

TERMINATION AND SURVIVAL

Section 9.1 Termination. Notwithstanding anything to the contrary contained in this Agreement, this Agreement may be terminated and the transactions contemplated hereby abandoned at any time on or prior to the Closing Date:

(a) by the mutual written consent of Sellers and Purchaser;

(b) by Sellers or Purchaser if any court of competent jurisdiction shall have issued an Order permanently restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement and such Order shall have become a Final Order unless such Final Order or action was issued or taken at the request or with the support of the party seeking to terminate this Agreement (or any of its Affiliates); it being agreed that the parties hereto shall promptly appeal any such adverse order or other determination that is appealable (and argue such appeal with reasonable diligence);

(c) by Purchaser, upon written notice to Seller if:

(i) any condition to the obligations of Purchaser set forth in Sections 8.1 and 8.3 shall have become incapable of fulfillment other than as a result of a breach by Purchaser of any covenant or agreement contained in this Agreement, and such condition is not waived by Purchaser;

(ii) there has been a material violation or breach by any Seller of any covenant, agreement, representation or warranty contained in this Agreement, which violation or breach (A) has not been cured within ten Business Days following the delivery of written notice of such violation or breach or (B) is not capable of being cured within a ten Business Day period;

(iii) Sellers do not file the Petitions within two Business Days of the date hereof;

(iv) the Sale Motion is not filed on the Petition Date;

(v) the Sale Procedures Order has not been entered by the Bankruptcy Court by June 18, 2012, or if the Sale Procedures Order, once entered, is changed

in a manner that is materially adverse to Purchaser without the consent of Purchaser in its sole discretion;

(vi) the Sale Procedures Order does not provide for the final bid deadline to occur not later than 90 calendar days following the entry by the Bankruptcy Court of the Sale Procedures Order;

(vii) the Auction, if any, is not concluded within seven Business Days following the final bid deadline;

(viii) the Sale Hearing does not occur within 30 days following the conclusion of the Auction, or such other date as may be scheduled by the Bankruptcy Court that is no more than 40 days following the conclusion of the Auction;

(ix) the Confirmation Order has not been entered by October 31, 2012 and the Sale Approval Order has not been entered and become a Final Order without stay of its effectiveness by November 15, 2012;

(x) the Chapter 11 Plan Effective Date has not occurred by December 15, 2012 and the Sale Approval Order has not been entered and become a Final Order without stay of effectiveness by December 15, 2012;

(xi) the Sale Approval Order once entered, is changed in a manner that is adverse to Purchaser without the consent of Purchaser in its sole discretion;

(xii) any Seller seeks to have the Bankruptcy Court enter an order dismissing the Bankruptcy Case of any Seller or converting it to a case under Chapter 7 of the Bankruptcy Code, or if the Bankruptcy Court enters an order dismissing the Bankruptcy Case of any Seller or converting the Bankruptcy Case of any Seller to a case under Chapter 7 of the Bankruptcy Code, or appoints a trustee in any Seller's Bankruptcy Case or an examiner with enlarged powers relating to the operation of Sellers' businesses, and such dismissal, conversion or appointment is not reversed or vacated within three business days after the entry thereof; or

(xiii) Sellers' respective Boards of Directors approve an Alternative Restructuring or Sellers execute a letter of intent (or similar document) indicating their intention to pursue an Alternative Restructuring.

(d) by Sellers, upon written notice to Purchaser:

(i) if any condition to the obligations of Sellers set forth in ~~Sections~~ 8.1 and 8.2 shall have become incapable of fulfillment other than as a result of a breach by Sellers of any covenant or agreement contained in this Agreement, and such condition is not waived by Sellers; or

(ii) if there has been a material violation or breach by Purchaser or any covenant, agreement, representation or warranty contained in this Agreement, which violation or breach (A) has not been cured within ten Business Days following the delivery of written notice of such violation or breach or (B) is not capable of being cured within a ten Business Day period.

(e) automatically if the Bankruptcy Court shall enter an Order approving a Competing Transaction; provided, that if the Auction is held pursuant to the Sale Procedures, and Purchaser is designated as the Next-Highest Bidder (as such term is defined in the Sale Procedures), then this Agreement shall not terminate pursuant to this subsection (e) until the earlier of (i) the Bankruptcy Court approval of the "Successful Bid" (as such term is defined in the Sale Procedures); and (ii) 30 calendar days following the Auction. While Purchaser remains the Next-Highest Bidder (as such term is defined in the Sale Procedures), the obligations of Purchaser and Sellers described in Sections 6.1 and 6.12(c) shall be held in abeyance until the purchase agreement with the bidder or purchase agreements with the bidders, as the case may be, who made the "Successful Bid" at the Auction (as such term is defined in the Sale Procedures) are terminated.

Section 9.2 Procedure and Effect of Termination. In the event of termination of this Agreement and abandonment of the transactions contemplated by this Agreement by either or both of the parties pursuant to Section 9.1, three Business Days' written notice thereof shall forthwith be given by the terminating party to the other party and this Agreement shall terminate and the transactions contemplated by this Agreement shall be abandoned, without further action by any of the parties hereto; provided, that no notice shall be required with respect to termination pursuant to Section 9.1(e) and provided, further, that (a) this Section 9.2 and Article X (other than Section 10.15) shall survive the termination of this Agreement and (b) no such termination shall relieve any party from any Losses arising out of any breach of this Agreement by a party that occurs upon or prior to the termination of this Agreement.

Section 9.3 No Survival. Sellers and Purchaser agree that all of the representations, warranties and covenants of Sellers and Purchaser contained in this Agreement, or any instrument delivered pursuant to this Agreement, shall terminate at the Closing Date, except that the representations, warranties and covenants that by their terms survive the Closing Date shall survive the Closing Date.

ARTICLE X.

MISCELLANEOUS

Section 10.1 Expenses. Except as otherwise provided in this Agreement or the Sale Procedures Order, (i) all expenses relating to the preparation of assignments, the transfer of ownership of MERS Loans, and other transfer taxes, fees and expenses shall be paid by Sellers, (ii) all expenses relating to the recording of assignments from Sellers to Purchaser shall be paid by Purchaser and (iii) all other costs and expenses incurred in connection with this Agreement and the consummation of the transactions hereunder shall be paid by the party incurring such expenses. Following approval of the Sale Procedures Order, any claims arising from breaches by any Sellers of their obligations pursuant to the terms of this Agreement shall constitute

administrative expense claims against Sellers under Sections 503(b)(1) and 507(a)(1), as applicable, of the Bankruptcy Code.

Section 10.2 Amendment; Waiver. This Agreement may be amended, modified or supplemented only in writing signed by each of the parties hereto. Any provisions of this Agreement may be waived, but only if such waiver is in writing and signed by the party against whom the waiver is to be effective. No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

Section 10.3 Notices. Any written notice to be given hereunder shall be deemed given: (a) when received if given in person or by nationally recognized courier; (b) on the date of transmission if sent by telecopy, e-mail or other wire transmission (receipt confirmed in each case); (c) five Business Days after being deposited in the U.S. mail, certified or registered mail, postage prepaid, return receipt requested; and (d) if sent by an internationally recognized overnight delivery service, the second Business Day following the date given to such overnight delivery service (specified for overnight delivery and receipt confirmed). All notices shall be addressed as follows:

if to Sellers, to:

Residential Capital, LLC
1177 Avenue of the Americas
New York, New York 10036
Facsimile: 646-257-2703
Attention: Mr. Thomas Marano
Telephone: 646-257-2703
email: ~~tom.marano@gmacrescap.com~~

with copies to (which copies shall not constitute notice):

Residential Capital, LLC
1100 Virginia Drive
Fort Washington, Pennsylvania 19034
Facsimile: 866-572-7524
Attention: Tammy Hamzehpour, Esq., General Counsel
Telephone: 215-682-1307
email: tammy.hamzehpour@gmacrescap.com

and

Morrison & Foerster LLP
1290 Avenue of the Americas
New York, New York 10104
Facsimile: 212-468-7900
Attention: Gary S. Lee, Esq.
Telephone: 212-468-8163
email: glee@mofo.com

and

Attention: Larren M. Nashelsky, Esq.
Telephone : 212-506-7365
email: lnashelsky@mofo.com

if to Purchaser, to:

BMMZ Holdings LLC
c/o Ally Financial Inc.
200 Renaissance Center
Detroit, Michigan 48265
Facsimile: 313-656-6124
Attention: William B. Solomon, VP and General Counsel
Telephone: 313-656-6128
email: william.b.solomon@ally.com

with copies to (which copies shall not constitute notice):

Ally Financial Inc.
200 Renaissance Center, 12th Floor
Detroit, MI 48265
Facsimile: 313-656-6124
Attention: William B. Solomon, VP and General Counsel
Telephone: 313-656-6128
email: william.b.solomon@ally.com

and

Mayer Brown LLP
71 South Wacker Drive
Chicago, Illinois 60606
Facsimile: 312-706-8192
Attention: Elizabeth A. Raymond
Telephone: 312-701-7322
email: eraymond@mayerbrown.com

Section 10.4 Waivers. The failure of a party to require performance of any provision hereof shall not affect its right at a later time to enforce the same. No waiver by a party of any term, covenant, representation or warranty contained herein shall be effective unless in writing.

No such waiver in any one instance shall be deemed a further or continuing waiver of any such term, covenant, representation or warranty in any other instance.

Section 10.5 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 10.6 Applicable Law; WAIVER OF JURY TRIAL; Venue and Retention of Jurisdiction.

(a) This Agreement shall be governed by and construed in accordance with the Laws of the State of New York without regard to any conflicts of law principles thereof or any other jurisdiction that would apply the law of another jurisdiction and, to the extent applicable, the Bankruptcy Code.

(b) EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING BETWEEN THE PARTIES HERETO ARISING OUT OF OR RELATING TO THIS AGREEMENT, AND THE TRANSACTIONS CONTEMPLATED HEREBY.

(c) Without limiting any party's right to appeal any order of the Bankruptcy Court, (i) the Bankruptcy Court shall retain exclusive jurisdiction to enforce the terms of this Agreement and to decide any claims or disputes that may arise or result from, or be connected with, this Agreement, any breach or default hereunder, or the transactions contemplated hereby, and (ii) any and all proceedings related to the foregoing shall be filed and maintained only in the Bankruptcy Court, and the parties hereby consent to and submit to the jurisdiction and venue of the Bankruptcy Court and shall receive notices at such locations as indicated in Section 10.3 hereof; provided, that if the Bankruptcy Case of Sellers has closed, the parties agree to unconditionally and irrevocably submit to the exclusive jurisdiction of the United States District Court for the Southern District of New York sitting in New York County or the Commercial Division, Civil Branch of the Supreme Court of the State of New York sitting in New York County and any appellate court from any thereof, for the resolution of any such claim or dispute. The parties hereby irrevocably waive, to the fullest extent permitted by applicable Law, any objection which they may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute. Each of the parties hereto agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(d) Each of the parties hereto hereby consents to process being served by any party to this Agreement in any suit, action or proceeding by delivery of a copy thereof in accordance with the provisions of Section 10.3.

Section 10.7 Assignment. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns; provided, that no assignment of either party's rights or obligations may be made without the written consent of the other party, which consent shall not be unreasonably withheld or delayed; and provided, further,

that Purchaser may assign this Agreement and any or all rights or obligations hereunder (including Purchaser's rights to purchase the Purchased Assets) to one or more Affiliates of Purchaser if any such Affiliate has at the Closing all Licenses necessary to own such Purchased Assets; provided, that Purchaser shall remain obligated to fulfill its obligations pursuant to this Agreement and for any damages arising from an unlawful breach hereof. Upon any such permitted assignment, the references in this Agreement to Purchaser shall also apply to any such assignee unless the context otherwise requires.

Section 10.8 No Third-Party Beneficiaries. Except as provided in Section 6.22, this Agreement is solely for the benefit of the parties hereto, and no provision of this Agreement shall be deemed to confer any remedy, claim or right upon any third party, including any employee or former employee of Sellers or any participant or beneficiary in any benefit plan, program or arrangement.

Section 10.9 Public Announcements. Sellers and Purchaser each agree that they and their Affiliates shall not issue any press release or otherwise make any public statement or respond to any media inquiry with respect to this Agreement or the transactions contemplated hereby without the prior approval of the other parties, which shall not be unreasonably withheld or delayed, except as may be required by Law or by any stock exchanges having jurisdiction over Sellers, Purchaser or their Affiliates. Sellers, Affiliate Sellers and Purchaser will consult with each other regarding the content and timing of any internal announcements regarding the transactions contemplated by this Agreement and the Ancillary Agreements to Sellers' employees.

Section 10.10 Severability. Any term or provision of this Agreement that is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction. If the final judgment of a court of competent jurisdiction or other authority declares that any term or provision hereof is invalid, void or unenforceable, the parties agree that the court making such determination shall have the power to reduce the scope, duration, area or applicability of the term or provision, to delete specific words or phrases, or to replace any invalid, void or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Agreement shall be enforceable as so modified.

Section 10.11 Specific Performance. The parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that Purchaser shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in any court referenced in Section 10.6(c), this being in addition to any other remedy to which they are entitled at Law or in equity.

Section 10.12 Waiver of Bulk Transfer Laws. Seller and Purchaser agree to waive compliance with Article 6 of the Uniform Commercial Code as adopted in each of the

jurisdictions in which any of the Purchased Assets are located to the extent that such Article is applicable to the transactions contemplated hereby and any other bulk sale or bulk transfer or similar Law.

Section 10.13 Personal Liability. This Agreement shall not create or be deemed to create or permit any personal liability or obligation on the part of any officer, director, employee, representative or investor of any party hereto.

Section 10.14 Entire Agreement. This Agreement, together with the Ancillary Agreements, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter hereof.

Section 10.15 Parent Guaranty. Parent hereby irrevocably, absolutely and unconditionally guarantees to Sellers the prompt and full payment by Purchaser of all of Purchaser's monetary obligations under this Agreement and any Ancillary Agreements as and when payment is due and payable in accordance with the terms hereof and thereof (collectively, the "Guaranteed Obligations"). Parent acknowledges and agrees that, with respect to all Guaranteed Obligations, such guaranty constitutes a guaranty of payment and not of collection and shall not be conditioned or contingent upon the pursuit by Sellers of any remedies which they now or may hereafter have against Purchaser, whether at law, in equity or otherwise. Upon receipt of written notice requesting payment of the Guaranteed Obligations, Parent shall forthwith make full payment of any amount due with respect thereto, at its sole cost and expense, to the extent that such payment has not previously been made by Purchaser. This Section 10.15 shall terminate and be of no further force or effect upon and after the date that the Guaranteed Obligations shall have been paid in full.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Purchaser and Sellers have executed this Agreement or caused this Agreement to be executed by their respective officers thereunto duly authorized as of the date first written above.

ALLY FINANCIAL INC.

By _____
Name:
Title:

BMMZ HOLDINGS LLC

By _____
Name:
Title:

RESIDENTIAL CAPITAL, LLC

By _____
Name:
Title:

RESIDENTIAL FUNDING COMPANY, LLC

By _____
Name:
Title:

GMAC MORTGAGE, LLC

By _____
Name:
Title:

GMACM BORROWER LLC

By _____
Name:
Title:

RFC BORROWER LLC

By _____
Name:
Title:

Exhibit 6

BARCLAYS DIP FINANCING FACILITY

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Residential Capital, LLC

$1,500,000,000 Superpriority Secured Debtor-in-Possession Credit Facility
("DIP Facility")

Summary of Indicative Terms and Conditions
March 29, 2012

Residential Capital, LLC ("ResCap" or "Parent") has advised Barclays Bank PLC ("Barclays Bank") that Parent and certain of Parent's subsidiaries (together with the Parent, each, a "Debtor," and collectively, the "Debtors") are considering the filing of voluntary chapter 11 petitions (the "Chapter 11 Cases") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") seeking relief under the provisions of chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). The DIP Facility and its terms will be subject to Bankruptcy Court approval. Capitalized terms not otherwise defined shall have the meanings set forth in Exhibit A.

The terms presented in this summary of indicative terms and conditions (together with all exhibits attached hereto, this "Term Sheet") are intended for discussion purposes only, are indicative terms and do not constitute a commitment to lend. This Term Sheet shall not be construed as commitment on the part of, or engagement of, Barclays Bank, or any of their affiliates to provide, arrange, place, underwrite and/or participate in any or all of the DIP Facility and neither Barclays Bank nor any of its affiliates is under any obligation, as a result of this Term Sheet, to provide or offer to provide any such commitment or engagement. This Term Sheet is non-binding and the proposals contained herein are subject to, among other things, the completion of due diligence, internal credit approvals, legal review and the negotiation, documentation and execution of definitive documentation, which must be satisfactory to the lenders under the DIP Facility (in such capacities, the "DIP Lenders"). Only execution and delivery of definitive documentation relating to the transactions shall result in any binding or enforceable obligations of any party relating to the transactions. The terms contained herein are confidential and may not be shared with any other parties other than ResCap, its Directors, employees and advisors without our prior written consent.

Borrowers:

(1) A newly formed special purpose entity (the "GMACM Borrower"), as a debtor and a debtor-in-possession, which entity shall be a Delaware limited liability company and wholly-owned subsidiary of GMAC Mortgage, LLC, a Delaware limited liability company ("GMACM"); and

(2) A newly formed special purpose entity (the "RFC Borrower", and together with the GMACM Borrower, the "Borrowers"), as a debtor and a debtor-in-possession, which entity shall be a Delaware limited liability company and wholly-owned subsidiary of Residential Funding Company, LLC, a Delaware limited liability company ("RFC").

Guarantors:

ResCap, each of the other Debtors and all existing and future material domestic wholly-owned subsidiaries of ResCap, with exceptions to be agreed (the "Guarantors" and together with the Borrowers, the "Loan Parties"), shall guarantee (the "Guaranty") all obligations of the Borrowers under the DIP Facility on a superpriority secured basis (the "Guaranteed

Obligations").

Eligible Receivables Transferors: Upon the termination of the Existing GSAP Facility pursuant to the Interim Financing Order (each such term as defined below), the issuer under the Existing GSAP Facility will sell and contribute all servicing advance reimbursements owned by it and (i) generated by GMACM directly to the GMACM Borrower and (ii) generated by RFC directly to the RFC Borrower (collectively referred to herein as the "Receivables"), pursuant to pooling agreements in form and substance satisfactory to the Administrative Agent. From and after the termination of the Existing GSAP Facility pursuant to the Interim Financing Order, GMACM and RFC (collectively in their capacities as sellers, the "Sellers"), will sell and contribute all the Receivables they generate in their capacities as master servicers or servicers on behalf of various Eligible Servicing Agreements (as defined in Exhibit A hereto), directly to the GMACM Borrower and the RFC Borrower, respectively.

Sellers of Certain Other Borrowing Base Collateral: After the termination of the Existing Ally Repo and the Existing EAF Facility (each term as defined below) pursuant to the Interim Financing Order, GMACM will sell and contribute its Eligible Mortgage Loans and Eligible FNMA Advance Reimbursements (as defined in Exhibit A hereto) related to Fannie Mae Contracts (as defined in Exhibit A hereto) to the GMACM Borrower and RFC will sell and contribute its Eligible Mortgage Loans to the RFC Borrower.

Sole Lead Arranger and Sole Bookrunner: Barclays Bank (in such capacity, the "Lead Arranger").

Administrative Agent: Barclays Bank (in such capacity, the "Administrative Agent").

Collateral Agent: Barclays Bank or another financial institution acceptable to Barclays Bank and the Borrowers (in such capacity, the "Collateral Agent," and collectively with the Administrative Agent, the "Agents" and each, an "Agent").

Verification Agent: American Mortgage Consultants, Inc., with reasonable fees of the Verification Agent to be paid by the Borrowers.

DIP Lenders: The DIP Lenders shall be comprised of Barclays Bank and a syndicate of banks, financial institutions and other entities selected by Barclays Bank and which are reasonably acceptable to Parent; *provided* that without the consent of ResCap, the Lead Arranger will not syndicate any portion of the DIP Facility to Ally Financial Inc. ("AFI") or any of AFI's wholly owned subsidiaries that have been specified to the Lead Arranger by ResCap in writing within two (2) weeks after the date of the Commitment Letter to which this Term Sheet is attached (all such financial institutions and entities so identified, collectively, the "Disqualified Assignees").

Servicers: Initially ResCap, RFC and GMACM (collectively, the "Servicers") will service and maintain the Borrowing Base Collateral (as defined below) in

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accordance with customary practices and the standard of care that applies to them when servicing comparable assets for third parties. Subject to the rights of third parties to appoint or remove a servicer of the Borrowing Base Collateral, the Required Lenders (as defined below) will have the right to appoint a third party servicer for the Borrowing Base Collateral upon the occurrence of an Event of Default (as defined below), unless the circumstances giving rise to such Event of Default shall have been cured.

Custodian: To be determined by the Administrative Agent in consultation with the Borrowers, with reasonable fees of the Custodian to be paid by the Borrowers.

Valuation Agents: To be determined by Required Lenders from time to time, with reasonable fees of the Valuation Agents to be paid by the Borrowers.

Facility Types and Amounts: A superpriority senior secured credit facility of up to $1,500,000,000 (subject to reduction to not less than $1,450,000,000 if the EAF Commitments are removed from the Commitments (each term as defined below) as set forth below), which will consist of a revolving loan facility ("Revolving Facility") in an aggregate principal amount up to $200,000,000 (the "Revolving Commitments"), an A-1 term loan facility (the "A-1 Term Loan Facility") in an aggregate principal amount up to $1,100,000,000 (the "A-1 Term Loan Commitments"), an A-2 term loan facility (the "A-2 Term Loan Facility" and together with the A-1 Term Loan Facility, the "Term Loan Facilities") in an aggregate principal amount of $200,000,000 (the "A-2 Term Loan Commitments" and together with the A-1 Term Loan Commitments, the "Term Loan Commitments"; the Term Loan Commitments together with the Revolving Commitments, the "Commitments"). An aggregate principal amount of $50,000,000 of the A-1 Term Loan Commitments (the "EAF Commitments") shall be subject to the receipt of the consent of Fannie Mae as described further below under the section entitled "Collateral."

The loans under the Revolving Facility ("Revolving Loans"), loans under the A-1 Term Loan Facility ("A-1 Term Loans") and loans under the A-2 Term Loan Facility ("A-2 Term Loans" and collectively with A-1 Term Loans, "Term Loans"; Term Loans collectively with Revolving Loans, "Loans") shall be provided pursuant to a Superpriority Secured Debtor-in-Possession Credit Agreement (the "DIP Loan Agreement").

Availability: Subject in each case to compliance with the terms, conditions and covenants set forth in the Loan Documents (as defined below):

(a) A-1 Term Loans in an aggregate principal amount up to $1,100,000,000 will be available in one drawing on the closing date for the DIP Facility (the "Closing Date");

(b) A-2 Term Loans in an aggregate principal amount of $200,000,000 will be available in one drawing on the Closing Date; and

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(c) Revolving Loans in an aggregate principal amount up to $200,000,000 will be available on and after the Revolver Availability Date (as defined below); *provided* that Revolving Loans in an aggregate principal amount up to $150,000,000 will be available on the Closing Date.

Revolving Loans may be borrowed, repaid, and re-borrowed until the Termination Date. Any amounts prepaid or repaid under the Term Loan Facilities may not be re-borrowed.

Use of Proceeds: Proceeds of Term Loans shall be used (i) to refinance the pre-existing GSAP receivables securitization facility (the "Existing GSAP Facility"), the BMMZ Holdings LLC whole loan repurchase facility (the "Existing Ally Repo") and the Fannie Mae EAF facility (the "Existing EAF Facility," and together with the Existing GSAP Facility and the Existing Ally Repo, collectively, the "Existing Facilities"), (ii) to fund the addition of new Eligible Assets (as defined below), (iii) to fund general corporate and working capital requirements, (iv) to pay interest, fees and expenses payable under the DIP Facility, and (v) to pay costs of administration of the Chapter 11 Cases in a manner consistent with the requirements of the Bankruptcy Code, in each case, in accordance with the Approved DIP Budget. Proceeds of Revolving Loans shall be used (i) to fund the addition of new Eligible Assets (as defined below) (ii) to fund general corporate and working capital requirements, (iii) to pay interest, fees and expenses payable under the DIP Facility, and (iv) to pay costs of administration of the Chapter 11 Cases in a manner consistent with the requirements of the Bankruptcy Code, in each case, in accordance with the Approved DIP Budget. The Approved DIP Budget will provide that up to $100,000,000 of the proceeds of the Term Loans shall be transferred on the Closing Date to an unrestricted account of ResCap to be used for general corporate purposes, including to fund servicing advances that will not be included in the Borrowing Base; *provided* that in no event shall ResCap use such proceeds to make payments on pre-petition debt. No proceeds of the Loans or the Collateral (as defined below), including cash collateral, shall be used for any purpose other than as provided for in the Approved DIP Budget.

No portion of the Loans, the Collateral (including any cash collateral) or the Carve Out (as defined below) shall be used (i) to challenge the validity, perfection, priority, extent or enforceability of the Loans and the other obligations under the DIP Facility (collectively, the "DIP Obligations"), or the liens on or security interests securing the DIP Obligations, (ii) to investigate or assert any other claims or causes of action against any DIP Lender, the Administrative Agent, the Collateral Agent or any other holder of any DIP Obligations, (iii) to challenge the validity, perfection, priority, extent or enforceability of the Existing GSAP Facility, or the liens on or security interests securing the Existing GSAP Facility (but may be used by professionals for any official committee to investigate such matters in an amount not to exceed $100,000), or (iv) for any act which has the effect of materially or adversely modifying or compromising the rights and remedies of any Agent or any DIP Lender as set forth herein and in the

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definitive loan documents for the DIP Facility, or which results in the occurrence of an Event of Default.

Borrowing Base and Collateral Amount: Revolving Loans and A-1 Term Loans shall be provided subject to availability under the Borrowing Base, and A-2 Term Loans shall be provided subject to availability under the Collateral Amount, as set forth below under the section entitled "Ongoing Conditions to Each Borrowing."

The Borrowing Base will be calculated on a weekly basis as follows:

(a) up to an amount equal to the lesser of (i) 90% of the Book Value (to be defined) of Eligible Receivables and Eligible FNMA Advance Reimbursements (as each such term is defined in Exhibit A hereto) of the Borrowers and (ii) the Trigger Advance Rate (to be defined in a manner consistent with the Existing GSAP Facility, with conforming modifications)[1] of the Book Value of Eligible Receivables and Eligible FNMA Advance Reimbursements of the Borrowers; plus

(b) up to 50% of the Market Value (to be defined) of Eligible Mortgage Loans (as defined in Exhibit A hereto) or any "real estate owned" ("REO") resulting from a foreclosure related to any Eligible Mortgage Loan (the Eligible Mortgage Loans and REO resulting from a foreclosure related to any Eligible Mortgage Loan together with Eligible Receivables and Eligible FNMA Advance Reimbursements, the "Eligible Assets") of the Borrowers; plus

(c) 100% of the aggregate amount of cash on deposit in the Borrower Accounts and the Concentration Account (each as defined below); minus

(d) applicable reserves established by the Administrative Agent in its Permitted Discretion and a reserve for the Carve-Out (as defined below).

"Permitted Discretion" means a determination made in good faith and in the exercise of commercially reasonable (from the perspective of a secured asset-based lender) business judgment.

The Administrative Agent may conduct a valuation of the Eligible Mortgage Loans from time to time in its Permitted Discretion.

The Collateral Amount will be calculated on a weekly basis as follows:

(a) up to an amount equal to the lesser of (i) 95% of the Book Value of Eligible Receivables and Eligible FNMA Advance

[1] Trigger Advance Rate will be modified to reflect a Stressed Time Percentage of 25%, taking into account the higher advance rates on the DIP Facility.

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Reimbursements of the Borrowers and (ii) the Trigger Advance Rate of the Book Value of Eligible Receivables and Eligible FNMA Advance Reimbursements of the Borrowers; plus

(b) up to 75% of the Market Value of Eligible Mortgage Loans or any REO resulting from a foreclosure related to any Eligible Mortgage Loan of the Borrowers; plus

(c) 100% of the aggregate amount of cash on deposit in the Borrower Accounts and the Concentration Account (each as defined below); minus

(d) applicable reserves established by the Administrative Agent in its Permitted Discretion and a reserve for the Carve-Out (as defined below).

Certain Borrowing Base Reports: The Borrowers will provide a report as to the Borrowing Base Collateral on a monthly basis (the "Monthly Report") detailing the Eligible Assets, including the Book Value of all Eligible Receivables and Eligible FNMA Advance Reimbursements constituting Collateral and the Market Value of all Eligible Mortgage Loans constituting Collateral, in each case as determined by the Valuation Agents, in accordance with customary market practices and in a form to be agreed. Reporting will include concentrations, losses, dilutions, aging buckets, as applicable, and other information customarily included in reports with respect to each type of asset. Reporting also will include the Verification Agent's review and analysis of advance practices. To the extent feasible, reports will be prepared in a manner consistent with existing reporting done by GMACM, RFC and the issuer under the Existing GSAP Facility, as applicable, for internal management purposes and with respect to the Existing Facilities or other existing securitizations or financing arrangements, as appropriate. The Monthly Report shall be in addition to the Borrowing Base and Collateral Amount reports to be provided weekly as described in clause (f) under "Financial Reporting and other Reporting Requirements" below.

Cash Management: The GMACM Borrower shall establish and maintain three (3) deposit accounts (the "GMACM Borrower Accounts") into which all collections and receipts with respect to the GMACM Borrower's Eligible Mortgage Loans, Eligible Receivables and Eligible FNMA Advance Reimbursements, respectively, will be deposited. The RFC Borrower shall establish and maintain two (2) deposit accounts (the "RFC Borrower Accounts" and collectively with the GMACM Borrower Accounts, the "Borrower Accounts") into which all collections and receipts with respect to the RFC Borrower's Eligible Mortgage Loans and Eligible Receivables, respectively, will be deposited. The Borrower Accounts will be subject to control agreements in favor of the Collateral Agent, and the Borrowers will have no rights of withdrawal with respect to the Borrower Accounts except to request the transfer of funds to the Concentration Account, as described below, or to fund the payment of Permitted Expenditures (as defined below).

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Funds on deposit in the Borrower Accounts will be swept periodically at the Borrowers' request to a concentration account (the "Concentration Account") at ResCap, which will be subject to a control agreement in favor of the Collateral Agent. The Concentration Account will be a segregated account into which only funds swept from the Borrower Accounts will be deposited, and no other funds of the Loan Parties will be commingled with such funds. Except during a Dominion Period (as defined below), the Borrowers will be permitted to withdraw funds from the Concentration Account solely for four purposes: (i) at any time, funding Advances under Eligible Servicing Agreements and funding Eligible Advances under Fannie Mae Contracts (each such term as defined in Exhibit A hereto), (ii) at any time, transferring funds to a ResCap corporate account to be used for the payment of expenses in accordance with the Approved DIP Budget (inclusive of any permitted variances), (iii) on the Closing Date, for the transfer of an amount up to $100,000,000 to an unrestricted account of ResCap, (iv) at any time, for the funding of pipeline loan obligations in Ohio and Nevada and the repurchase of Eligible Mortgage Loans pursuant to obligations owed to government sponsored entities, and (v) at any time, to reimburse GMACM or RFC, as applicable, for any Eligible Advances initially funded out of ResCap corporate accounts (collectively, the "Permitted Expenditures"), in each case in accordance with the Approved DIP Budget.

As a condition to withdrawal of any funds from the Concentration Account or any Borrower Account, the Borrowers must satisfy all conditions described in the section below entitled "Ongoing Conditions to Each Borrowing" including certifying in writing to the Administrative Agent and the DIP Lenders that after giving effect to such withdrawal of funds and the use of such funds, no default or Event of Default would exist and the Borrowers will be in compliance with the Borrowing Base and the Collateral Amount. The Borrowers' certification as to compliance with the Borrowing Base and the Collateral Amount will include calculations of the Borrowing Base and the Collateral Amount, which calculations will reflect (i) cash balances in the Borrower Accounts and the Concentration Account as of the end of the preceding business day, (ii) a calculation of the Book Value of Eligible Receivables and Eligible FNMA Advance Reimbursements as of the end of the preceding business day, and (iii) a calculation of the Market Value of Eligible Mortgage Loans as of the date of the most recent Borrowing Base and Collateral Amount report provided to the Administrative Agent and the DIP Lenders, updated to reflect any Eligible Mortgage Loans that have been added, liquidated or paid off as of the end of the preceding business day, as described in clause (f) of the section below entitled "Financial Reporting and Other Reporting Requirements".

The GMACM Borrower or the RFC Borrower shall establish a deposit account (the "Collection Account"), into which all funds in the Borrower Accounts and the Concentration Account will be swept daily during a Dominion Period (as defined below), and applied to outstanding Loans. The Collection Account will be subject to the sole dominion and control of

the Collateral Agent pursuant to a control agreement.

Other than the Borrower Accounts, the Concentration Account and the Collection Account, the Borrowers shall not be permitted to open any additional bank accounts, deposit accounts, checking accounts, money market funds, certificates of deposit or other similar accounts or financial instruments without the consent of the Administrative Agent, which consent shall not be unreasonably withheld.

Maturity: The Loans will mature on the date (the "Termination Date") which is the earliest of (i) the date that is 18 months from the Closing Date, (ii) the date that is 45 days after entry of the Interim Financing Order if the Final Financing Order (as defined below) has not been entered prior to the expiration of such 45-day period, (iii) the effective date of a chapter 11 plan of reorganization for any Debtor, and (iv) the date on which maturity of the Loans is accelerated and the Commitments are terminated pursuant to the DIP Loan Agreement as a result of an Event of Default.

On the Termination Date, the Loans and other obligations shall be repaid, and the proceeds from, and recoveries on, the Collateral, if applicable, will be applied: first, to the amounts owing in respect of the Revolving Facility (including without limitation, fees, indemnities, and expense reimbursements); second, to amounts owing in respect of the A-1 Term Loan Facility (including without limitation, fees, indemnities, and expense reimbursements); and third, to amounts owing in respect of the A-2 Term Loan Facility (including without limitation, fees, indemnities, and expense reimbursements).

Collateral / Superpriority Claim: As security for the obligations under the DIP Facility, the Debtors shall grant to the Collateral Agent, for itself and for the benefit of the DIP Lenders, valid and perfected security interests in, and liens on, all present and after-acquired property of the Debtors of any nature whatsoever constituting the following (together with all proceeds and products thereof, the "Collateral"):

(a) pursuant to Bankruptcy Code § 364(c)(2), a first priority, perfected lien upon all of the Debtors' right, title and interest in, to and under all Collateral that (x) is not otherwise encumbered by a validly perfected and enforceable security interest or lien on the bankruptcy filing date (the "Petition Date") or (y) becomes unencumbered as a result of the repayment of secured prepetition indebtedness with the proceeds of the DIP Facility, including, without limitation, a first priority, perfected lien on the Receivables and the Eligible Mortgage Loans (including any REO resulting from a foreclosure related to any Eligible Mortgage Loan) (collectively with the Collateral described in clause (c) below, the "Borrowing Base Collateral");

(b) pursuant to Bankruptcy Code § 364(c)(3), a junior, perfected lien upon all of the Debtors' right, title and interest in, to and under only the Collateral that is currently the collateral securing the

obligations under the existing line of credit facility provided by AFI to which ResCap and certain of its affiliates are party (the "Ally Line of Credit"), subject to any validly perfected and enforceable security interest or lien in existence as of the Petition Date, valid and enforceable rights of setoff held by depository institutions (and any court-ordered replacement liens therefor of the same extent and priority), valid liens perfected (but not granted) after the Petition Date (to the extent such perfection in respect of a pre-petition claim is expressly permitted under the Bankruptcy Code) (collectively, the "LOC Junior Lien Collateral");

(c) pursuant to Bankruptcy Code § 364(c)(3), a junior, perfected lien upon all of the Debtors' right, title and interest in, to and under only the Collateral that is currently the collateral securing the obligations under the existing credit facility provided by Citibank, N.A. ("Citibank") to which ResCap and certain of its affiliates are party (the "MSR Facility"), subject to any validly perfected and enforceable security interest or lien in existence as of the Petition Date, valid and enforceable rights of setoff held by depository institutions (and any court-ordered replacement liens therefor of the same extent and priority), valid liens perfected (but not granted) after the Petition Date (to the extent such perfection in respect of a pre-petition claim is expressly permitted under the Bankruptcy Code) (collectively, the "MSR Junior Lien Collateral" and together with the LOC Junior Lien Collateral, the "Junior Lien Collateral"); and

(d) subject to the consent of Fannie Mae, pursuant to Bankruptcy Code § 364(d)(1), a first priority perfected priming lien upon all of the Debtors' right, title and interest in, to and under all Collateral comprised of Eligible FNMA Advance Reimbursements, including, without limitation, servicer advances; *provided* that, in the event the GMACM Borrower does not obtain the requisite consent from Fannie Mae as further described in Exhibit A hereto under the heading entitled "Eligible FNMA Advance Reimbursements," (i) such rights and interests shall not constitute Collateral, (ii) the EAF Commitments shall be automatically terminated on the Closing Date, and the A-1 Term Loan Commitments automatically reduced on a pro rata basis, and no DIP Lender shall have any obligation to make a Loan from its EAF Commitment and (iii) the Borrowers shall not use the proceeds of the Loans to refinance the Existing EAF Facility;

provided that the Collateral shall not include (i) any property to the extent the grant of a security interest therein is prohibited by law, (ii) any property to the extent the grant of a security interest therein requires the consent of a governmental authority that has not been obtained (e.g., Ginnie Mae), (iii) with respect to a first tier foreign subsidiary, the excess over 65% of the equity interests in such subsidiary if a pledge of such excess is reasonably likely to result in adverse tax consequences to the

Loan Parties, (iv) the equity in any subsidiary of a first tier foreign subsidiary, (v) cash that as of the Petition Date was unencumbered and investment income earned thereon and (vi) other exceptions to be agreed with respect to the Junior Lien Collateral; provided further that the Collateral shall nevertheless include cash proceeds arising from the disposition of the property described in (i), (iii) and (iv) above.

The liens granted to the Collateral Agent for the benefit of the DIP Lenders on the Collateral described above are sometimes referred to as the "DIP Liens." For the avoidance of doubt, "MSR Junior Lien Collateral" shall include all collateral that currently secures the MSR Facility, whether or not the MSR Facility is terminated or refinanced.

The DIP Facility will be granted by all Loan Parties an allowed superpriority administrative expense claim ("Superpriority Claim") with priority over all other allowed chapter 11 and chapter 7 administrative expense claims, including expenses of a chapter 11 and chapter 7 trustee, subject and subordinate only to the Carve-Out, under Bankruptcy Code § 364(c)(1).

Carve-Out : The DIP Liens and the Superpriority Claim shall be subject to a carve-out for the following items (collectively, the "Carve-Out"): (i) all fees and expenses in an aggregate amount of up to $25,000,000 incurred by professionals of the Debtors and the official committee of unsecured creditors appointed in the Chapter 11 Cases following delivery of a notice (a "Carve-Out Notice") to the Debtors by the Administrative Agent of the occurrence of an Event of Default (the "Professionals Fee Cap"), (ii) allowed unpaid professional fees and disbursements incurred prior to the delivery of the Carve-Out Notice ("Prior Expenses"), (iii) quarterly fees required to be paid pursuant to 28 U.S.C. § 1930(a)(6) and any fees payable to the clerk of the Bankruptcy Court, and (iv) fees and expenses up to $500,000 incurred by a trustee under section 726(b) of the Bankruptcy Code; *provided*, *however*, that the Carve-Out shall not include professional fees and disbursements incurred in connection with (a) any challenge to the validity, perfection, priority, extent or enforceability of the Loans and the other DIP Obligations under the DIP Facility, or the liens on or security interests securing the DIP Obligations, (b) any investigation or assertion of any other claims or causes of action against any DIP Lender, the Administrative Agent, the Collateral Agent or any other holder of any DIP Obligations, (c) any challenge to the validity, perfection, priority, extent or enforceability of the Existing GSAP Facility, or the liens on or security interests securing the Existing GSAP Facility (but may be used by professionals for any official committee to investigate such matters in an amount not to exceed $100,000), or (d) any act which has the effect of materially or adversely modifying or compromising the rights and remedies of any Agent or any DIP Lender as set forth herein and in the definitive loan documents for the DIP Facility, or which results in the occurrence of an Event of Default. Any payments of allowed professional fees incurred after an Event of Default shall reduce the amount of the Carve-Out by the amount of any such payment.

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As long as no Event of Default shall have occurred and be continuing and no Carve-Out Notice shall have been delivered, the Debtors shall be permitted to pay compensation and reimbursement of expenses, to the extent permitted by the Bankruptcy Court payable under sections 330 and 331 of the Bankruptcy Code, as the same may be payable, and the amount so paid shall not reduce the Carve-Out, provided that upon delivery of a Carve-Out Notice, the foregoing permission shall be limited to an amount equal to the Prior Expenses plus the Professional Fee Cap.

The provisions set forth in this section and in the previous section (entitled "Collateral / Superpriority Claim") shall be established by the Financing Orders (as defined below).

Intercreditor Provisions: The Interim Financing Order and the Final Financing Order (as defined below) shall include intercreditor provisions in form and substance satisfactory to the Administrative Agent, containing subordination terms with respect to the second priority lien of the Collateral Agent on the LOC Junior Lien Collateral and the MSR Junior Lien Collateral.

Interest Rates: Revolver: LIBOR + 4.00% per annum.
A-1 Term Loan: LIBOR + 4.00%, with a LIBOR floor of 1.25% per annum.
A-2 Term Loan: LIBOR + 6.00%, with a LIBOR floor of 1.25% per annum.

After the occurrence of an Event of Default, interest on all Loans and all other outstanding amounts will bear interest at a rate equal to 2.00% per annum plus the otherwise applicable rate and shall be payable on demand.

Unused Line Fees: The Borrowers shall pay to the Administrative Agent, for the account of the DIP Lenders under the Revolving Facility, an unused line fee calculated at 0.50-0.75% per annum multiplied by the difference between the Revolving Commitments and the aggregate outstanding Revolving Loans during the immediately preceding month, payable monthly in arrears.

Rate and Fee Basis: All per annum rates and fees will be computed on the basis of the actual number of days elapsed in the applicable period over a 360-day year, and shall be payable monthly in arrears and upon the maturity or termination of the DIP Facility.

Other Fees: The Borrowers shall pay such other fees to the Agents, the Lead Arranger and the DIP Lenders, including upfront fees to the DIP Lenders and an agency fee to the Administrative Agent and a collateral monitoring fee to the Collateral Agent, as set forth in separate fee letters.

Mandatory Prepayments: (i) The Borrowers will be required to prepay Revolving Loans within one (1) business day to the extent that aggregate outstanding Revolving Loans exceed the Revolving Commitments, in an amount equal to such excess amount (in cash without any prepayment premium or penalty, but

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including all LIBOR breakage costs).

(ii) The Borrowers will be required to prepay Revolving Loans and A-1 Term Loans and/or provide cash collateral within one (1) business day to the extent that aggregate outstanding Revolving Loans and A-1 Term Loans exceed the Borrowing Base, in an amount equal to such Borrowing Base shortfall (in cash without any prepayment premium or penalty, but including all LIBOR breakage costs).

(iii) The Borrowers will be required to prepay the Loans and/or provide cash collateral within one (1) business day to the extent that aggregate outstanding Loans exceed the Collateral Amount, in an amount equal to such Collateral Amount shortfall (in cash without any prepayment premium or penalty, but including all LIBOR breakage costs).

All mandatory prepayments pursuant to clause (ii) above shall be applied, first, to prepay amounts owed under the Revolving Facility, and, second, to prepay amounts owed under the A-1 Term Loan Facility. All mandatory prepayments pursuant to clause (iii) above shall be applied, first, to prepay amounts owed under the Revolving Facility, second, to prepay amounts owed under the A-1 Term Loan Facility and third, to prepay amounts owed under the A-2 Term Loan Facility; *provided* that no mandatory prepayment of the A-2 Term Loans shall be made unless (a) all outstanding Revolving Loans and A-1 Term Loans have been paid in full, and (b) all commitments under the Revolving Facility shall have been cancelled.

The Borrowers will also be required to prepay the Loans within one (1) business day with: (i) 100% of the net cash proceeds received from the incurrence of indebtedness by the Loan Parties (other than indebtedness permitted under the DIP Facility); and (ii) 100% of the net cash proceeds of all sales or other dispositions of Collateral by the Loan Parties (including insurance and condemnation proceeds related to such Collateral but excluding any proceeds from any permitted liquidation or short sale, in the ordinary course of servicing, of REO) in which the DIP Lenders have either (A) a first-priority, perfected security interest or (B) a junior, perfected security interest, *provided* that any senior indebtedness secured by a first-priority, perfected security interest in such Collateral has been repaid in full (or the amounts necessary to satisfy such senior indebtedness in full have been set aside for the benefit of the senior debt holder) and any commitments with respect thereto terminated, or the requisite holders of such indebtedness have consented to the prepayment of Loans with such proceeds.

All mandatory prepayments or repayments pursuant to the immediately preceding paragraph shall be applied, first, to prepay amounts owed under the Revolving Facility, and, second, to prepay amounts owed under the A-1 Term Loan Facility, and third, to prepay amounts owed under the A-2 Term Loan Facility; *provided* that no mandatory prepayment of the A-2 Term Loans shall be made unless (a) all outstanding Revolving Loans and A-1 Term Loans have been paid in full, and (b) all commitments under the Revolving Facility shall have been cancelled.

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Optional Prepayments: The Loans may be prepaid in whole or in part from time to time without penalty or premium, but including all LIBOR breakage costs, subject to minimum amounts and notice requirements; *provided* that any voluntary prepayment of the Term Loans may not be made unless (a) all outstanding Revolving Loans have been paid in full, and (b) all commitments under the Revolving Facility have been cancelled; *provided further* that any voluntary prepayment of A-2 Term Loans may not be made unless (a) all outstanding Revolving Loans and outstanding A-1 Term Loans have been paid in full, and (b) all commitments under the Revolving Facility shall have been cancelled.

Documentation: Definitive loan documentation (collectively, the "Loan Documents"), including a loan agreement, customary security related documentation, customary opinion letters of counsel to the Borrowers and Guarantors, and other agreements and documents related to the foregoing, as to all of the foregoing as mutually agreed, each in form and substance satisfactory to the Administrative Agent and the Borrowers.

Representations and Warranties: Representations and warranties generally consistent with the Existing Facilities (to the extent applicable) and customary and appropriate representations and warranties for debtor in possession financings and financings secured by assets of the type included in the Collateral to be made throughout the term of the DIP Facility (subject to exceptions and other qualifications and limitations for materiality to be negotiated), including without limitation:

(a) all necessary Bankruptcy Court authorizations and orders in connection with the DIP Facility, including without limitation, the Interim Financing Order and, after entry thereof, the Final Financing Order (as defined below) (i) are in full force and effect, not having been vacated, reversed, or stayed, and (ii) have not been amended or modified except as agreed to in writing by the Administrative Agent in its sole discretion;

(b) each of the AFI Cash Collateral Order, the EAF Cash Collateral Order (if applicable) and the MSR Order (each as defined below) (i) is in full force and effect, not having been vacated, reversed, or stayed, and (ii) has not been amended or modified except as agreed to in writing by the Administrative Agent in its sole discretion;

(c) the Sale Order (as defined below), at all times after entry thereof by the Bankruptcy Court, (i) is in full force and effect, not having been vacated, reversed, or stayed, and (ii) has not been amended or modified in any manner that would adversely affect the ability of any Borrower to repay the DIP Obligations in full in cash with the sale proceeds upon consummation of the sale;

(d) due organization, valid existence and good standing; requisite power and authority; qualifications;

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(e) necessary power, authority and legal right to own the Collateral and grant a security interest on and assign such Collateral;

(f) due authorization, execution and delivery;

(g) capital stock and ownership; accuracy of organizational structure chart;

(h) no conflict with laws or material post-petition obligations;

(i) binding obligation of Loan Documents;

(j) governmental approvals;

(k) no adverse actions by Freddie Mac, Fannie Mae and similar entities, as applicable;

(l) financial statements and projections;

(m) accuracy of Borrowing Base and Collateral Amount reports and other reports and disclosure;

(n) governmental regulation, including margin regulations and Investment Company Act;

(o) no default under the Loan Documents;

(p) no default under other material indebtedness or contracts (other than as a result of those events that customarily occur leading up to and following commencement of a proceeding under chapter 11 of the Bankruptcy Code and the Chapter 11 Cases and the continuation and prosecution thereof);

(q) delivery of specified prepetition indebtedness documents;

(r) taxes;

(s) ownership of property;

(t) compliance with laws;

(u) location of books and records;

(v) representations relating to the Collateral, including identification and scheduling of Eligible Assets, absence of liens and other encumbrances and other third party rights (except as expressly permitted under the Loan Documents), creation, perfection and first priority of DIP Liens on Borrowing Base Collateral;

(w) no (unstayed) adverse proceedings that could result in a Material Adverse Effect (as defined below);

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(x) Patriot Act;

(y) insurance;

(z) information relating to servicing contracts and servicer advances consistent with the Existing GSAP Facility;

(aa) employee benefit plans and labor matters;

(bb) material contracts and underlying documents relating to the Collateral and notices of modifications or terminations of any of the foregoing; and

(cc) no Material Adverse Effect following the date of the Commitment Letter to which this Term Sheet is attached.

"Material Adverse Effect" means a material adverse effect on and/or a material adverse development with respect to (i) the business, assets, properties, operations, liabilities or condition (financial or otherwise) of (A) either Borrower or (B) the Loan Parties, taken as a whole, in any such case, other than as a result of those events that customarily occur leading up to and following commencement of a proceeding under chapter 11 of the Bankruptcy Code and the Chapter 11 Cases and the continuation and prosecution thereof and provided that nothing disclosed (x) in the Annual Report on Form 10-K of Ally Financial Inc. for the year ended December 31, 2011, or (y) otherwise in writing to the Administrative Agent prior to the execution and delivery of the Commitment Letter to which this Term Sheet is attached, in any such case, shall, in and of itself and based solely on facts as disclosed therein (without giving effect to any developments not disclosed therein), be deemed to constitute a Material Adverse Effect; (ii) the ability of the Loan Parties, taken as a whole, to fully and timely perform the DIP Obligations; (iii) the legality, validity, binding effect or enforceability against a Loan Party of any Loan Document to which it is a party; (iv) the rights, remedies and/or benefits available to, or conferred upon, the Administrative Agent, the Collateral Agent, any DIP Lender or any other holder of DIP Obligations under any Loan Document; or (v) the Collateral, the Collateral Agent's DIP Liens (on behalf of itself, the DIP Lenders and the other holders of DIP Obligations) on the Collateral or the priority of such DIP Liens.

Covenants: In addition to the financial covenants and reporting covenants under the DIP Facility, affirmative and negative covenants generally consistent with the Existing Facilities and customary and appropriate affirmative and negative covenants for debtor in possession financings and financings secured by assets of the type included in the Collateral (subject to exceptions and other qualifications and limitations for materiality to be negotiated), including without limitation:

(a) existence;
(b) payment of taxes and material post-petition obligations;

(c) maintenance of property;
(d) performance and compliance with Loan Documents, servicing contracts and other underlying documents and contractual exercise of rights and remedies under underlying documents;
(e) consent to assignment of servicing contracts, subject to permitted exceptions;
(f) insurance;
(g) maintenance of books and records; inspection rights, including reasonable access to the financial advisors of the Loan Parties (subject to confidentiality provisions to be set forth in the DIP Loan Agreement);
(h) compliance with laws;
(i) security interests; further assurances;
(j) cash management systems and accounts (including separate cash management systems and accounts for the Borrowers);
(k) custodial procedures;
(l) commercially reasonable efforts to obtain a credit rating for the DIP Facility from Standard & Poor's and Moody's within 60 days after the Petition Date;
(m) certain post-closing collateral matters to be agreed;
(n) use of proceeds;
(o) entry of the Final Financing Order (as defined below);
(p) other covenants relating to servicing;
(q) maintenance of governmental approvals and consents;
(r) special covenants relating to the Eligible Assets;
(s) indebtedness, including, without limitation, (i) a restriction on indebtedness in an aggregate amount not to exceed $600,000,000 (such amount to be reduced dollar for dollar by the amount, if any, by which indebtedness secured by liens on the MSR Junior Lien Collateral exceeds $200,000,000) that is secured by liens on the LOC Junior Lien Collateral that rank senior to or pari passu with the liens of the Collateral Agent, and (ii) a restriction on indebtedness in an aggregate amount not to exceed $200,000,000 (or a greater amount provided that the indebtedness secured by liens on the LOC Junior Lien Collateral is concurrently reduced by an amount equal to the amount by which indebtedness secured by liens on the MSR Junior Lien Collateral exceeds $200,000,000) that is secured by liens on the MSR Junior Lien Collateral that rank senior to or pari passu with the liens of the Collateral Agent;
(t) liens, encumbrances and other rights of third parties, including, without limitation, (i) a restriction on liens on the LOC Junior Lien Collateral that rank senior to or pari passu with the liens of the Collateral Agent other than Ally's liens on the collateral securing the Ally Line of Credit and any adequate protection replacement liens on the LOC Junior Lien Collateral granted in relation thereto, such liens securing obligations in an aggregate amount not to exceed $600,000,000 (such amount to be reduced dollar for dollar by the amount, if any, by which indebtedness secured by liens on the MSR Junior Lien Collateral exceeds $200,000,000), and (ii) a restriction on liens on the MSR Junior

Lien Collateral that rank senior to or pari passu with the liens of the Collateral Agent other than the liens of Citibank (or a replacement lender under a refinancing facility acceptable to the Administrative Agent) on the collateral securing the MSR Facility and any adequate protection replacement liens on the MSR Junior Lien Collateral granted to Citibank in relation thereto, such liens securing obligations in an aggregate amount not to exceed $200,000,000 (or a greater amount provided that the indebtedness secured by liens on the LOC Junior Lien Collateral is concurrently reduced by an amount equal to the amount by which indebtedness secured by liens on the MSR Junior Lien Collateral exceeds $200,000,000);

(u) negative pledges;

(v) restricted payments, other than those authorized in any "first day" or "second day" order reasonably acceptable to the Administrative Agent;

(w) restrictions on subsidiary distributions;

(x) investments (including acquisitions), loans and advances;

(y) fundamental changes, including mergers, consolidations, liquidations and dissolutions;

(z) affiliate transactions;

(aa) amendments to agreements;

(bb) optional payments and modifications to certain debt instruments and the Sale Agreement (as defined below);

(cc) changes in fiscal year;

(dd) hedging arrangements;

(ee) dispositions and sales of Collateral or entering into any agreement to dispose or sell Collateral (only permitted if (A) pursuant to and in accordance with the terms of the Sale Agreement and the net proceeds shall be applied as required under the mandatory prepayment provisions of the DIP Loan Agreement, (B) such dispositions or sales constitute liquidations and/or short sales, in the ordinary course of servicing, of REO or (C) (i) both immediately prior and after giving effect to any such disposition or sale and any prepayments of DIP Obligations required to be made under the DIP Loan Agreement, no default or Event of Default shall exist or result therefrom, (ii) the consideration received for such assets shall be at least equal to the greater of fair market value (determined in good faith by the governing bodies of the Borrowers) and an amount determined based on the highest advance rates applicable to such assets (calculated on an aggregate basis for the assets in each transaction) under the DIP Facility, (iii) 100% of such consideration shall be paid in cash, and (iv) the net proceeds shall be applied as required under the mandatory prepayment provisions of the DIP Loan Agreement; *provided*, that the proceeds of all dispositions and sales of Borrowing Base Collateral (other than pursuant to clause (A) or (B) above) shall not exceed $25,000,000 in the aggregate from and after the Closing Date);

(ff) continuation of employment of certain existing senior officers (to

be agreed upon and identified in the Loan Documents), or suitable replacement senior officers reasonably acceptable to the Administrative Agent;

(gg) other superpriority claims;

(hh) appointment of subservicers;

(ii) defense and protection of the Collateral;

(jj) no rejection by the Debtors of any servicing contract;

(kk) no material changes to the Servicing Practices (to be defined, but in any case, to include modification programs, other than as set forth in any "first day" or "second day" order reasonably acceptable to the Administrative Agent) without prior approval of the Required Lenders (any such changes that would adversely affect the rights of the Administrative Agent, the Collateral Agent or any DIP Lender shall be deemed material, other than any material changes authorized in any "first day" or "second day" order reasonably acceptable to the Administrative Agent);

(ll) servicing fees for Eligible Mortgage Loans shall not exceed 0.25% per annum of the outstanding principal balance of Eligible Mortgage Loans; and

(mm) special purpose entity restrictions (excluding bankruptcy remoteness) for the Borrowers.

Financial Covenants:

(a) The Borrowers shall be required to perform against the Approved DIP Budget (as defined below), subject to aggregate variances on net cash flows (excluding servicing advances) of 20% measured every four (4) calendar weeks;

(b) The Borrowers shall at all times maintain minimum liquidity of $50,000,000 in the aggregate (including, except during a Dominion Period or during the continuance of an Event of Default, amounts in the Concentration Account); and

(c) The minimum liquidity of ResCap, on a consolidated basis with its subsidiaries (including the Borrowers), shall not be (i) less than $250,000,000 in the aggregate for four (4) consecutive business days or (ii) less than $75,000,000 in the aggregate at any time.

Cash Dominion:

With respect to the Concentration Account and the Borrower Accounts, the applicable depository institution and the Collateral Agent shall execute and deliver an account control agreement in form and substance reasonably satisfactory to the Administrative Agent and the Collateral Agent, which shall provide, among other things, for such depository institution's agreement that, upon delivery by the Collateral Agent of a Dominion Notice (as defined below) to such depository institution, it will comply with instructions originated by the Collateral Agent directing the disposition of the funds in the deposit account without further consent by any Loan Party (such period of compliance, the "Dominion Period"). A "Dominion Notice" means a written notice from the Collateral Agent to the applicable depository institution that activates the Dominion Period. Unless the Administrative Agent is otherwise directed by DIP Lenders representing more than 66-2/3% of the aggregate commitments under the

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Revolving Facility, the Administrative Agent shall direct the Collateral Agent to send, and the Collateral Agent shall send, a Dominion Notice to the depository institutions at any time on or after the date of entry of the Final Financing Order that an Event of Default has occurred and is continuing; *provided that* if such Event of Default has been cured or waived, as applicable, then the Administrative Agent shall promptly direct the Collateral Agent to deliver, and the Collateral Agent shall promptly deliver, notice to the depository institutions that terminates the Dominion Period (a "Dominion Cancellation Notice"); *provided that* upon the third commencement of a Dominion Period, then notwithstanding satisfaction of the applicable criteria set forth in the immediately preceding proviso, the Administrative Agent shall not be required to direct the Collateral Agent to send a Dominion Cancellation Notice and the Collateral Agent shall not send a Dominion Cancellation Notice unless so directed by the Administrative Agent, and the Dominion Period shall continue until all obligations under the DIP Facility have been paid in full and all Commitments have been terminated.

During any Dominion Period, all funds in the Concentration Account and the Borrower Accounts will be swept on a daily basis into the Collection Account over which the Collateral Agent will have sole dominion and control, and all funds in the Collection Account will be applied (upon not less than five (5) days notice) first, to the amounts owing in respect of the Revolving Facility (including without limitation, fees, indemnities, and expense reimbursements); second, to amounts owing in respect of the A-1 Term Loan Facility (including without limitation, fees, indemnities, and expense reimbursements); and third, to amounts owing in respect of the A-2 Term Loan Facility (including without limitation, fees, indemnities, and expense reimbursements).

Financial Reporting and Other Reporting Requirements:

The Borrowers will provide on an as-requested basis other information reasonably requested by the Administrative Agent or the DIP Lenders, including reports and information respecting ResCap's and its subsidiaries' business, financial condition or prospects. All financial statements shall be prepared on a consolidated basis in accordance with generally accepted accounting principles in the United States ("US GAAP") applied on a basis consistent with prior periods (except as otherwise disclosed in such financial statements).

In addition to the monthly operating reports required under the United States Trustee Guidelines, the Borrowers will prepare (as applicable) and deliver to the Administrative Agent and the DIP Lenders:

(a) within thirty (30) days of the end of each of ResCap's fiscal months, a comparative unaudited consolidated balance sheet and income statement for ResCap and its subsidiaries in accordance with US GAAP for such fiscal month, together with such other information as the Administrative Agent may reasonably request, in each case in form and substance reasonably acceptable to the Administrative Agent;

(b) within ninety (90) days after the end of each fiscal year, a comparative unaudited consolidated balance sheet and income statement for ResCap and its subsidiaries for such fiscal year, including such variance analysis as is consistent with the reports prepared for the audit committee of ResCap's board of directors; *provided* that to the extent audited consolidated ResCap financial statements are otherwise required, such audited financial statements shall be provided promptly following completion thereof;

(c) within forty-five (45) days after the end of each fiscal quarter, a comparative unaudited consolidated balance sheet and income statement for ResCap and its subsidiaries for such fiscal quarter, including such variance analysis as is consistent with the reports prepared for the audit committee of ResCap's board of directors; *provided* that to the extent any financial statements for such fiscal quarter have been provided to ResCap's noteholders or other creditors, such financial statements shall be provided concurrently to the Administrative Agent and the DIP Lenders;

(d) beginning on the first Monday immediately following five (5) weeks after the Closing Date (or if the Closing Date is a Monday, beginning five (5) weeks after the Closing Date), as soon as available, but not later than 1:00 p.m. (New York City time) on the sixth (6th) business day following each four-week period ended six (6) business days prior to such date, (i) an updated 20-week cash flow forecast on a line item basis of cash receipts, disbursement and net cash flows, each as to the Borrowing Base Collateral, as well as Eligible Receivables, Eligible Mortgage Loans, Eligible FNMA Advance Reimbursements, and loan balances for the immediately following consecutive 20 weeks, set forth on a weekly basis, in form and substance acceptable to the Required Lenders (as used herein, the "Approved DIP Budget" means the Initial Approved DIP Budget (as defined below) or any such budget, as it replaces the Initial Approved DIP Budget or any other budget, as applicable) and (ii) a variance report showing actual net cash flows for the four (4) week period (the "4-Week Variance Report") ended six (6) business days prior to such date, noting aggregate variances (excluding servicing advances) from the Approved DIP Budget and otherwise providing the information required to be included in the 2-Week Variance Report (as defined below);

(e) beginning on the first Monday immediately following three (3) weeks after the Closing Date (or if the Closing Date is a Monday, beginning three (3) weeks after the Closing Date), a bi-weekly variance report (the "2-Week Variance Report"), as soon as available, but not later than 1:00 p.m. (New York City time) on the sixth (6th) business day following the two-week period ended six (6) business days prior to such date, for each prior two (2) week period included in the relevant Approved DIP Budget delivered

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pursuant to clause (d) above (x) showing, for such two-week period, actual results for the following, noting therein aggregate variances from amounts set forth for the two-week period in the relevant Approved DIP Budget: (A) net cash flow on a line item basis, (B) loan balances, (C) disposals of Eligible Assets and (D) any transfer, expiration or other loss of all or any part of any Servicing Contract; and (y) setting forth an explanation for all material variances; *provided*, however, the Borrowers shall not be required to provide a 2-Week Variance Report on any date on which they provide a 4-Week Variance Report;

(f) Borrowing Base and Collateral Amount reports related to the Borrowing Base Collateral consistent with the reporting provided in the draft DIP projections dated March 12, 2012 (the "Draft DIP Projections") and in form and substance reasonably acceptable to the Administrative Agent, (i) on a weekly basis beginning on the first Monday immediately following two (2) weeks after the Closing Date (or if the Closing Date is a Monday, beginning two (2) weeks after the Closing Date), as soon as available but not later than the sixth (6th) business day following the one-week period ended six (6) business days prior to such date, and (ii) within three (3) business days of any time any Borrower becomes aware that the Borrowing Base or the Collateral Amount, assuming it were calculated at such time, is less than 85% of the Borrowing Base or the Collateral Amount, respectively, calculated in the most recently delivered report;

(g) the Monthly Report and other information and reports to be determined, including a monthly report on payments to and receipts from AFI (as soon as available, but not later than the fifteenth (15th) business day of each calendar month);

(h) all reports and notices provided to AFI under the Ally Line of Credit relating to the LOC Junior Lien Collateral, in any case no less frequently than once per month, and every four (4) weeks, updated asset balance roll-forward projections consistent with those contained in the Draft DIP Projections;

(i) all reports and notices provided to Citibank under the MSR Facility relating to the MSR Junior Lien Collateral, in any case no less frequently than once per month, and every four (4) weeks, updated asset balance roll-forward projections consistent with those contained in the Draft DIP Projections;

(j) weekly updates from the Borrowers regarding the status of the Debtors' sale process and such other issues as may be reasonably requested by the Administrative Agent;

(k) notices of any changes of certain senior officers (to be identified in the Loan Documents);

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(l) notices of any Material Adverse Effect and material events, as well as of the occurrence of any Default or Event of Default;

(m) copies of notices from Fannie Mae, Freddie Mac, the FDIC, the U.S. Department of Justice, any state attorney general and other relevant agencies and governmental authorities to be agreed, including any notices of circumstances or events that could reasonably be expected to entitle any agency or governmental authority to revoke or suspend applicable approvals;

(n) notices of other events relating to servicing arrangements or activities that could reasonably be expected to have a Material Adverse Effect;

(o) notice of appointment of any subservicers; and

(p) other reports and notices consistent with the Existing Facilities (to the extent applicable).

ResCap and the Borrowers shall make themselves available to discuss financial issues and issues regarding the restructuring with the Administrative Agent and the DIP Lenders on a bi-weekly basis. In addition, ResCap's and the Borrowers' management shall make themselves available for telephonic and in person meetings, on reasonable notice under the circumstances, to provide additional financial and restructuring information to the Administrative Agent and the DIP Lenders.

Events of Default: Events of default (each, an "Event of Default") generally consistent with the Existing Facilities (to the extent applicable) and other customary and appropriate events of default for debtor in possession financings and financings secured by assets of the type included in the Collateral (subject to exceptions and other qualifications and limitations for materiality to be negotiated), including, without limitation:

(a) any failure by the Loan Parties to (i) pay principal amounts under any Loans when due and payable, (ii) pay interest on any Loans when due and payable and the continuance of such failure to pay interest for three (3) business days, or (iii) make any other payment, deposit or remittance to be made by any Loan Party under any Designated Servicing Agreement (subject to any cure periods provided therein) or any Loan Document and the continuance of such failure to pay such other amounts for three (3) business days;

(b) material inaccuracy of any representations or warranties made or deemed to have been made by any Loan Party or its subsidiary under any of the Loan Documents;

(c) failure to satisfy the Borrowing Base or Collateral Amount maintenance requirements at any time and failure to remedy any

Borrowing Base or Collateral Amount deficiency within one (1) business day;

(d) any breach of certain affirmative covenants to be agreed upon, any negative covenant or any financial covenant under the DIP Loan Agreement;

(e) (i) failure to deliver a Borrowing Base and Collateral Amount certificate within two (2) business days after the date it was due or (ii) failure to satisfy the reporting requirements (other than with respect to the delivery of Borrowing Base and Collateral Amount certificates) under the Loan Documents that continues unremedied for a period of five (5) business days after the date it was due;

(f) any failure to perform or observe any term, covenant or agreement under the Loan Documents that is not otherwise specified as an Event of Default and that remains unremedied for fifteen (15) days;

(g) any Loan Document ceases to be in full force and effect;

(h) issues with enforceability of and validity of guaranties, collateral documents or other credit documents;

(i) any event of default, early amortization event, termination event or other similar event (other than as a result of the commencement of the Chapter 11 Cases) shall occur under any material document or agreement that relates to the Collateral and such event could reasonably be expected to be materially adverse to the rights and interests of the Administrative Agent or the DIP Lenders;

(j) any failure by any Loan Party or its subsidiaries to observe or perform certain specified covenants or agreements under any document or agreement that relates to the Collateral (subject to any cure periods provided therein);

(k) the occurrence of certain adverse events or failures relating to servicing activities and servicing rights ownership, including, without limitation, termination of servicing rights in Servicing Contracts;

(l) any liens, claims and other interests created by the Financing Orders shall cease to be valid, perfected and enforceable and of the same priority purported to be created thereby or any Loan Party or any of its affiliates shall challenge in any action the validity, perfection, enforceability or priority thereof;

(m) dissolution;

(n) certain ERISA events;

(o) dismissal of any of the Chapter 11 Cases (or any Loan Party or any of its affiliates seeking or supporting such dismissal) or conversion of any of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code (or any Loan Party or any of its affiliates seeking or supporting such conversion);

(p) appointment of a trustee (or comparable person) or a responsible officer or examiner with expanded powers (or any Loan Party or any of its affiliates seeking or supporting such appointment);

(q) entry of an order granting relief from the automatic stay as to any Collateral, individually or in the aggregate with respect to any such other orders, with a value in excess of an amount to be agreed (or any Loan Party or any of its affiliates seeking or supporting such relief);

(r) a court shall enter an order amending, supplementing, staying, vacating or otherwise modifying any Financing Order except as otherwise agreed to in writing by the Administrative Agent in its sole discretion and reasonably acceptable to the Lead Arranger (or any Loan Party or any of its affiliates applying for authority to do so) or a Financing Order shall cease to be in full force and effect; provided that no event of default shall occur to the extent that any such amendment, supplement or other modification is made in compliance with the Loan Documents and is not adverse, in the reasonable judgment of the Administrative Agent, to the rights and interests of the Administrative Agent and DIP Lenders;

(s) one or more judgments for payment of money on a post-petition liability or debt in excess of an amount to be agreed;

(t) pre-petition payments (other than as permitted by the Interim Financing Order, Final Financing Order or any “first day” or “second day” order, which “first day” or “second day” orders permitting any such payment are in form and substance satisfactory to the Administrative Agent) or as otherwise (i) ordered by the Bankruptcy Court and (ii) agreed to in writing by the Administrative Agent in its sole discretion;

(u) non-compliance by any Loan Party with the terms of (i) the Interim Financing Order or Final Financing Order or (ii) any other order of the Bankruptcy Court (x) authorizing the use of cash collateral, (y) approving debtor-in-possession financing, or (z) granting adequate protection;

(v) any event of default shall occur (after giving effect to any applicable grace periods) under any other debtor-in-possession financing facility provided to the Debtors or other postpetition material indebtedness of the Debtors;

(w) a change of control (to be defined, but which shall, without

limitation, include a change of control with respect to the direct and indirect ownership of the equity interests of each of the Borrowers);

(x) suspension by a Loan Party of operation of its business, subject to exceptions and materiality qualifiers to be agreed;

(y) the Sale Agreement is terminated, rescinded or revoked and is not replaced within sixty (60) days after such termination, rescission or revocation by another asset purchase agreement reasonably acceptable to the Administrative Agent and approved by an order of the Bankruptcy Court;

(z) entry of a Bankruptcy Court order granting any superpriority claim (or claim of equivalent status) that is senior or pari passu with the claims under the DIP Facility or any lien or security interest that is senior to or pari passu with the liens and security interests securing the DIP Facility (or any Loan Party seeking or supporting such grant), except (i) for the Carve-Out, (ii) as expressly permitted by the DIP Facility, (iii) for the adequate protection replacement liens granted to AFI on account of the Ally Line of Credit on the collateral securing the Ally Line of Credit, which shall remain senior to the DIP Liens with respect to such collateral pools and (iv) for the adequate protection replacement liens granted to Citibank on account of the MSR Facility on the collateral securing the MSR Facility, which shall remain senior to the DIP Liens with respect to such collateral pools;

(aa) (i) failure of the Sale Order to provide that the DIP Obligations will be repaid in full at the closing of the sale approved by the Sale Order, or (ii) failure of the DIP Obligations to be repaid in full at the closing of the sale approved by the Sale Order;

(bb) any Loan Party or any of its affiliates shall seek to, or support any other person's motion or pleading to, (i) disallow the claims of any DIP Lender or challenge the liens held by the Collateral Agent or (ii) oppose a motion by any DIP Lender or any Agent to confirm its claims or liens, or, in any case of the foregoing, the Bankruptcy Court enters a final order granting such relief;

(cc) entry of an order authorizing recovery from the Collateral for any cost of preservation or disposition thereof, under section 506(c) of the Bankruptcy Code or otherwise, other than as may be provided in the Financing Orders, or certain de minimus amounts or with the consent of the Administrative Agent; and

(dd) filing of a motion, pleading or proceeding by any Loan Party or any of its affiliates that could reasonably be expected to have a Material Adverse Effect, or a determination by a court of competent jurisdiction with respect to any motion, pleading or proceeding brought by another party that could reasonably be

expected to have a Material Adverse Effect.

Remedies: Upon the occurrence and during the continuation of an Event of Default, the Administrative Agent and the Collateral Agent shall have customary remedies, including without limitation, one or more of the following: (i) reduce the amount of or terminate any outstanding commitments to make Loans or otherwise extend credit under the DIP Facility; (ii) charge the default rate of interest on the Loans; (iii) declare a portion or the entirety of the Loans to be due and payable; and (iv) upon five (5) days' written notice to the Borrowers and counsel to any court appointed committees and the office of the U.S. Trustee (the "Remedies Notice Period"), the automatic stay shall be deemed lifted, without further order of or application to the Bankruptcy Court, to permit the Collateral Agent to realize on all other Collateral and to exercise any and all remedies under the Loan Documents and, subject to any intercreditor rights with respect to Junior Lien Collateral, to set off or seize amounts in any bank accounts that are a part of the Collateral that are maintained with or under the control of the Collateral Agent, the Administrative Agent or any DIP Lender. In addition, upon the occurrence and during the continuation of an Event of Default, the Collateral Agent, without notice, may exercise its remedies under the control agreements with respect to the Collection Account, the Concentration Account and the Borrower Accounts at the direction of the Administrative Agent to block withdrawals by the Borrowers, *provided*, that the Collateral Agent must provide five (5) days' notice before application of any amounts in such accounts to the DIP Obligations.

In any hearing before the Bankruptcy Court within the Remedies Notice Period, the only issue that may be raised by the Debtors and any party in interest, or considered by the Bankruptcy Court, shall be whether an Event of Default has occurred.

Conditions Precedent to Initial Borrowings: Usual and customary conditions precedent for debtor in possession financing facilities (including, without limitation, no violation or conflicts, governmental, board and third party approvals, absence of material litigation and compliance with the USA Patriot Act), and such additional conditions precedent for the initial borrowing as the Administrative Agent shall deem appropriate, including those conditions set forth on Exhibit B hereto.

Ongoing Conditions to Each Borrowing: Conditions to each extension of credit will include, without limitation:

(a) the accuracy in all material respects of all representations and warranties in the Loan Documents (including, without limitation, the Material Adverse Effect and litigation representations);

(b) there being no default or Event of Default in existence at the time of, or after giving effect to the making of, such extension of credit;

(c) after giving effect to the extensions of credit requested, (i) the

aggregate outstanding amount of Revolving Loans shall not exceed the Revolving Commitments; (ii) the aggregate outstanding amount of Revolving Loans and A-1 Term Loans shall not exceed the Borrowing Base; and (iii) the aggregate outstanding amount of Loans shall not exceed an amount equal to the lesser of (A) the Collateral Amount and (B) the aggregate amount of Loans authorized by the Interim Financing Order or Final Financing Order, as applicable;

(d) not later than forty-five (45) days after the entry of the Interim Financing Order, the Bankruptcy Court shall have entered a Final Financing Order in form and substance satisfactory to the Lead Arranger in its sole discretion;

(e) the availability of Loans under the Borrowing Base and the Collateral Amount (supported by a Borrowing Base and Collateral Amount certificate dated as of the borrowing date, which certificate will reflect (i) cash balances in the Borrower Accounts and the Concentration Account as of the end of the preceding business day, (ii) a calculation of the Book Value of Eligible Receivables and Eligible FNMA Advance Reimbursements as of the end of the preceding business day, and (iii) a calculation of the Market Value of Eligible Mortgage Loans as of the date of the most recent Borrowing Base and Collateral Amount report provided to the Administrative Agent and the DIP Lenders, updated to reflect any Eligible Mortgage Loans that have been added, liquidated or paid off as of the end of the preceding business day, as described in clause (f) of the section above entitled "~~Financial Reporting and Other Reporting~~ Requirements");

(f) prior written notice of the request for the Loan in accordance with the procedures set forth in the Loan Documents; and

(g) the Interim Financing Order or the Final Financing Order, as the case may be, shall be in full force and effect, and shall not have been (i) vacated, reversed, or stayed, or (ii) amended or modified except as otherwise agreed to in writing by the Administrative Agent in its sole discretion and reasonably acceptable to the Lead Arranger.

Assignments: The DIP Lenders may assign all, or in an amount of not less than $5,000,000, any part of, their respective shares of the DIP Facility to their affiliates or one or more banks, financial institutions or other entities that are eligible assignees (to be described in the Loan Documents) which (other than in the case of assignments made by or to Barclays Bank) are acceptable to the Administrative Agent and (prior to the occurrence of a Default) the Borrowers, such consent not to be unreasonably withheld or delayed; provided that such assignment is permitted under the Eligible Servicing Agreements; provided further that neither AFI nor any Disqualified Assignee shall be an eligible assignee without the consent of

the Borrowers. Upon such assignment, such affiliate, bank, financial institution or entity will become a DIP Lender for all purposes under the Loan Documents; provided, that assignments made to affiliates and other DIP Lenders will not be subject to the above described consent or minimum amount requirements.

Voting: Amendments, waivers and consents with respect to the Loan Documents shall require the approval of the Borrowers and DIP Lenders holding not less than a majority of the commitments and loans under the DIP Facility ("Required Lenders"), except that:

(a) the consent of each DIP Lender affected thereby shall be required with respect to (i) reductions in the amount or extensions of the scheduled date of maturity of any loan or reduce the amount or extend the payment date for, any required mandatory payments, (ii) reductions in the rate of interest or any fee or extensions of any due date thereof (provided that waivers of defaults or events of defaults or waivers of default interest shall not be deemed to be a reduction in the rate of interest or any fee under the loan documents) and (iii) increases in the amount or extensions of the expiry date of any DIP Lender's commitment;

(b) the consent of each DIP Lender shall be required to (i) modify the pro rata sharing requirements of the Loan Documents, (ii) permit any Loan Party to assign its rights under the DIP Facility, (iii) modify any of the voting percentages, (iv) release any Guarantor, except as otherwise permitted in the Loan Documents, or (v) release all or substantially all of the Collateral;

(c) amendments of the financial covenants (and definitions used therein) or the definition of availability under the Revolving Facility shall require the consent of (i) DIP Lenders holding a majority of the Revolving Loans and Revolving Commitments and (ii) DIP Lenders holding a majority of the outstanding Term Loans;

(d) the consent of each DIP Lender under the Revolving Facility shall be required to increase the advance rates or the Trigger Advance Rate or to add additional categories of assets to the definition of Eligible Assets. Any other amendments to the definition of Borrowing Base or Collateral Amount (and definitions used therein) in a manner adverse to the interests of the DIP Lenders or in a manner that would make more credit available to any Borrower will require the consent of (i) DIP Lenders holding more than 66-2/3% of the aggregate amount of Revolving Loans and Revolving Commitments and (ii) DIP Lenders holding a majority of the outstanding Term Loans; and

(e) the consent of DIP Lenders holding a majority of outstanding Loans and Commitments of any class shall be required with respect to any amendment that by its terms adversely affects the

rights of such class in respect of payments under the Loan Documents in a manner different than such amendment affects other classes.

Miscellaneous: Cost and yield protection, indemnification, breakage, tax gross-up, reserve requirement and expenses provisions customary and appropriate for facilities and transactions of this type.

Governing Law and Jurisdiction: New York, except to the extent governed by the Bankruptcy Code.

Counsel to Lead Arranger and Administrative Agent: Skadden, Arps, Slate, Meagher & Flom LLP.

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Exhibit A

Eligible Receivables

Under the related receivables sale agreements (each, a "Receivables Sale Agreement"), certain specified pooling and servicing agreements, sale and servicing agreements or servicing agreements ("Servicing Agreements" or "Servicing Contracts") for the 238 residential mortgage-backed securitization trusts included in the Existing GSAP Facility (the "MBS Trusts") for which GMACM or RFC is the Servicer or subservicer will be designated as servicing agreements for which the related Receivables have been sold and contributed to the Borrowers pursuant to the Interim Financing Order and will be financed under the DIP Facility ("Designated Servicing Agreements").

An "Eligible Servicing Agreement" must contain an effective provision allowing for the assignment or pledge of the Servicer's rights to be reimbursed for certain advances ("Advances") under such Servicing Agreement and must meet certain other eligibility criteria to be determined, which shall be consistent with the terms and conditions under the Existing GSAP Facility.

The Advances will generally consist of (1) scheduled payments of principal and interest that have not been timely paid by mortgagors, (2) expenses associated with the preservation of a mortgaged property, including but not limited to property taxes, insurance premiums or other property-related expenses that have not been timely paid by mortgagors and (3) costs and expenses incurred in foreclosing upon, preserving and selling mortgaged properties, including but not limited to attorneys' and other professional fees and expenses incurred in connection with the foreclosure and liquidation or other proceedings arising in the course of servicing the mortgage loans.

An "Eligible Receivable" will be a Receivable created under a Designated Servicing Agreement that is an Eligible Servicing Agreement, and as to which the related representations and warranties are true and correct, and at the time the related Advance was made, it was reasonably determined by the Servicer to (i) be ultimately recoverable from the proceeds of the related mortgage loan, related liquidation proceeds or otherwise from the proceeds of or collections on the related mortgage loan and (ii) comply with all requirements for reimbursement under the related Designated Servicing Agreement, and was authorized pursuant to the terms of the related Servicing Agreement. In addition, such Receivable (i) must constitute a "general intangible" or an "account" within the meaning of Section 9-102(a)(42) or Section 9-102(a)(2) (or the respective corresponding provision in effect in a particular jurisdiction) of the UCC in all applicable jurisdictions, (ii) must be denominated in U.S. dollars and is payable in the United States, (iii) all right, title and interest in and to such Receivable shall have been validly sold and/or contributed by GMACM or RFC to the GMACM Borrower or the RFC Borrower, respectively, (iv) as of the date such Receivable was acquired by GMACM or RFC, neither GMACM nor RFC had (A) taken any action that would impair the right, title and interest of the Collateral Agent therein, or (B) failed to take any action that was necessary to avoid impairing the Collateral Agent's right, title and interest therein; (v) the Advance related to such Receivable has been fully funded by GMACM or RFC using its own funds and/or amounts held for future distribution (to the extent permitted under the related Servicing Agreement) at least 24 hours before the related Payment Date (to be defined), and (vi) on the related Payment Date, all conditions precedent set forth in the transaction documents for funding have been satisfied with respect to such Receivable.

Although Receivables that are not Eligible Receivables will not generate borrowing capacity under the Borrowing Base, all receivables originated by GMACM and RFC (eligible and ineligible) will be required to be sold to the Borrowers.

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Eligible FNMA Advance Reimbursements

"Eligible FNMA Advance Reimbursements" constitute reimbursement rights for advances that are grouped into the following three categories that comprise all of the following outstanding advances (collectively, "Eligible Advances") required to be made by GMACM under the Fannie Mae Servicing Guide with respect to the mortgage loans serviced by GMACM ("Mortgage Loans"): (i) P&I Delinquency Advances (to be defined)), including Foreclosure Advances (a "Foreclosure Advance" is an advance of principal required to be remitted to an MBS trust as the result of an action taken during the preceding month with respect to a property reported under Fannie Mae Action Codes 70, 71 or 72, in any such case at the start of the month in which the advance is due); (ii) T&I Escrow Advances (to be defined); and (iii) Advances qualifying as Corporate Servicing Advances (to be defined) (each a "Corporate Servicing Advance ").

As a condition to any reimbursement rights for Eligible Advances qualifying as Eligible FNMA Advance Reimbursements, the Agents shall have received an agreement from Fannie Mae, in form and substance satisfactory to the Administrative Agent (including with respect to a subordination of Fannie Mae's rights to setoff and recoupment under the Fannie Mae Servicing Contracts to the DIP Obligations), which shall, among other things, acknowledge Collateral Agent's security interest in the Eligible FNMA Advance Reimbursements, or other arrangements shall have been made satisfactory to the Administrative Agent.

"Fannie Mae Contracts" means the Mortgage Selling and Servicing Contracts between GMACM and Fannie Mae, the applicable Master Commitments between GMACM and Fannie Mae, and the applicable Schedules of Mortgages (Form 2005), in each case, as such agreements may be amended, amended and restated, supplemented or otherwise modified from time to time.

Eligible Mortgage Loans

"Eligible Mortgage Loan" means a mortgage loan secured by a first or second lien mortgage on a one to four family residential property and (i) as to which the representations and warranties set forth in the DIP Loan Agreement including the representations and warranties relating to such mortgage loans set forth in Exhibit B to the Existing Ally Repo are correct as of each date on which Loans are outstanding under the DIP Facility and (ii) which is, in the sole discretion of the Administrative Agent eligible for sale to a prudent third party investor in mortgage loans in the secondary market.

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Exhibit B

Conditions Precedent to Borrowings under the DIP Facility

Initial Conditions to Term Loans and Initial Revolving Loans:

The availability of the Term Loans and up to $150,000,000 in aggregate principal amount of Revolving Loans (the "Initial Revolving Loans") shall be conditioned upon satisfaction (or waiver) of the following conditions precedent:

(a) The Loan Parties shall have each commenced the Chapter 11 Cases in the Bankruptcy Court under the Bankruptcy Code by no later than May 18, 2012.

(b) No trustee or examiner with expanded powers pursuant to section 1104(c) of the Bankruptcy Code, shall have been appointed or designated with respect to any Borrower or any Guarantor or their respective business, properties or assets.

(c) All of the "*first day*" and "*second day*" orders entered by the Bankruptcy Court at the time of the commencement of the Chapter 11 Cases shall be in form and substance reasonably satisfactory to Administrative Agent.

(d) The Loan Parties shall have executed and delivered satisfactory definitive financing documentation with respect to the DIP Facility, including a credit agreement, guarantees and other customary legal documentation mutually satisfactory to the Borrowers and the DIP Lenders.

(e) The DIP Lenders, the Agents and the Lead Arranger shall have received all fees required to be paid, and all expenses for which invoices have been presented, on or before the Closing Date.

(f) All governmental and third party approvals necessary in connection with the financing contemplated hereby and the continuing operations of ResCap and its subsidiaries (including shareholder approvals, if any) shall have been obtained on satisfactory terms and shall be in full force and effect.

(g) The Administrative Agent and the DIP Lenders shall have received (i) the audited consolidated financial statements of ResCap for the two most recent fiscal years ended prior to the Closing Date as to which such financial statements are available, (ii) unaudited interim consolidated financial statements of ResCap for each monthly period and quarterly period ended subsequent to the date of the latest financial statements delivered pursuant to clause (i) of this paragraph and at least thirty (30) days prior to the Closing Date, and (iii) a reasonably detailed receipts and disbursements forecast for the Borrowers on a line item basis in form and substance acceptable to the Administrative Agent and the Required Lenders for the 20 weeks commencing with the week that

includes the Petition Date (the "Initial Approved DIP Budget").

(h) The Administrative Agent shall have received such closing documents as are customary for transactions of this type or as it may reasonably request, including but not limited to resolutions, good standing certificates in each Loan Party's jurisdiction of organization, incumbency certificates, flood insurance certificates and related endorsements (to the extent required by applicable law), customary opinions of counsel, organizational documents, other information required by bank regulatory authorities under applicable "*know-your-customer*" and anti-money laundering rules and regulations, including the Patriot Act, all in form and substance reasonably acceptable to the Administrative Agent.

(i) The Administrative Agent shall have received (i) valuations of the Eligible Mortgage Loans included in the Borrowing Base as specified by the Administrative Agent from independent appraisers satisfactory to the Administrative Agent engaged directly by the Administrative Agent and (ii) if the EAF Commitments have not been terminated, an initial verification agent report on the servicing advance and reimbursement procedures and practices with respect to Eligible FNMA Advance Reimbursements included in the Borrowing Base, which valuations and report shall be in form and substance satisfactory to the Administrative Agent.

(j) The Administrative Agent shall have received a Borrowing Base and Collateral Amount certificate as of a date as recent as reasonably practicable (or if available, no more than seven (7) business days prior to the most recent Saturday prior to the Closing Date) with customary supporting documentation and supplemental reporting to be agreed upon between the Administrative Agent and the Borrowers, which Borrowing Base and Collateral Amount certificate shall calculate the pro forma Borrowing Base and Collateral Amount (after giving effect to the amounts to be borrowed on the Closing Date).

(k) Substantially concurrently with the initial borrowings under the Term Loan Facilities, repayment in full of all obligations under the Existing Facilities, termination of the commitments thereunder and release of all liens, if any, granted thereunder (with such prepayment in full, termination and release being evidenced by payoff letters reasonably acceptable to the Administrative Agent or, if such letters are not available, appropriate provisions in the Interim Financing Order confirming such terminations and releases), which repayment shall be made with the initial borrowings under the Term Loan Facilities.

(l) Compliance with all applicable requirements of Regulations U, T and X of the Board of Governors of the Federal Reserve

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System.

(m) Not later than four (4) days following the commencement of the Chapter 11 Cases, entry of an interim order approving the DIP Facility in form and substance satisfactory to the Administrative Agent in its sole discretion (the "Interim Financing Order"), which Interim Financing Order (i) shall have been entered on such prior notice to such parties as may be satisfactory to the Lead Arranger in its sole discretion, (ii) authorize the extensions of credit in respect of the Revolving Facility and the Term Loan Facilities, each in the amounts and on the terms set forth herein, (iii) grant the superpriority claim status and other collateral and liens referred to above, including without limitation, a lien on the MSR Junior Lien Collateral, (iv) approve the payment by the Borrowers of the fees provided for herein, (v) approve the repayment in full of the Existing Facilities from the proceeds of the Term Loans and the release of all liens securing the Existing Facilities, (vi) provide that (A) the sales of the Receivables from the issuer under the Existing GSAP Facility to the Borrowers, (B) the sales of future Receivables from GMACM or RFC to the Borrowers, (C) the sales of the Eligible Mortgage Loans from GMACM and RFC to the Borrowers and (D) the sales of the Eligible FNMA Advance Reimbursements from GMACM to the GMACM Borrower shall, in each case of the foregoing, be true sales and contributions and constitute absolute and unconditional, non-avoidable transfers of all right, title and interest in the subject property, (vii) provide that each Borrower is a separate and distinct legal entity from the issuer under the Existing GSAP Facility, GMACM and RFC, and that the DIP Lenders are extending credit in reliance upon the separateness of each Borrower and true sale and contribution of the Receivables and the Eligible Mortgage Loans to the Borrowers, and of the Eligible FNMA Advance Reimbursements to the GMACM Borrower, and that the Borrowers shall not be subject to consolidation into the estate of the issuer under the Existing GSAP Facility, GMACM, RFC or any other Debtor (in any such case, whether through the doctrine of substantive consolidation, veil piercing or any similar remedy), (viii) provide for the waiver of section 506(c) of the Bankruptcy Code by the Debtors as to the Collateral, and (ix) not have been (x) stayed, vacated or reversed, or (y) amended or modified except as otherwise agreed to in writing by the Administrative Agent in its sole discretion.

(n) Entry of one or more orders, in form and substance satisfactory to the Administrative Agent in its sole discretion, authorizing the Debtors to use the cash collateral of AFI under the Ally Revolver and the Ally Line of Credit and granting adequate protection (collectively, the "~~AFI Cash~~

Collateral Order"), which AFI Cash Collateral Order (i) shall have been entered on such prior notice to such parties as may be satisfactory to the Administrative Agent in its sole discretion, and (ii) not have been (x) stayed, vacated or reversed, or (y) amended or modified except as otherwise agreed to in writing by the Administrative Agent in its sole discretion.

(o) If the consent of Fannie Mae (as described under the section of the Term Sheet entitled "Collateral/Superpriority Claim") is not obtained and the proceeds of the DIP Facility are not used to refinance the Existing EAF Facility, entry of one or more orders, in form and substance satisfactory to the Administrative Agent in its sole discretion, authorizing the Debtors to use the cash collateral of Fannie Mae under the Existing EAF Facility and granting adequate protection (collectively, the "EAF Cash Collateral Order"), which EAF Cash Collateral Order (i) shall have been entered on such prior notice to such parties as may be satisfactory to the Administrative Agent in its sole discretion, and (ii) not have been (x) stayed, vacated or reversed, or (y) amended or modified except as otherwise agreed to in writing by the Administrative Agent in its sole discretion.

(p) Entry of an order, in form and substance satisfactory to the Administrative Agent in its sole discretion (the "MSR Order"), approving and authorizing the Debtors to either (i) enter into a debtor-in-possession financing facility refinancing the MSR Facility, or (ii) use the cash collateral of Citibank under the MSR Facility and granting adequate protection, which MSR Order (x) shall have been entered on such prior notice to such parties as may be satisfactory to the Administrative Agent in its sole discretion, and (y) not have been (A) stayed, vacated or reversed, or (B) amended or modified except as otherwise agreed to in writing by the Administrative Agent in its sole discretion.

(q) The Debtors shall have entered into an asset purchase agreement or other agreement (including pursuant to a plan of reorganization or liquidation that provides for repayment in full in cash of the DIP Obligations on the effective date and is in form and substance reasonably satisfactory to the Administrative Agent) (the "Sale Agreement"), in form and substance reasonably satisfactory to the Administrative Agent, with a stalking horse bidder providing for the sale of the Loan Parties' assets (including, without limitation, the mortgage servicing rights of the Parent and its subsidiaries), and the Debtors shall have filed with the Bankruptcy Court a motion seeking entry of orders by the Bankruptcy Court, respectively, approving the Sale Agreement (the "Sale Order"), which Sale Order shall be in form and substance reasonably satisfactory to the Administrative Agent, and

approving bidding procedures in connection with the sale contemplated thereby.

(r) Operational changes to track and allocate expenses relating to Existing Facilities by asset type and facility shall have been implemented and cash management systems consistent with the requirements under the DIP Facility and otherwise satisfactory to the Administrative Agent (including with respect to cash dominion) shall have been established by the Borrowers and an order approving such cash management systems and arrangements shall have been entered by the Bankruptcy Court, in form and substance reasonably satisfactory to Administrative Agent, and shall be in full force and effect.

(s) The Loan Parties are in pro forma compliance with the terms of the DIP Facility, including the Borrowing Base and the Collateral Amount (after giving effect to the amounts to be borrowed on the Closing Date).

(t) The Eligible Receivables, Eligible Mortgage Loans and other assets comprising Borrowing Base Collateral shall have been scheduled or otherwise identified in reasonable detail to the Administrative Agent, in form and substance satisfactory to the Administrative Agent, and the Administrative Agent shall be satisfied that all such Eligible Receivables, Eligible Mortgage Loans and other assets are subject to no liens other than the DIP Liens.

(u) No change, development, circumstance or event that, individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect.

(v) No defaults or events of default, both immediately prior to and after giving effect to the amounts to be borrowed on the Closing Date, shall, in each case, have occurred under any of the Loan Documents for the DIP Facility.

(w) Delivery of updated lien searches (including with respect to tax liens).

(x) Receipt by the Administrative Agent of evidence of satisfactory Servicing Practices.

(y) Availability of the EAF Commitments shall be subject to the receipt of the consent of Fannie Mae as described further above under the section entitled "~~Collateral~~"

(z) Availability of the Initial Revolving Loans shall be subject to the condition that the maximum amount of the Term Loan Commitments available shall have been borrowed on the Closing Date.

(aa) The Borrowers shall have provided to the Administrative Agent a written description of all servicing fees relating to the Eligible Mortgage Loan portfolio of the Borrowers, which

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description shall be in form and substance satisfactory to the Administrative Agent.

Initial Conditions to Subsequent Revolving Loans:

Except for the Initial Revolving Loans, the availability of the Revolving Loans shall be conditioned upon the satisfaction (or waiver) of the following conditions precedent in addition to those set forth above in the section entitled "Initial Conditions to Term Loans and Initial Revolving Loans" (the date upon which all such conditions shall be satisfied or waived, the "Revolver Availability Date"):

(a) The Closing Date shall have occurred.

(b) A final order approving the DIP Facility, in form and substance satisfactory to the Administrative Agent in its sole discretion (the "Final Financing Order" and together with the Interim Financing Order, the "Financing Orders" and individually, a "Financing Order"), shall have been entered by the Bankruptcy Court and shall be in full force and effect and shall not have been (i) vacated, reversed, or stayed, or (ii) amended or modified except as otherwise agreed to in writing by the Administrative Agent in its sole discretion and reasonably acceptable to the Lead Arranger.

(c) The maximum amount of the available Term Loan Commitments shall have been borrowed on the Closing Date.

Exhibit 7

SHARED SERVICES AGREEMENT

EXECUTION VERSION

Shared Services Agreement

by and between

Ally Financial Inc.
and
Residential Capital, LLC

Effective as of May ___, 2012

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SHARED SERVICES AGREEMENT

This Shared Services Agreement (this "**Agreement**") is entered into on this __ day of May , 2012 and effective as of the date this Agreement is approved by the Bankruptcy Court (the "**Effective Date**") by and between Residential Capital, LLC, a Delaware limited liability company ("**ResCap**") and Ally Financial Inc., a Delaware Corporation ("**AFI**").

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, and for other good and valid consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows.

1. DEFINITIONS.

1.1 Definitions. As used in this Agreement, the following terms have the following meanings:

"**Additional Services**" has the meaning set forth in **Section 3.2**.

"**Affiliate**" means, with respect to any specified Person, (a) those other Persons with respect to which such specified Person directly or indirectly owns or controls more than 50% of the voting equity securities of such other Person, (b) those other Persons that directly or indirectly own or control more than 50% of the voting equity securities of such specified Person, and (c) as to the Persons identified in the preceding clauses (a) and (b), those Persons that directly or indirectly own or control more than 50% of the voting equity securities of such identified Persons; provided, however, that, for purposes of this Agreement: (a) ResCap and its direct and indirect Subsidiaries shall not be deemed to be Affiliates of AFI; and (b) only the direct and indirect Subsidiaries of ResCap shall be deemed to be the Affiliates of ResCap.

"**Bankruptcy Court**" means the bankruptcy court in which the chapter 11 case(s) of ResCap and/or its Subsidiaries are pending.

"**Bankruptcy Code**" means title 11 of the United States Code**.**

"**Buyer**" means one or more purchasers of all or substantially all of the assets of ResCap and certain of its Subsidiaries pursuant to the Sale.

"**Change**" means any change or modification in the Services, or the schedule for performing such Services.

"**Charges**" has the meaning set forth in **Schedule C**.

"**Claim**" has the meaning set forth in **Section 13.1(d)(1)**.

"**Claim Notice**" has the meaning set forth in **Section 13.1(d)(1)**.

"**Completion**" has the meaning set forth in **Section 14.3(c)(3)**.

"**Confidential Information**" has the meaning set forth in **Section 9.1**.

"**Customized Services**" has the meaning set forth in **Section 3.3(a)**.

"**Damages**" has the meaning set forth in **Section 13.1(a)**.

"**Dedicated Assets**" means any Supplier's third party contracts, Supplier Equipment, Supplier

Personnel and Supplier Software primarily dedicated to providing Services to Recipient.

"**Equipment**" means computer and telecommunications equipment (without regard to the entity owning or leasing such equipment) including: (a) servers, personal computers, and associated attachments, accessories, peripheral devices, printers, cabling and other equipment; and (b) private branch exchanges, multiplexors, modems, CSUs/DSUs, hubs, bridges, routers, switches and other telecommunications equipment.

"**Force Majeure Event**" has the meaning set forth in **Section 16.5(a)**.

"**Functional Service Areas**" means the categories of Parent Services or Reverse Services that are set forth under **Schedule C-1** or **Schedule C-2**, as applicable

"**Governmental Authority**" means any government or political subdivision, board, commission or other instrumentality thereof, whether federal, state, local or foreign.

"**Include**" and its derivatives means including without limitation. This term is as defined whether or not capitalized in this Agreement.

"**Indemnified Parties**" has the meaning set forth **Section 13.1(a)**.

"**Indemnifying Party**" has the meaning set forth **Section 13.1(d)**.

"Initial Term" has the meaning set forth in **Section 2.1**.

"**Intellectual Property**" or "**IP**" means any of the following, whether subsisting now or in the future anywhere in the world: (a) patents and pending patent applications; (b) trademarks, service marks, trade names and trade dress, and associated goodwill and rights of publicity and all rights associated therewith; (c) copyrights, including copyrights in works of authorship and computer Software; (d) confidential and proprietary information, including trade secrets and proprietary algorithms; (e) data base rights; (f) design rights and rights in designs; (g) rights in domain names; (h) rights in know-how; (i) all other intellectual property rights subsisting now or in the future, anywhere in the world; and (j) registrations, right to register and pending applications for registration of the foregoing, renewals, extensions, continuations, divisions or reissues thereof now or hereafter in force throughout the world (including rights in any of the foregoing); and (k) any and all causes of action arising from or related to any of the foregoing.

"**Intellectual Property Rights**" means any and all common law, statutory and other rights in Intellectual Property honored and/or enforceable under any Laws.

"**Law**" means any applicable order, writ, injunction, decree, judgment, ruling, statute, law, rule or regulation of any federal, state, municipal or local government, governmental authority, regulatory or administrative agency, governmental commission, department, board, bureau, court or tribunal or any arbitrator or arbitral body.

"**New Developments**" means new Systems implemented by Supplier that are substantially different from the existing Systems, including major replacements to existing Systems and any directly related major replacements to work processes, policies and procedures implemented by Supplier.

"**Parent Services**" has the meaning set forth in **Section 3.1(a)**.

"**Parties**" means AFI and ResCap.

"**Person**" means any individual, partnership, firm, corporation, association, joint venture, limited

liability company, trust or other entity, or any governmental entity.

"Plan" means ResCap's and certain of its Subsidiaries' chapter 11 plan(s) of reorganization or liquidation under the Bankruptcy Code.

"**Planned IT Projects**" has the meaning set forth in **Section 3.1(g)**.

"**Pre-Existing Intellectual Property**" has the meaning set forth in **Section 7.1**.

"**Recipient**" (i) in the case of Parent Services means ResCap and its Affiliates listed on **Schedule D-1**, and (ii) in the case of Reverse Services means AFI and its Affiliates listed on **Schedule D-2**.

"**Recipient Data**" has the meaning set forth in **Section 8.1**.

"**Recipient Equipment**" means all Equipment owned or leased by a Recipient and used in connection with the Services.

"**Recipient Facilities**" has the meaning set forth in **Section 6.1(a)**.

"**Recipient Software**" means all Software owned by, or provided under license to, Recipient and used in connection with the Services (and all modifications, replacements, upgrades, enhancements, documentation, materials and media relating to the foregoing).

"**Recipient System**" means an interconnected grouping of Recipient Equipment and/or Recipient Software used in connection with the Services, and all additions, modifications, substitutions, upgrades or enhancements thereto.

"**Relationship Manager**" has the meaning set forth in **Section 5.1**.

"**Required Consents**" means the consents, if any, required from third parties in connection with Supplier's provision, and Recipient's receipt, of the Services.

"**Reverse Services**" has the meaning set forth in **Section 3.1(a)**.

"**Sale**" means a sale of all or substantially all of the assets of ResCap and/or certain of its Subsidiaries pursuant to the Plan or section 363 of the Bankruptcy Code.

"**Services**" means all or any of Parent Services, Reverse Services, Customized Services, Termination Assistance Services, provided by a Supplier, as applicable given the context.

"**Software**" means programs and programming (including the supporting documentation, media, on-line help facilities and tutorials).

"**Statement(s) of Work**" means the mutually agreed internal documents that set forth the Services in respect of the Functional Service Areas that are identified in **Schedule A-1** or **Schedule A-2** , as applicable.

"**Subcontractors**" means Supplier's contractors or other agents of Supplier that perform a portion of the Services.

"**Subsidiaries**" means, with respect to any specified Person, those other Persons with respect to which such specified Person directly or indirectly owns or controls more than 50% of the voting equity securities of such other Person.

"**Supplement**" has the meaning set forth in **Section 3.2**.

"**Supplier**" means (i) in the case of Parent Services, AFI and any AFI Affiliates that provide

such Services, and (ii) in the case of Reverse Services, ResCap, and any ResCap Affiliates that provide such Services. For purposes of clarity, all references to "Supplier" refer only to the Party that is acting as the "Supplier" with respect to the Equipment, Software and other applicable responsibilities for the Services being performed by such Party in its capacity as the "Supplier".

"**Supplier Equipment**" means Equipment owned or leased by the Party that in its capacity as the "Supplier" hereunder, or an Affiliate or Subcontractor of such Party, and used in connection with the Services.

"**Supplier Facilities**" has the meaning given in **Section 6.2**.

"**Supplier Personnel**" means those employees, representatives, contractors, Subcontractors and agents of the Party that is acting in its capacity as the "Supplier" hereunder, who perform any Services under this Agreement.

"**Supplier Software**" means all software programs and programming owned by, or provided under license to, the Party that is acting in its capacity as the "Supplier" and used to provide the Services (and all modifications, replacements, upgrades, enhancements, documentation, materials and media relating to the foregoing).

"**Supplier System**" means an interconnected grouping of Supplier Equipment and/or Supplier Software used in connection with the Services, and all additions, modifications, substitutions, upgrades or enhancements thereto.

"**Systems**" means Recipient Systems and Supplier Systems or any of them.

"**Term**" has the meaning set forth in **Section 2.2.**

"**Termination Assistance Services**" has the meaning set forth in **Section 14.5(a)**

"**Termination Service Periods**" has the meaning set forth in **Section 14.5(a)**.

"**Third Party Claim**" has the meaning set forth in **Section 13.1(d)(1)**.

"**Third Party Claim Notice**" has the meaning set forth in **Section 13.1(d)(1)**.

"**Transition Services Agreement**" has the meaning set forth in **Section 14.5(a)**.

2. TERM AND RENEWAL

2.1 Initial Term. The initial term of this Agreement begins on the Effective Date and continues through and until midnight Eastern Time on the one (1) year anniversary of the date on which ResCap and certain of its Subsidiaries file voluntary petitions ("**Petitions**") for relief under Chapter 11 of the Bankruptcy Code, as amended (the "**Initial Term**"), unless earlier terminated or extended in accordance with the terms of this Agreement and except for any Service that has been terminated in accordance with the terms of this Agreement.

2.2 Renewal. The Initial Term will be automatically extended for additional periods of one (1) year each unless either Party provides to the other Party written notice of nonrenewal at least three (3) month prior to the expiration of the then-current Term. The Initial Term as extended by any such additional period(s) (if any) shall be referred to as the "**Term**".

3. SERVICES.

3.1 Services.

(a) Performance. AFI will provide the Services within each of the Functional Service Areas listed in **Schedule A-1** (the "**Parent Services**"), and ResCap will provide the Services within each of the Functional Service Areas listed in **Schedule A-2** (the "**Reverse Services**"), in each case beginning on the Effective Date. Services provided by a Supplier under this Agreement may be provided by that Supplier directly or through any of its Affiliates and/or Subcontractors at Supplier's discretion. A Supplier will not be relieved of any of its obligations under this Agreement as a result of the provision of Services by any of Supplier's Subsidiaries or other Supplier Personnel pursuant to this **Section 3.1(a)**. Supplier agrees that it will not enter into any new Subcontracting arrangement that would involve the transfer to a Subcontractor or another third party of Recipient's personal information, without the prior written consent of the other Party. The Supplier Personnel providing Services will at all times be qualified to provide the Services assigned to them.

(b) Recipients and Facilities. Supplier will provide the Services to Recipient at the Recipient Facilities for which such Services are provided as of the Effective Date or, with respect to any particular Services, such other locations as may be specifically identified in **Schedule D-1** or **Schedule D-2** with respect to such Services. Supplier will negotiate in good faith to provide Services in support of any new Recipient or additional Recipient Facility, but shall not be obligated to provide Services to new Recipients or additional Recipient Facilities unless the pricing and terms for such new Recipients or facilities has been agreed upon by the Parties.

(c) Service Standards. Supplier will perform or cause to be performed the Services referenced in the applicable Statement(s) of Work, to Recipient (i) with reasonable skill, care and diligence; and (ii) performed in substantially the same manner (including historic levels of service, historical usage levels and geographic provisioning) that such Services were generally performed by Supplier for Recipient immediately prior to the Effective Date and thereafter in substantially the same manner (including historic levels of service, historical usage levels and geographic provisioning) as Supplier generally performs such Services for its own businesses in accordance with its then-current processes and procedures (except to the extent such Services differ because of the need to follow legal corporate formalities and to keep Recipient Data separate from Supplier data, or as may be mutually agreed through the Parties' change control principles pursuant to **Sections 3.2** and **3.3**). In no event will Supplier be required to make any customization to the Services (or Supplier's associated Systems or processes) that are unique to Recipient, except for customizations that are expressly agreed upon in accordance with **Sections 3.2** and **3.3**. Each Party acting in its capacity as Recipient shall, and such Party shall cause all of its Affiliates that are Recipients to, comply with any applicable terms and conditions of third party contracts used by Supplier in connection with the Services.

(d) Implied Services. If any services, functions or responsibilities performed by Supplier for Recipient as of the Effective Date are not specifically described in this Agreement but are necessary for Supplier to perform or provide the Services described in this

Agreement in accordance with **Section 3.1(c)**, such services, functions or responsibilities shall be deemed to be included within the scope of the Services to the same extent and in the same manner as if specifically described in this Agreement, except to the extent otherwise specified in this Agreement and excluding all services, functions and responsibilities of Recipient under this Agreement (including any services, functions or responsibilities not specifically described in this Agreement but are necessary for Recipient to perform or provide such services, functions and responsibilities described in this Agreement). Except as otherwise expressly provided in this Agreement, as between the Parties, Supplier shall be responsible for providing the facilities, personnel and other resources as necessary to provide the Services consistent with the requirements of **Section 3.1(c)**.

(e) Not a Requirements Contract. This Agreement will not be construed as a requirements contract and will not be interpreted to prevent Recipient from obtaining from third parties, or providing itself, any or all of the Services or similar services.

(f) Dedicated Assets. Upon the reasonable request of either Party, the Parties will work together in good faith to identify the Dedicated Assets, and with respect to Supplier Personnel that are Dedicated Assets, on a Service-by-Service basis: (i) the number of individuals providing such Service; (ii) the title of each such individual providing such Service (e.g., senior accountant, deputy general counsel, human resources manager, etc.); and (iii) the amount of time that each such individual spends providing such Service on a full-time equivalent (FTE) basis (e.g., 0.4 FTE).

(g) Planned IT Projects. **Schedule A-3** to this Agreement sets forth a list of IT projects that are planned or ongoing as of the Effective Date (the "**Planned IT Projects**"). ResCap acknowledges and agrees that (i) the Services will be modified during the Term by and in accordance with each Planned IT Project, and (ii) the Planned IT Projects are necessary for the maintenance, upgrade, safety, or security of the AFI environment. ResCap will pay to AFI the portion of each Planned IT Project as applicable to Recipient, in accordance with **Schedule A-3** so long as ResCap or its Affiliates continue to receive Services that are based on or involve the use of AFI's IT environment. ResCap will provide to AFI cooperation and assistance as necessary or reasonably requested by AFI to allow AFI to implement each Planned IT Project.

3.2 Additional Services. A Party may, from time to time during the Term, upon at least ninety (90) days prior written notice to the other Party, request that the other Party provide additional services, functions and responsibilities not within the scope of the Services provided by the performing Party ("**Additional Services**"). Any such Additional Services will be provided under supplements to **Schedule A-1** or **Schedule A-2**, as applicable entered into by the Parties ("**Supplements**") for the charges set forth therein and mutually agreed upon. Supplements shall be in the form of **Schedule E**. During the ninety (90) day period after the Effective Date, the Parties will work together to define a process reasonably satisfactory to the Parties that will be used to (a) submit and prioritize requests for Additional Services and (b) create and execute Supplements for Additional Services.

3.3 Changes to Services/Change Control Procedures.

(a) Customized Services. Supplier shall only provide Services customized for Recipient ("**Customized Services**") in accordance with this **Section 3.3**, and shall not otherwise be required to make customizations to the Services or Supplier Systems.

(b) Changes Requested by Recipients. Recipient from time to time, upon at least thirty (30) days notice may require that the Supplier decrease or reasonably increase the Services provided to Recipient and the Charges shall be modified in accordance with the procedures set forth in Exhibit C. A Party may, from time to time during the Term, upon at least ninety (90) days prior written notice to the other Party, request that the other Party provide Customized Services. If the Parties mutually agree on the provision of Customized Services, such request for Customized Services and such Customized Services will be provided under Supplements to **Schedule A-1** or **Schedule A-2**, as applicable. Before Supplier is required to provide any Customized Services, the Parties shall jointly agree on the applicable Charges for any agreed Customized Services, including any Charges that may be required to equitably compensate Supplier for any additional costs it may reasonably incur in connection with any changes to the Services.

(c) Changes Required by Applicable Law. If Customized Services are necessary in order to comply with applicable Laws or changes to Supplier's third party contracts, Supplier will provide such Customized Services unless (i) such Customized Services require a material change to a Supplier System, or the implementation of a new Supplier System, or (ii) providing such Customized Services is not practicable given the then-current characteristics of the Supplier Systems, and the use thereof for Supplier and its Affiliates, and subject to the Parties jointly agreeing on the applicable Charges for such Customized Services. Any such Customized Services will be provided under Supplements to **Schedule A-1** or **Schedule A-2**, as applicable. The Parties will negotiate in good faith in order to promptly agree on the applicable charges for any such necessary Customized Services. If providing such Customized Services is not practicable given the Supplier Systems, Recipient may purchase such services from a third party, provided that the Parties must agree on (A) the activities required to transition the affected Services from Supplier to such third party, (B) the impact on the remaining Services, and (C) the Charges associated with removing such Services and (D) the Charges for the remaining Services.

3.4 Recipients' Obligations. Supplier's failure to perform its obligations under this Agreement will be excused (and any rights of the Recipient arising as a consequence of such failure will not be exercised by the Recipient) if and to the extent such Supplier non-performance is caused by (a) the wrongful or tortuous actions of Recipient or a third party contractor performing obligations on behalf of Recipient under this Agreement, or (b) the failure of Recipient or such a third party contractor to perform such Recipient's obligations under this Agreement. Recipient will be responsible for any additional costs incurred by Supplier in connection with providing the Services as a result of any such failure. Supplier will use commercially reasonable efforts to perform its obligations notwithstanding such failure, provided that Recipient works with Supplier through the Relationship Managers to remedy the failure.

3.5 Required Consents.

(a) Responsibility. Each Party will be responsible for obtaining any Required Consents required under its own third party contracts pertaining to any Software, Equipment, Systems or other materials or associated services required in connection with the Services under this Agreement. Such responsibility shall include the administrative activities necessary to obtain the Required Consents and payment of the fees and/or expenses associated with obtaining the Required Consents. In the event of a pending Sale or upon termination of any Service(s) or this Agreement, the Parties will cooperate in order to determine and obtain any Required Consents necessary in order to transition any Software, Equipment, Systems or other materials to the other Party and/or the Buyer(s).

(b) Contingent Arrangements. If, despite using commercially reasonable efforts, either Party is unable to obtain a Required Consent for which it is responsible under **Section 3.5(a)**, such Party will use commercially reasonable efforts to obtain a replacement license, product or right, as applicable. If such replacement cannot be obtained using commercially reasonable efforts, the Parties will work together in good faith to develop a mutually acceptable alternative arrangement that is sufficient to enable Supplier to provide, and Recipient to receive the Services without such Required Consent. The Party responsible for obtaining the Required Consent will be financially responsible for the costs of such alternative arrangement. If the Parties can not reach a resolution under **Section 3.5**, either Party may require that the affected Services be discontinued in which case the Charges for Services will be equitably adjusted to account for such discontinuation.

3.6 Security Level; Additional Security Measures. Supplier may take physical or information security measures (a) that affect the manner in which the Services are provided to maintain Supplier's current level (or, if greater, an industry-standard level) of physical and electronic security (including data security and data privacy) during the Term and (b) that address any new security-related issues, including compliance with applicable law and governmental orders related to security and issues in connection with new technologies or threats. Supplier shall provide Recipient reasonable, prior written notice of any such physical or information security measures that are material to Supplier's delivery of the Services. Recipient shall provide all assistance reasonably requested by Supplier in connection with such security measures. Recipient shall pay to Supplier increased Charges for the applicable Services that may be required to equitably compensate Supplier for any additional costs it may reasonably incur in connection with such security measures with respect to the Services provided to Recipient under this Agreement.

4. USE OF AFFILIATES AND SUBCONTRACTORS.

4.1 Affiliates and Subcontractors.

(a) Use of Affiliates and Subcontractors. Subject to **Section 3.1(a)**, Supplier will have the right to use Affiliates and Subcontractors to assist Supplier in the provision of the Services. Supplier shall adhere to Supplier's then-current "Third Party Vendor Management" policies when engaging Subcontractors to perform Services under this Agreement. In respect of any material Services for which Supplier desires to engage a Subcontractor, Supplier shall seek and obtain Recipient's approval of such Subcontractor, which approval Recipient shall not unreasonably withhold or delay; provided, however, that

all Subcontractors engaged or otherwise performing services for Supplier as of the Effective Date are hereby deemed approved by Recipient.

(b) Supplier Responsibility for Affiliates and Subcontractors. Supplier shall remain responsible for the Services performed by its Affiliates and Subcontractors to the same extent as if such Services were performed by such Supplier. In the event that Supplier's subcontractor(s) fails to perform their obligations for which Supplier is utilizing them under this Agreement, Supplier will not be responsible or liable for such failure. However, Supplier will exercise any rights that it may have under its contract with the Subcontractor to cause the Subcontractor to resolve or cure any such failure within a reasonable time period, taking into consideration the circumstances of such failure, the nature of the services and the impact that such failure has on the Recipient. If such failure is not resolved or cured within a reasonable time period, Supplier will exercise any rights that it may have under its contract with the Subcontractor in the same manner that Supplier responds to such failure with respect to the services such Subcontractor provides for Supplier or Supplier's Affiliates businesses, taking into consideration the circumstances of such failure, the nature of the services and the impact that such failure has on the Recipient. Supplier shall be Recipient's sole point of contact regarding the Services, including with respect to payment. In addition, each Party, in its capacity as Supplier, will monitor and manage (including any necessary audits as to data privacy and security) its Subcontractors being used to perform Services for Recipient in compliance with Supplier's third party vendor management policies and procedures throughout the Term and any renewal or extension of the Agreement.

4.2 Compliance. Supplier will cause its employees and agents as well as the employees of its Affiliates and Subcontractors while at Recipient Facilities, to comply with the personnel, operational, safety and security procedures, policies, rules and regulations applicable to Recipient employees and agents and the Recipient Facilities, of which they have been given notice in advance by Recipient.

5. RELATIONSHIP MANAGEMENT.

5.1 Relationship Managers. Each Party will appoint an individual (each, a "**Relationship Manager**") who, from the Effective Date until replaced by the appointing Party, will serve as that Party's representative under this Agreement. Each Relationship Manager will (a) have overall responsibility for managing and coordinating the performance of the appointing Party's obligations under this Agreement, and (b) be authorized to act for and on behalf of the appointing Party concerning all matters relating to this Agreement. Neither Party will reassign a Relationship Manager, unless it provides at least ten (10) days prior written notice to the other Party. If a Relationship Manager ceases to be employed by the Party that appointed it or is reassigned by such Party, such Party will promptly appoint a new Relationship Manager and provide written notice to the other Party of the new Relationship Manager so appointed.

5.2 Governance Model. The Parties will conduct meetings and manage interactions in accordance with the governance model described in **Schedule B**.

5.3 Reports. Each Party will provide to the other Party the reports described in the applicable Statement of Work, in the format and at the frequencies specified therein. In addition, ResCap will provide AFI access to such information and reports in their possession and control about ResCap and its direct and indirect Affiliates as AFI requests from time to time for regulatory reporting, audit, risk management, compliance, corporate governance, bank and/or bank holding company supervision and/or examination, and or other business purposes.

5.4 Regulatory Review. Each Party will notify the other promptly of any formal request or order by a governmental agency or regulator or any internal or external audit examination or request to examine records regarding Recipient that are maintained by Supplier or to audit Supplier's performance of the Services. Supplier will cooperate with any such examination or audit. Recipient will reimburse Supplier for the actual and reasonable out-of-pocket costs Supplier incurs in connection with that examination or audit.

5.5 Books and Records; Audit. Each Party acting in its capacity as a Supplier will, and will cause its Affiliates providing Services hereunder to, keep books of account and other records, in reasonable detail and in accordance with generally accepted accounting principles, consistently applied, as to the Charges for providing the Services to Recipient pursuant to this Agreement, and shall make such books of account and other records available to Recipient (and to any Governmental Authority that desires to audit Recipient) for inspection during normal business hours in a non-disruptive manner so as not to disrupt Supplier's business operations during the Term and for twenty-four (24) months thereafter for the purpose of performing audits and inspections of Supplier, related to the Services performed under this Agreement to: verify the accuracy of Charges and invoices.

5.6 Each Party acting in its capacity as a Supplier shall, and will cause its Affiliates providing Services hereunder to, use commercially reasonable efforts to provide to such auditors, inspectors, regulators, and representatives, at Recipient's sole cost and expense, such assistance as they reasonably require. Recipient's auditors and other representatives shall comply with Supplier's security and confidentiality policies, procedures and requirements. All such inspections or audits may be performed only by an independent third party auditing firm of national standing that has a written agreement with Recipient in which such third party agrees (i) to confidentiality obligations no less protective of Supplier than Recipient's confidentiality obligations under this Agreement and (ii) not to share with Recipient the Supplier information provided in connection with such inspection or audit, other than the findings and conclusions of the audit report.

5.7 Informal Dispute Resolution Procedures. The informal dispute resolution procedures applicable to disputes under or in connection with this Agreement are set forth in **Schedule B**.

5.8 Continued Performance. Each Party agrees that it will, unless otherwise directed by the other Party, continue performing its obligations under this Agreement while any dispute is being resolved until this Agreement expires or is terminated in accordance with its terms, provided, however, that in the case of a dispute with regards to a Party's alleged failure to pay amounts in excess of two (2) times the average monthly Charges for the Services provided

hereunder to such Party or its Affiliates, Supplier may suspend its performance of the Services until the earlier of such dispute is resolved or this Agreement is terminated; provided, further, that if Recipient pays such disputed amounts, (a) Supplier will continue to perform its obligations under this Agreement and (b) such payment will not constitute a waiver of any claims Recipient may have with respect to such disputed amounts.

6. FACILITIES.

6.1 Use of Recipient Facilities.

(a) General. Except as expressly set forth otherwise in any applicable Statement(s) of Work, each Party will, and will cause its Affiliates to, acting in its capacity as "Recipient", provide to Supplier, at no charge, the space, office furnishings, janitorial service, telephone service, utilities (including air conditioning) and office-related equipment, supplies, and duplicating services at Recipient's premises that Supplier may reasonably need to provide the Services (collectively, the "**Recipient Facilities**"). In addition, each Party will, and will cause its Affiliates to, acting in its capacity as "Recipient" provide necessary storage space for backup data files related to the Services and will provide additional storage space that may be required by any change in retention schedules required by Recipient. Supplier's employees will have reasonable access to the Recipient Facilities twenty-four hours a day, seven days a week; provided, however, that in times of emergency, turnaround or significant maintenance or construction activity, access may be restricted or denied if not required in connection with such emergency, turnaround, maintenance or construction. In such an event, Supplier will be excused from its performance of the Services to the extent Supplier is unable to provide the Services in accordance with the requirements of this Agreement as a result of such restricted access.

(b) Relocation. If Recipient contemplates or makes a final decision to alter or relocate any of the Recipient Facilities or if a Change of Control is pending that will require Supplier to relocate any of its personnel or Equipment from any Recipient Facility and the alteration or relocation could reasonably be expected to impact the Services (including the cost to perform, timing, ability to perform or level of performance) then Recipient will provide Supplier with sufficient advance notice of that fact to allow Supplier a reasonable amount of time to prepare for and implement the alteration or relocation as it impacts Supplier. The Parties acknowledge that in the case of a Change of Control it is likely that personnel and Equipment of each Party will be required to be relocated from the other Party's facilities. The Parties will work together in good faith for a planned and orderly process for such relocation, timed as much as possible to coincide with the scheduled completion of migration of all Services provided by each of them for the other from such facility, and each Party will bear its own relocation costs and expenses. Before requiring Supplier to relocate from any Recipient Facilities, the Parties will agree on any adjustments to (i) the Services that may be required as a result of the alteration or relocation, and (ii) Supplier's Charges that may be required to equitably compensate Supplier for any additional costs it may reasonably incur in connection with the alteration or relocation.

(c) Supplier's Obligations. Supplier will (i) keep the Recipient Facilities in good order, and (ii) not commit waste or damage to those facilities or use those facilities for

any purpose other than providing the Services (and appropriate incidental use for internal Supplier administrative tasks unrelated to other customer accounts or Supplier marketing efforts).

(d) Access to Recipient Systems. Supplier will limit its, and will require that all Supplier Personnel who have access to Recipient Systems will limit their, access to those portions of such Recipient Systems for which they are authorized in connection with the Services. Supplier will limit such access to those Supplier Personnel who are needed in order to provide the Services. Supplier will cooperate with Recipient in the investigation of any apparent unauthorized access by Supplier Personnel to the Recipient Systems.

6.2 Supplier Facilities and Systems.

(a) Supplier Facilities. Supplier may perform the Services in such facilities maintained by or for Supplier or its Affiliates or Subcontractors (collectively, "**Supplier Facilities**") as Supplier reasonably deems appropriate, so long as appropriate security procedures have been implemented and are being observed at the Supplier Facilities. While at Supplier Facilities, each Party will, and will cause its and its Affiliates' personnel to, in its capacity as "Recipient", comply with Supplier's reasonable security requirements and other relevant policies of which they have been given notice.

(b) Access to Supplier Systems. Each Party in its capacity as Recipient will limit its, and will require that all Recipient personnel who have access to Supplier's computer or electronic data storage systems to, limit their, access to those portions of such systems for which they are authorized in connection with their receipt and use of the Services. Each Party in its capacity as Recipient will (i) limit such access to those Recipient personnel who are authorized to use the Services, (ii) subject to Recipient's record retention policy, make available, upon Supplier's request, to Supplier a written list of the names of each individual who has been granted such access, and (iii) adhere to Supplier's security rules and procedures for use of Supplier's systems. All user identification numbers and passwords disclosed to the Recipients to permit Recipient personnel to access the Supplier systems will be deemed to be, and will be treated as, Supplier's Confidential Information. Recipient will cooperate with Supplier in the investigation of any apparent unauthorized access by Recipient personnel to Supplier's systems.

6.3 Physical Security for Facilities. Supplier will be responsible for all security procedures at any Supplier Facilities. Each Party as Recipient will provide all necessary security personnel and security equipment at the Recipient Facilities. While at the Recipient Facilities, each Party as Supplier will cause all Supplier Personnel to comply with Recipient's physical security procedures, as made known to Supplier's Relationship Manager.

7. INTELLECTUAL PROPERTY AND PROPRIETARY RIGHTS

7.1 Ownership of Pre-Existing Intellectual Property. Except as expressly provided in **Section 7.2**, and **7.3**, nothing in this Agreement shall grant or transfer any rights, title or interests in any Intellectual Property invented or created before or after the Effective Date by

or on behalf of a Party and/or its Affiliates or otherwise controlled by or licensed to such Party and/or its Affiliates (the "**Pre-Existing Intellectual Property**"). A Party's use of the other Party's Pre-Existing Intellectual Property shall not modify the ownership rights set forth above.

7.2 Development of Intellectual Property. Subject to **Section 8**, as between the Parties (and without affecting Recipient's right, title and interest in and to Recipient Data or any Confidential Information of Recipient), all Intellectual Property developed or acquired by or for Supplier or any of its Affiliates in connection with providing the Services shall be owned by Supplier. Any services that rely on New Developments are outside the scope of the Services under this Agreement and therefore would have to be separately negotiated and agreed upon by the Parties.

7.3 Limited License to Use Supplier Work Processes and Software. Supplier grants to Recipient a limited, non-exclusive, non-assignable license, with the right for Recipient to grant sublicenses to its Affiliates, to use the work processes and Software owned by Supplier and/or its Affiliates that are provided to Recipient in connection with the Services solely to the extent necessary for Recipient to receive Services, and perform its responsibilities under this Agreement during the Term. THE SUPPLIER WORK PROCESSES AND SOFTWARE AND ALL DELIVERABLES ARE PROVIDED BY SUPPLIER ON AN AS-IS BASIS. SUPPLIER EXPRESSLY DISCLAIMS ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, AS TO SUCH WORK PROCESSES AND SOFTWARE AND DELIVERABLES.

7.4 No Implied Licenses. Except as expressly specified in this Agreement, nothing in this Agreement will be deemed to grant to one Party, by implication, estoppel or otherwise, license rights, ownership rights or any other Intellectual Property Rights in any work processes, Software or other materials, data or information owned by the other Party or any Affiliate of the other Party.

8. RECIPIENT DATA.

8.1 Definition. The term "**Recipient Data**" means (i) any data or information of Recipient or its respective vendors, customers or other business partners that is provided to or obtained by Supplier in the performance of its obligations under this Agreement, including data and information regarding Recipient's businesses, customers, operations, facilities, products, consumer markets, assets and finances in whatever form or format including in the form of any analysis or compilation of such data, and (ii) any data or information collected or processed in connection with the Services, even if such data or information is contained in reports, documentation, compilations or analyses provided to Recipient as part of the Services. For the avoidance of doubt, Supplier retains ownership of data pertaining to its performance of Services, including data pertaining to the volume and quality of the Services.

8.2 Ownership. As between Recipient and Supplier, Recipient owns and will continue to own all right, title and interest in and to all Recipient Data. To the extent that

Recipient Data is embedded or incorporated into reports and other documentation, analyses, compilations and other materials (including code or software) owned or licensed by Supplier ("Supplier Materials") and provided to and for use by Recipient as part of the Services, Supplier will not be deemed to have assigned or transferred any of its right, title or interest in or to any underlying Intellectual Property Rights thereto. Supplier hereby grants to Recipient a perpetual, irrevocable, royalty free, transferable (to a Buyer of all or substantially all of the core business of Recipient) license to use, reproduce, display and perform (whether publicly or otherwise) and modify (and have others exercise such rights on behalf of Recipient (or Buyer)) such Supplier Materials solely as necessary for Recipient's (or Buyer's) use in the ordinary course of its mortgage related business. Recipient's (or Buyer's) use (including, without limitation, the use by any third party on behalf of Recipient (or Buyer)) of the Supplier Materials is subject to the confidentiality obligations set forth below in **Section 9** and any third party restrictions imposed on any Supplier Materials of which Supplier makes Recipient aware. Additionally, Recipient's ownership of the Recipient Data reflected in Supplier Materials shall not serve to transfer or otherwise affect any of Supplier's right, title and/or interest in and/or to any of underlying Intellectual Property Rights in any Supplier Materials. Supplier may not use Recipient Data for any purpose except: (x) to provide the Services; (y) as required by AFI as the parent of ResCap to meet its financial and regulatory reporting requirements; or (z) as otherwise permitted under this Agreement, nor may Supplier sell, assign, lease or otherwise dispose of or commercially exploit Recipient Data. Supplier acknowledges that Recipient is not restricted from using or disseminating Recipient Data in the format in which it is provided by Supplier or any different format.

8.3 Data Security. Supplier will establish and maintain safeguards against the destruction, loss or alteration of Recipient Data in its possession that are no less rigorous than those for Supplier's operations. If Recipient reasonably requests additional safeguards for Recipient Data, Supplier will provide those additional safeguards as Additional Services under a new Supplement subject to **Sections 3.2** and **3.3**. Recipient has established backup security for data and keeps backup data files in its possession. If Recipient chooses to establish additional backup security and backup data files, it may do so, except that if such activities increase Supplier's cost of providing the Services or require Additional Services or Customized Services, such activities will be subject to **Sections 3.2** and **3.3**. In all instances, Recipient will ensure that Supplier will have access to the backup data files as Supplier reasonably needs to provide the Services.

9. CONFIDENTIALITY.

9.1 Obligations. Each Party will retain the other Party's non-public, proprietary and confidential information with the same degree of care as it uses to avoid unauthorized use, disclosure, publication or dissemination of its own confidential information of a similar nature ("**Confidential Information**") in confidence and not disclose the same to any third party nor use the same, except as expressly permitted in this **Section 9**. As used in this Agreement, "**Confidential Information**" shall include all non-public information, in any form, furnished or made available directly or indirectly by one Party to the other that is (a) marked confidential, restricted, proprietary and/or with a similar designation and/or (b) provided under circumstances reasonably indicating that it is confidential, restricted and/or proprietary. The terms and conditions of this Agreement shall be deemed Confidential Information. In the case

of either Party, Confidential Information also shall include, whether or not designated "Confidential Information", (i) Software, materials and other Intellectual Property owned by the disclosing Party, and (ii) all non-public information concerning the operations, affairs and businesses of a Party or its Affiliates, the financial affairs of a Party or its Affiliates, and the relations of a Party or its Affiliates with its customers, employees and service providers (including customer lists, customer information, account information and consumer markets).

9.2 Excluded Information. Excepted from the obligations of confidence and non-use under this **Section 9** is that information which:

(a) the receiving Party is legally required to disclose, which disclosure shall be made in accordance with the below provisions of Section 9.3;

(b) is independently developed by the receiving Party without reference to Confidential Information of the disclosing Party;

(c) was, at the time of disclosure to it, in the public domain;

(d) after disclosure to it, is published or otherwise becomes part of the public domain through no fault of the receiving Party;

(e) was in the possession of the receiving Party at the time of disclosure to it;

(f) was received after disclosure to it from a third party who had a lawful right to disclose such information to it without any obligation to restrict its further use or disclosure.

9.3 Compelled Disclosure. Notwithstanding the provisions of this **Section 9**, if the receiving Party becomes legally compelled to disclose any of the disclosing Party's Confidential Information, the receiving Party will promptly advise the disclosing Party of such legal requirement to disclose Confidential Information in order that the disclosing Party may seek a protective order, may interpose an objection to such disclosure, take action to assure confidential handling of the Confidential Information, or take such other action as it deems appropriate to protect the Confidential Information in the circumstances. The receiving Party will disclose only that portion of the disclosing Party's Confidential Information that it is legally required to disclose.

9.4 Return of Information. Except for Confidential Information for which a continuing license is granted to the receiving Party under this Agreement, upon written request by the disclosing Party or upon Termination or conclusion of the Agreement, all of the disclosing Party's Confidential Information in whatever form will be returned to the disclosing Party or destroyed by the Receiving Party and certified as such to the Disclosing Party, without retaining copies thereof, except that any instances of such Confidential Information in an archived form that are commercially impractical to return may be retained so long as the receiving Party does not access or make use of such Confidential Information after receipt of the written request for return from the disclosing Party.

9.5 Exception. Notwithstanding anything else in this **Section 9**, Supplier will have a

right to disclose Recipient's Confidential Information to third parties to the extent reasonably necessary for Supplier to accomplish its responsibilities contemplated hereunder or for Supplier to comply with its obligations under applicable law, including its reporting obligations under applicable law, and, in the case of AFI, to use Confidential Information of ResCap to operate AFI's business, consistent with the manner such Confidential Information was used by AFI prior to the Effective Date; provided, however, that such disclosure to third parties will be made under confidentiality terms and conditions that are no less favorable to Recipient than the provisions of this **Section 9** or, if less favorable, that are consistent with Recipient's customary practice for the nature of the third party receiving Recipient's Confidential Information.

9.6 Obligations.

(a) Each Party's Confidential Information shall remain the property of that Party except as expressly provided otherwise by the other provisions of this Agreement. Except as otherwise provided in this Agreement, each Party shall each use at least the same degree of care, but in any event no less than a reasonable degree of care, to prevent disclosing to third parties the Confidential Information of the other as it employs to avoid unauthorized disclosure, publication or dissemination of its own information of a similar nature.

(b) In the event of any disclosure or loss of any Confidential Information of the disclosing Party, the receiving Party shall notify the disclosing Party promptly upon become aware thereof.

9.7 Loss of Confidential Information. In the event of any disclosure or loss of any Confidential Information of the disclosing Party due to the fault of the receiving Party, the receiving Party shall promptly, at its own expense: (a) notify the disclosing Party in writing; and (b) cooperate in all reasonable respects with the disclosing Party to minimize the violation and any damage resulting therefrom.

9.8 No Implied Rights. Nothing contained in this **Section 9** shall be construed as obligating a Party to disclose its Confidential Information to the other Party, or as granting to or conferring on a Party, expressly or impliedly, any rights or license to the Confidential Information of the other Party.

10. COMPENSATION.

10.1 General. ResCap will pay to AFI the Charges as set forth in **Schedule C-1a** and elsewhere in **Schedule C**, and AFI will pay to ResCap the Charges as set forth in **Schedule C-2a** and elsewhere in **Schedule C**. Supplier will provide Recipient with estimated invoices (with information linking the Services delivered to the invoice amounts) on a monthly basis on or before the last day of each calendar month for all Services performed by Supplier and all related Charges incurred by Recipient during that month. The last business day of the calendar month is the cut-off for delivered Services and related Charges to be invoiced in the next calendar month. The estimated charges will be adjusted to actual charged by the last day of the following month. Recipient will pay the estimated and adjusted actual invoices within

45 days of the receipt of an invoice from Supplier. Any payment by Recipient is without prejudice of its right to contest the accuracy of any Charges.

10.2 Taxes. In addition to the prices determined pursuant to **Schedule C**, each Party will pay, and hold the other Party harmless against, all goods and services, sales, use, excise and other taxes, and other fees or assessments imposed by law in connection with the provision of the Services by the other Party, other than taxes measured by the other Party's net income. The Parties will cooperate with each other and use commercially reasonable efforts to assist the other in entering into such arrangements as the other may reasonably request in order to minimize, to the extent lawful and feasible, the payment or assessment of any taxes relating to the transactions contemplated by this Agreement; provided, however, that nothing in this **Section 10.2** will obligate Supplier to cooperate with, or assist, Recipient in any arrangement proposed by Recipient that would, in Supplier's sole discretion, have a detrimental effect on Supplier or any of Supplier's Affiliates.

10.3 Invoicing and Payment. Supplier will invoice Recipient in accordance with **Schedule C**. Payments for amounts past due will bear interest calculated on a per annum basis from the due date to the date of actual payment at a fluctuating interest rate equal at all times to the prime rate of interest announced publicly from time to time by Citibank, N.A. plus two percent (2%), but in no case higher than the maximum rate permitted by Law. Each Party will make payments under this Agreement by electronic funds transfer in accordance with payment instructions provided by the other Party in its capacity as Supplier from time to time.

11. REPRESENTATIONS AND WARRANTIES.

11.1 Services. Supplier represents and warrants to Recipient that it will use the level of care in providing the Services required by **Section 3.1(c)**, or with respect to Services that are dedicated to Recipient (i.e., where Supplier does not provide similar services to itself or its Affiliates), Supplier will provide such Services using commercially reasonable efforts and in a workmanlike manner, and in accordance with commercially reasonable practices.

11.2 Maintenance. Supplier represents and warrants to Recipient that it shall provide for the maintenance of the Supplier Systems, Supplier Equipment and Supplier Software in the same manner that such functions were generally performed by Supplier for Recipient immediately prior to the effective Date and thereafter in a manner consistent with the standard of performance required by **Section 3.1(c)**, for such items to generally operate in accordance with the manner in which they operated in the past or in the manner in which they operate in the future in support of Supplier and its Affiliates.

11.3 Authorization. Each Party represents and warrants to the other Party that, subject to approval of this Agreement by the Bankruptcy Court: (a) it has the requisite corporate power and authority to enter into this Agreement and to carry out the transactions contemplated by this Agreement; and (b) the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated by this Agreement have been duly authorized by the requisite corporate action on the part of such Party.

11.4 Viruses. Each Party represents and warrants to the other Party that it shall use the

same efforts that it uses with respect to its own users and Systems, to avoid computer viruses from being introduced into the Systems of the other Party under this Agreement or the Systems that such Party is using to perform Services hereunder.

11.5 Disclaimer. EXCEPT AS EXPRESSLY SET FORTH IN THIS **SECTION 11**, NONE OF SUPPLIER, ITS AFFILIATES OR ANY OF THEIR RESPECTIVE REPRESENTATIVES MAKE OR HAVE MADE ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AT LAW OR IN EQUITY, IN RESPECT OF THE SERVICES, INCLUDING WITH RESPECT TO (A) MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR USE OR PURPOSE, (B) THE USE OF THE SERVICE BY RECIPIENT AFTER THE RECEIPT THEREOF, OR (C) THE PROBABLE SUCCESS OR PROFITABILITY OF RECIPIENT'S OR ANY OF RECIPIENT'S BUSINESS AFTER THE RECEIPT OF THE SERVICES.

12. INSURANCE.

12.1 Insurance. At all times during the Term and any extension hereof, unless and until the effective date of the Plan, ResCap, its Affiliates, and all of their respective directors, officers and employees will be covered under AFI's existing policies of insurance. Upon and following the effective date of the Plan, (i) both Parties will procure and maintain in full force and effect their own insurance policies at their own expense and for their own benefit, as determined by each party independently, but consistent with any and all applicable federal, state and local laws or regulations, and (ii) AFI will use commercially reasonable efforts to continue to renew its current blended directors and officers liability and fiduciary liability insurance program (the "Current Program"), for a period of six years following the effective date of the Plan (the "Run Off Period"), on substantially the same terms and conditions as the Current Program and including prior acts coverage with respect to claims arising from acts or omissions that occurred prior to the Effective Date; provided that if AFI is unable to continue the Current Program for the entire Run Off Period despite its commercially reasonable efforts it shall promptly notify the Debtors and use best efforts to obtain run off coverage for the balance of the Run Off Period.

12.2 Risk of Loss. Supplier will be responsible for the risk of loss of, or damage to, any property of Recipient at a Supplier facility, unless and to the extent that such loss or damage was caused by the acts or omissions of Recipient and/or Recipient's Affiliates, and/or its and/or their employees, agents and/or Subcontractors. Recipient will be responsible for the risk of loss of, or damage to, any property of Supplier at a Recipient facility unless and to the extent that such loss or damage was caused by the acts or omissions of Supplier and/or Supplier's Affiliates, and/or its and/or their employees, agents and/or Subcontractors. The risk of loss of, or damage to, property in transit will remain with the Party arranging the shipment.

13. INDEMNIFICATION AND LIMITATIONS ON LIABILITY.

13.1 Indemnification.

(a) Recipient Indemnification. Recipient will indemnify, hold harmless and defend Supplier and its Affiliates and their respective directors, officers and employees

("**Indemnified Parties**"), from and against any and all liabilities, damages, penalties, judgments, assessments, losses, costs and expenses in any case, whether arising under strict liability or otherwise (including reasonable outside attorneys' fees) (collectively, "**Damages**") suffered or otherwise incurred due to a Third Party Claim arising from or out of or relating to this Agreement, including the performance (or failure to perform) by Supplier of its obligations under this Agreement; provided, however, that to the extent and in the proportion Damages also arise out of or relate to the gross negligence or willful misconduct of any Indemnified Party, then the indemnity under this **Section 13.1(a)** will not apply.

(b) Indemnification by Supplier. Supplier will indemnify, hold harmless and defend the Recipient Indemnified Parties from and against any and all Damages suffered or otherwise incurred due to a Third Party Claim to the extent arising from or out of or relating to the gross negligence or willful misconduct of any Supplier Parties; provided, however, that to the extent and in the proportion Damages also arise from or out of or relate to the performance (or failure to perform) by Recipient of its obligations under this Agreement, then Supplier's indemnity under this **Section 13.1(b)** will not apply.

(c) Infringement.

(1) Indemnity. Supplier will indemnify, hold harmless and defend the Recipient Indemnified Parties, and Recipient will indemnify, hold harmless and defend the Supplier Indemnified Parties, from and against any and all Damages due to a Third Party Claim to the extent that the claim alleges that any information or materials provided by the Indemnifying Party to the Indemnified Party under this Agreement infringes or misappropriates any Intellectual Property Right of such third party in any country in which Services are performed or received under this Agreement.

(2) Exclusions. Neither Party shall have any obligation or liability to the other Party to the extent any infringement or misappropriation is caused by:

(i) modifications to any such information or materials made by the other Party, its Affiliates, or its third party contractors;

(ii) any combination of the allegedly infringing information or materials with items not provided by the Indemnifying Party , unless such combination was approved or directed in writing by the Indemnifying Party;

(iii) a breach of this Agreement by the other Party;

(iv) the failure of the other Party to use corrections or modifications provided by the Indemnifying Party offering equivalent features and functionality to the extent the Indemnifying Party notified the other Party that the failure to do so could result in infringement liability;

(v) the content provided by the other Party and not resulting from the Indemnifying Party's modification of that content without the other Party's approval; or

(vi) third party Software, except to the extent that such infringement or misappropriation arises from the failure of the Indemnifying Party to obtain the necessary licenses or to abide by the limitations of the applicable third party Software licenses.

(3) Third Party Software Indemnities. As specified in **Section13.1(c)(2)(vi)**, the foregoing infringement indemnification does not apply to third party Software. With respect to third party Software provided by Supplier or its Subcontractors pursuant to this Agreement, Supplier and its Subcontractors shall use commercially reasonable efforts to obtain intellectual property indemnification for Recipient (or obtain intellectual property indemnification for itself and enforce such indemnification on behalf of Recipient) from the suppliers of such Software comparable to the intellectual property indemnification generally available in the industry for the same Software products. With respect to third party Software provided by Recipient pursuant to this Agreement, Recipient shall use commercially reasonable efforts to obtain intellectual property indemnification for Supplier and its Affiliates (or obtain intellectual property indemnification for itself and enforce such indemnification on behalf of the Supplier and its Affiliates) from the suppliers of such Software comparable to the intellectual property indemnification generally available in the industry for the same Software products.

(d) Indemnification Procedure. The Party making a claim for indemnification under this **Section 13.1** is referred to as the "Indemnified Party" and the Party or other Persons against whom such claims are asserted under this **Section 13** are referred to as the "**Indemnifying Party**." All claims by any Indemnified Party under this **Section 13** will be asserted and resolved as follows:

(1) In the event that any right, demand, claim, action and cause of action, assertion, notice of claim or assertion, complaint, litigation, suit, proceeding, formal investigation, inquiry, audit or review of any nature, civil, criminal, regulatory, administrative or otherwise, or any grievance or arbitration (each, a "**Claim**") is asserted or instituted in writing by any person or entity other than the Parties or their Affiliates that could give rise to Damages for which an Indemnifying Party could be liable to an Indemnified Party under this Agreement (such Claim, a "**Third Party Claim**"), the Indemnified Party will promptly send to the Indemnifying Party a written notice specifying the nature of such Third Party Claim, together with all information reasonably available to the Indemnified Party with respect to such Third Party Claim (a "**Third Party Claim Notice**"); provided, however, that a delay in notifying the Indemnifying Party will not relieve the Indemnifying Party of its obligations under this Agreement, except to the extent that such failure will have caused actual prejudice to the Indemnifying Party.

(2) In the event of a Third Party Claim, the Indemnifying Party will have ten (10) business days after receipt of the Third Party Claim Notice relating to such Third Party Claim to elect to undertake, conduct and control, through counsel of its own choosing (provided that such counsel is reasonably acceptable to the Indemnified Party) and at its own expense, the settlement or defense of such Third Party Claim (in which case the Indemnifying Party will not thereafter be responsible for the fees and expenses of any separate counsel retained by any Indemnified Party except as set forth below). Notwithstanding an Indemnifying Party's election to appoint counsel to represent an Indemnified Party in connection with a Third Party Claim, an Indemnified Party will have the right to employ separate counsel, and the Indemnifying Party will bear the reasonable fees, costs and expenses of such separate counsel if

(i) the use of counsel chosen by the Indemnifying Party to represent the Indemnified Party would present such counsel with a conflict of interest, or (ii) the Indemnifying Party will not have employed counsel to represent the Indemnified Party within a reasonable time after notice of the institution of such Third Party Claim. If the Indemnifying Party elects to undertake such defense, it will promptly assume and hold such Indemnified Party harmless from and against the full amount of any Damages resulting from such Third Party Claim to the extent provided herein. If the Indemnifying Party elects to undertake such defense, (x) the Indemnified Party agrees to cooperate with the Indemnifying Party and its counsel in contesting such Third Party Claim, and, if appropriate and related to such Third Party Claim, the Indemnifying Party and the Indemnified Party will reasonably cooperate with each other in connection with defending such Third Party Claim, and (y) such Third Party Claim may not be settled or compromised by the Indemnifying Party without the prior written consent of the Indemnified Party, which consent shall not be unreasonably withheld or delayed; provided, however, that in the event any Indemnified Party settles or compromises or consents to the entry of any judgment with respect to any Third Party Claim without the prior written consent of the Indemnifying Party, such Indemnified Party will be deemed to have waived all rights against the Indemnifying Party for indemnification under this **Section 13**. If the Indemnifying Party does not undertake the defense of such Third Party Claim, the Indemnified Party will have the right to contest, settle, compromise or consent to the entry of any judgment with respect to such Third Party Claim, and, in doing so, will not thereby waive any right to recourse therefor pursuant to this Agreement; provided, however, that at any time during the course of the matter the Indemnifying Party may assume the defense of such Third Party Claim by written notice of the same to the Indemnified Party.

(3) In the event of a Third Party Claim, from and after the delivery of a Claim Notice under this Agreement, at the request of the Indemnifying Party, the Indemnified Party will grant the Indemnifying Party and its representatives all reasonable access to the books, records and properties of such Indemnified Party to the extent reasonably related to the matters to which the Claim Notice relates. All such access will be granted during normal business hours and will be granted under conditions that will not unreasonably interfere with the businesses and operations of such Indemnified Party. The Indemnifying Party will not, and will cause its representatives not to, use (except in connection with such Claim Notice or such Third Party Claim) or disclose to any third person or entity other than the Indemnifying Party's representatives (except as may be required by Law) any information obtained pursuant to this **Section 13.1(c)(3)**, which is designated by the Indemnified Party as (or provided under circumstances in reasonably indicating that it is) confidential.

13.2 Limitations on Liability.

(a) Subject to the specific provisions and limitations of this **Section 13.2**, it is the intent of the Parties that each Party will be liable to the other Party for all Damages incurred by the non-breaching Party arising out of the breach of or failure to perform any of the breaching Party's agreements, covenants or obligations under this Agreement. If a Party has a Claim for such Damages, it will promptly send to the breaching Party a written notice specifying the nature of such Claim, together with all information reasonably available to such non-breaching Party with respect to such Claim (a "**Claim Notice**"); provided, however, that a delay in notifying the breaching Party will not relieve the breaching Party of its obligations under this Agreement, except to the extent that such failure will have caused

actual prejudice to the breaching Party. In the event of such a Claim, the breaching Party will notify the non-breaching Party within 45 days of receipt of a Claim Notice whether or not the breaching Party disputes such Claim.

(b) The total aggregate liability of Supplier under or in connection with this Agreement, regardless of the form of the action or the theory of the recovery, will be limited to:

(1) With respect to Damages arising out of or relating to the failure by Supplier to meet the standards set forth in **Section 11.1**, subject to **Section 13.2(b)(2)**, at Recipient's option, which option Recipient shall exercise in its reasonable discretion after reasonably consulting with Supplier and after exhausting the escalation process set forth in Schedule B , the replacement of (if applicable) or re-performance of, or repayment of the price paid for, such Service; provided, however, that if Recipient requests the replacement of or re-performance of such Service, Supplier shall, instead have the option of refunding to Recipient the price paid for such Service in those instances where re-performance or replacement of the Services cannot, in Supplier's good faith opinion be completed in a commercially reasonable manner. In the limited instances where Supplier determines that Supplier cannot replace or re-perform the Services in a commercially reasonable manner, Recipient shall have the option to terminate those specific Services from the Agreement without cost to Supplier other than the refund for the Services not performed in accordance with the Agreement discussed above. In any such limited instance, Recipient may elect to terminate and no longer have any obligation to pay for those specific Services under the Agreement, and Supplier's obligation will be limited to the refund discussed above and any reasonable cooperation requested by Recipient in the transition of the terminated services to Recipient or a third party.

(2) With respect to indemnity Claims under **Section 13.1** or other Claims arising out of or relating to the gross negligence or willful misconduct of Supplier, the fees actually received by Supplier from Recipient for Services during the twelve (12) months preceding the last act or omission giving rise to such Claims or, in the event such last act or omission occurs during the first twelve (12) months following the date hereof, an amount equal to twelve (12) times the fees paid for Services in the month preceding such last act or omission;

(3) With respect to all other Damages under or in connection with this Agreement, the fees actually received by Supplier from Recipient for Services during the twelve (12) months preceding the last act or omission giving rise to such Damages or, in the event such last act or omission occurs during the first twelve (12) months following the date hereof, an amount equal to twelve (12) times the fees paid for Services in the month preceding such last act or omission.

(c) Each Party will use its commercially reasonable efforts to mitigate Damages for which it seeks recourse hereunder, including by promptly pursuing recovery under available insurance policies, provided, however, that the failure of such Party to successfully mitigate such Damages will not affect such Party's right to seek recourse with respect to such Damages so long as such Party will have used its commercially reasonable efforts to mitigate.

(d) Any amounts payable under **Article 13** will be calculated after giving effect to any proceeds received from insurance policies covering the Damages.

(e) IN NO EVENT SHALL EITHER PARTY, ITS AFFILIATES OR ANY OF ITS OR THEIR DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS BE RESPONSIBLE OR LIABLE TO THE OTHER PARTY OR ITS AFFILIATES FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, EXEMPLARY, OR PUNITIVE DAMAGES, OR FOR ANY LOSS OF PROFITS, LOSS OF REVENUE, LOSS RESULTING FROM INTERRUPTION OF BUSINESS OR LOSS OF USE OR DATA, EVEN IF THAT PARTY, ITS AFFILIATES OR ANY OF THEIR DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY OF ANY KIND, UNDER ANY CONTRACT, NEGLIGENCE, STRICT LIABILITY OR OTHER THEORY, ARISING OUT OF OR RELATING IN ANY WAY TO THIS AGREEMENT OR ITS IMPLEMENTATION.

13.3 Indemnification and Limitations on Liability Relating to Negligence and Strict Liability. ALL INDEMNITIES AND LIMITATIONS ON LIABILITY CONTAINED IN THIS **SECTION 13** WILL APPLY WHETHER OR NOT THE INDEMNITEE OR PARTY CLAIMING DAMAGES WAS OR IS CLAIMED TO BE PASSIVELY, CONCURRENTLY OR ACTIVELY NEGLIGENT, AND REGARDLESS OF WHETHER LIABILITY WITHOUT FAULT IS IMPOSED OR SOUGHT TO BE IMPOSED ON SUCH INDEMNITEE OR PARTY.

13.4 Exclusive Remedy. Neither Party will have any remedy arising out of or relating to the breach of this Agreement other than the indemnification remedies set forth in **Section 13.1** and Claims for direct damages referred to in **Section 13.2**, in each case subject to the limitations and exclusions set forth in this **Section 13**.

13.5 Insurance. From and after the completion of a Sale, each Party will cause its insurers to waive their rights of subrogation against the other Party with respect to any Claim.

14. TERMINATION.

14.1 Termination. Without limiting the rights of the Parties under any other provision of this Agreement, any Service to be provided under this Agreement may be terminated as follows:

(a) by either Party acting in its capacity as "Supplier", upon written notice to the other Party if, after Recipient fails to pay the Charges for such Service when due in accordance with this Agreement, the terminating Party sends to the other Party an initial notice of such failure and the other Party fails to pay such Charges within forty-five (45) days of receipt of such initial notice; or

(b) by either Party acting in its capacity as "Supplier", upon written notice to the other Party if, following a material breach by Recipient of this Agreement other than a payment default, the terminating Party sends to the other Party a notice of such material breach and the other Party fails to cure such material breach within 30 days; provided however, that if cure cannot reasonably be accomplished within such 30-day period, this Agreement may not be terminated by reason of such breach for so long as the other Party

commences a cure within such 30-day period and pursues such cure diligently to completion and such completion occurs within 90 days of such written notice; or

(c) by either Party acting in its capacity as "Recipient", upon written notice to the other Party if, following a material breach by Supplier of this Agreement, the terminating Party sends to the other Party an initial notice of such material breach and the other Party fails to cure such material breach within 30 days of receipt of such initial notice; provided, however, that if cure cannot reasonably be accomplished within such 30-day period, this Agreement may not be terminated by reason of such breach for so long as the other Party commences a cure within such 30-day period and pursues such cure diligently to completion and such completion occurs within 90 days of such written notice;

(d) by either Party acting in its capacity as "Recipient", upon at least ninety (90) days prior written notice to the other Party; or

(e) otherwise upon mutual agreement of the Parties.

14.2 Termination Following Sale. Upon the final approval by the Bankruptcy Court of a Sale, either Party in its capacity as a Supplier may within 14 days of such final approval elect to terminate the provision of the Services that such Party is required to provide to the other Party under this Agreement, effective upon the closing of such Sale. In the event of such termination, Recipient will provide Supplier with notice of any Termination Assistance Services required by Recipient within twenty-one (21) days after receipt of such notice.

14.3 Election of Terminating Party. In connection with any termination pursuant to this **Section 14**, the Party exercising such termination rights may elect to continue to receive the Services (other than Services so terminated) that the other Party provides to it.

14.4 Survival. Any provision of this Agreement which contemplates performance or observance subsequent to any termination or expiration of this Agreement will survive any termination or expiration of this Agreement and continue in full force and effect including, but not limited to, the following: **Sections 8.2** (Ownership), **9** (Confidentiality), **10** (Compensation), **11** (Representations and Warranties), **12** (Insurance), **13** (Indemnification and Limitations on Liability), **14.4** (Survival), **14.5** (Rights Upon Termination or Expiration; Sale), **16.3** (Counterparts), **16.5** (Force Majeure), **16.6** (Further Assurances), **16.7** (Governing Law; Jurisdiction and Forum; Waiver of Jury Trial), **16.8** (Headings), **16.11** (Public Announcements), and **16.13** (Severability).

14.5 Rights Upon Termination or Expiration; Sale.

(a) Termination or Expiration. Commencing six (6) months prior to expiration of the Term or any extension thereof, or upon either Party receiving any notice of termination from the other Party pursuant to the above provisions of **Section 14**:

(1) At Recipient's option, Supplier will provide to Recipient the termination assistance reasonably requested by Recipient to allow the Services to continue, and to facilitate the orderly transfer of responsibility for performance of the Services, including any migration of Recipient Data, to Recipient (collectively, "**Termination Assistance Services**"),

for a period of up to six (6) months (or, with respect to information technology Services, eighteen (18) months) after the effective date of such termination of Services or expiration of the Term (the "**Termination Services Periods**"); provided however, that, if mutually agreed upon in writing by the Parties (including with respect to adjustments in Charges), the Termination Service Periods may be extended until the effective date of the Plan.

(2) The Termination Assistance Services to be provided during the Termination Services Periods may include, as and if reasonably required by Recipient, the following, among other Services: (i) developing, together with Recipient, a plan for the orderly transition of the performance of the Services, including the migration of Recipient Data from Supplier to Recipient or to a third party designated by Recipient; (ii) providing reasonable training for personnel of Recipient in the performance of the Services then being transitioned to Recipient or the third party designated by Recipient, to the extent Services are being assumed by that third party; and (iii) providing cooperation to Recipient to facilitate the transition of the performance of the Services to Recipient or to a third party designated by Recipient, in accordance with a mutually agreed upon transition plan for the applicable Services. If Supplier provides any access to Supplier facilities, Systems or resources in connection with the execution of such plan, Recipient will, and will cause its personnel and any third parties having such access to, comply with Supplier's security and confidentiality requirements. Notwithstanding the foregoing, Supplier shall not be required to grant access to or share any of Supplier's proprietary information, data or technology with any third party.

(b) Charges. ResCap will pay to AFI Charges for the Services described in **Section 14.5(a)** as provided in **Schedule C**, including during the Termination Services Periods. AFI will pay to ResCap Charges for the Services described in **Section 14.5(a)** as provided in **Schedule C** , including during the Termination Services Periods. In the event of any termination of Services by Supplier for cause, if approved by the Bankruptcy Court, Charges for the related Termination Assistance Services will be paid by Recipient monthly in advance.

14.6 Dedicated Assets. Upon the approval by the Bankruptcy Court of any Sale or as otherwise mutually agreed between the Parties to facilitate a Sale, AFI and ResCap each agree to promptly enter into good faith negotiations with the Buyer(s) in such Sale to agree on which, if any, Dedicated Assets are to be transferred to Recipient, an Affiliate of Recipient, or such Buyer(s), in connection with such Sale, and the terms and conditions of such transfer (including pricing and allocation of responsibility with respect to obtaining and paying for the associated Required Consents). Notwithstanding the allocation of responsibility for Required Consents in **Section 3.5**, except as otherwise agreed upon by the Parties, Recipient shall reimburse Supplier for any actual costs, losses, transfer fees or termination penalties incurred by Supplier in connection with the transfer or assignment to Recipient, an Affiliate of Recipient or such Buyer(s) of any Dedicated Assets. Supplier shall use good faith efforts to mitigate such costs including, to the extent feasible, by not entering into (or extending) during the Term such Supplier contracts that contain transfer fees or early termination penalties without the written consent of Recipient. For the avoidance of doubt, while each Party agrees to negotiate in good faith with respect to the transfer of Dedicated Assets, neither Party shall be obligated to transfer any Dedicated Assets, except as otherwise mutually agreed upon in writing by the Parties.

14.7 Transition Services Agreement. Upon the approval by the Bankruptcy Court of any Sale or as otherwise mutually agreed between the Parties to facilitate a Sale, AFI and ResCap each agree to promptly enter into good faith negotiations with the Buyer(s) in such Sale for an agreement pursuant to which AFI, ResCap and/or the Buyer(s) would provide or receive, as applicable, reasonable specified transition services in connection with such Sale (the "**Transition Services Agreement**"). The services to be provided to the Buyer and the terms relating to the transition of certain Services are to be addressed in the Transition Services Agreement. For the avoidance of doubt, while AFI agrees to negotiate in good faith with ResCap and/or a Buyer with respect to entering into a Transition Services Agreement, AFI is not obligated to provide services to a Buyer or after a Sale, other than Termination Assistance Services as contemplated in **Section 14.5(a)(2)** unless otherwise agreed by AFI.

15. FULLY INTEGRATED AGREEMENT. The following provisions of this Section 15 are subject to the other provisions set forth in this Agreement relating to Recipient's right to increase the amount of, decrease the amount of and/or terminate any Service provided to Recipient by and/or on behalf of Supplier.

15.1 Each of the Parties represents, warrants, covenants, and agrees that this Agreement including the exhibits and schedules thereto comprise a single, unitary, indivisible, and non-severable agreement governing the operational arrangements between Supplier and its Affiliates on the one hand and Recipient and its Affiliates on the other hand. Although various schedules in this Agreement describe different services, all of the Services covered by this Agreement are highly integrated and interdependent, such that removal of any of the services would impair the delivery, value or usability of the remaining services. Accordingly, the description of those Services and the associated terms in separate documents, including separate Charges for the Services, does not signify that each constitutes a separate agreement; instead, such treatment is intended solely to facilitate articulation of the terms and conditions of the overall single, unitary and indivisible transaction. The use of expressions "single", "unitary", "indivisible", and "non-severable" to describe this Agreement is not merely for convenient reference. It is the conscious choice and express intent of the Parties to enter into a single, unitary, indivisible and non-severable transaction. Each of the Parties agrees that from an economic point of view this Agreement including all exhibits and schedules thereto reflect one indivisible and non-severable economic bargain between Supplier and Recipient, all other provisions of this Agreement and the provisions of each exhibit and schedule thereto, including such schedules and exhibits that may be executed following the Effective Date, have been negotiated and agreed to collectively as a single, composite, inseparable transaction, and that any one component of the transaction would not have been entered into other than as a part of the overall transaction. Except as expressly provided in this Agreement or any exhibit or schedule thereto for specific isolated purposes (and in such cases only to the extent expressly so stated, it otherwise being presumed that this paragraph is applicable), (i) all provisions of this Agreement including all exhibits and schedules thereto, including definitions, commencement and expiration dates, monetary provisions, use provisions, breach, default, setoff, recoupment, enforcement and termination provisions, and assignment, are integral to the entire transaction and are not severable; (ii) the economic terms of the transaction would have been substantially different had separate transactions been acceptable

to the Parties; and (iii) the provisions of this Agreement including all exhibits and schedules thereto will at all times be construed, interpreted and applied such that the intention of all Parties to effect a unitary, indivisible transaction will be preserved and maintained.

15.2 Without limiting the foregoing **Section 15.1**, the Parties further agree that for all purposes, including any transfer, assignment, rescission, assumption, or rejection of this Agreement under Section 365 of the Bankruptcy Code or any amendment or successor section thereof, or otherwise, this Agreement including all exhibits and schedules thereto constitutes one indivisible, integrated and non-severable agreement dealing with and covering one legal and economic unit which must be transferred, assigned, rescinded, assumed, or rejected (as applicable) as a whole with respect to all (and not less than all) of the obligations covered under this Agreement including all exhibits and schedules thereto.

15.3 The terms and provisions of this Agreement govern the provision of all Services under this Agreement.

16. GENERAL.

16.1 Acknowledgement. The Parties acknowledge that the terms and conditions of this Agreement have been the subject of active and complete negotiations, and that this Agreement will be construed as if drafted jointly by the Parties and no presumption or burden of proof will arise favoring or disfavoring either Party by virtue of the authorship of any provision of this Agreement.

16.2 Binding Effect; No Assignment. This Agreement is binding upon and inures to the benefit of the Parties and their respective successors, permitted assigns and legal representatives. This Agreement is not assignable by either Party without the prior written consent of the other Party, and any other purported assignment will be null and void.

16.3 Counterparts. This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which will be considered one and the same agreement, and will become effective when one or more counterparts have been signed by each of the Parties and delivered (including by facsimile) to the other Parties.

16.4 Entire Agreement. This Agreement, including the Schedules hereto, which are each hereby incorporated herein and made a part hereof, contains the entire agreement between the Parties with respect to the subject matter hereof. While purchase orders, invoices or similar routine documents may be used to implement or administer provisions of this Agreement, any provisions of such documents that add to, vary, modify or are at conflict with the provisions of this Agreement will be deemed deleted and will have no force or effect on either Party's rights or obligations under this Agreement.

16.5 Force Majeure.

(a) "**Force Majeure Event**" means any event beyond the reasonable control of the Party affected that significantly interferes with the performance by such Party of its obligations under this Agreement, including acts of God, strikes, lockouts or industrial disputes or disturbances, civil disturbances, arrests or restraint from rulers or people,

interruptions by government or court orders or present and future valid orders of any regulatory body having proper jurisdiction (other than any such interruption arising from the failure by the Party claiming force majeure to comply with any applicable regulation or to obtain and comply with any required permit), acts of the public enemy, wars, riots, blockades, insurrections, inability to secure labor or secure materials upon terms deemed practicable by the Party affected (including by reason of allocations, voluntary or involuntary, promulgated by authorized governmental agencies), epidemics, landslides, lightning, earthquakes, fire, storm, floods, washouts, explosions, breakage or accident to machinery.

(b) If a Force Majeure Event is claimed by either Party, the Party making such claim will orally notify the other Party as soon as reasonably possible after the occurrence of such Force Majeure Event and, in addition, will provide the other Party with written notice of such Force Majeure Event within five (5) days after the occurrence of such Force Majeure Event.

(c) Except for a Party's obligations to make payments hereunder (including those obligations of **Section 10.3** hereof), neither Party hereto will be liable for any nonperformance or delay in performance of the terms of this Agreement when such failure is due to a Force Majeure Event and the Charges payable by Recipient shall be equitably adjusted such that Recipient is not be obligated to pay any Charges for any Services to the extent not performed due to a Force Majeure Event. If either Party relies on the occurrence of a Force Majeure Event as a basis for being excused from performance of its obligations hereunder, such Party relying on the Force Majeure Event will (i) provide an estimate of the expected duration of the Force Majeure Event and its probable impact on performance of such Party's obligations hereunder and (ii) provide prompt notice to the other Party of the cessation of the Force Majeure Event.

(d) Upon the occurrence of a Force Majeure Event, the same will, so far as possible, be remedied as expeditiously as possible using commercially reasonable efforts. It is understood and agreed that nothing in this **Section 16.5(d)** will require the settlement of strikes, lockouts or industrial disputes or disturbances by acceding to the demands of any opposing party therein when such course is inadvisable in the discretion of the Party having the difficulty.

16.6 Further Assurances. Each Party covenants and agrees that, subsequent to the execution and delivery of this Agreement and without any additional consideration, each Party will execute and deliver any further legal instruments and perform any acts that are or may become necessary to effectuate the purposes of this Agreement.

16.7 Governing Law; Jurisdiction and Forum; Waiver Of Jury Trial.

(a) This Agreement will be governed by and construed in accordance with the laws of the State of New York without reference to the choice of law principles thereof.

(b) Each Party irrevocably submits to the jurisdiction of the Bankruptcy Court in any action arising out of or relating to this Agreement, and hereby irrevocably agrees that

all claims in respect of such action may be heard and determined in the Bankruptcy Court. Each Party hereby irrevocably waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding. The Parties further agree, to the extent permitted by law, that final and unappealable judgment against any of them in any proceeding contemplated above will be conclusive and may be enforced in any other jurisdiction within or outside the United States by suit on the judgment, a certified copy of which will be conclusive evidence of the fact and amount of such judgment.

(c) Each Party waives, to the fullest extent permitted by Law, any right it may have to a trial by jury in respect of any action, suit or proceeding arising out of or relating to this Agreement. Each Party certifies that it has been induced to enter into this Agreement by, among other things, the mutual waivers and certifications set forth above in this **Section 16.7**.

16.8 Headings. The Section headings contained in this Agreement are inserted for convenience of reference only and do not affect the meaning or interpretation of this Agreement. All references to Sections contained herein mean Sections of this Agreement unless otherwise stated and except in the Schedules hereto, wherein references to Sections mean Sections of such Schedule unless otherwise stated.

16.9 Independent Contractors. Supplier is an independent contractor, with all of the attendant rights and liabilities of an independent contractor, and not an agent or employee of Recipient. Any provision in this Agreement, or any action by Recipient, that may appear to give Recipient the right to direct or control Supplier in performing under this Agreement means that Supplier will follow the desires of Recipient in results only.

16.10 Notices. All notices and other communications to be given to any Party hereunder are sufficiently given for all purposes hereunder if in writing and delivered by hand, courier or overnight delivery service or three days after being mailed by certified or registered mail, return receipt requested, with appropriate postage prepaid, or when received in the form of a facsimile or e-mail transmission and will be directed to the physical address, facsimile number or e-mail address set forth below (or at such other address or facsimile number as such Party will designate by like notice):

IF TO AFI:

Ally Financial Inc.
200 Renaissance Center, MC 200-B09-B-11
Detroit, Michigan 48265
Attention: Chief Financial Officer
E-Mail Address: james.mackey@ally.com

With a copy to:
Ally Financial Inc. Legal Staff
200 Renaissance Center, MC 200-B09-B-11

Detroit, Michigan 48265
Attention: IT Counsel
E-mail address: Thomas.lynch@ally.com

IF TO RESCAP:

Residential Capital, LLC
1100 Virginia Drive
Fort Washington, PA 19034
Attention: James Whitlinger
E-Mail Address.: jim.whitlinger@gmacm.com

With a copy to:
Residential Capital, LLC
1100 Virginia Drive
Fort Washington, PA 19034
Attention: Tammy Hamzehpour
E-mail Address: tammy.hamzehpour@gmacm.com

16.11 Public Announcements. Except as otherwise required by law, each of AFI and ResCap will consult with the other and obtain the prior written consent of the other before issuing, or permitting any agent or Affiliate to issue, any press releases or otherwise making, or permitting any agent or Affiliate to make, any public statements with respect to this Agreement or the transactions contemplated hereby; provided, however, that the prior written consent of the other Party is not required hereunder with respect to any press release, public announcement or communication that is substantially similar to a press release, public announcement or communication previously issued with the prior written consent of the other Party.

16.12 Amendments and Waivers. This Agreement may not be modified or amended except by an instrument or instruments in writing signed by both Parties. The Parties may, only by an instrument in writing, waive compliance by the other Party with any term or provision of this Agreement on the part of such other Party to be performed or complied with. The waiver by either Party of a breach of any term or provision of this Agreement will not be construed as a waiver of any subsequent breach. Except as otherwise expressly provided herein, no failure to exercise, delay in exercising or single or partial exercise of any right, power or remedy by either Party, and no course of dealing between the Parties, will constitute a waiver of any such right, power or remedy.

16.13 Severability. If any provision of this Agreement is held invalid, illegal or unenforceable, the validity, legality or enforceability of the other provisions of this Agreement will not be affected thereby, and there will be deemed substituted for the provision at issue a valid, legal and enforceable provision as similar as possible to the provision at issue.

16.14 No Third Party Beneficiaries. This Agreement is entered into solely between, and, except with respect to the rights of the Supplier Parties and the Recipient Parties under **Section 13**, may be enforced only by, Recipient and Supplier. This Agreement does not

create any rights or causes of action in or on behalf of any third parties, including employees, suppliers, customers, Affiliates or Subcontractors of a Party, or create any obligations of a Party to any such third parties, except that either Party is entitled to include as part of its Damages under this Agreement the Damages incurred by its Affiliates or Subcontractors in connection with a breach by the other Party of this Agreement.

16.15 Order of Precedence. In the event of a conflict, this Agreement takes precedence over the Schedules.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their authorized representatives, to be effective as of the Effective Date.

Ally Financial Inc.	**Residential Capital, LLC**
By: _____	By: _____
Name: Michael A. Carpenter	Name: _____
Title: Chief Executive Officer	Title: _____

ny-1040886

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their authorized representatives, to be effective as of the Effective Date.

Ally Financial Inc.	**Residential Capital, LLC**
By: _____	By: [signature]
Name: _____	Name: Thomas Marano
Title: _____	Title: Chief Executive Officer

ny-1040886

Schedule A-1

Parent Services

The following Statements of Work are governed by the Agreement.

AFI to ResCap Statements of Work by Functional Service Area

	Functional Service Area	SOW Name	SOW Number (if applicable)
1	Audit	Internal Audit Services	1G
2	Capital Markets	Capital Markets Services	1C
3	Communications	Communications and Investor Relations Services	-
4	Communications	eCommerce Services	1H
5	Compliance	Global Security Services	1O
6	Compliance	Global Privacy Services	1N
7	Compliance (includes Consent Order Costs)	Global Compliance Services	1M
8	Facilities	Facilities Services	1Ka
9	Finance Tax	Finance Shared Services	1a04
10	Finance Tax	Tax Services	1a08
11	Finance Tax	General Accounting Services	1A5
12	Government Relations	Government Relations	1X
13	Human Resources	Human Resources Support Services	1Qa
14	ITG	Global Information Security	1R1
15	ITG	Application Development and Support – IT Corporate Services	1R9
16	ITG	Cross Functional Services	-
17	ITG	End User Computing Services	-
18	ITG	IT Technology Strategy and Architecture Services	-
19	ITG	Voice Services Mobility SOW (Mid)_AFI to ResCap	-
20	ITG	Network Services – Local Area Network	-
21	ITG	Network Services – Network WAN Network Services WAN (Mid)_AFI to ResCap	-
22	ITG	Hosting Operations – Hosting, Implementation and Data Center Services	-
23	ITG	Voice Services - Telecommunications and Contact Center Telecom Call Center AFI to ResCap	-
24	Legal	Legal Services	1S
25	Loan Review	Loan Review	1T
26	Marketing	Global Brand & Product Marketing	1I
27	Risk	Risk Management	1J
28	Supply Chain	Supply Chain Management Services	1P
29	Treasury	Treasury Services - Global Funding and Liquidity (“GF&L”)	1W1
30	Treasury	Treasury Services Structured Funding Deal Compliance and Facility Management	1W2
31	Treasury	Treasury Services, Treasury Operations	1W7

Schedule A-2

Reverse Services

The following Statements of Work are governed by the Agreement.

ResCap to AFI Statements of Work by Functional Service Area

#	Functional Service Area	SOW Name	SOW Number (if applicable)
1	Accounting	Capital Markets Accounting	14L
2	Accounting	ResCap Accounting Services	-
3	Accounting	Accounting	14F
4	Business Risk and Controls and Business Excellence Support	Business Risk and Controls and Business Excellence Support	14J
5	Capital Markets	Capital Markets	14B
6	Capital Markets	Records Services	14I
7	Compliance	Line of Business Compliance Services	14H
8	Consumer Lending	Consumer Lending Services	14M
9	Finance	Mortgage Financial Planning and Analysis	14G
10	Human Resources	HR Support Services (AFI)	1Qb
11	Human Resources	HR Support Services (Bank)	14C
12	ITG	IT Resource Services	-
13	ITG	Application Support	14A
14	Legal	Legal Services (AFI)	1S
15	Legal	Legal Services (Bank)	14E
16	Masterservicing	Master Servicing for Ally Auto - Bond Administration	-
17	Masterservicing	Master Servicing for Ally Auto - Bond Modeling	-
18	Risk	Risk Services Reporting and Special Assets	-
19	Risk	Risk Management & Data Collection	14D
20	Risk	Client Repurchase	14N

Schedule A-3

Planned IT Projects

Schedule A-3
Planned IT Projects

		Allocated Project Costs							
	Selected	2012 Total 3rd Party Expense		2012 People Expense		2012 Total Project Expense		Mortgage Allocation	
AFI ==> Rescap	Driver	Monthly $	Annual $	Monthly $	Annual $	Monthly $	Annual $	Monthly $	Annual $
Global Functions Infrastructure	33.1%	128,835	1,546,021	13,760	165,120	142,595	1,711,141	47,199	566,388
Corporate Infrastructure	33.1%	34,614	415,364	3,645	43,736	38,258	459,100	12,664	151,962
Security	33.1%	50,000	600,000	22,054	264,646	72,054	864,646	23,850	286,198
Finance	33.1%	53,333	640,000	26,100	313,203	79,434	953,203	26,293	315,510
Treasury	33.1%	97,583	1,171,000	122,259	1,467,106	219,842	2,638,106	72,768	873,213
Compliance	33.1%	35,333	424,000	7,378	88,532	42,711	512,532	14,137	169,648
Legal	33.1%	60,083	721,000	50,439	605,273	110,523	1,326,273	36,583	438,996
HR	24.9%	52,083	625,000	43,152	517,822	95,235	1,142,822	23,707	284,485
Communications	24.9%	12,500	150,000	24,584	295,009	37,084	445,009	9,231	110,777
Supply Chain	33.1%	39,583	475,000	75,825	909,896	115,408	1,384,896	38,200	458,401
Capital Markets	33.1%	60,083	721,000	50,079	600,950	110,162	1,321,950	36,464	437,565
Technology Operations	16.1%	166,327	1,995,928	192,734	2,312,805	359,061	4,308,733	57,809	693,706
Total		790,359	9,484,314	632,008	7,584,098	1,422,368	17,068,412	398,904	4,786,850

Memo: Direct Charged Project Expense	
Shared Services - RTCoE Project	401,380
Technology Ops. Project Expense	73,185
Finance - Mortgage Ledger Risk Project	893,630
Direct Charged Infrastructure Shared Services - TI $	221,928
Mortgage Infrastructure Project Expense	1,690,480
Total Projects Direct and Shared Expense (excl ResCap DW)	$ 8,067,453
Rescap Data Warehouse Apr-Dec (Capital)	3,823,528
ResCap Data Warehouse Apr-Dec (Expense)	158,235
Hardware purchased to date	2,748,351

Consolidated 2012 Project List

Project/ Initiative Name	BU/GF Name	Budget Allocated To	2012 IT Project Spend Subtotal (calculated IT Project Spend Expense + IT Project Spend Software Capital + IT Project Spend	2012 IT Project Spend Expense	People Expense Factor (varies by Global Function)	People Expense Dollar	Total Project Expense (3rd Party + People Factor)	Difference in Plan b/w Spend and Capital	Official Color
EU EUI Enterprise Windows 7 Test Environment	Global Functions Infrastructure	Infrastructure	$ 59	$23	10.7%	$2	$26	$36	Green
EU EUI Wireless LAN	Global Functions Infrastructure	Infrastructure	$ 4	$2	10.7%	$0	$2	$2	Green
Global Database Upgrade	Global Functions Infrastructure	Infrastructure	$ 110	$110	10.7%	$12	$121	$0	Green
HT EV 2011 Evergreen-Win & UNIX Servers	Global Functions Infrastructure	Infrastructure	$ 2	$1	10.7%	$0	$1	$1	Green
HT EV F5 Load Balancing	Global Functions Infrastructure	Infrastructure	$ 11	$11	10.7%	$1	$12	$0	Green
HT TI TSS Storage and BUR Capacity Optimization	Global Functions Infrastructure	Infrastructure	$ 7	$7	10.7%	$1	$8	$0	Green
NW D2D - Telecom/Network - LAN - Corporate Port Admission (CPA) Transformation	Global Functions Infrastructure	Infrastructure	$ 122	$122	10.7%	$13	$135	$0	Green
NW EV Datacenter LAN Expansion and Upgrade Datacenter WAN Backbone	Global Functions Infrastructure	Infrastructure	$ 99	$20	10.7%	$2	$23	$79	Green
Risk (TeamMate, Open Pages)	Global Functions Infrastructure	Infrastructure	$ 1,068	$868	10.7%	$93	$961	$200	Green
SEC EV Security Evergreen - Firewalls, Proxy, IPS - NADD (20%)	Global Functions Infrastructure	Infrastructure	$ 7	$7	10.7%	$1	$8	$0	Green
SEC EV Security Evergreen - Firewalls, Proxy, IPS - NADD (80%)	Global Functions Infrastructure	Infrastructure	$ 506	$183	10.7%	$20	$203	$323	Green
SEC EV Security Evergreen - Firewalls, Proxy, IPS - NIDD (20%)	Global Functions Infrastructure	Infrastructure	$ 127	$46	10.7%	$5	$51	$81	Green
SEC EV Security Evergreen - Firewalls, Proxy, IPS - NIDD (20%)	Global Functions Infrastructure	Infrastructure	$ 2	$2	10.7%	$0	$2	$0	Green
SM D2D - Service Mgmt Suite for Mortgage / LV	Global Functions Infrastructure	Infrastructure	$ 167	$83	10.7%	$9	$92	$83	Green
Transition/Transformation	Global Functions Infrastructure	Infrastructure	$ 52	$52	10.7%	$6	$57	$0	Green
Vulnerability Scanning - Expansion for WebInspect / AMP	Global Functions Infrastructure	Infrastructure	$ 54	$9	10.7%	$1	$10	$45	Green
Mortgage Data Warehouse Build (Retail and Commercial)	Basel II	Corp - Basel II	$ 4,386	$0	39.7%	$0	$0	$4,386	Green
Blackrock Interfaces Releases 2012	Capital Markets	Corp - Capital Markets	$ 276	$276	83.3%	$230	$506	$0	Green
Broker Dealer Enhancement Releases 2012	Capital Markets	Corp - Capital Markets	$ 400	$200	83.3%	$167	$367	$200	Green
Model Support Initiatives	Capital Markets	Corp - Capital Markets	$ 445	$245	83.3%	$204	$449	$200	Green
Ally Pulse release program	Communications	Corp - Communications	$ 150	$150	196.7%	$295	$445	$0	Green
Compliance Training	Compliance	Corp - Compliance	$ 200	$200	20.9%	$42	$242	$0	Green
Control Room Function for Surveillance to the Insider Trading/Pre-clearance Policies	Compliance	Corp - Compliance	$ 100	$100	20.9%	$21	$121	$0	Green
US Bridger Upgrade	Compliance	Corp - Compliance	$ 124	$124	20.9%	$26	$150	$0	Green
GMAP / Eagle Release Program	Finance	Corp - Finance	$ 640	$640	48.9%	$313	$953	$0	Green
Mortgage Ledger Risk Mitigation	Finance	Corp - Finance	$ 1,350	$800	49.9%	$294	$894	$750	Green
2012 Compensation Cycle Project	HR	Corp - HR	$ 39	$39	82.9%	$32	$71	$0	Green
2012 HR Talent Mgmt & TA Release Pool	HR	Corp - HR	$ 10	$10	82.9%	$8	$18	$0	Green
2012 HR Total Rewards Release Pool	HR	Corp - HR	$ 20	$20	82.9%	$17	$37	$0	Green
2012 Workforce Admin and ER&P Release Pool	HR	Corp - HR	$ 74	$74	82.9%	$61	$135	$0	Green
2013 Compensation Cycle Project	HR	Corp - HR	$ 226	$226	82.9%	$187	$413	$0	Green
Annual Enrollment Benefits Program	HR	Corp - HR	$ 158	$158	82.9%	$129	$285	$0	Green
Equity Program Implementation	HR	Corp - HR	$ 100	$100	82.9%	$83	$183	$0	Green
eDiscovery Release	Legal	Corp - Legal	$ 115	$115	83.9%	$97	$212	$0	Green
eDocs DM Upgrade	Legal	Corp - Legal	$ 57	$57	83.9%	$48	$105	$0	Green
Team Room Release	Legal	Corp - Legal	$ 42	$42	83.9%	$35	$77	$0	Green
TeamConnect Release	Legal	Corp - Legal	$ 142	$142	83.9%	$119	$261	$0	Green
TeamConnect Upgrade	Legal	Corp - Legal	$ 365	$365	83.9%	$306	$671	$0	Green
Cogent Release Pool	Risk	Corp - Risk	$ 200	$200	39.7%	$79	$279	$0	Green
Open Pages - Release Pool	Risk	Corp - Risk	$ 892	$359	39.7%	$143	$502	$533	Green
Open Pages - Technology Upgrade	Risk	Corp - Risk	$ 2,335	$186	39.7%	$74	$260	$2,149	Green
Polytraunche Upgrade (Accutape/Aployraunche/NEV Tech Upgrade)	Risk	Corp - Risk	$ 54	$54	39.7%	$21	$75	$0	Green
Ariba Release Program	Supply Chain	Corp - Supply Chain	$ 248	$248	191.6%	$475	$723	$0	Green
Supplier Risk Management Program	Supply Chain	Corp - Supply Chain	$ 227	$227	191.6%	$435	$662	$0	Green
Quantum Release Program	Treasury	Corp - Treasury	$ 212	$150	125.3%	$188	$338	$62	Green
Quantum Upgrade	Treasury	Corp - Treasury	$ 345	$195	125.3%	$244	$439	$150	Green
Security Compliance and Remediation	Treasury	Corp - Treasury	$ 286	$0	125.3%	$0	$0	$286	Green
Sierra, Intellimatch, SSB Release Master	Treasury	Corp - Treasury	$ 665	$515	125.3%	$645	$1,160	$150	Green
WebSeries Release Program	Treasury	Corp - Treasury	$ 426	$311	125.3%	$390	$701	$115	Green
Application Vulnerability Scanning Improvements	Information Security	Information Security	$ 1,200	$800	44.1%	$265	$865	$600	Green
Enterprise IAM R2	Information Security	Information Security	$ 700	$0	44.1%	$0	$0	$700	Green
EU EUI Enterprise Windows 7 Test Environment	Corp Infrastructure	Infrastructure	$ 33	$13	10.7%	$1	$14	$20	Green
EU EUI Wireless LAN	Corp Infrastructure	Infrastructure	$ 2	$1	10.7%	$0	$1	$1	Green
Global Database Upgrade	Corp Infrastructure	Infrastructure	$ 61	$61	10.7%	$7	$68	$0	Green
HT EV F5 Load Balancing	Corp Infrastructure	Infrastructure	$ 6	$6	10.7%	$1	$7	$0	Green
HT TI TSS Storage and BUR Capacity Optimization	Corp Infrastructure	Infrastructure	$ 4	$4	10.7%	$0	$4	$0	Green
NW D2D - Telecom/Network - LAN - Corporate Port Admission (CPA) Transformation	Corp Infrastructure	Infrastructure	$ 69	$69	10.7%	$7	$76	$0	Green
NW EV Datacenter LAN Expansion and Upgrade	Corp Infrastructure	Infrastructure	$ 66	$11	10.7%	$1	$13	$44	Green
SEC EV Security Evergreen - Firewalls, Proxy, IPS - NADD (20%)	Corp Infrastructure	Infrastructure	$ 4	$4	10.7%	$0	$4	$0	Green
SEC EV Security Evergreen - Firewalls, Proxy, IPS - NADD (80%)	Corp Infrastructure	Infrastructure	$ 283	$102	10.7%	$11	$113	$181	Green
SEC EV Security Evergreen - Firewalls, Proxy, IPS - NIDD (20%)	Corp Infrastructure	Infrastructure	$ 71	$28	10.7%	$3	$28	$45	Green
SEC EV Security Evergreen - Firewalls, Proxy, IPS - NIDD (20%)	Corp Infrastructure	Infrastructure	$ 1	$1	10.7%	$0	$1	$0	Green
SM D2D - Service Mgmt Suite for Mortgage / LV	Corp Infrastructure	Infrastructure	$ 167	$83	10.7%	$9	$92	$83	Green
TI Technical Support Resources	Corp Infrastructure	Infrastructure	$ 3,500	$3,500	10.7%	$374	$3,874	$0	Green
Transition/Transformation	Corp Infrastructure	Infrastructure	$ 29	$29	10.7%	$3	$32	$0	Green
Vulnerability Scanning - Expansion for WebInspect / AMP	Corp Infrastructure	Infrastructure	$ 30	$5	10.7%	$1	$6	$25	Green
EU EUI Enterprise Windows 7 Test Environment	Mortgage - Infrastructure	Infrastructure	$ 77	$30	10.7%	$3	$34	$47	Green
EU EUI Wireless LAN	Mortgage - Infrastructure	Infrastructure	$ 5	$2	10.7%	$0	$3	$2	Green
Global Database Upgrade	Mortgage - Infrastructure	Infrastructure	$ 143	$143	10.7%	$15	$158	$0	Green
HT EV 2011 Evergreen-Win & UNIX Servers	Mortgage - Infrastructure	Infrastructure	$ 2	$1	10.7%	$0	$1	$1	Green
HT EV F5 Load Balancing	Mortgage - Infrastructure	Infrastructure	$ 14	$14	10.7%	$1	$15	$0	Green
HT EV Ruby on Rails 2.0.x + Mongrel 1.x Upgrades and Replacement	Mortgage - Infrastructure	Infrastructure	$ 3	$3	10.7%	$0	$3	$0	Green
HT EV SunOne	Mortgage - Infrastructure	Infrastructure	$ 3	$3	10.7%	$0	$3	$0	Green
HT TI TSS Storage and BUR Capacity Optimization	Mortgage - Infrastructure	Infrastructure	$ 9	$9	10.7%	$1	$10	$0	Green
NW EV Datacenter LAN Expansion and Upgrade	Mortgage - Infrastructure	Infrastructure	$ 129	$27	10.7%	$3	$29	$103	Green
NW EV Rescap Telephony Evergreen 2015	Mortgage - Infrastructure	Infrastructure	$ 75	$75	10.7%	$8	$83	$0	Green

Consolidated 2012 Project List

Project/ Initiative Name	BU/GF Name	Budget Allocated To	2012 IT Project Spend Subtotal (calculated IT Project Spend Expense + IT Project Spend Software Capital + IT Project Spend	2012 IT Project Spend Expense	People Expense Factor (varies by Global Function)	People Expense Dollar	Total Project Expense (3rd Party + People Factor)	Difference in Plan b/w Spend and Capital	Official Color
Rescap WAN/LAN/Voice Transition	Mortgage - Infrastructure	Infrastructure	$ 400	$250	10.7%	$27	$277	$150	Green
SEC EV Security Evergreen - Firewalls, Proxy, IPS - NADD (20%)	Mortgage - Infrastructure	Infrastructure	$ 9	$9	10.7%	$1	$10	$0	Green
SEC EV Security Evergreen - Firewalls, Proxy, IPS - NADD (60%)	Mortgage - Infrastructure	Infrastructure	$ 659	$238	10.7%	$25	$284	$421	Green
SEC EV Security Evergreen - Firewalls, Proxy, IPS - NIDD (20%)	Mortgage - Infrastructure	Infrastructure	$ 165	$60	10.7%	$6	$66	$105	Green
SEC EV Security Evergreen - Firewalls, Proxy, IPS - NIDD (20%)	Mortgage - Infrastructure	Infrastructure	$ 2	$2	10.7%	$0	$3	$0	Green
SM D2D - Service Mgmt Suite for Mortgage / LV	Mortgage - Infrastructure	Infrastructure	$ 1,000	$500	10.7%	$53	$553	$500	Green
TI EV Infrastructure Evergreen Program	Mortgage - Infrastructure	Infrastructure	$ 82	$82	10.7%	$9	$90	$0	Green
Transition/Transformation	Mortgage - Infrastructure	Infrastructure	$ 67	$67	10.7%	$7	$75	$0	Green
Vulnerability Scanning - Expansion for WebInspect / AMP	Mortgage - Infrastructure	Infrastructure	$ 70	$12	10.7%	$1	$13	$58	Green
PMO Resource Release Pool	Tech Ops - GPMO	TO - GPMO	$ 1,800	$1,800	29.7%	$534	$2,334	$0	Green
RTCoE Managed Resources for BU NADD	Tech Ops - RTCoE	TO - RTCoE	$ 6,000	$6,000	29.7%	$1,779	$7,779	$0	Green

Yellow Shading - Projects to be Direct Charged at 100%
Grey Shading - Partially Direct Charged
Orange Shading - 100% Capital Charged at 0%

Schedule A-3

Schedule B

Governance Model

1. INTRODUCTION

This **Schedule B** (this "**Schedule B**") is incorporated by reference and attached to the Shared Services Agreement by and between ResCap and AFI dated May__, 2012 (the "**Agreement**").

2. AGREEMENT COVERAGE

This **Schedule B** sets out the service management model for Supplier and Recipient (the "**Service Management Model**"), related to the Services provided under the Agreement.

3. OVERVIEW

Supplier and Recipient will each appoint responsible, knowledgeable persons to serve as their representatives to oversee the performance of the Agreement (such persons and each Party's Relationship Manager shall collectively constitute the "**Service Management Team**").

The Service Management Team members will work informally on a regular basis, but the Relationship Managers, and such additional Service Management Team members as the Relationship Managers may designate from time to time, will meet formally at least monthly. These monthly meetings will review such topics as significant operational concerns, performance metrics as developed by the Service Management Team, future service needs, transition service progress and pricing. In addition, the Relationship Managers may from time to time designate Service Management Team members to meet in sub-teams either on a temporary or ongoing basis, to deal with specific issues under the Agreement. The Relationship Managers will share the responsibility for organizing the meetings and ensuring the effectiveness of the meetings.

Each Party will staff its Service Management Team as necessary to represent the areas of services offered.

4. SCOPE

The Service Management Team will be responsible for overseeing the overall execution of the Agreement to ensure that each Party performs its responsibilities as expected.

The Service Management Team's responsibilities shall include the following:

(a) ~~Strategy and Direction~~. The Service Management Team may make recommendations as to strategic direction and provide critical input for business planning decisions between Supplier and Recipient.

(b) General Service Management. The Service Management Team may review the status of projects and prioritize work. The Service Management Team will also be a forum for discussions between Supplier and Recipient regarding service changes and opportunities for Additional Services, and will coordinate with management and service delivery teams to ensure appropriate execution of such service changes or Additional Services.

(c) Issue Resolution. The Service Management Team will be responsible for resolving problems, concerns or inefficiencies in their execution as they arise, and will escalate unresolved issues as described below.

5. ESCALATION

Issues that cannot be resolved within a reasonable period of time (which period of time shall not exceed twenty (20) days) by the Parties' respective Service Management Team members responsible for the applicable subject area must be first be escalated to the Relationship Managers. If the Relationship Managers are unable to resolve an issue within ten (10) days, then either Party's Relationship Manager may, upon prior written notice to the other Relationship Manager, escalate such issue to Recipient's and Supplier's executive management representative for resolution. Neither Party may initiate any formal legal proceedings for resolution of such issue until ten (10) business days after such issue has been escalated to each Party's executive management representatives.

The provisions and time periods specified in this **Section 5** will not be construed to prevent a Party from instituting, and a Party is authorized to institute, formal proceedings earlier to (A) avoid the expiration of any applicable limitations period, (B) preserve a superior position with respect to other creditors, or (C) address a claim arising out of the breach of a Party's obligations under **Section 9** of the Agreement or a dispute with respect to Intellectual Property Rights.

Schedule C

Pricing Methodology

1. INTRODUCTION

This **Schedule C** (this "**Schedule C**") is incorporated by reference and attached to the Shared Services Agreement by and between ResCap and AFI dated May__, 2012 (the "**Agreement**").

1.1 Charges. This **Schedule C** describes the Charges, and the methodologies for their calculation, with respect to the Services.

1.2 Order of Precedence. The Parties acknowledge that certain obligations may be set forth in both this Schedule and elsewhere in the Agreement, and in the event of a conflict, such conflict shall be resolved in accordance with **Section 16.15** of the Agreement.

1.3 Section and Article References. Unless otherwise specified, Section references in this **Schedule C** refer to the Sections of this **Schedule C**.

1.4 Definitions. Capitalized terms have the meanings assigned below. Any other capitalized terms used and not otherwise defined in this **Schedule C** have the meanings given them in the Agreement.

(a) "**Business Change Event**" means any change in the products or services offered by Recipient or the expansion or closure of any Facility of any Recipient, or a decrease or increase in Recipient's level of consumption of the Services from the historical usage levels of its business, in either case that has a material impact on the cost to Supplier of providing any impacted Services.

(b) "**Charges**" means:

(i) any Total Shared Services Charge;

(ii) amounts to be paid by Recipient as Pass-Through Expenses;

(iii) the charges for Additional Services that may be agreed upon by the Parties pursuant to a signed Supplement from time to time;

(iv) the charges for the Customized Services that may be agreed upon by the Parties pursuant to a signed Supplement from time to time; and

(v) the charges for Termination Assistance Services.

(c) **"Monthly Fixed Charges"** means, for a given month and Service, the amount reflected in **Schedule C-1b** or **C-2b** for such Service. This amount does not include amounts to be paid by Recipient as Monthly Variable Charges or Pass-Through Expenses.

(d) **"Monthly Variable Charges"** means, for a given month and Service, the (i) total actual costs incurred by Supplier for the Service, multiplied by (ii) the Recipient cost allocation percentage for such Service that was agreed upon between the Parties, as reflected in **Schedule C-1b** or **C-2b**, as applicable. This amount does not include amounts to be paid by Recipient as Pass-Through Expenses.

(e) **"Pass-Through Expenses"** as referenced in **Schedule C-1b** and **C-2b** means those third-party, out-of-pocket expenses actually incurred by Supplier in connection with a given Service (e.g., external audit fees, training for consent orders, consent order direct vendor costs), which will be either (i) approved by Recipient prior to being incurred by Supplier; provided, that if Recipient does not approve any such expense Supplier will have no obligation to procure or provide the goods or services associated with such expense, (ii) approved by Recipient in advance as being within a category or for a Service already approved by the Parties as for a billed-as-incurred expense, or (iii) for a good or service reasonably necessary to allow Supplier to deliver the Services contemplated under this Agreement.

(f) "**Price Adjustment Event**" means any of the following:

(i) a Business Change Event occurs; or

(ii) a Service has been terminated pursuant to **Section 3** or **Article 14** of the Agreement.

(g) "**Price Adjustment Process**" means the process described in **Section 3.4** of this **Schedule C**.

(h) "**Total Monthly Shared Services Charge**" means, in respect of any individual Service, the monthly Charge for that Service, which shall be applicable from the Effective Date until the termination date for such Service, as such Charges are listed on **Schedule C-1a** or **Schedule C-2a** and may be adjusted in accordance with any Price Adjustment Event and/or Price Adjustment Process. The Total Shared Services Charge represents the aggregate of the Total Base Costs, Third Party Costs and IT Projects as referenced on Schedule C-1a and Schedule C-2a. The Total Base Costs are equal to an amount representing Employee Costs, IT Costs,

Platform Costs and the Indirect Support Costs for that Functional Service Area, as described below:

(i) Employee Costs means compensation, benefits, travel and other non-compensation related personnel costs;

(ii) IT Costs means those costs associated with IT services under Schedule A-1 and Schedule A-2;

(iii) Platform Costs means the Charges to the Recipient for use of the IT services on Supplier's platform related to depreciation and amortization in respect of IT infrastructure; and

(iv) Indirect Support Costs means, for AFI, an amount equal to the percentage of the total of Employee Costs, IT Costs and Platform Costs set forth in Schedule C-1b, and for ResCap means an amount equal to the percentage of the total of Employee Costs, IT Costs and Platform Costs set forth in Schedule C-2b. Such percentages in each case are those referenced in the formulas in the Pricing Methodology Spreadsheets titled "Shared Services Global Functions Exhibit v.11.pdf" (AFI to ResCap) and "ResCap to AFI Shared Services Pricing 05-13-12.pdf " (ResCap to AFI).

These amounts are set forth in **Schedule C-1a** and **Schedule C-2a** on a monthly basis as the Total Monthly Shared Services Charge. The Total Monthly Shared Services Charges do not include any (i) Charges for Additional Services or Customized Services, (ii) Termination Assistance Services or (iii) Pass-Through Expenses.

Pricing for the Services set forth on **Schedule C-1a** and **Schedule C-2a** can change on a monthly basis, depending upon whether the Service is priced on the basis of Monthly Fixed Charges or Monthly Variable Charges, as indicated on **Schedule C-1b** and **Schedule C-2b**. Any such calculations will be made by reference to and in accordance with the formulas in the Pricing Methodology Spreadsheets titled "Shared Services Global Functions Exhibit v.11.pdf" (AFI to ResCap) and "ResCap to AFI Shared Services Pricing 05-13-12.pdf " (ResCap to AFI).

1.5 General.

(a) Unless specifically stated otherwise, each Party will be financially responsible for all costs and expenses associated with performing its responsibilities under this Agreement.

(b) Unless the Parties otherwise agree, for the purpose of calculating Charges, any Services that start on a day other than the first day of a month or are

1.6 Attachments. Attached to this **Schedule C** are the following Attachments:

Schedule C-1a – Pricing for Parent Services

Schedule C-2a – Pricing for Reverse Services

Schedule C-1b –Billing Method by Service – Parent Services

Schedule C-2b –Billing Method by Service – Reverse Services

2. COMMENCEMENT OF CHARGES.

The Total Shared Services Charges will begin on the Effective Date and are set forth in **Schedule C-1a** and **Schedule C-2a**. Charges for Additional Services, Customized Services, and Termination Assistance Services shall begin on the date such services begin to be performed by Supplier.

3. PRICING METHODOLOGY.

3.1 Total Monthly Shared Services Charges. All Total Monthly Shared Services Charges will only be adjusted in accordance with the Price Adjustment Process.

3.2 Additional Services. Charges for Additional Services will be set forth in the applicable Supplement for such Services. To the extent the Additional Services are ongoing, the Charge may also or in the alternative be added as a separate item in **Schedule C-1a** or **Schedule C-2a**, as applicable and, if so included as a separate item, will be subject to the Price Adjustment Process just as any other Total Shared Services Charges would be.

3.3 Customized Services. Charges for Customized Services will be set forth in the applicable Supplement for such Services. To the extent the Customized Services are ongoing, the Charge may also or in the alternative be added as a separate item in **Schedule C-1a** or **Schedule C-2a**, as applicable and, if so included as a separate item, will be subject to the Price Adjustment Process just as any other Total Shared Services Charges would be.

3.4 This section is intentionally left blank.

3.5 Price Adjustment Process. The Price Adjustment Process described in this **Section 3.5** will be followed by the Parties upon either Party's written request in the event of a Price Adjustment Event. The Price Adjustment Process for Business Change Events is subject to any approval right or termination right that Supplier may have with respect to such change in Services pursuant to **Section 3** or **14** of the Agreement.

(a) The Price Adjustment Process will be initiated immediately following a Price Adjustment Event and the resulting change to the Charges will take

effect as soon as practical and will be retroactive to the point in time that the Price Adjustment Event occurs (or, in the case of adjustments under **Section 3.5(c)** below, retroactive to the point in time that the New Cost Allocation is determined).

(b) Unless the Price Adjustment Process is initiated for a Business Change Event, during the Price Adjustment Process the Parties will mutually determine in good faith the cost impact of the Price Adjustment Event through the methodologies set forth in the exhibits to Schedule C including all of the sub-attachments. When a Service is being terminated by a Party, the starting assumption is that Recipient will no longer be charged for that Service; provided, however, that Supplier may be entitled to reimbursement from Recipient of all costs previously paid by Recipient for such Service that Supplier is not able to eliminate, for example, costs for physical assets which cannot be reduced (i.e. leasing expenses or rental expenses which cannot be eliminated), third party costs (i.e. minimum revenue commitments which are required under a third party agreement) or any other non-internal costs ("**Stranded Costs**") which the Parties using appropriate due diligence and commercially reasonable efforts can not eliminate. If, after using such efforts the Parties are unable to eliminate 100% of any Stranded Costs, the Parties will meet and discuss the remaining Stranded Costs to be reimbursed by Recipient to Supplier.

(c) The Total Shared Services Charges set forth in **Schedule C-1a** and **Schedule C-2a** were determined by allocating to Recipient a portion of Supplier's underlying costs of performing the applicable Service (such cost allocation, the "**Initial Cost Allocations**"). In the event the Price Adjustment Process is initiated solely due to a Business Change Event and does not involve a termination of the applicable Service, then during the Price Adjustment Process, Supplier will (i) use the cost allocation methodology that was used to determine the Initial Cost Allocation for such Service, to determine a new cost allocation reflecting Recipient's then-current level of consumption of such Service, taking into account material increases or decreases (if any) in Supplier's overall costs that are a direct result of the change in Recipient's level of consumption of such Service (a "**New Cost Allocation**"), and (ii) if the New Cost Allocation differs from the Initial Cost Allocation for such Service, adjust the Total Shared Services Charge for such Service accordingly. Except as otherwise agreed by the Parties, the cost allocation determination described above shall only be performed for the area impacted by the Business Change Event and such cost allocation determination per Functional Service Area shall not be performed more than once per month. At Recipient's request, Supplier will provide Recipient with all supporting calculations of the effects of such Business Change Event on Supplier's costs of performing the Services.

3.6 Charges for Extensions of Term. The pricing in this **Schedule C** as of the

Effective Date includes only the pricing for the Services during the Initial Term. Any extensions of the Term are subject to the Parties reaching agreement of the pricing during such extension period.

3.7 Termination Assistance Services. If requested by Recipient, Supplier will provide Termination Assistance Services in accordance with **Section 14.5** of the Agreement. The price of Termination Assistance Services shall be documented in a Supplement to **Schedule A**. In addition to any Charges otherwise provided for in the Agreement or **Schedule C**, Recipient will reimburse Supplier for all incremental additional resource and other costs and expenses required or incurred by Supplier to provide Termination Assistance Services.

Schedule C-1
Pricing for Parent Services [1]

Parent Services Pricing	Monthly Total Shared Services Charge (US$)			
Functional Service Area	Total Base Costs [2]	Third Party Costs	IT Projects	Total Shared Services
Finance / Tax	$ 1,340,595	$ -	$ 26,293	$ 1,366,888
Audit	12,845	67,168	-	80,013
Treasury	820,790	-	72,768	893,558
Risk	799,225	29,000	-	828,225
Insurance Premium	-	1,267,250	-	1,267,250
Compliance	403,948	-	14,137	418,086
Consent Order	189,720	150,000	-	339,720
Loan Review	33,577	-	-	33,577
HR	367,188	468,747	23,707	859,642
Legal	127,175	-	36,583	163,758
Communications / IR	296,414	-	9,231	305,645
Capital Markets	464,577	-	36,464	501,041
Marketing	253,271	-	-	253,271
Facilities	115,956	119,436	-	235,392
Supply Chain	608,376	-	38,200	646,576
Gov't Relations	31,651	3,000	-	34,651
ITG	1,879,177	-	141,521	2,020,698
Total Monthly Charge	**$ 7,744,484**	**$ 2,104,601**	**$ 398,904**	**$ 10,247,989**

[1] Approximate costs of services - refer to 3 supporting Exhibits. C-1a AFI Shared Services Workstream, C-1b Monthly Billing detail and Exhibits in C-1c for Pricing calculations

[2] Includes employee costs, IT services, IT platform costs, and 13.8% of Indirect Support

Schedule C-1a

AFI Shared Services Workstream

ResCap, LLC - Pricing Summary

AFI Shared Service	BASE COSTS: Employee (1)	IT Costs	Platform Costs	Indirect Support Costs	Total Base Costs	BILLED AS INCURRED: Third Party Costs (2)	IT Projects	Total As Incurred	As of May 10, 2012: Total Shared Services	Total Shared Services Monthly
	[A]	[B]	[C]	[D] = 13.8% of [A]+[B]+[C]	[E] = [A]+[B]+[C]+[D]	[F]	[G]	[H] = [F]+[G]	[I] = [E]+[H]	
Finance / Tax	$ 5.9	$ 5.4	$ 2.9	$ 2.0	$ 16.1	-	0.3	$ 0.3	$ 16.4	$ 1.4
Audit	0.1	0.0	-	0.0	0.2	0.8	-	0.8	1.0	0.1
Treasury	3.9	4.3	0.5	1.2	9.8	-	0.9	0.9	10.7	0.9
Risk	2.8	4.7	0.9	1.2	9.6	0.3	-	0.3	9.9	0.8
Insurance Premium	-	-	-	-	-	15.2	-	15.2	15.2	1.3
Compliance	2.3	1.5	0.5	0.6	4.8	-	0.2	0.2	5.0	0.4
Consent Order	2.0	-	-	0.3	2.3	1.8	-	1.8	4.1	0.3
Loan Review	0.4	-	-	0.0	0.4	-	-	-	0.4	0.0
HR	2.9	0.9	0.0	0.5	4.4	5.6	0.3	5.9	10.3	0.9
Legal	0.3	0.9	0.1	0.2	1.5	-	0.4	0.4	2.0	0.2
Communications	1.4	1.6	0.1	0.4	3.6	-	0.1	0.1	3.7	0.3
Capital Markets	3.4	1.4	0.1	0.7	5.6	-	0.4	0.4	6.0	0.5
Marketing	2.7	-	-	0.4	3.0	-	-	-	3.0	0.3
Facilities	1.0	0.2	0.0	0.2	1.4	1.4	-	1.4	2.8	0.2
Supply Chain	5.6	0.7	0.1	0.9	7.3	-	0.5	0.5	7.8	0.6
Gov't Relations	0.3	-	-	0.0	0.4	0.0	-	0.0	0.4	0.0
ITG (3)		17.5	2.4	2.7	22.6	-	1.7	1.7	24.2	2.0
Total Shared Services	**$ 34.9**	**$ 39.1**	**$ 7.7**	**$ 11.3**	**$ 92.9**	**$ 25.2**	**$ 4.8**	**$ 30.0**	**$ 123.0**	**$ 10.2**

(1) Base costs include 2012 C&B plus employee cost for T&E, Facilities, Office & Communications, Training, and other employee related expenses

(2) Direct / Third Party costs represent pass through costs based on diligence and negotiations

(3) ITG Breakdown

Tech Infrastructure	8.1	0.8	1.2	10.1	-	0.7	0.7	10.8
Security	5.8	1.4	1.0	8.2	-	0.3	0.3	8.4
Architecture	1.7	0.1	0.2	2.0	-	-	-	2.0
Tech & Ops	2.0	-	0.3	2.2	-	0.7	0.7	2.9
Total ITG	$ 17.5	$ 2.4	$ 2.7	$ 22.6	$ -	$ 1.7	$ 1.7	$ 24.2

Schedule C-1b
Pricing for Parent Services

Parent Services Pricing

	Function	SOW Link	Notes	Service	Monthly Total Shared Service Charge (US$)	Monthly Billing Methodology
1	Finance/Tax	1a4	Headcount	Finance Shared Services - Payroll	$33,260	Monthly Variable
		1a4	Purchase Orders	Finance Shared Services - P2P	$64,648	Monthly Variable
		1a4	Reconciliations	Finance Shared Services - Accounting	$17,379	Monthly Variable
		1a4	Expenses Accounts	Finance Shared Services - T&E	$17,895	Monthly Variable
		1a5	Time Study	Accounting Policy Team	$48,854	Monthly Fixed
		1a5	Time Study	Benefits Accounting	$5,949	Monthly Fixed
		1a5	Time Study	Accounting Leadership and Oversight - Accounting and Policy	$17,753	Monthly Fixed
		1a8	Time Study	Tax - Direct Team Costs	$212,846	Monthly Fixed
		1a8	Time Study	Tax Indirect Services	$56,717	Monthly Fixed
		1a8	Time Study	Tax Leadership	$48,543	Monthly Fixed
		NA	pass through	External Audit Fees	$0	Monthly Variable - Bill as Incurred
		1a5	Time Study	Financial Controls - Consolidated and Global Functions (Grennan Team)	$0	Monthly Fixed
		1a4	Time Study	ITG Finance - FP&A Support for ResCap and Global Functions (Kubitz Team)	$32,448	Monthly Fixed
		1r9	OPEX share less SAP exclusions	Finance - Sustain	$507,713	Monthly Variable
		1r9	OPEX share less SAP exclusions	Finance - IT Platform	$276,591	Monthly Fixed
		1r9	OPEX share of selected projects	Finance - IT Projects	$26,293	Monthly Variable
				Finance Total	**$1,366,888**	
2	Audit	1g	Time Study	Direct Team Related to ResCap	$0	Monthly Fixed
		1g	Time Study	Training for the Consent Order - signed with PwC - training for all audit staff - already expensed - design classes; customize the services	$0	Monthly Variable - Bill as Incurred
		1g	pass through	Co-Sourcing for the Consent Order - Subject Matter experts for demonstrating enhanced coverage - planning activities make sure we cover the right audits	$66,667	Monthly Variable - Bill as Incurred
		1g	pass through	Indirect costs for additional Audit work from Fisette Team - Help Mgmt reporting, audit deck etc	$9,046	Monthly Variable
		1g	pass through	TeamMate - Audit software to hold workpapers	$502	Monthly Variable - Bill as Incurred
		1r9	OPEX share	Audit - IT Sustain	$3,799	Monthly Variable
				Audit Total	**$80,013**	
3	Treasury	1w1	Time Study	ST Liquidity and Funding Planning	$16,933	Monthly Fixed
		1w1	Time Study	LT Liquidity	$11,288	Monthly Fixed
		1w1	Time Study	Risk Controls	$3,327	Monthly Fixed
		1w1	Time Study	Liquidity Executive	$8,877	Monthly Fixed
		1w1	Time Study	OH Allocation - Facilities and Travel	$4,209	Monthly Fixed
		1w1	Time Study	Leadership Direct	$7,864	Monthly Fixed
		1w2	Time Study	Global Funding Team	$97,558	Monthly Fixed
		1w2	Time Study	OH Allocation - Facilities and Travel	$8,862	Monthly Fixed
		1w2	Time Study	Leadership Allocation - Direct	$14,202	Monthly Fixed
		1w7	Time Study	Direct Costing	$147,214	Monthly Fixed
		1w7	Time Study	Facilities and Travel	$16,173	Monthly Fixed
		1w7	Time Study	Leadership Allocation	$30,789	Monthly Fixed
		1r9	EOP Assets	Treasury - ITG Sustain	$405,076	Monthly Variable
		1r9	EOP Assets	Trasury - ITG Platform	$48,418	Monthly Fixed
		1r9	OPEX share of selected projects	Treasury - IT Projects	$72,768	Monthly Variable
				Treasury Total	**$893,558**	
4	Risk (Includes Model Governance)	1j	Time Study	Leadership Administration	$101,341	Monthly Fixed
		1j	Time Study	Enterprise Risk (includes Analytics from Seth S. Group)	$73,041	Monthly Fixed
		1j	Time Study	Corporate Insurance/BCP	$9,969	Monthly Fixed
		1j	Time Study	Market Risk	$77,142	Monthly Fixed
		1j	Time Study	SAG	$0	Monthly Fixed

Function	SOW Link	Notes	Service	Monthly Total Shared Service Charge (US$)	Monthly Billing Methodology
	1j	Reserved seats at contigency site	Business Continuity Planning - Sungard Expenses 3rd party	$29,000	Monthly Variable - Bill as Incurred
	1j	Headcount	Corporate Insurance Premiums	$1,267,250	Monthly Fixed
	1r9	Risk Time Study	Risk - IT Sustain	$448,279	Monthly Variable
	1r9	Risk Time Study	Risk - Platform	$89,453	Monthly Fixed
			Risk Total	**$2,095,475**	
5 Compliance (Includes Consent Order Costs)	1o	Time Study	Global Security	$42,747	Monthly Fixed
	1n	Time Study	Privacy Services	$0	Monthly Fixed
	1m	Time Study	Leadership Administration	$45,046	Monthly Fixed
	1m	Time Study	AML	$47,424	Monthly Fixed
	1m	Time Study	Program Management	$56,744	Monthly Fixed
	1m	Time Study	Global Functions	$22,916	Monthly Fixed
	1m	100% to ResCap	Consent Order Direct Costs - 3rd Party	$150,000	Monthly Variable - Bill as Incurred
	1m	100% to ResCap	Consent Order Staffing	$189,720	Monthly Fixed
	1r9	OPEX share	Compliance - IT Sustain	$143,865	Monthly Variable
	1r9	OPEX share	Compliance - Platform	$45,206	Monthly Fixed
	1r9	OPEX share of selected projects	Compliance - IT Projects	$14,137	Monthly Variable
			Compliance Total	**$757,806**	
6 Loan Review	1t	% of total loans reviewed	**Loan Reviews**	**$33,577**	Monthly Fixed
7 Human Resources	1q	Time Study	Benefits Administration	$32,410	Monthly Fixed
	1q	Time study	Compensation	$67,169	Monthly Fixed
	1q	ResCap specific BPO costs	Employee Relations	$15,005	Monthly Fixed
	1q	Time Study	HR Business Partner Support	$91,370	Monthly Fixed
	1q	Time Study	Operations - Base Costs	$39,485	Monthly Fixed
	1q	Time Study	Operations - Third party	$440,167	Monthly Fixed
	1q	Time Study	Staffing - Base Costs	$31,247	Monthly Fixed
	1q	Time Study	Staffing - Third Party	$28,580	Monthly Fixed
	1q	Higher of 11.75% of ResCap base pay or claim experience	Medical Dental, Life Insurance, Disability Charges	$0	Monthly Variable
	1q	actual contributions	401K Employer Contributions	$0	Monthly Variable
	1r9	headcount share	HR - IT Sustain	$87,360	Monthly Variable
	1r9	headcount share	HR - IT Platform	$3,142	Monthly Variable
	1r9	headcount share	HR - IT Projects	$23,707	Monthly Variable
			HR - Total	**$859,642**	
8 Legal	1s	Time Study	HR and Employment	$10,022	Monthly Fixed
	1s	Time Study	Procurement	$2,181	Monthly Fixed
	1s	Time Study	Law Department Management Support	$5,527	Monthly Fixed
	1s	Time Study	Proportion of Attorneys & Paralegals	$14,798	Monthly Fixed
	1r9	OPEX share	Legal - IT Sustain	$82,841	Monthly Variable
	1r9	OPEX share	Legal - IT Platform	$11,805	Monthly Fixed
	1r9	OPEX share of selected projects	Legal - IT Projects	$36,583	Monthly Variable
			Legal Total	**$163,758**	
9 Communications and Investor Relations	SOW*	Time Study	Employee Communications	$2,016	Monthly Fixed
	SOW*	Time Study	Community Relations	$0	Monthly as Incurred
	SOW*	Time Study	Digital Communications	$10,149	Monthly Fixed
	SOW*	headcount share	Investor Relations	$124,433	NA

	Function	SOW Link	Notes	Service	Monthly Total Shared Service Charge (US$)	Monthly Billing Methodology
		1r9	headcount share	Communications - IT Sustain	$150,324	Monthly Variable
		1r9	headcount share	Communications - IT Platform	$9,493	Monthly Fixed
		1r9	headcount share	Communications - IT Projects	$9,231	Monthly Variable
				Communications Total	**$305,645**	
10	Capital Markets and IM	SOW*	Time Study + Blackrock	Investment Management	$305,570	Monthly Fixed
		SOW*	1 analyst	MSR Analyst	$14,229	Monthly Fixed
		1r9	OPEX share	Capital Markets - IT Sustain	$136,423	Monthly Variable
		1r9	OPEX share	Capital Markets - IT Platform	$8,355	Monthly Fixed
		1r9	OPEX share of selected projects	Capital Markets - IT Projects	$36,464	Monthly Variable
				Capital Markets - Total	**$501,041**	
11	Marketing	1i	Time Study	Strategic Marketing Planning & Strategy Development	$53,206	Monthly Fixed
		1i	Time Study	Creative Asset Design Production & Mgmt	$46,856	Monthly Fixed
		1i	Time Study	Marketing performance evaluation & optimization activities	$13,686	Monthly Fixed
		1i	Time Study	Management of day-to-day marketing operational responsibilities	$12,839	Monthly Fixed
		1i	Time Study	Facilities, Office Communications	$8,298	Monthly Fixed
		1i	Time Study	Travel	$3,781	Monthly Fixed
		1i	Time Study	eCommerce Product Mgmt Services	$50,190	Monthly Fixed
		1i	Time Study	Customer Experience Design & Development	$49,137	Monthly Fixed
		1i	Time Study	Website Optimization	$3,676	Monthly Fixed
		1i	Time Study	Facilities, Office Communications	$7,969	Monthly Fixed
		1i	Time Study	Travel	$3,632	Monthly Fixed
				Marketing Total	**$253,271**	
12	Facilities	1ka	Square Footage	Facility Services	$90,479	Monthly Fixed
		1ka	Square Footage	3rd party JLL Services	$119,436	Monthly Fixed
		1ka	Square Footage	Current rent payment process and allocation to business/function based on occupied space will stay in effect	$0	Settled Monthly
		1r9	Square Footage	Facilities - IT Sustain	$22,293	Monthly Variable
		1r9	Square Footage	Facilities - IT Platform	$3,184	Monthly Fixed
				Facilities Total	**$235,392**	
13	Supply Chain	1kb	Time Study	Sourcing, Monitoring and Off-boarding of Vendors	$535,930	Monthly Fixed
		1kb	NA	Pricing covers the Maintenance of the Risk Partner Relationships and all work associated with meeting the Consent Order requirements and other services	$0	NA
		1r9	Vendor Spend	Supply Chain - IT Sustain	$63,513	Monthly Variable
		1r9	Vendor Spend	Supply Chain - IT Platform	$8,933	Monthly Fixed
		1r9	OPEX share of selected projects	Supply Chain - IT Projects	$38,200	Monthly Variable
				Supply Chain - Total	**$646,576**	
14	Executive Leadership				$0	NA
15	Government Relations	1x		Government Relations	**$34,651**	Monthly Fixed
16	ITG			ITG Sustain		
		All IT SOWs excl 1r1, 1r9, SOW for IT Resources, IT Tech Strat and Architecture	OPEX share less non-Mortgage NIDD exclusions	Corporate TI (includes NIDD)	$844,182	Monthly Variable
		1r1	OPEX share less non-Mortgage Privacy and Project Sustain	Security	$679,516	Monthly Variable

Function	SOW Link	Notes	Service	Monthly Total Shared Service Charge (US$)	Monthly Billing Methodology
	IT Tech_Strat_Architecture	OPEX share less non Mortgage application and Project Sustain	Architecture	$169,203	Monthly Variable
	Cross Functional	OPEX Share	Technology Operations Group	$186,276	Monthly Variable
			IT Projects for Mortgage		
	1r9	OPEX share for selected projects	TI Global Functions NADD	$47,199	Monthly Variable
	1r9	OPEX share for selected projects	TI Corporate NADD	$12,664	Monthly Variable
	1r9	OPEX share for selected projects	Security	$23,850	Monthly Variable
	1r9	Project spend	Technology Operations Group	$57,809	Monthly Variable
			Projects for Mortgage	$0	Monthly Variable
			ITG - Total	**$2,020,698**	

Total Monthly Shared Service Charge	**$10,247,989**
Annual Total Shared Service Charge	**$122,975,884**

* SOW is not numbered

Schedule C-2

Pricing for ResCap Services [1]

ResCap to AFI		Monthly Total Shared Services Charges (US $)			
Functional Service Area	**Statement of Work**	**Total Base Costs (2)**	**Third Party Costs**	**IT Projects**	**Total Shared Services**
Human Resources	HR Support Services (AFI)	$ 74,326	$ -	TBD	$ 74,326
Legal	Legal Services (AFI)	21,481	-	TBD	21,481
ITG	IT Resource Services	1,015,068	-	TBD	1,015,068
Compliance	Line of Business Compliance Services	79,088	-	TBD	79,088
Risk	Risk Services - Reporting and Special Assets	23,342	-	TBD	23,342
Accounting	ResCap Accounting Services	163,437	-	TBD	163,437
Master Servicing	Master Servicing for Ally Auto - Bond Modeling	15,436	15,000	TBD	30,436
Master Servicing	Master Servicing for Ally Auto - Bond Administration	26,274	-	TBD	26,274
Subtotal		**$ 1,418,453**	**$ 15,000**	**$ -**	**$ 1,433,453**

ResCap to AFI for Bank		Monthly Total Shared Services Charges (US $)			
Functional Service Area	**Statement of Work**	**Total Base Costs (2)**	**Third Party Costs**	**IT Projects**	**Total Shared Services**
ITG	Application Support	$ 444,495	$ 222,122	TBD	$ 666,617
Capital Markets	Capital Markets	428,678	-	TBD	428,678
Human Resources	HR Support Services (Bank)	32,388	-	TBD	32,388
Risk	Risk Management and Data Collection	501,014	141,858	TBD	642,872
Legal	Legal Services (Bank)	20,317	-	TBD	20,317
Accounting	Accounting	78,159	-	TBD	78,159
Finance	Mortgage Financial Planning and Analysis	101,984	-	TBD	101,984
Capital Markets	Records Services	49,829	-	TBD	49,829
Business Risk and Controls and Business Excellence	Business Risk and Controls and Business Excellence	105,454	8,381	TBD	113,835
Accounting	Capital Markets Accounting	50,377	-	TBD	50,377
Consumer Lending	Consumer Lending Services	817,156	-	TBD	817,156
Risk	Client Repurchase Management	6,638	-	TBD	6,638
Subtotal		**$ 2,636,488**	**$ 372,361**	**$ -**	**$ 3,008,850**
Subtotal		**$ 4,054,941**	**$ 387,361**	**$ -**	**$ 4,442,302**

[1] Approximate costs of services - refer to supporting exhibts C2-a and C2-b

[2] Includes Employee Costs and 2.9% indirect support

Schedule C-2a
Pricing for ResCap Services [1]

ResCap to AFI - Functional Area	Statement of Work	Employee (1)	IT Costs	Platorm Costs	Indirect Support Costs	Total Base Costs	Third Party Costs	IT Projects	Total As Incurred	Total Shared Services
		(A)	(B)	(C)	(D) = 2.9% of (A) + (B) + (C)	(E) = (A) + (B) + (C) + (D)	(F)	(G)	(H) = (F) + (G)	(I) = (E) + (H)
ResCap to AFI										
Human Resources	HR Support Services (AFI)	866,926	-	-	24,991	891,918	-	-	-	891,918
Legal	Legal Services (AFI)	250,555	-	-	7,223	257,777	-	-	-	257,777
ITG	IT Resource Services	11,839,510	-	-	341,302	12,180,812	-	-	-	12,180,812
Compliance	Line of Business Compliance Services	922,464	-	-	26,592	949,057	-	-	-	949,057
Risk	Risk Services - Reporting and Special Assets	272,258	-	-	7,848	280,107	-	-	-	280,107
Accounting	ResCap Accounting Services	1,906,290	-	-	54,953	1,961,243	-	-	-	1,961,243
Master Servicing	Master Servicing for Ally Auto - Bond Modeling	174,996	-	-	10,234	185,230	180,000	-	180,000	365,230
Master Servicing	Master Servicing for Ally Auto - Bond Administration	306,456	-	-	8,834	315,290	-	-	-	315,290
Total AFI		**16,539,455**	**-**	**-**	**481,979**	**17,021,434**	**180,000**	**-**	**180,000**	**17,201,434**
ResCap to AFI for Ally Bank										
ITG	Application Support	5,109,805	-	-	224,141	5,333,945	2,665,462	-	2,665,462	7,999,408
Capital Markets	Capital Markets	5,000,000	-	-	144,137	5,144,137	-	-	-	5,144,137
Human Resources	HR Support Services (Bank)	377,765	-	-	10,890	388,655	-	-	-	388,655
Risk	Risk Management and Data Collection	5,796,011	-	-	216,157	6,012,168	1,702,299	-	1,702,299	7,714,467
Legal	Legal Services (Bank)	236,973	-	-	6,831	243,804	-	-	-	243,804
Accounting	Accounting	911,628	-	-	26,280	937,908	-	-	-	937,908
Finance	Mortgage Financial Planning and Analysis	1,189,513	-	-	34,291	1,223,804	-	-	-	1,223,804
Capital Markets	Records Services	581,189	-	-	16,754	597,943	-	-	-	597,943
Business Risk and Controls and Business Excellence	Business Risk and Controls and Business Excellence	1,227,169	-	-	38,275	1,265,444	100,575	-	100,575	1,366,019
Accounting	Capital Markets Accounting	587,589	-	-	16,939	604,528	-	-	-	604,528
Consumer Lending	Consumer Lending Services	9,531,114	-	-	274,757	9,805,872	-	-	-	9,805,872
Risk	Client Repurchase Management	77,419	-	-	2,232	79,651	-	-	-	79,651
Total AFI for the Bank		**30,626,175**	**-**	**-**	**1,011,684**	**31,637,859**	**4,468,336**	**-**	**4,468,336**	**36,106,196**
Total Bank and AFI		**47,165,630**	**-**	**-**	**1,493,663**	**48,659,293**	**4,648,336**	**-**	**4,648,336**	**53,307,629**

(Occupancy is currently cash settled)

[1] Employee Costs include Compensation and Benefits plus costs for T&E, Facilities, Office and Communications, Training and other employee related expenses

[2] Direct third party costs represent pass-through costs based on diligence and negotiations

Schedule C-2b
Pricing for ResCap Services

ResCap to AFI Pricing				
Function	**Statement of Work**	**Service**	**Monthly Total Shared Service Charge (US$)**	**Monthly Billing Methodology**
1. Human Resources	HR Support Services (AFI)	All Services	$74,326	Monthly Fixed
2. Legal	Legal Services (AFI)	Internal Counsel	$21,481	Monthly Fixed
		External Counsel	TBD	Monthly Variable As incurred
3. ITG	IT Resource Services	IT Sustain	$1,015,068	Monthly Variable As incurred
		IT Projects	TBD	Monthly Variable As incurred
4. Compliance	Line of Business Compliance Services	All Services	$79,088	Monthly Fixed
5. Risk	Risk Services - Reporting and Special Assets	All Services	$23,342	Monthly Fixed
6. Accounting	ResCap Accounting Services	All Services	$163,437	Monthly Fixed
7. Master Servicing	Master Servicing for Ally Auto - Bond Modeling	All Services	$30,436	Monthly Fixed
8. Master Servicing	Master Servicing for Ally Auto - Bond Administration	All Services	$26,274	Monthly Variable As incurred

ResCap to AFI for the Bank Pricing				
Function	**Statement of Work**	**Service**	**Monthly Total Shared Service Charge (US$)**	**Monthly Billing Methodology**
14a ITG	Application Support	Sustain	$666,617	Monthly Variable based on departmental expenses
		Projects	TBD	Monthly Variable As incurred
14b Capital Markets	Capital Markets	All Services	$428,678	Monthly Fixed
		Document Custody 3rd Party	TBD	Monthly Variable As incurred
14c. Human Resouces	HR Support Services (Bank)	All Services	$32,388	Monthly Fixed
14d Risk	Risk Management and Data Collection	All Services	$642,872	Monthly Variable based on departmental expenses
14e Legal	Legal Services (Bank)	Internal Counsel	$20,317	Monthly Fixed
		External Counsel	TBD	Monthly Variable As incurred
14f. Accounting	Accounting	All Services	$78,159	Monthly Fixed
14g Finance	Mortgage Financial Planning and Analysis	All Services	$101,984	Monthly Fixed
14i Capital Markets	Records Services	All Services	$49,829	Monthly Fixed
		3rd Party Costs	TBD	Monthly Variable As incurred
14j Business Risk and Controls and Business Excellence	Business Risk and Controls and Business Excellence	All Services	$113,835	Monthly Fixed
14L Accounting	Capital Markets Accounting	All Services	$50,377	Monthly Fixed
14M Consumer Lending	Consumer Lending Services	All Services	$817,156	Monthly Variable Based on Consumer Loans funded
14N Risk	Client Repurchase Management	All Services	$6,638	Monthly Fixed Needs to be reviewd quarterly to establish a new ratio of recoveries processed

Total Monthly Shared Service Charge	$	4,442,302
Total Annual Shared Service Charge	$	53,307,630

Schedule D-1

List of AFI and Supported Facilities

As kept by the Corporate Real Estate Office as of the Effective Date

Schedule D-2

List of ResCap and Supported Facilities

As kept by the Corporate Real Estate Office as of the Effective Date

Schedule E

Form of Supplement

Supplement [X]

This Supplement __ (this "**Supplement**") is made and entered into as of the __ day of ____, 2012 (the "**Supplement Effective Date**") by and between Ally Financial Inc., a Delaware corporation ("**AFI**") and Residential Capital, LLC, a Delaware limited liability company ("**ResCap**") (together with AFI, the "**Parties**").

1. BACKGROUND

This Supplement is entered into pursuant to the terms of the Shared Services Agreement between AFI and ResCap dated [•] (the "**Agreement**") and constitutes a Supplement under the Agreement. Capitalized terms used but not defined in this Supplement have the meanings assigned to those terms in the Agreement.

2. SERVICES DESCRIPTION AND CHARGES

Supplier will provide [*Insert brief description of the services here.*]____ services as [Additional Services]/[Customized Services][, which shall be described in more detail in _____, for the Charges set forth [therein]/[in **Schedule C** to the Agreement].

3. CHANGES

[Refer to the clauses in the Agreement relating to Services and incorporate here as appropriate and agreed as the clauses in the Agreement do not apply to the Additional Services or Customized Services being added pursuant to this Supplement.]

4. TERM AND TERMINATION

[*Term and notice provisions to be inserted as appropriate.*]

5. [OTHER TERMS

The Parties further agree:

[Insert any other terms and conditions applicable to the Additional Services or Customized Services to be performed under this Supplement.]

6. MISCELLANEOUS

This Supplement is incorporated by reference into the Agreement. In the event of

any conflict between the terms of this Supplement and the Agreement, the terms of this Supplement shall only prevail to the extent that this Supplement expressly states that it is intended to override a term of the Agreement.

SPACE BELOW INTENTIONALLY BLANK – SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the Parties have caused this Supplement to be executed by their respective duly authorized representatives as of the Supplement Effective Date.

Ally Financial Inc.

By: _____
Name:
Title:

Residential Capital, LLC

By: _____
Name:
Title:

Exhibit 57

EXECUTION COPY

PLAN SUPPORT AGREEMENT

THIS PLAN SUPPORT AGREEMENT IS NOT AN OFFER WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF VOTES WITH RESPECT TO A CHAPTER 11 PLAN OF REORGANIZATION. ANY SUCH OFFER OR SOLICITATION WILL COMPLY WITH ALL APPLICABLE SECURITIES LAWS AND/OR PROVISIONS OF THE BANKRUPTCY CODE. ACCEPTANCES OR REJECTIONS WITH RESPECT TO A CHAPTER 11 PLAN OF REORGANIZATION MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT.

This PLAN SUPPORT AGREEMENT (together with all exhibits attached hereto, the "Agreement") is made and entered into as of May 13, 2012, by and among:

(a) Residential Capital, LLC ("ResCap") and certain of its direct and indirect subsidiaries (collectively, the "Debtors");[1]

(b) Ally Financial Inc., on behalf of its direct and indirect subsidiaries other than the Debtors, (collectively, "Ally"); and

(c) the undersigned holders, and authorized investment managers for holders, of Securities (as defined below) backed by mortgage loans held by the Covered Trusts (as defined below) (each, a "Consenting Claimant" and collectively, the "Consenting Claimants").

The Consenting Claimants, together with the Debtors and Ally, are defined collectively as the "Parties."

[1] The Debtors are: Ditech, LLC; DOA Holding Properties, LLC; DOA Holdings NoteCo, LLC; DOA Properties IX (Lots-Other), LLC; EPRE LLC; Equity Investment I, LLC; ETS of Virginia, Inc.; ETS of Washington, Inc.; Executive Trustee Services, LLC; GMAC Model Home Finance I, LLC; GMAC Mortgage USA Corporation; GMAC Mortgage, LLC; GMAC Residential Holding Company, LLC; GMACM Borrower LLC; GMACR Mortgage Products, LLC; GMAC-RFC Holding Company, LLC; GMACRH Settlement Services, LLC; HFN REO SUB II, LLC; Home Connects Lending Services, LLC; Homecomings Financial, LLC; Homecomings Financial Real Estate Holdings, LLC; Ladue Associates, Inc.; Passive Asset Transactions, LLC; PATI A, LLC; PATI B, LLC; PATI Real Estate Holdings, LLC; RAHI A, LLC; RAHI B, LLC; RAHI Real Estate Holdings, LLC; RCSFJV2004, LLC; Residential Accredit Loans, Inc.; Residential Asset Mortgage Products, Inc.; Residential Asset Securities Corporation; Residential Capital, LLC; Residential Consumer Services of Alabama, LLC; Residential Consumer Services of Ohio, LLC; Residential Consumer Services of Texas, LLC; Residential Consumer Services, LLC; Residential Funding Company, LLC; Residential Funding Mortgage Exchange, LLC; Residential Funding Mortgage Securities I, Inc.; Residential Funding Mortgage Securities II, Inc.; Residential Funding Real Estate Holdings, LLC; Residential Mortgage Real Estate Holdings, LLC; RFC Asset Holdings II, LLC; RFC Asset Management, LLC; RFC Borrower LLC; RFC Construction Funding, LLC; RFC SFJV-2002, LLC; and RFC-GSAP Servicer Advance, LLC.

RECITALS

WHEREAS, each of the Debtors is contemplating filing a voluntary petition for relief under chapter 11 of the Bankruptcy Code, 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code"), with the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court");

WHEREAS, the Consenting Claimants hold, and/or are authorized investment managers for holders of, certain notes, bonds and/or certificates (collectively, the "Securities") backed by mortgage loans held by certain of the securitization trusts identified on the attached **Exhibit A** (the "Covered Trusts"), and the Covered Trusts assert claims (each, a "Rep and Warranty Claim"), as defined in section 101(5) of the Bankruptcy Code, against the Debtors arising out of alleged breaches of representations and warranties and other provisions contained in Pooling and Servicing Agreements, Assignment and Assumption Agreements, Indentures, Mortgage Loan Purchase Agreements and/or other agreements governing the securitization of mortgage loans by and activities of the Covered Trusts (collectively, the "Governing Agreements");

WHEREAS, the Consenting Claimants have indicated their intent under the Governing Agreements to seek action by the trustees under the Covered Trusts (each a "Trustee") to compel the Debtors or Ally to cure the alleged breaches of representations and warranties, and to assert other breaches, and the Debtors and Ally dispute such allegations of breach and waive no rights, and preserve all of their defenses, with respect to such allegations and putative cure requirements;

WHEREAS, the Debtors and the Consenting Claimants have engaged in arm's-length, good faith negotiations regarding the restructuring of the Debtors and have agreed upon (i) a term sheet, as set forth in **Exhibit B** attached hereto (the "Plan Term Sheet"), for a chapter 11 plan of reorganization, (ii) a proposed settlement that the Debtors will pursue and diligently prosecute pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure that would resolve claims of the trustees for the Covered Trusts and other RMBS trusts (the "Other RMBS Trusts" and, together with the Covered Trusts, the "Trusts"), against the Debtors (the "RMBS Trust Settlement Agreement"), and (iii) a settlement between the Debtors and Ally, to be embodied in a chapter 11 plan of reorganization (such plan, the "Plan", and such agreement, the "AFI Settlement Agreement" a copy of which is attached as Exhibit 4 to the Plan Term Sheet), pursuant to which Ally will contribute value, including a cash contribution in an amount of no less than $750 million (the "Cash Contribution") to ResCap to facilitate the Plan in exchange for Ally and ResCap resolving claims asserted by each against the other and resolving third party claims alleged against Ally relating to ResCap;[2]

---

[2] For the avoidance of doubt, as used herein, the term "Plan" means a chapter 11 plan of reorganization that contains the same terms set forth in, and is otherwise consistent with, the Plan Term Sheet, the AFI Settlement Agreement and this Agreement. In the event of any inconsistencies with the terms and conditions of this Agreement and the Plan Term Sheet, the terms and conditions of the Plan Term Sheet shall control. Capitalized terms used but not defined herein have the meanings ascribed to them in the Plan Term Sheet and the AFI Settlement Agreement.

EXECUTION COPY

WHEREAS, in accordance with the terms of this Agreement, the Parties have agreed to work together to facilitate consummation of the RMBS Trust Settlement Agreement, the AFI Settlement Agreement, the Plan Term Sheet and confirmation of the Plan and the transactions contemplated thereby (collectively, the "Restructuring"); and

NOW, THEREFORE, in consideration of the foregoing and the promises, mutual covenants, and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

Section 1. The Settlement and the Restructuring.

(a) The Restructuring will be implemented pursuant to cases commenced by the Debtors under chapter 11 of the Bankruptcy Code (collectively, the "Chapter 11 Cases") in accordance with this Agreement;

(b) On or prior to May 14, 2012, the Debtors shall file voluntary petitions commencing the Chapter 11 Cases in the Bankruptcy Court (the date of such filings, the "Petition Date");

(c) Each of the Parties agrees to negotiate in good faith the Definitive Documents (as defined in the Plan Term Sheet), including the Plan and a disclosure statement describing the Plan (the "Disclosure Statement"), both of which shall contain the same terms set forth in, and be materially consistent with, the Plan Term Sheet and AFI Settlement Agreement, and, shall be materially consistent with the methodology of allocation of sale proceeds, settlement proceeds, and all other matters that determine distributions to creditors as set forth in the May 9, 2012 and May 12, 2012 Executive Summaries (the "Executive Summaries") given by Debtors' counsel to the steering committee appointed by the Consenting Claimants (the "Steering Committee"), and the Plan or a motion filed in connection with the sale of the Debtors' mortgage loan origination business shall provide for the assumption and assignment of all or substantially all of the pooling and servicing agreements (and any similar agreements) of the Trusts; and

(d) Each of the Parties acknowledges that one or more of the Consenting Claimants may act as an investment manager or investment adviser for other entities that are not a Consenting Claimant (each, a "Consenting Claimant Client"). The Consenting Claimant Clients hold or may hold individual claims against one or more of the Debtors or against Ally that do not belong to the Consenting Claimants. Nothing in this Agreement shall be deemed to waive or compromise the right of any Consenting Claimant Client to appear on its own behalf in the Debtors' Chapter 11 cases to pursue any of their respective rights. By their signatures hereunder, all Parties acknowledge that the Consenting Claimants do not waive, release or extinguish any claims under the securities or anti-fraud laws of the United States or of any state belonging to any Consenting Claimant Client.

Section 2. <u>The Debtors' Obligations Under this Agreement.</u>

2.1 Settlement of Allowed Claims

As long as a Debtor Termination Event or Ally Termination Event (as defined herein) has not occurred, or has occurred but has been duly waived in accordance with the terms hereof, the Debtors agree to:

(a) orally present this RMBS Trust Settlement Agreement in court on the Petition Date, including the agreed allowed claim amount; file a motion in the Bankruptcy Court as soon as practicable, but in no event later than fourteen (14) days after the Petition Date for approval of the RMBS Trust Settlement Agreement and the compromise contained therein; and obtain an order from the Bankruptcy Court approving such motion by the earlier of (i) 60 days after the Petition Date and (ii) the date on which the Disclosure Statement is approved by the Bankruptcy Court;

(b) for 60 days following the Petition Date, offer to all Other RMBS Trusts a settlement of their claims on the same economic terms as for the Covered Trusts; and

(c) take any and all other reasonably necessary actions in furtherance of the RMBS Trust Settlement Agreement and the compromise contemplated thereby.

2.2 Implementation of the Restructuring.

As long as a Debtor Termination Event has not occurred, or has occurred but has been duly waived in accordance with the terms hereof, the Debtors agree to:

(a) Use best efforts to effectuate and consummate the Restructuring contemplated by the Plan Term Sheet, including the AFI Settlement Agreement, so long as the AFI Settlement Agreement includes the Cash Contribution, in accordance with the deadlines and conditions specified in the milestones set forth on **<u>Exhibit C</u>** attached hereto (the "<u>Milestones</u>");

(b) file a motion in the Bankruptcy Court within 21 days after the Petition Date seeking authority to perform under this Agreement and to use their commercially reasonable efforts to obtain an order from the Bankruptcy Court approving such motion contemporaneously with approval of the Disclosure Statement;

(c) obtain any and all required regulatory approvals and material third-party approvals for confirmation and effectiveness of the Plan; and

(d) take any and all reasonably necessary actions in furtherance of the Plan.

Notwithstanding anything in this Agreement to the contrary, the Consenting Claimants have not waived their right to file an objection to a motion of the holders of the ResCap 9 5/8% bonds requesting payment of any interest on account of their ResCap 9 5/8% bond claims that may be due and owing after the Petition Date.

The Debtors also agree to move, as part of the motion to approve this Agreement, for permission for the filing under seal of any Rule 2019 disclosure required in the Bankruptcy Case, subject to confidential review solely by the Court, the Office of the United States Trustee, any official committee of unsecured creditors appointed in the Chapter 11 Cases, and Ally.

2.3 Conditions Precedent to Payment by Debtors.

Notwithstanding the filing of the motion described in section 2.1(a) with the Bankruptcy Court, or entry of an order of the Bankruptcy Court approving such motion, no payment shall be made to the Covered Trusts prior to the effective date of the Plan.

2.4 The Debtors' Fiduciary Obligations.

Notwithstanding anything contained in this Agreement to the contrary, following the good faith determination by the Debtors and their respective Boards of Directors that a proposal or offer for a chapter 11 plan or other restructuring transaction that is not consistent with the transaction contemplated hereby (an "Alternative Restructuring") constitutes a proposal that is reasonably likely to be more favorable than the Restructuring to the Debtors' estates, their creditors, and other parties to whom the Debtors owe fiduciary duties, and receipt of approval by the Debtors' Boards of Directors to pursue such Alternative Restructuring, the Debtors may immediately terminate their obligations under this Agreement by written notice to counsel for the Consenting Claimants and Ally, and all obligations of the Consenting Claimants and their obligees under this Agreement shall be terminated immediately; provided, however, that an Alternative Restructuring shall be no less favorable to the Consenting Claimants than the Restructuring contemplated by the Plan.

Section 3. The Consenting Claimants' Obligations Under this Agreement.

3.1 Support of Restructuring.

As long as a Consenting Claimant Termination Event (as defined herein) has not occurred, or has occurred but has been duly waived in accordance with the terms hereof, the Consenting Claimants each agree to, and, promptly after the execution of this Agreement, shall Direct the Trustees, in accordance with the terms and conditions of the Governing Agreements, to:

(a) Support (as defined below) the prosecution of the Debtors' first- and second-day pleadings (including interim and final relief thereof, as applicable) including those pleadings listed on **Exhibit D** hereto; provided that if giving any Direction is impracticable, the Consenting Claimant Steering Committee shall request and Support the Trustees to accommodate the relief sought by the Debtors;

(b) Use commercially reasonable efforts (including a public statement of counsel requesting others to join), which do not require the expenditure of funds or undertaking of any obligation, to obtain agreement to this Agreement and the RMBS Trust Settlement Agreement from holders of Securities backed by mortgage loans held by the Covered Trusts other than the Consenting Claimants

party to this Agreement on the first day of its execution, substantially in the form attached hereto as **Exhibit E**;

(c) Support the Debtors' efforts to pursue the Restructuring contemplated by the Plan Term Sheet and the AFI Settlement Agreement (including the Cash Contribution set forth therein);

(d) Support the Debtors' prosecution of their Chapter 11 Cases consistent with this Agreement, the Plan Term Sheet, and the AFI Settlement Agreement, including the Cash Contribution set forth therein and take no action otherwise adverse to the Debtors during the Chapter 11 Cases;

(e) Support entry of an injunction staying litigation against Ally and current and former directors and officers of Ally and ResCap during the pendency of the Chapter 11 Cases;

(f) Permit all disclosures in the Disclosure Statement and any filings by the Debtors and Ally with any regulatory agency to which the Debtors and Ally may be subject, of the contents of this Agreement, including the aggregate amount and nature of Rep and Warranty Claims;

(g) Support entry of any order approving the Disclosure Statement to permit solicitation of the Plan;

(h) Direct the Trustees to vote to accept the Plan, provided, however, that (i) the Bankruptcy Court has entered an order approving the Disclosure Statement, (ii) the Consenting Claimants have been properly solicited pursuant to section 1125 of the Bankruptcy Code, and (iii) the material terms of the Plan and the Disclosure Statement are consistent with the terms of the Plan Term Sheet and incorporate terms no less favorable than the AFI Settlement Agreement; and

(i) Support confirmation of the Plan and approval of any settlement with Ally, whether or not such settlement is provided for under a plan of reorganization, including approval of third party releases in Ally's favor, on terms no less favorable than the AFI Settlement Agreement (including the Cash Contribution set forth therein), or any comparable sale under Section 363 of the Bankruptcy Code that provides and is conditioned on the same AFI Settlement Agreement (including the Cash Contribution set forth therein) and provides the same benefits to the Trusts and take no action otherwise adverse to Ally during the Chapter 11 Cases.

"Support" means to take commercially reasonable actions that do not require the expenditure of funds or undertaking of any obligations, including active participation in court hearings by counsel to the Consenting Claimants, attending meetings, and working with the Trustees to facilitate acceptance of the compromise contemplated by the Settlement Agreement. The Debtors and Ally acknowledge that the Consenting Claimants' Support obligation is made for themselves and, to the extent each of them has the authority, with respect to any other entities, account holders, or accounts for which or on behalf of which it is signing this Agreement. The

Consenting Claimants reasonably believe, and will inform the Bankruptcy Court and the Trustees, that the contemplated Plan is in the best interests of holders of Securities in the Trusts. This agreement of Support does not bar any Consenting Claimant Client from taking any contrary position. "Direct" means to provide, and "Direction" means, a written direction, but does not require the giving of any indemnity or other payment obligation.

3.2 Amendments to Governing Agreements.

The Consenting Claimants agree to use commercially reasonable efforts (which shall not require the giving of any indemnity or other payment obligation or expenditure of out-of-pocket funds) to negotiate any request by the Debtors or the Trustees for Trusts that are being assumed, and if any Trustee shall require a vote of the certificate or note holders with respect thereto, shall vote in favor of (to the extent agreement is reached) any amendment to the relevant Governing Agreements and related documents requested by the Debtors in order to permit "Advances" (as it or any similar term may be defined in the Governing Agreements) to be financeable and to make such other amendments thereto as may be reasonably requested by the Debtors in accordance with any agreement to acquire all or substantially all of the Debtors' servicing assets pursuant to the Restructuring and the Plan, so long as such changes would not cause material financial detriment to the Trusts, their respective trustees, certificate or note holders, or the Consenting Claimants.

3.3 Transfer of Claims or Securities.

The Consenting Claimants currently and collectively hold Securities representing in aggregate 25% of the voting rights in one or more classes of Securities of not less than 290 of the Covered Trusts. The Consenting Claimants, collectively, shall maintain holdings aggregating 25% of the voting rights in one or more classes of Securities of not less than 235 of the Covered Trusts ("Requisite Holdings") until the earliest of: (i) confirmation of the Plan, (ii) December 31, 2012, (iii) a Consenting Claimant Termination Event, (iv) a Debtor Termination Event, or (v) an Ally Termination Event; provided, however, that any reduction in Requisite Holdings caused by: (a) sales by Maiden Lane I and Maiden Lane III; or(b) exclusion of one or more trusts due to the exercise of Voting Rights by a third party guarantor or financial guaranty provider, shall not be considered in determining whether the Requisite Holdings threshold has been met. If the Requisite Holdings are not maintained, each of Ally and ResCap shall have the right to terminate the Agreement, but neither Ally nor ResCap shall terminate the Agreement before each it has conferred in good faith with the Consenting Claimants concerning whether termination is warranted. For the avoidance of doubt, other than as set forth above, this Agreement shall not restrict the right of any Consenting Claimant to sell or exchange any Securities issued by a Trust free and clear of any encumbrance. The Consenting Claimants will not sell any of the Securities for the purpose of avoiding their obligations under this Agreement, and each Consenting Claimant (except Maiden Lane I and Maiden Lane III) commits to maintain at least one position in one of the Securities in one of the Trusts until the earliest of the dates set forth above. If the Debtor or Ally reach a similar agreement to this with another bondholder group, the Debtor and Ally will include a substantially similar proportionate holdings requirement in that agreement as contained herein.

3.4 Further Acquisition of Claims or Securities.

This Agreement shall in no way be construed to preclude the Consenting Claimants or any of their affiliates (as defined in section 101(2) of the Bankruptcy Code) from acquiring additional Securities or claims against the Debtors following the Consenting Claimants' execution of the Agreement; provided, however, that any such additional Securities acquired by a commonly managed portfolio of the Consenting Claimants that are signatory hereto shall automatically be deemed to be subject to the terms of this Agreement. The Consenting Claimants further agree that they will not knowingly create any subsidiary or affiliate for the sole purpose of acquiring any Securities without causing such affiliate to become a Party hereto prior to such acquisition.

3.5 Representation of the Consenting Claimants' Holdings.

Each of the Consenting Claimants represents that:

(a) it has the authority to take the actions contemplated by this Agreement, to the extent that it has the authority with respect to any other entities, account holders, or accounts for which or on behalf of which it is signing this Agreement;

(b) it holds, or is the authorized investment manager for the holders of, the securities listed in the schedule attached hereto as **Exhibit F**, in the respective amounts set forth therein by CUSIP number, that such schedule was materially accurate as of the date set forth for the respective institution, and that since the date set forth for the Consenting Claimant the Consenting Claimant has not, in the aggregate, materially decreased the Consenting Claimant's holdings in the Securities;

(c) in connection with the Direction to be provided to the Trustees hereunder, it shall deliver to the Debtors and Ally signed copies of the holdings certifications it provides to the Trustees of the Covered Trusts promptly after the certifications are provided to the Trustees; and

(d) lead counsel to the Consenting Claimants, Gibbs & Bruns, has represented to ResCap that the Consenting Claimants have aggregate holdings of securities of greater than 25% of the voting rights in one or more classes of the securities, certificates or other instruments backed by the mortgages held by each of the Covered Trusts (as defined in the Plan Support Agreement).

The Debtors and the Consenting Claimants agree that the aggregate amount of the holdings of capitalized securities of the Consenting Claimants may be disclosed publicly, but that the individual holdings shall remain confidential, subject to review by the Bankruptcy Court, the Office of the United States Trustee, and any official committee of unsecured creditors appointed in the Chapter 11 Cases, and the Debtors shall, in connection with seeking approval of entry into this Agreement, seek a protective order as to such holdings.

3.6 Fiduciary Obligations of Consenting Claimants if Serving On Creditors' Committee. Any Consenting Claimants who serve on the official committee of unsecured

creditors appointed in the Chapter 11 Cases shall not be restricted in any manner by this Agreement from taking any actions or inaction in its capacity as a member of that committee.

Section 4. Obligations of Ally Under this Agreement

(a) Ally consents to, and shall not object to, approval of the RMBS Trust Settlement Agreement or any allowance of the claims of the Trusts in any amount at or less than the aggregate amount of $8,700,000,000, or to any allocation of such claims among the Trusts reasonably proposed by the Consenting Claimants.

(b) Ally shall comply with the AFI Settlement Agreement in accordance with the terms and conditions thereof.

Section 5. <u>Mutual Obligations of the Parties Under this Agreement.</u>

As long as a Termination Event has not occurred or has occurred but has been duly waived in accordance with the terms hereof, each of the Parties agrees that it shall not:

(a) directly or indirectly seek, solicit, support, or vote in favor of any Alternative Restructuring that could reasonably be expected to prevent, delay, or impede the Restructuring contemplated by the Plan Term Sheet and the AFI Settlement Agreement or that is inconsistent with this Agreement, unless the Debtors, the Requisite Consenting Claimants and Ally have all agreed, in writing, to pursue an Alternative Restructuring;

(b) directly nor indirectly (i) engage in, continue, or otherwise participate in any negotiations regarding any Alternative Restructuring, (ii) enter into a letter of intent, memorandum of understanding, agreement in principle, or other agreement relating to any Alternative Restructuring, or (iii) withhold, withdraw, qualify, or modify its approval or recommendation of this Agreement, the Plan Term Sheet, the Plan, the Restructuring, or the AFI Settlement Agreement, including the Cash Contribution set forth therein;

(c) encourage any other entity to object to, delay, impede, appeal, or take any other action, directly or indirectly, to interfere with the Restructuring;

(d) take any action that is inconsistent with this Agreement, the Plan Term Sheet, the AFI Settlement Agreement, including the Cash Contribution set forth therein, or the Plan, or that would obstruct or delay approval of the Disclosure Statement or confirmation and consummation of the Plan; and

(e) Notwithstanding anything else in this Agreement to the contrary (including Section 2), (i) if a Consenting Claimant or its investment advisor has in place an informational wall with respect to this matter, it shall not be a breach of this Agreement if persons screened from confidential information make public statements with respect to this matter, or take actions with respect to other claims and securities that are not subject to this Agreement, that do not support the Restructuring, Plan, or RMBS Trust Settlement Agreement, and (ii) the Debtors

and Ally shall have the right to consider and pursue any Alternative Restructuring that is not materially worse for the Consenting Claimants.

Section 6. Termination.

6.1 Consenting Claimant Termination Events.

The term "Consenting Claimant Termination Event," wherever used in this Agreement, means any of the following events (whatever the reason for such Termination Event and whether it is voluntary or involuntary):

(a) Any of the Debtors or Ally has breached any material provision of this Agreement or the RMBS Trust Settlement Agreement and any such breach has not been duly waived by the Requisite Consenting Claimants;

(b) any material modification is made to the Plan Term Sheet or the Plan that is not in form and substance satisfactory to the Requisite Consenting Claimants;

(c) any of the Definitive Documents (as defined in the Plan Term Sheet), including the Plan, is filed with the Bankruptcy Court by the Debtors and is inconsistent with the Plan Term Sheet in any material respects, unless otherwise acceptable to the Requisite Consenting Claimants;

(d) the Bankruptcy Court has entered an order in any of the Chapter 11 Cases appointing (i) a trustee under chapter 7 or chapter 11 of the Bankruptcy Code, (ii) a responsible officer, or (iii) an examiner with enlarged powers relating to the operation of the business (powers beyond those set forth in sub-clauses (3) and (4) of section 1106(a) of the Bankruptcy Code) under section 1106(b) of the Bankruptcy Code;

(e) conversion or dismissal of the Chapter 11 Cases of any of the Debtors;

(f) any termination or lifting of any of the Debtors' exclusivity to file a plan of reorganization;

(g) any breach or termination of (i) any purchase and sale agreement for the Debtors' mortgage loan origination business or loans held for sale business or (ii) the AFI Settlement Agreement;

(h) any default or event of default under any debtor-in-possession financing obtained by the Debtors;

(i) any order entered permitting Ally to lift the automatic stay provided under Bankruptcy Code section 362 (the "Automatic Stay") that has a material adverse effect on the Consenting Claimants;

(j) any order granted to any other secured lender to lift the Automatic Stay with respect to any material assets of the Debtors that has a material adverse effect on the Consenting Claimants;

(k) any court has entered a final, non-appealable judgment or order declaring this Agreement or any material portion hereof to be unenforceable, or the filing of a motion to reject this Agreement; or

(l) the Debtors fail to comply with the deadlines and conditions set forth in the Milestones.

6.2 Debtor and Ally Termination Events.

The terms "Debtor Termination Event" and "Ally Termination Event," wherever used in this Agreement, mean a breach of any material provision of this Agreement or the RMBS Trust Settlement Agreement by Consenting Claimants, whatever the reason for such Termination Event and whether it is voluntary or involuntary.

6.3 Beneficiaries of Termination Rights.

The Consenting Claimant Termination Events, the Debtor Termination Events, and the Ally Termination Events (collectively, "Termination Events") in Section 6 are intended solely for the benefit of the Debtors, Ally and the Consenting Claimants; provided, however, that the Consenting Claimants, Ally or a Debtor may not seek to terminate this Agreement based upon a material breach or a failure of a condition (if any) in this Agreement arising out of its own actions or omissions.

6.4 Termination Event Procedures.

Upon the occurrence of a Debtor Termination Event or an Ally Termination Event, this Agreement shall automatically terminate without further action of the Parties or action or order of the Bankruptcy Court unless no later than five (5) business days after the occurrence of such Termination Event, the occurrence of such Termination Event is waived in writing by the Debtors or Ally, respectively. Upon the occurrence of a Consenting Claimant Termination Event, this Agreement shall only terminate after the Requisite Consenting Claimants provide Ally and the Debtors with three-days' advance written notice of termination. In the event the Agreement is terminated, the Parties shall not have any continuing liability or obligation under the Agreement and each Party shall have all the rights and remedies available to it under applicable law; provided, however, that no such termination shall relieve any Party from liability for its breach or non-performance of its obligations hereunder prior to the date of termination.

The Parties hereby waive any requirement under section 362 of the Bankruptcy Code to lift the Automatic Stay in connection with giving any such notice (and agree not to object to any non-breaching Party seeking to lift the Automatic Stay in connection with giving any such notice, if necessary). Any such termination (or partial termination) of the Agreement shall not restrict the Parties' rights and remedies for any breach of the Agreement by any Party, including, but not limited to, the reservation of rights set forth in Section 8 hereof.

6.5 Mutual Consent to Termination.

In addition to the Termination Events set forth in sections 6.1 and 6.2 hereof, this Agreement shall be terminable immediately upon written notice to all of the Parties of the written agreement of the Requisite Consenting Claimants, the Debtors and Ally to terminate this Agreement.

6.6 Termination As a Result of the Effective Date.

On the effective date of the Plan, the Plan shall supersede and replace this Agreement.

Section 7. Mutual Representations, Warranties, and Covenants.

Each Party makes the following representations, warranties, and covenants to each of the other Parties, each of which are continuing representations, warranties, and covenants:

7.1 Good Faith.

The Parties agree to negotiate in good faith all of the documents and transactions described in the Plan Term Sheet and in this Agreement.

7.2 Enforceability.

Subject to Section 10.8 of this Agreement and the provisions of sections 1125 and 1126 of the Bankruptcy Code, this Agreement is a legal, valid, and binding obligation, enforceable against the Debtors, Ally and the Consenting Claimants in accordance with its terms, except as enforcement may be limited by applicable laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability.

7.3 No Consent or Approval.

Except as expressly provided in this Agreement, no consent or approval is required by any other entity in order for it to carry out the provisions of this Agreement.

7.4 Power and Authority.

The Parties are duly organized, validly existing, and in good standing under the laws of their jurisdictions of organization and the Parties have all requisite corporate, partnership, or limited liability company power and authority to enter into this Agreement and to carry out the transactions contemplated by, and perform its respective obligations under, this Agreement and the Plan Term Sheet.

7.5 Authorization.

The execution and delivery of this Agreement and the performance of its obligations hereunder have been duly authorized by all necessary corporate, partnership, or limited liability company action on its part.

7.6 Governmental Consents.

Subject to the provisions of section 10.8 of the Agreement, the execution, delivery, and performance by the Parties of this Agreement does not and shall not require any registration or filing with or consent or approval of, or notice to, or other action to, with or by, any federal, state, or other governmental authority or regulatory body, except such filings as may be necessary and/or required under the federal securities laws or as necessary for the approval of a disclosure statement and confirmation of the Plan by the Bankruptcy Court.

7.7 No Conflicts.

The execution, delivery, and performance of this Agreement, after taking into account screening walls, does not and shall not: (a) violate any provision of law, rule, or regulation applicable to it or, in the case of the Debtors, any of its subsidiaries; (b) violate its certificate of incorporation, bylaws (or other formation documents in the case of a limited liability company) or, in the case of the Debtors, those of any of its subsidiaries; or (c) conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any material contractual obligation to which it or, in the case of the Debtors, any of its subsidiaries is a party.

Section 8. <u>No Waiver of Participation and Preservation of Rights.</u>

The Plan Term Sheet provides for an agreed plan treatment with respect to claims held by the Consenting Claimants against the Debtors and for releases of claims held by, among others, the Consenting Claimants against Ally. Subject to the terms and conditions contained in Plan Term Sheet and the RMBS Trust Settlement Agreement, nothing herein is intended to, does or shall be deemed in any manner to waive, limit, impair, or restrict the ability of the Consenting Claimants to protect and preserve their rights, remedies, and interests, including their claims against any of the Debtors, any liens or security interests they may have in any assets of any of the Debtors, or their full participation in the Chapter 11 Cases, except as may be inconsistent with the provisions of this Agreement. Without limiting the foregoing sentence in any way, if the transactions contemplated by this Agreement or otherwise set forth in the Plan Term Sheet are not consummated as provided herein, if a Termination Event occurs or if this Agreement is otherwise terminated for any reason, the Parties each fully reserve any and all of their respective rights, remedies and interests.

Section 9. <u>Acknowledgement.</u>

THIS AGREEMENT, THE PLAN TERM SHEET, AND THE TRANSACTIONS CONTEMPLATED HEREIN AND THEREIN, ARE THE PRODUCT OF NEGOTIATIONS BETWEEN THE PARTIES AND THEIR RESPECTIVE REPRESENTATIVES. EACH PARTY HEREBY ACKNOWLEDGES THAT THIS AGREEMENT IS NOT AND SHALL NOT BE DEEMED TO BE A SOLICITATION OF VOTES FOR THE ACCEPTANCE OF A CHAPTER 11 PLAN FOR THE PURPOSES OF SECTIONS 1125 AND 1126 OF THE BANKRUPTCY CODE OR OTHERWISE. THE DEBTORS WILL NOT SOLICIT ACCEPTANCES OF THE PLAN FROM THE CONSENTING CLAIMANTS UNTIL THE CONSENTING CLAIMANTS HAVE BEEN PROVIDED WITH COPIES OF A DISCLOSURE STATEMENT APPROVED BY THE BANKRUPTCY COURT. EACH

PARTY FURTHER ACKNOWLEDGES THAT NO SECURITIES OF ANY DEBTOR ARE BEING OFFERED OR SOLD HEREBY AND THAT THIS AGREEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OF ANY DEBTOR.

Section 10. Miscellaneous Terms.

10.1 Voluntariness; Binding Obligation; Assignment.

(a) **Voluntariness.** Each Party acknowledges that it has read all of the terms of this Agreement, has had an opportunity to consult with counsel of its own choosing or voluntarily waived such right and enters into this Agreement voluntarily and without duress.

(b) **Binding Obligation.** Subject to the provisions of sections 1125 and 1126 of the Bankruptcy Code, this Agreement is a legally valid and binding obligation of the Parties and their respective members, officers, directors, agents, financial advisors, attorneys, employees, partners, affiliates, successors, assigns, heirs, executors, administrators, and representatives, other than a trustee or similar representative appointed in the Chapter 11 Cases, enforceable in accordance with its terms, and shall inure to the benefit of the Parties and their respective members, officers, directors, agents, financial advisors, attorneys, employees, partners, affiliates, successors, assigns, heirs, executors, administrators, and representatives. Nothing in this Agreement, express or implied, shall give to any Entity, other than the Parties and their respective members, officers, directors, agents, financial advisors, attorneys, employees, partners, affiliates, successors, assigns, heirs, executors, administrators, and representatives, any benefit or any legal or equitable right, remedy or claim under this Agreement.

(c) **Assignment.** No rights or obligations of any Party under this Agreement may be assigned or transferred to any other entity except as provided in Section 3.3.

(d) **Several Obligations of Consenting Claimants.** The representations, warranties and covenants applicable to each of the Consenting Claimants shall be several and neither joint nor joint and several.

10.2 Further Assurances.

The Parties agree to execute and deliver such other instruments and perform such acts, in addition to the matters herein specified, as may be reasonably appropriate or necessary, from time to time, to effectuate the agreements and understandings of the Parties, whether the same occurs before or after the date of this Agreement.

10.3 No Admission of Breach or Wrongdoing.

The Debtors and Ally have denied and continue to deny any breach, fault, liability, or wrongdoing. This denial includes breaches of representations and warranties, violations of state or federal securities laws, and other claims sounding in contract or tort in connection with any

securitizations, including those for which the Debtors or Ally were the Seller, Servicer and/or Master Servicer. Neither this Plan Support Agreement nor the RMBS Trust Settlement Agreement, whether or not consummated, any proceedings relating to this Plan Support Agreement or the RMBS Trust Settlement Agreement, nor any of the terms of the Plan Support Agreement or the RMBS Trust Settlement Agreement, whether or not consummated, shall be construed as, or deemed to be evidence of, an admission or concession on the part of the Debtors or Ally with respect to any claim or of any breach, liability, fault, wrongdoing, or damage whatsoever, or with respect to any infirmity in any defense that the Debtors or Ally have or could have asserted.

10.4 No Admission Regarding Claim Status.

The Debtors and Ally expressly state that neither this Agreement, whether or not consummated, any proceedings relating to this Agreement, nor any of the terms of this Agreement, whether or not consummated, shall be construed as, or deemed to be evidence of, an admission or concession on the part of the Debtors or Ally that any claims asserted by the Consenting Claimants are not contingent, unliquidated or disputed. The Consenting Claimants expressly state that in the event this Agreement is not consummated or is terminated, neither this Agreement, nor any proceedings relating to this Agreement, nor any of the terms of this Agreement, shall be construed as, or deemed to be evidence of, an admission or concession on the part of the Consenting Claimants that any claims asserted by the Consenting Claimants and Trustees are not limited to the amounts set forth in this Agreement or are of any particular priority.

10.5 Headings.

The headings of all sections of this Agreement are inserted solely for the convenience of reference and are not a part of and are not intended to govern, limit, or aid in the construction or interpretation of any term or provision hereof.

10.6 Governing Law.

THIS AGREEMENT IS TO BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THE CHOICE OF LAWS PRINCIPLES THEREOF.

Further, by its execution and delivery of this Agreement, each of the Parties hereto hereby irrevocably and unconditionally agrees that the United States District Court for the Southern District of New York shall have jurisdiction to enforce this Agreement, provided, however, that, upon commencement of the Chapter 11 Cases, the Bankruptcy Court shall have exclusive jurisdiction of all matters arising out of or in connection with this Agreement.

10.7 Complete Agreement, Interpretation, and Modification.

(a) **Complete Agreement.** This Agreement and the Plan Term Sheet constitute the complete agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements, oral or written, between or among the Parties with respect thereto.

(b) **Interpretation.** This Agreement is the product of negotiation by and among the Parties. Any Party enforcing or interpreting this Agreement shall interpret it in a neutral manner. There shall be no presumption concerning whether to interpret this Agreement for or against any Party by reason of that Party having drafted this Agreement, or any portion thereof, or caused it or any portion thereof to be drafted.

(c) **Modification of Restructuring Agreements.** This Agreement and the Plan Term Sheet may only be modified, altered, amended, or supplemented by an agreement in writing signed by the Debtors, Ally and the Consenting Claimants.

10.8 Execution.

This Agreement may be executed and delivered (by facsimile or otherwise) in any number of identical counterparts, each of which, when executed and delivered, shall be deemed an original and all of which together shall constitute the same agreement. Except as expressly provided in this Agreement, each individual executing this Agreement on behalf of a Party has been duly authorized and empowered to execute and deliver this Agreement on behalf of said Party.

10.9 Remedies.

(a) Specific Performance.

It is understood that money damages are not a sufficient remedy for any breach of this Agreement, and the Parties shall have the right, in addition to any other rights and remedies contained herein, to seek specific performance, injunctive, or other equitable relief from the Bankruptcy Court as a remedy for any such breach. The Parties hereby agree that specific performance shall be their only remedy for any violation of this Agreement.

10.10 Settlement Discussions.

This Agreement and the Restructuring are part of a proposed settlement among the Parties with respect to the Plan treatment of claims including the Rep and Warranty Claims. Nothing herein shall be deemed an admission of any kind by ResCap, Ally and the Consenting Claimants. To the extent provided by Federal Rule of Evidence 408 and any applicable state rules of evidence, this Agreement and all negotiations relating thereto shall not be admissible into evidence in any proceeding other than a proceeding to enforce the terms of this Agreement.

10.11 Consideration.

The Debtors, Ally and the Consenting Claimants hereby acknowledge that no consideration, other than that specifically described herein and in the Plan shall be due or paid to the Consenting Claimants for their agreement to support confirmation of the Plan in accordance with the terms and conditions of this Agreement, other than the Debtors' agreement to use commercially reasonable efforts to obtain approval of the Disclosure Statement and to seek confirmation of the Plan in accordance with the terms and conditions of the Plan.

10.12 Third Party Beneficiaries.

There are no third party beneficiaries of this Agreement.

10.13 Notices.

All notices hereunder shall be deemed given if in writing and delivered, if sent by facsimile, courier, or by registered or certified mail (return receipt requested) to the following addresses (or at such other addresses or facsimile numbers as shall be specified by like notice):

(a) if to the Debtors, to: Residential Capital, LLC, 8400 Normandale Lake Boulevard, Suite 350, Minneapolis, Minnesota 55437; Attn: Tammy Hamzehpour; with copies to: Morrison & Foerster LLP, 1290 Avenue of the Americas, New York, New York, 10104, Attn: Larren Nashelsky, Gary Lee and Anthony Princi;

(b) if to the Consenting Claimants to: Gibbs & Bruns LLP, 1100 Louisiana, Suite 5300, Houston, TX 77002; Attn: Kathy D. Patrick; and Ropes & Gray LLP, 1211 Avenue of the Americas, New York, NY 10036-8704; Attn: D. Ross Martin and Keith H. Wofford; and

(c) if to Ally to: Ally Financial, Inc., 200 Renaissance Center, P.O. Box 200, Detroit, Michigan 48265-2000, Attn: William Soloman; with copies to: Kirkland & Ellis, 601 Lexington Avenue, New York, NY 10022, Attn: Ray Schrock.

Any notice given by delivery, mail, or courier shall be effective when received. Any notice given by facsimile shall be effective upon oral or machine confirmation of transmission.

* * * * *

IN WITNESS WHEREOF, the Parties have entered into this Agreement on the day and year first above written.

RESIDENTIAL CAPITAL, LLC, on behalf of itself and its subsidiaries

By: _____
Name: _____
Its: _____

ALLY FINANCIAL INC., on behalf of Ally

By: _____
Name: Michael A. Carpenter
Its: Chief Executive Officer

Dated: _____, 2012

CONSENTING CLAIMANT

By: _____
Name: _____
Its: _____
Telephone: _____
Facsimile: _____

Description of Rep and Warranty Claims held by Consenting Claimant:

Description: _____

Description and aggregate amount of any additional claims against the Debtors other than Rep and Warranty Claims:

$ _____
Description: _____

EXECUTION COPY

IN WITNESS WHEREOF, the Parties have entered into this Agreement on the day and year first above written.

RESIDENTIAL CAPITAL, LLC, on behalf of itself and its subsidiaries

By: _____
Name: Tammy Hamzehpour
Its: General Counsel

ALLY FINANCIAL, INC., on behalf of Ally

By: _____
Name: _____
Its: _____

Dated: _____, 2012

CONSENTING CLAIMANT

By: _____
Name: _____
Its: _____
Telephone: _____
Facsimile: _____

Description of Rep and Warranty Claims held by Consenting Claimant:

_____

Description and aggregate amount of any additional claims against the Debtors other than Rep and Warranty Claims:

_____

Description: _____

Western Asset Management Company

Name: W. Stephen Venable, Jr.
Title: Attorney

Dated: May ___, 2012

Thrivent Financial for Lutherans

Name: David S. Royal

Title: Vice President and Deputy General Counsel

Dated: May 11, 2012

Teachers Insurance and Annuity Association of America

Name: SANJEEV HANDA

Title: MANAGING DIRECTOR

Dated: May 13, 2012

The TCW Group, Inc. on behalf of itself and its subsidiaries

Name: Michael E. Cahill

Title: Executive Vice President

Name: David S. DeVito

Title: Executive Vice President

Dated: May ___, 2012

Douglas M. Hodge

Pacific Investment Management Company LLC

Name: Douglas M. Hodge

Title: Chief Operating Officer

Dated: May 13, 2012

Maiden Lane LLC and Maiden Lane III LLC by Federal Reserve Bank of New York, as managing member

Name: Stephanie Heller

Title: Senior Vice President and Deputy General Counsel

Dated: May ___, 2012

Neuberger Berman Europe Limited

Name: HEATHER ZUCKERMAN

Title: DIRECTOR

Dated: May 13, 2012

Nancy Mueller Handal

Metropolitan Life Insurance Company

Name: Nancy Mueller Handal

Title: Managing Director

Dated: May __13_, 2012

Cory B. N

Kore Advisors, L.P.

Name: Cory B. Nass

Title: General Counsel

Dated: May ___, 2012

Gerald T. Lins

ING Investment Management Co. LLC

Name: Gerald T. Lins

Title: Managing Director and Secretary

Dated: May 13, 2012

ING Investment Management LLC

Name: Christine Hurtsellers

Title: Executive Vice President

Dated: May 11, 2012

SERW

Goldman Sachs Asset Management, L.P.

Name:

Title:

Dated: May 10, 2012

Federal Home Loan Bank of Atlanta

Name: Reginald T. O'Shields

Title: General Counsel and Senior Vice President

Dated: May ___, 2012

Cascade Investment, L.L.C.

Name: Keith Traverse

Title: Authorized Representative

Dated: May ___, 2012

Bayerische Landesbank, acting through its New York Branch

Name: Oliver Molitor

Title: Executive Vice President

Dated: May ___, 2012

Bayerische Landesbank, acting through its New York Branch

Name: Bert von Stuelpnagel

Title: Executive Vice President

Dated: May ___, 2012

BlackRock Financial Management Inc. and its advisory affiliates

Name: RANDY ROBERTSON

Title: MANAGING DIRECTOR

Dated: May 11, 2012

AEGON USA Investment Management, LLC

Name:

Title:

Dated: May 13, 2012

Exhibit A- Trusts

Deal Name	Original Issue Balance (in Thousands)	Deal Name	Original Issue Balance (in Thousands)
2004-AR1	635.0	2004-QS12	424.3
2004-AR2	510.1	2004-QS13	129.2
2004-GH1	224.1	2004-QS14	212.9
2004-HE1	1,292.3	2004-QS15	213.7
2004-HE2	711.5	2004-QS16	534.7
2004-HE3	977.3	2004-QS2	292.3
2004-HE4	1,018.0	2004-QS3	207.8
2004-HE5	700.0	2004-QS4	320.6
2004-HI1	235.0	2004-QS5	293.7
2004-HI2	275.0	2004-QS6	156.5
2004-HI3	220.0	2004-QS7	449.2
2004-HLTV1	175.0	2004-QS8	271.0
2004-HS1	477.1	2004-QS9	105.1
2004-HS2	604.1	2004-RP1	199.5
2004-HS3	284.0	2004-RS1	1,400.0
2004-J1	401.0	2004-RS10	1,250.0
2004-J2	400.6	2004-RS11	925.0
2004-J3	350.0	2004-RS12	975.0
2004-J4	600.1	2004-RS2	875.0
2004-J5	551.9	2004-RS3	600.0
2004-J6	408.0	2004-RS4	1,100.0
2004-KR1	2,000.0	2004-RS5	1,050.0
2004-KR2	1,250.0	2004-RS6	1,000.0
2004-KS1	950.0	2004-RS7	1,183.7
2004-KS10	986.0	2004-RS8	900.0
2004-KS11	692.7	2004-RS9	950.0
2004-KS12	541.8	2004-RZ1	485.0
2004-KS2	990.0	2004-RZ2	475.0
2004-KS3	675.0	2004-RZ3	360.0
2004-KS4	1,000.0	2004-RZ4	276.6
2004-KS5	1,175.0	2004-S1	307.7
2004-KS6	1,000.0	2004-S2	362.0
2004-KS7	850.0	2004-S3	228.3
2004-KS8	600.0	2004-S4	460.3
2004-KS9	600.0	2004-S5	423.5
2004-PS1	100.1	2004-S6	527.2
2004-QA1	201.3	2004-S7	105.3
2004-QA2	365.1	2004-S8	311.0
2004-QA3	320.1	2004-S9	645.9
2004-QA4	290.2	2004-SA1	250.1
2004-QA5	325.1	2004-SL1	632.9
2004-QA6	720.3	2004-SL2	499.0
2004-QS1	319.9	2004-SL3	222.5
2004-QS10	216.6	2004-SL4	206.5
2004-QS11	217.5	2004-SP1	233.7

Deal Name	Original Issue Balance (in Thousands)	Deal Name	Original Issue Balance (in Thousands)
2004-SP2	145.1	2005-KS8	1,165.8
2004-SP3	306.9	2005-KS9	487.0
2004-VFT	820.7	2005-NC1	870.8
2005-AA1	265.6	2005-QA1	296.7
2005-AF1	235.5	2005-QA10	621.8
2005-AF2	296.9	2005-QA11	525.1
2005-AHL1	463.7	2005-QA12	285.2
2005-AHL2	434.2	2005-QA13	560.2
2005-AHL3	488.8	2005-QA2	501.0
2005-AR1	399.8	2005-QA3	500.0
2005-AR2	458.4	2005-QA4	525.2
2005-AR3	523.7	2005-QA5	241.8
2005-AR4	386.1	2005-QA6	575.5
2005-AR5	597.2	2005-QA7	575.0
2005-AR6	592.0	2005-QA8	519.5
2005-EFC1	1,101.5	2005-QA9	650.5
2005-EFC2	679.3	2005-QO1	711.1
2005-EFC3	731.9	2005-QO2	425.1
2005-EFC4	707.8	2005-QO3	500.6
2005-EFC5	693.3	2005-QO4	797.0
2005-EFC6	672.7	2005-QO5	1,275.1
2005-EFC7	698.2	2005-QS1	214.6
2005-EMX1	792.8	2005-QS10	265.7
2005-EMX2	620.4	2005-QS11	213.6
2005-EMX3	674.5	2005-QS12	528.9
2005-EMX4	492.6	2005-QS13	639.2
2005-EMX5	380.0	2005-QS14	615.8
2005-HE1	991.1	2005-QS15	431.5
2005-HE2	1,113.5	2005-QS16	428.0
2005-HE3	988.0	2005-QS17	540.1
2005-HI1	240.0	2005-QS2	213.0
2005-HI2	240.0	2005-QS3	475.6
2005-HI3	224.9	2005-QS4	211.7
2005-HS1	853.8	2005-QS5	214.0
2005-HS2	577.5	2005-QS6	265.1
2005-HSA1	278.8	2005-QS7	370.0
2005-J1	525.5	2005-QS8	104.1
2005-KS1	708.8	2005-QS9	371.0
2005-KS10	1,299.2	2005-RP1	343.1
2005-KS11	1,339.3	2005-RP2	301.1
2005-KS12	1,117.2	2005-RP3	282.5
2005-KS2	543.4	2005-RS1	975.0
2005-KS3	413.5	2005-RS2	725.0
2005-KS4	411.1	2005-RS3	741.3
2005-KS5	401.8	2005-RS4	522.4
2005-KS6	596.2	2005-RS5	497.5
2005-KS7	387.6	2005-RS6	1,183.2

Deal Name	Original Issue Balance (in Thousands)	Deal Name	Original Issue Balance (in Thousands)
2005-RS7	493.0	2006-HI4	272.7
2005-RS8	660.0	2006-HI5	247.5
2005-RS9	1,179.0	2006-HLTV1	229.9
2005-RZ1	203.8	2006-HSA1	461.4
2005-RZ2	333.7	2006-HSA2	447.9
2005-RZ3	340.0	2006-HSA3	201.0
2005-RZ4	411.2	2006-HSA4	402.1
2005-S1	463.1	2006-HSA5	295.6
2005-S2	260.9	2006-J1	550.0
2005-S3	183.1	2006-KS1	840.1
2005-S4	259.4	2006-KS2	977.5
2005-S5	258.2	2006-KS3	1,125.9
2005-S6	412.9	2006-KS4	687.8
2005-S7	311.7	2006-KS5	687.1
2005-S8	312.3	2006-KS6	529.1
2005-S9	366.6	2006-KS7	532.7
2005-SA1	295.2	2006-KS8	535.9
2005-SA2	500.8	2006-KS9	1,197.1
2005-SA3	675.2	2006-NC1	536.8
2005-SA4	850.5	2006-NC2	745.2
2005-SA5	355.3	2006-NC3	504.9
2005-SL1	370.5	2006-QA1	603.9
2005-SL2	168.9	2006-QA10	375.5
2005-SP1	831.0	2006-QA11	372.4
2005-SP2	490.2	2006-QA2	394.0
2005-SP3	285.7	2006-QA3	398.5
2006-AR1	508.7	2006-QA4	304.4
2006-AR2	373.0	2006-QA5	695.6
2006-EFC1	593.2	2006-QA6	625.8
2006-EFC2	387.6	2006-QA7	588.2
2006-EMX1	424.6	2006-QA8	795.1
2006-EMX2	550.1	2006-QA9	369.2
2006-EMX3	773.6	2006-QH1	337.9
2006-EMX4	661.7	2006-QO1	901.2
2006-EMX5	580.2	2006-QO10	895.7
2006-EMX6	620.5	2006-QO2	665.5
2006-EMX7	495.3	2006-QO3	644.8
2006-EMX8	698.6	2006-QO4	843.2
2006-EMX9	728.8	2006-QO5	1,071.6
2006-HE1	1,274.2	2006-QO6	1,290.3
2006-HE2	626.2	2006-QO7	1,542.4
2006-HE3	1,142.3	2006-QO8	1,288.1
2006-HE4	1,159.1	2006-QO9	895.6
2006-HE5	1,244.5	2006-QS1	323.8
2006-HI1	214.2	2006-QS10	533.6
2006-HI2	237.4	2006-QS11	751.5
2006-HI3	223.2	2006-QS12	541.3

Deal Name	Original Issue Balance (in Thousands)	Deal Name	Original Issue Balance (in Thousands)
2006-QS13	641.0	2006-SP3	291.9
2006-QS14	753.7	2006-SP4	303.9
2006-QS15	538.6	2007-EMX1	692.9
2006-QS16	752.1	2007-HE1	1,185.9
2006-QS17	537.0	2007-HE2	1,240.9
2006-QS18	1,181.9	2007-HE3	350.6
2006-QS2	881.7	2007-HI1	255.0
2006-QS3	969.8	2007-HSA1	546.8
2006-QS4	752.3	2007-HSA2	1,231.4
2006-QS5	698.0	2007-HSA3	796.4
2006-QS6	858.8	2007-KS1	415.6
2006-QS7	537.5	2007-KS2	961.5
2006-QS8	966.3	2007-KS3	1,270.3
2006-QS9	540.1	2007-KS4	235.9
2006-RP1	293.0	2007-QA1	410.1
2006-RP2	317.0	2007-QA2	367.0
2006-RP3	290.4	2007-QA3	882.4
2006-RP4	357.4	2007-QA4	243.5
2006-RS1	1,173.6	2007-QA5	504.1
2006-RS2	785.6	2007-QH1	522.3
2006-RS3	741.6	2007-QH2	348.4
2006-RS4	887.5	2007-QH3	349.5
2006-RS5	382.6	2007-QH4	401.0
2006-RS6	372.2	2007-QH5	497.5
2006-RZ1	483.8	2007-QH6	597.0
2006-RZ2	368.6	2007-QH7	347.0
2006-RZ3	688.3	2007-QH8	560.1
2006-RZ4	851.8	2007-QH9	594.4
2006-RZ5	505.1	2007-QO1	625.1
2006-S1	367.1	2007-QO2	529.3
2006-S10	1,087.7	2007-QO3	296.3
2006-S11	623.2	2007-QO4	502.8
2006-S12	1,204.3	2007-QO5	231.2
2006-S2	260.6	2007-QS1	1,297.4
2006-S3	337.8	2007-QS10	435.8
2006-S4	313.9	2007-QS11	305.8
2006-S5	678.1	2007-QS2	536.7
2006-S6	599.6	2007-QS3	971.6
2006-S7	469.7	2007-QS4	746.9
2006-S8	416.3	2007-QS5	432.7
2006-S9	442.3	2007-QS6	808.3
2006-SA1	275.1	2007-QS7	803.3
2006-SA2	791.3	2007-QS8	651.8
2006-SA3	350.9	2007-QS9	707.0
2006-SA4	282.3	2007-RP1	334.4
2006-SP1	275.9	2007-RP2	263.3
2006-SP2	348.1	2007-RP3	346.6

Deal Name	Original Issue Balance (in Thousands)
2007-RP4	239.2
2007-RS1	478.3
2007-RS2	376.8
2007-RZ1	329.3
2007-S1	522.5
2007-S2	472.2
2007-S3	575.3
2007-S4	314.5
2007-S5	524.8
2007-S6	707.7
2007-S7	419.1
2007-S8	488.8
2007-S9	172.4
2007-SA1	310.8
2007-SA2	385.1
2007-SA3	363.8
2007-SA4	414.9
2007-SP1	346.6
2007-SP2	279.3
2007-SP3	298.1
Grand Total	**220,987.7**

EXHIBIT B

RESIDENTIAL CAPITAL LLC AND CERTAIN OF ITS DIRECT AND INDIRECT SUBSIDIARIES

TERM SHEET FOR PROPOSED JOINT CHAPTER 11 PLAN OF REORGANIZATION

This term sheet (the "Term Sheet") describes the principal terms of a proposed joint plan (the "Plan") of reorganization (the "Reorganization") of Residential Capital LLC ("ResCap" or the "Company") and each subsidiary of the Company that files as a debtor in possession in a case in the United States Bankruptcy Court for the Southern District of New York (collectively, the "Debtors").

THIS TERM SHEET IS NOT AN OFFER WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF ACCEPTANCES OF A CHAPTER 11 PLAN. SUCH OFFER OR SOLICITATION ONLY WILL BE MADE IN COMPLIANCE WITH ALL APPLICABLE SECURITIES LAWS AND/OR PROVISIONS OF THE BANKRUPTCY CODE.

PARTIES:	
Debtors	The following entities are Debtors under the Plan: Ditech, LLC; DOA Holding Properties, LLC; DOA Holdings NoteCo, LLC; DOA Properties IX LLC; EPRE LLC; Equity Investment I, LLC; ETS of Virginia, Inc.; ETS of Washington, Inc.; Executive Trustee Services, LLC; Foreign Obligation Exchange, Inc. 2003-H12; Foreign Obligation Exchange, Inc. 2003-H14; GMAC Model Home Finance I, LLC; GMAC Mortgage USA Corporation; GMAC Mortgage, LLC; GMAC Residential Holding Company, LLC; GMACR Mortgage Products, LLC; GMAC-RFC Holding Company, LLC; GMACRH Settlement Services, LLC; HFN REO SUB II, LLC; Home Connects Lending Services, LLC; Homecoming Finanial, LLC; Homecomings Financial Real Estate Holdings, LLC; Ladue Associates, Inc.; Passive Asset Transactions, LLC; PATI A, LLC; PATI B, LLC; PATI Real Estate Holdings, LLC; Phoenix Residential Securities, LLC; RAHI A, LLC; RAHI B, LLC; RAHI Real Estate Holdings, LLC; RCSFJV2004, LLC; Residential Accredit Loans, Inc.; Residential Asset Mortgage Products, Inc.; Residential Asset Securities Corporation; Residential Capital, LLC; Residential Consumer Services of Alabama, LLC; Residential Consumer Services of Ohio, LLC; Residential

	Consumer Services of Texas, LLC; Residential Consumer Services, LLC; Residential Funding Company, LLC; Residential Funding Mortgage Exchange, LLC; Residential Funding Mortgage Securities I, Inc.; Residential Funding Mortgage Securities II, Inc.; Residential Funding Real Estate Holdings, LLC; Residential Mortgage Real Estate Holdings, LLC; RFC Asset Holdings II, LLC; RFC Asset Management, LLC; RFC Construction Funding, LLC; RFC SFJV-2002, LLC; and RFC-GSAP Servicer Advance, LLC. The Plan proposes partial consolidation for Plan purposes only with the following Debtor entities: (a) ResCap, GMAC Residential Holding Company, LLC ("GMACM Holding"), and GMAC-RFC Holding Company, LLC ("RFC Holding" and, together with ResCap and GMACM Holding, the "ResCap Debtors"); (b) each of the Debtor subsidiaries of GMACM Holding (collectively, the "GMACM Debtors"); and (c) each of the Debtor subsidiaries of RFC Holding (collectively, the "RFC Debtors").
DIP Lenders	Barclays Bank PLC and any other lenders that are parties to the DIP Financing Facility
Purchaser	Nationstar Mortgage LLC (the "Stalking Horse Bidder") or, if the Stalking Horse Bidder is not the Winning Bidder at the Auction, the Winning Bidder.

Prepetition Secured Lenders[1]	(a) Ally Financial Inc. ("AFI" and, together with its direct and indirect subsidiaries (other than ResCap and its subsidiaries, collectively, "Ally") under (i) that certain senior secured credit facility agreement (the "AFI Revolver"), as amended and restated on December 30, 2009, and (ii) that certain secured loan agreement, as amended and restated on December 30, 2009 (the "AFI LOC"); (b) Citibank N.A. ("Citibank") under that certain $158 million revolving facility (the "Citibank MSR Facility"); and (c) Federal National Mortgage Association ("Fannie Mae"), under that certain Term Sheet dated August 10, 2010, as amended and restated as of January 18, 2011 and as further amended on July 29, 2011 (the "FNMA EAF Facility").
Junior Secured Noteholders	Holders of 9.625% junior secured notes due 2015 issued by ResCap (the "Junior Secured Notes").
Senior Unsecured Noteholders	Holders of senior unsecured notes (the "Senior Unsecured Notes") consisting of U.S. dollar denominated notes maturing between June 2012 and June 2015, euro denominated notes maturing in May 2012, and U.K. sterling denominated notes maturing between May 2013 and July 2014, each issued by ResCap, under the Indenture dated as of June 24, 2005, and certain supplements thereto.
Treatment of Subservicing Agreement	The Bankruptcy Court shall enter an order, approving the continued performance under the Subservicing Agreement attached hereto as Exhibit 1 on an interim basis within five (5) business days of the Petition Date, and on a final basis within fifty (50) days of the Petition Date, unless Ally in its sole discretion extends such dates.
Treatment of Shared Services Agreement	The Bankruptcy Court shall enter an order approving the performance under the Shared Services Agreement attached to the Ally Settlement Agreement as Exhibit 7 on an interim basis within five (5) business days of the Petition Date, and on a final basis within fifty (50) days of the Petition Date, unless Ally in its sole discretion extends such dates.
Treatment of GNMA	The Bankruptcy Court shall enter an order, approving the

[1] This Term Sheet is conditioned upon the GSAP Facility and BMMZ Repo Facility being refinanced by the DIP Financing Facility.

Forward Flow Agreement	continued performance under the GNMA Forward Flow Agreement attached hereto as Exhibit 2 on an interim basis within five (5) business days of the Petition Date, and on a final basis within fifty (50) days of the Petition Date, unless Ally in its sole discretion extends such dates.
Automatic Stay Extension Motion	The Debtors shall file a motion to extend the automatic stay under section 362 of the Bankruptcy Code to Ally during the Debtors' chapter 11 cases.
Subordination Rights	Except as expressly provided otherwise (including modification pursuant to the Plan Support Agreements), the Plan shall give effect to any subordination rights as required by section 510(a) of the Bankruptcy Code.
PLAN OF REORGANIZATION:	
Initiation of Chapter 11 Cases	No later than May 14, 2012 (the "Petition Date"), each of the Debtors shall file with the Bankruptcy Court a voluntary petition under Chapter 11 of the Bankruptcy Code. Within thirty (30) days of the Petition Date, the Debtors shall file the Plan and related disclosure statement (the "Disclosure Statement") that incorporate, and are consistent with, the terms of this Term Sheet, and shall use commercially reasonable efforts to satisfy the terms of this Term Sheet, including the Consummation of the Plan. The Plan and Disclosure Statement shall be in form and substance satisfactory to the Debtors, Ally, and other parties that are party to the Plan Support Agreements.
Plan Treatment	The Plan shall address, among other things: (a) obligations under the DIP Financing Facility; (b) obligations under the Prepetition Secured Facilities; (c) obligations under the Junior Secured Notes; (d) other secured obligations; (e) obligations under the Senior Unsecured Notes; (f) general unsecured obligations; (g) statutorily subordinated obligations; (h) intercompany obligations; and (i) equity interests including common stock, partnership interests, or other ownership interests, and rights related thereto.
Ally Settlement Agreement	The Plan will incorporate a settlement with Ally, as described in this Term Sheet and as set forth in the Ally Settlement Agreement pursuant to which Ally will agree to

	contribute the value set forth in the Ally Settlement Agreement to the Debtors' estates for, among other things, Debtor Releases and Third Party Releases (each as defined below), subject to Bankruptcy Court approval as part of the Plan.
Plan Funding	The Plan will be funded with the proceeds derived from: (a) the Debtors' asset sale executed pursuant to the Platform Asset Purchase Agreement, attached hereto as Exhibit 4; (b) the Ally Settlement Agreement; (c) the Debtors' asset sale executed pursuant to the HFS Asset Purchase Agreement, attached to the Ally Settlement Agreement as Exhibit 5; and (d) other sales of the Debtors' assets (whether occurring before or after the Effective Date). The Ally Settlement proceeds will be allocated in any manner consistent with the Plan Support Agreements among the ResCap Debtors, GMACM Debtors, and RFC Debtors in the Debtors' sole discretion.
TREATMENT OF CLAIMS AND INTERESTS:	
I. RESCAP DEBTORS	
Administrative Expense Claims	Unclassified. On or as soon as practicable after the Effective Date, each holder of an allowed Administrative Expense Claim shall be paid in full in cash or otherwise receive treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code; provided, that Allowed Administrative Expense Claims that arise in the ordinary course of the Debtors' business shall be paid in full in the ordinary course of business in accordance with the terms and subject to the conditions of any agreements governing, instruments evidencing, or other documents relating to, such transactions.
Priority Tax Claims	Unclassified. On or as soon as practicable after the Effective Date, each holder of an allowed Priority Tax Claim shall be paid in full in cash or otherwise receive treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code.
Class R-1: Other Priority Claims	Unimpaired; deemed to accept and not entitled to vote on the Plan pursuant to section 1126(f) of the Bankruptcy Code. On or as soon as practicable after the Effective Date,

	each holder of an allowed Other Priority Claim shall be paid in full in cash or otherwise receive treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code; provided, that Other Priority Claims that arise in the ordinary course of the Debtors' business and that are not due and payable on or before the Effective Date shall be paid in the ordinary course of business in accordance with the terms thereof.
Class R-2: AFI Revolver Claims	Unimpaired; deemed to accept and not entitled to vote on the Plan pursuant to section 1126(f) of the Bankruptcy Code. Except as otherwise provided under the Ally Settlement Agreement, on or as soon as practicable after the Effective Date, each holder of an allowed AFI Revolver Claim shall be satisfied by payment in full in cash in accordance with, and to the extent modified by, the Junior Secured Notes Plan Support Agreement, or otherwise receive treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code.
Class R-3: Other Secured Claims	Unimpaired; deemed to accept and not entitled to vote on the Plan pursuant to section 1126(f) of the Bankruptcy Code. On or as soon as practicable after the Effective Date, each holder of an allowed Other Secured Claim shall be paid in full in cash or otherwise receive treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code.
Class R-4: Junior Secured Notes Claims	Impaired; entitled to vote on the Plan. The Junior Secured Notes Claims shall be Allowed in the aggregate amount of not less than $2,120,452,000. Each holder of a Junior Secured Notes Claim shall receive, in full and final satisfaction of such a Claim and after giving full effect to the terms of the Junior Secured Notes Plan Support Agreement, treatment consistent with section 1129(b)(2)(A)(ii) of the Bankruptcy Code.
Class R-5: Senior Unsecured Notes Claims	Impaired; entitled to vote on the Plan. The Senior Unsecured Notes Claims shall be Allowed in the aggregate amount of principal plus interest prior to the Petition Date. Each holder of an Allowed Senior Unsecured Notes Claim shall receive, in full and final satisfaction of such Claim, an amount equal to its pro rata share of the ResCap Unsecured Claims Pool.

Class R-6: Junior Secured Notes Deficiency Claims	Impaired; entitled to vote on the Plan. Each holder of an Allowed Junior Secured Notes Deficiency Claim shall receive, in full and final satisfaction of such Claim, its pro rata share of the ResCap Unsecured Claims Pool; provided, that at the Debtors' option, if the Junior Secured Notes Plan Support Agreement becomes effective, each holder of a Junior Secured Note will be deemed to have waived its right to receive any recovery on account of the Class R-6 Junior Secured Notes Deficiency Claims.
Class R-7: General Unsecured Claims	Impaired; entitled to vote on the Plan. Each holder of an Allowed General Unsecured Claim shall receive, in full and final satisfaction of such Claim, an amount equal to its pro rata share of the ResCap Unsecured Claims Pool, unless the holder and applicable Debtor otherwise agree to a different treatment.
Class R-8: Intercompany Claims	Impaired; deemed to reject the Plan pursuant to section 1126(g) of the Bankruptcy Code. Unless the Junior Secured Claims have been paid in full based upon their Secured Claims, Allowed Intercompany Claims shall receive in full satisfaction of such Allowed Intercompany Claims an amount equal to its pro rata share of ResCap Unsecured Claims Pool.
Class R-9: Section 510(b) Claims	Impaired; deemed to reject the Plan pursuant to section 1126(g) of the Bankruptcy Code. Holders of Section 510(b) Claims shall receive no recovery on account of such claims.
Class R-10: Equity Interests	Impaired; deemed to reject the Plan pursuant to section 1126(g) of the Bankruptcy Code. Holders of Equity Interests shall receive no recovery on account of such interests.
II. GMACM DEBTORS	
Administrative Expense Claims	Unclassified. On or as soon as practicable after the Effective Date, each holder of an allowed Administrative Expense Claim shall be paid in full in cash or otherwise receive treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code; provided, that Allowed Administrative Expense Claims that arise in the ordinary course of the Debtors' business shall be paid in full in the ordinary course of business in accordance with the terms

	and subject to the conditions of any agreements governing, instruments evidencing, or other documents relating to, such transactions.
Priority Tax Claims	Unclassified. On or as soon as practicable after the Effective Date, each holder of an allowed Priority Tax Claim shall be paid in full in cash or otherwise receive treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code.
Class GS-1: Other Priority Claims	Unimpaired; deemed to accept and not entitled to vote on the Plan pursuant to section 1126(f) of the Bankruptcy Code. On or as soon as practicable after the Effective Date, each holder of an allowed Other Priority Claim shall be paid in full in cash or otherwise receive treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code; provided, that Other Priority Claims that arise in the ordinary course of the Debtors' business and that are not due and payable on or before the Effective Date shall be paid in the ordinary course of business in accordance with the terms thereof.
Class GS-2: AFI Revolver Claims	Unimpaired; deemed to accept and not entitled to vote on the Plan pursuant to section 1126(f) of the Bankruptcy Code. Except as otherwise provided under the Ally Settlement Agreement, on or as soon as practicable after the Effective Date, each holder of an allowed AFI Revolver Claim shall be satisfied by payment in full in cash in accordance with, and to the extent modified by, the Junior Secured Notes Plan Support Agreement or otherwise receive treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code.
Class GS-3: AFI LOC Claims	Unimpaired; deemed to accept and not entitled to vote on the Plan pursuant to section 1126(f) of the Bankruptcy Code. Except as otherwise provided under the Ally Settlement Agreement, on or as soon as practicable after the Effective Date, each holder of an allowed AFI LOC Claim shall be satisfied by payment in full in cash or otherwise receive treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code.
Class GS-4: Citibank Secured Lender Claims	Unimpaired; deemed to accept and not entitled to vote on the Plan pursuant to section 1126(f) of the Bankruptcy Code. On or as soon as practicable after the Effective Date, each holder of an allowed Citibank Secured Lender Claim

	shall be satisfied by payment in full in cash or otherwise receive treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code.
Class GS-5: FNMA EAF Claims	Unimpaired; deemed to accept and not entitled to vote on the Plan pursuant to section 1126(f) of the Bankruptcy Code. On or as soon as practicable after the Effective Date, each holder of an allowed FNMA EAF Claim shall be satisfied by payment in full in cash or otherwise receive treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code.
Class GS-6: Other Secured Claims	Unimpaired; deemed to accept and not entitled to vote on the Plan pursuant to section 1126(f) of the Bankruptcy Code. On or as soon as practicable after the Effective Date, each holder of an allowed Other Secured Claim shall be paid in full in cash or otherwise receive treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code.
Class GS-7: Junior Secured Notes Claims	Impaired; entitled to vote on the Plan. The Junior Secured Notes Claims shall be Allowed in the aggregate amount of not less than $2,120,452,000. Each holder of a Junior Secured Notes Claim shall receive, in full and final satisfaction of such a Claim and after giving full effect to the terms of the Junior Secured Notes Plan Support Agreement, treatment consistent with section 1129(b)(2)(A)(ii) of the Bankruptcy Code.
Class GS-8: Junior Secured Notes Deficiency Claims	Impaired; entitled to vote on the Plan. Each holder of an Allowed Junior Secured Notes Deficiency Claim shall receive, in full and final satisfaction of such Claim, an amount equal to its pro rata share of the GMACM Unsecured Claims Pool, in accordance with, and to the extent modified by, the Junior Secured Notes Plan Support Agreement, unless the holder and applicable Debtor otherwise agree to a different treatment. Under no circumstances shall a Junior Secured Noteholder be entitled to receive aggregate distributions in excess of its Allowed Claims.
Class GS-9: Rep and Warranty Contract	Impaired; entitled to vote on the Plan. Each holder of an Allowed Rep and Warranty Contract Claim shall receive, in

Claims	full and final satisfaction of such Claim, an amount equal to its pro rata share of the GMACM Unsecured Claims Pool, unless the holder and applicable Debtor otherwise agree to a different treatment.
Class GS-10: General Unsecured Claims[2]	Impaired; entitled to vote on the Plan. Each holder of an Allowed General Unsecured Claim shall receive, in full and final satisfaction of such Claim, an amount equal to its pro rata share of the GMACM Unsecured Claims Pool, unless the holder and applicable Debtor otherwise agree to a different treatment.
Class GS-11: Intercompany Claims	Impaired; deemed to reject the Plan pursuant to section 1126(g) of the Bankruptcy Code. Unless the Junior Secured Claims have been paid in full based upon their Secured Claim, Allowed Intercompany Claims shall receive in full satisfaction of such Allowed Intercompany Claims an amount equal to its pro rata share of ResCap Unsecured Claims Pool.
Class GS-12: Section 510(b) Claims	Impaired; deemed to reject the Plan pursuant to section 1126(g) of the Bankruptcy Code. Holders of Section 510(b) Claims shall receive no recovery on account of such claims.
Class GS-13: Equity Interests	Impaired; deemed to reject the Plan pursuant to section 1126(g) of the Bankruptcy Code. Holders of Equity Interests shall receive no recovery on account of such interests.
II. RFC DEBTORS	
Administrative Expense Claims	Unclassified. On or as soon as practicable after the Effective Date, each holder of an allowed Administrative Expense Claim shall be paid in full in cash or otherwise receive treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code; provided, that Allowed Administrative Expense Claims that arise in the ordinary course of the Debtors' business shall be paid in full in the ordinary course of business in accordance with the terms and subject to the conditions of any agreements governing, instruments evidencing, or other documents relating to, such transactions.

[2] This Term Sheet assumes that the medium-term unsecured peso-denominated notes maturing in June 2012 issued by the non-Debtor Mexican subsidiary of ResCap and guaranteed by various Debtors will no longer constitute obligations of the Debtors following an exchange offer in Mexico in connection with the pending sale of equity of the subsidiary.

Priority Tax Claims	Unclassified. On or as soon as practicable after the Effective Date, each holder of an allowed Priority Tax Claim shall be paid in full in cash or otherwise receive treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code.
Class RS-1: Other Priority Claims	Unimpaired; deemed to accept and not entitled to vote on the Plan pursuant to section 1126(f) of the Bankruptcy Code. On or as soon as practicable after the Effective Date, each holder of an allowed Other Priority Claim shall be paid in full in cash or otherwise receive treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code; provided, that Other Priority Claims that arise in the ordinary course of the Debtors' business and that are not due and payable on or before the Effective Date shall be paid in the ordinary course of business in accordance with the terms thereof.
Class RS-2: AFI Revolver Claims	Unimpaired; deemed to accept and not entitled to vote on the Plan pursuant to section 1126(f) of the Bankruptcy Code. Except as otherwise provided under the Ally Settlement Agreement, on or as soon as practicable after the Effective Date, each holder of an allowed AFI Revolver Claim shall be satisfied by payment in full in cash in accordance with, and to the extent modified by the Junior Secured Notes Plan Support Agreement or otherwise receive treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code.
Class RS-3: AFI LOC Claims	Unimpaired; deemed to accept and not entitled to vote on the Plan pursuant to section 1126(f) of the Bankruptcy Code. Except as otherwise provided under the Ally Settlement Agreement, on or as soon as practicable after the Effective Date, each holder of an allowed AFI LOC Claim shall be satisfied by payment in full in cash or otherwise receive treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code.
Class RS-4: Other Secured Claims	Unimpaired; deemed to accept and not entitled to vote on the Plan pursuant to section 1126(f) of the Bankruptcy Code. On or as soon as practicable after the Effective Date, each holder of an allowed Other Secured Claim shall be paid in full in cash or otherwise receive treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code.

Class RS-5: Junior Secured Notes Claims	Impaired; entitled to vote on the Plan. The Junior Secured Notes Claims shall be Allowed in the aggregate amount of not less than $2,120,452,000. Each holder of a Junior Secured Notes Claim shall receive, in full and final satisfaction of such a Claim and after giving full effect to the terms of the Junior Secured Notes Plan Support Agreement, treatment consistent with section 1129(b)(2)(A)(ii) of the Bankruptcy Code.
Class RS-6: Junior Secured Notes Deficiency Claims	Impaired; entitled to vote on the Plan. Each holder of an Allowed Junior Secured Notes Deficiency Claim shall receive, in full and final satisfaction of such Claim, an amount equal to its pro rata share of the RFC Unsecured Claims Pool in accordance with, and to the extent modified by, the Junior Secured Notes Plan Support Agreement, unless the holder and applicable Debtor otherwise agree to a different treatment. Under no circumstances shall a Junior Secured Noteholder be entitled to receive aggregate distributions in excess of its Allowed Claims.
Class RS-7: Rep and Warranty Contract Claims	Impaired; entitled to vote on the Plan. Each holder of an Allowed Rep and Warranty Contract Claim shall receive, in full and final satisfaction of such Claim, an amount equal to its pro rata share of the RFC Unsecured Claims Pool, unless the holder and applicable Debtor otherwise agree to a different treatment.
Class RS-8: General Unsecured Claims	Impaired; entitled to vote on the Plan. Each holder of an Allowed General Unsecured Claim shall receive, in full and final satisfaction of such Claim, an amount equal to its pro rata share of the RFC Unsecured Claims Pool, unless the holder and applicable Debtor otherwise agree to a different treatment.
Class RS-9: Intercompany Claims	Impaired; deemed to reject the Plan pursuant to section 1126(g) of the Bankruptcy Code. Holders of Intercompany Claims shall receive no recovery on account of such claims.
Class RS-10: Section 510(b) Claims	Impaired; deemed to reject the Plan pursuant to section 1126(g) of the Bankruptcy Code. Holders of Section 510(b) Claims shall receive no recovery on account of such claims.

Class RS-11: Equity Interests	Impaired; deemed to reject the Plan pursuant to section 1126(g) of the Bankruptcy Code. Holders of Equity Interests shall receive no recovery on account of such interests.
CONDITIONS TO CONFIRMATION & EFFECTIVE DATE:	
	The Plan shall contain various usual and customary conditions precedent to confirmation and to the Effective Date that must be satisfied or waived. Such conditions to the Effective Date shall include, without limitation, the following:
	(a) the Plan shall be in form and substance consistent in all material respects with this Term Sheet and satisfactory to the Debtors, Ally and the Consenting Holders; (b) all AFI Revolver Claims and AFI LOC Claims, and additional Claims held by Ally, are Allowed in full and approved by the Bankruptcy Court without subordination of any kind unless otherwise agreed by Ally; (c) the Bankruptcy Court shall have entered the Confirmation Order, which such order will grant final approval of the Plan, the Asset Sales, the Debtor Releases, the Third Party Releases, and the Ally Settlement Agreement, all in the form and substance satisfactory to the Debtors, Ally and the Consenting Holders; (d) the Ally Settlement Agreement shall remain in full force and effect; (e) the HFS Asset Purchase Agreement shall be approved by the Bankruptcy Court in form and substance acceptable to the Debtors, the Consenting Holders, and Ally if Ally is the purchaser of such assets; (f) the Platform Asset Purchase Agreement shall have been approved by the Bankruptcy Court in form and substance satisfactory to the Debtors and Ally;

	(g) all material governmental and third party approvals and consents, including Bankruptcy Court approval, necessary in connection with the transactions contemplated by this Term Sheet, including the Asset Sales, shall have been obtained and be in full force and effect, and all applicable waiting periods shall have expired without any action being taken or threatened by any competent authority that would restrain, prevent, or otherwise impose materially adverse conditions on such transactions; (h) at no time shall the Bankruptcy Court have approved the appointment of an examiner with expanded powers; (i) at no time shall the Bankruptcy Court have approved the appointment of a trustee; and (j) no reduction in the value of Petition Date Collateral (as defined in the Junior Notes Plan Support Agreement) due to (i) the successful challenge of the validity of the liens on such Petition Date Collateral or (ii) a determination that any asset or assets that were designated by a Debtor as being Petition Date Collateral do not constitute Joint Collateral (as defined in the Junior Notes Plan Support Agreement), in an aggregate amount (taking into account additional Joint Collateral that was not specified as Petition Date Collateral) for all such assets that exceeds one hundred million dollars ($100,000,000), based on the Debtors' book value as of February 29, 2012.
DEFINITIVE DOCUMENTS:	
	The transactions described in this Plan Term Sheet are subject in all respects to, among other things, definitive documentation, including:
	(a) the Ally Settlement Agreement; (b) the Platform Asset Purchase Agreement, in which the Debtors shall, among other things, effectuate the sale to Purchaser of the Debtors' mortgage loan origination and servicing platform, including mortgage servicing rights and servicer advances,

	and certain other assets, in exchange for Purchaser's payment of a cash purchase price of approximately $2.3 billion, plus other consideration, including reimbursements for prior expenses and the assumption of certain liabilities as set forth in the Platform Asset Purchase Agreement; (c) the HFS Asset Purchase Agreement, in which the Debtors shall, among other things, effectuate the sale to Ally of the Purchased Assets, as defined in the HFS Asset Purchase Agreement; (d) the Plan, the Disclosure Statement and the documents to be included in the Plan Supplement; (e) the Cash Collateral Order; (f) the DIP Financing Facility; (g) the Subservicing Agreement; (h) the Shared Services Agreement; (i) the GNMA Forward Flow Agreement; and (j) the Transition Services Agreement.
RELEASES AND EXCULPATIONS:	
Releases	The Plan shall contain Debtor and third party releases consistent with the Ally Settlement Agreement. The Order of the Bankruptcy Court confirming the Plan will permanently enjoin the commencement or prosecution by any person or entity, whether directly, derivatively or otherwise, of any Claims, obligations, damages, demands, debts, rights, suits, Causes of Action, judgments, or liabilities released pursuant to the Plan. In addition, the Plan will include a mutual release of all claims between and among Ally and the holders of the Junior Secured Note Claims, which shall be in form and substance reasonably satisfactory to Ally and the Consenting Holders.
Exculpation	The Debtors, Ally, the Consenting Holders, Trustees for

	Trusts that accept the compromise proposed in the RMBS Trust Settlement Agreement in accordance with the terms therein, provided such agreement is approved and continues to be in effect, and their respective Representatives shall neither have, nor incur any liability to any entity for any pre-petition or post-petition act taken or omitted to be taken in connection with, or related to formulating, negotiating, preparing, disseminating, implementing, administering, confirming, or effecting the Consummation of the Plan, the Disclosure Statement, or any contract, instrument, release, or other agreement or document created or entered into in connection with the Plan or any other pre-petition or post-petition act taken or omitted to be taken in connection with or in contemplation of the restructuring of the Company; provided, that the foregoing provisions of this exculpation shall have no effect on the liability of any entity that results from any such act or omission that is determined in a final order to have constituted gross negligence or willful misconduct; provided, further, that each Exculpated Party shall be entitled to rely upon the advice of counsel concerning his, her or its duties pursuant to, or in connection with, the Plan.
OTHER PRINCIPAL PLAN TERMS:	
Executory Contracts and Unexpired Leases	Executory contracts and unexpired leases shall be rejected by the Debtors unless set forth on a schedule of assumed contracts and leases to be attached to the Platform Asset Purchase Agreement with Purchaser or otherwise assumed or rejected, prior to the Effective Date.
Indemnification of Officers and Directors	As set forth in the Ally Settlement Agreement.
Compromise and Settlement	The Plan shall contain customary provisions for the compromise and settlement of Claims stating that, notwithstanding anything in the Plan to the contrary, the allowance, classification, and treatment of allowed Claims and equity interests and their respective distributions take into account and conform to the relative priority and rights of such Claims and interests.
Retention of Jurisdiction	The Plan shall provide for a broad retention of jurisdiction by the Bankruptcy Court, including for: (a) resolution of Claims; (b) allowance of compensation and expenses for pre-Effective Date services; (c) resolution of motions,

	adversary proceedings, or other contested matters; (d) entering such orders as necessary to implement or consummate the Plan and any related documents or agreements; (e) enforcement of the Plan Injunction; and (f) other purposes.
Resolution of Disputed Claims	The Plan shall provide customary terms for the resolution of disputed Claims and any reserves therefore.
Liquidating Trust	The Plan shall contain customary provisions for the establishment of a Liquidating Trust to administer the assets of the Debtors' Estates on and after the Effective Date in accordance with the Plan. The Liquidating Trust shall be subject to the oversight committee consistent with the provisions of Junior Secured Notes Plan Support Agreement.
Additional Provisions	The Plan shall contain other provisions customarily found in other similar plans of reorganization.
DEFINITIONS:	
	"Administrative Expense Claim" means any claim for costs and expenses of administration under section 503(b), 507(b), or 1114(e)(2) of the Bankruptcy Code, including: (a) any actual and necessary costs and expenses incurred after the Petition Date of preserving the Debtors' estates and operating the businesses of the Debtors; (b) compensation for legal, financial, advisory, accounting, and other services and reimbursement of expenses allowed by the Bankruptcy Court under sections 327, 330, 331, 363, or 503(b) of the Bankruptcy Code to the extent incurred prior to the Effective Date; and (c) all fees and charges assessed against the Debtors' estates under section 1930, chapter 123, of title 28, United States Code.
	"AFI" means such term as defined in the section entitled "Prepetition Secured Lenders."
	"AFI LOC" means such term as defined in the section entitled "Prepetition Secured Lenders."
	"AFI LOC Claim" means any Secured Claim of AFI arising under the AFI LOC.

	"AFI Revolver" means such term as defined in the section entitled "Prepetition Secured Lenders."
	"AFI Revolver Claim" means any Secured Claim of AFI arising under the AFI Revolver.
	"Allowed" means with respect to any Claim, except as otherwise provided herein: (a) a Claim that is scheduled by the Debtors in their Schedules as neither disputed, contingent nor unliquidated, and as to which the Debtors or other party in interest have not filed an objection by the Claims Objection Bar Date; (b) a Claim that either is not a Disputed Claim or has been Allowed by a Final Order; (c) a Claim that is Allowed (i) pursuant to the Plan, (ii) in any stipulation that is approved by the Bankruptcy Court, or (iii) pursuant to any contract, instrument, indenture, or other agreement entered into or assumed in connection herewith; (d) a Claim relating to a rejected Executory Contract or Unexpired Lease that either (i) is not a Disputed Claim or (ii) has been Allowed by a Final Order; (e) a Claim that is Allowed pursuant to the terms of the Plan; or (f) a Disputed Claim as to which a proof of Claim has been timely filed and as to which no objection has been filed by the Claims Objection Bar Date.
	"Ally" means such term as defined in the section entitled "Prepetition Secured Lenders."
	"Ally DIP Financing Facility" means the debtor-in-possession financing facility to be provided to the Debtors, attached hereto as Exhibit 3.
	"Ally Settlement Agreement" means the agreement between Ally and the Debtors, attached hereto as Exhibit 5.
	"Asset Sales" means, collectively, the sale of the Debtors' servicing platform together with substantially all of the Debtors' owned agency mortgage servicing rights pursuant to the Platform Asset Purchase Agreement, and the sale of certain of Ally's collateral pursuant to the HFS Asset Purchase Agreement.
	"Auction" means an auction held in connection with the Asset Sales pursuant to the bidding procedures.
	"Bankruptcy Code" means Title 11 of the United States

	Code, 11 U.S.C. §§ 101 *et seq.*
	"Bankruptcy Court" means the United States Bankruptcy Court for the Southern District of New York.
	"Cash Collateral Order" means an order of the Bankruptcy Court authorizing the Debtors to use Ally's cash collateral.
	"Causes of Action" means all actions, causes of action, Claims, liabilities, obligations, rights, suits, debts, damages, judgments, remedies, demands, setoffs, defenses, recoupments, crossclaims, counterclaims, third party claims, indemnity claims, contribution claims, or any other claims, disputed or undisputed, suspected or unsuspected, foreseen or unforeseen, direct or indirect, choate or inchoate, existing or hereafter arising, in law, equity, or otherwise, based in whole or in part upon any act or omission or other event occurring prior to the Petition Date or during the course of the Chapter 11 Cases, including through the Effective Date.
	"Chapter 11 Cases" mean (a) when used with reference to a particular Debtor, the chapter 11 case to be filed for that Debtor under chapter 11 of the Bankruptcy Code in the Bankruptcy Court and (b) when used with reference to all Debtors, the procedurally consolidated chapter 11 cases for all of the Debtors.
	"Citibank" means such term as defined in the section entitled "Prepetition Secured Lenders."
	"Citibank MSR Facility" means such term as defined in the section entitled "Prepetition Secured Lenders."
	"Citibank Secured Lender Claim" means any Secured Claim of Citibank arising under the Citibank MSR Facility.
	"Claim" has the meaning set forth in 11 U.S.C. § 101(5).
	"Company" means such term as defined in the preamble.
	"Confirmation Order" means the order of the Bankruptcy Court confirming the Plan pursuant to, among others, section 1129 of the Bankruptcy Code.
	"Consummation" means the occurrence of the Effective Date.

	"Creditor" means any holder of a Claim.
	"Debtor" means one of the Debtors, in its individual capacity as a debtor and debtor in possession in the Chapter 11 Cases.
	"Debtors" means such term as defined in the preamble.
	"DIP Financing Facility" means that certain Debtor-in-Possession Credit Agreement, dated on or around May 14, 2012, by and between the Debtors and Barclays Bank Plc, attached hereto as Exhibit 6.
	"Disclosure Statement" means such term as defined in the section entitled "Initiation of Chapter 11 Cases."
	"DOJ/AG Settlement" means that certain Consent Judgment filed on March 12, 2012 in the United States District Court for the District of Columbia to which ResCap and AFI, among others, are parties.
	"Effective Date" means the date of substantial consummation of the Plan, which shall be the first business day upon which all conditions precedent to the effectiveness of the Plan are satisfied or waived in accordance with the Plan.
	"Estate" means, as to each Debtor, the estate created for the Debtor in its Chapter 11 case pursuant to section 541 of the Bankruptcy Code.
	"Equity Interest" means an equity security (as defined in section 101 of the Bankruptcy Code) in any of the Debtors.
	"Fannie Mae" means such term as defined in the section entitled "Prepetition Secured Lenders."
	"FNMA EAF Claim" means any Secured Claim of Fannie Mae arising under the FNMA EAF Facility.
	"FNMA EAF Facility" means such term as defined in the section entitled "Prepetition Secured Lenders."
	"FRB Consent Order" means that certain Consent Order dated April 13, 2011 among ResCap, GMAC Mortgage,

	LLC, AFI, the Federal Reserve Board and the Federal Deposit Insurance Company.
	"General Unsecured Claim" means any and all Claims against any of the Debtors that are not a/an (a) Administrative Expense Claim; (b) Priority Tax Claim; (c) Other Priority Claim; (d) Secured Lender Claim; (e) Junior Secured Notes Claim; (f) Other Secured Claim; (g) Senior Unsecured Notes Claim; (h) Junior Secured Notes Deficiency Claim; (i) Rep and Warranty Contract Claim; or (j) Intercompany Claim.
	"GMACM Debtors" means such term as defined in the section entitled "Debtors."
	"GMACM Unsecured Claims Pool" means the proceeds of any assets allocable to the GMACM Debtors remaining after distributions have been made under the Plan to each holder of an Allowed Administrative Expense Claim, Priority Tax Claim, Other Priority Tax Clam, Secured Lender Claim, Junior Secured Notes Claim, or Other Secured Claim against the GMACM Debtors.
	"GNMA Forward Flow Agreement" means that Amended and Restated Master Mortgage Loan Purchase and Sale Agreement between Ally Bank as Seller, and GMAC Mortgage, LLC as Purchaser, dated as of May 1, 2012.
	"HFS Asset Purchase Agreement" means that certain asset purchase agreement dated on or around May 14 by and between Ally and the Debtors, attached to the Ally Settlement Agreement as Exhibit 5.
	"Impaired" has the meaning set forth in section 1124 of the Bankruptcy Code.
	"Intercompany Claims" means any and all Claims of a Debtor against another Debtor. For the avoidance of doubt, Intercompany Claims do not include Claims that Ally may assert against the Debtors.
	"Intercreditor Agreement" means the agreement dated as of June 6, 2008, among Wells Fargo Bank, N.A., as First Priority Collateral Agent for the First Priority Secured Parties under the First Priority Documents, Wells Fargo Bank, N.A., as Second Priority Collateral Agent for the

	Second Priority Secured Parties under the Second Priority Documents, Wells Fargo Bank, N.A., as Third Priority Collateral Agent for the Third Priority Secured Parties under the Third Priority Documents, Ally, in its capacity as agent for the Lenders under the Loan Agreement, U.S. Bank National Association, as Trustee under the 2010 Indenture, U.S. Bank National Association, as Trustee under the 2015 Indenture, Residential Funding Company, LLC, GMAC Mortgage, LLC, and Residential Capital, LLC.
	"Junior Secured Notes" means such term as defined in the section entitled "Junior Secured Noteholders."
	"Junior Secured Notes Claim" means any Secured Claim of the Junior Secured Noteholders under the Junior Secured Notes.
	"Junior Secured Notes Deficiency Claims" means any Claim of the Junior Secured Noteholders under the Junior Secured Notes to the extent such Claims are not Secured Claims.
	"Liquidating Trust" means the trust formed pursuant to the Plan for the purpose of holding, administering, and liquidating Estate assets on and after the Effective Date.
	"Other Priority Claim" means any Claim, other than an Administrative Expense Claim or Priority Tax Claim, that is entitled to priority in payment pursuant to section 507(a) of the Bankruptcy Code.
	"Other Secured Claim" means any Secured Claim other than Administrative Expense Claims, Priority Tax Claims, Other Priority Claims, Secured Lender Claims or Junior Secured Claims. For the avoidance of doubt, Other Secured Claims shall include Claims arising under the Barclays GSAP Facility.
	"Petition Date" means such term as defined in the section entitled "Initiation of the Chapter 11 Cases."
	"Plan" means such term as defined in the preamble.
	"Plan Injunction" means that, from and after the Effective Date, all entities are permanently enjoined from commencing or continuing in any manner, any Cause of

	Action released or to be released pursuant to the Plan or the Confirmation Order.
	"Plan Supplement" means, with respect to the Plan, all exhibits, appendices, Plan supplement documents and related documents.
	"Plan Support Agreements" means the three plan support agreements to support the Plan among the Debtors and each of (i) Ally and members of the ad hoc committee of unaffiliated holders of the Junior Secured Notes holding at least 50% of all Junior Secured Notes (the "Junior Secured Notes Plan Support Agreement"), (ii) Ally and certain holders of securities backed by mortgage loans sold by the Debtors, and (iii) Ally Financial Inc., respectively.
	"Platform Asset Purchase Agreement" means that certain asset purchase agreement dated on or around May 14 by and between Purchaser and the Debtors, attached hereto as Exhibit 4.
	"Priority Tax Claim" means any Claim of a governmental unit of the kind specified in sections 502(i) and 507(a)(8) of the Bankruptcy Code.
	"Reorganization" means such term as defined in the preamble.
	"Reorganized Debtors" means, collectively, the Debtors after the Effective Date.
	"Representatives" means such person or entity's respective members, partners, equity-holders, officers, directors, employees, representatives, advisors, attorneys, agents and professionals, each solely in its capacity as such.
	"ResCap" means such term as defined in the preamble.
	"ResCap Debtors" means such term as defined in the section entitled "Debtors."
	"ResCap Unsecured Claims Pool" means the proceeds of any assets allocable to the ResCap Debtors remaining after distributions have been made under the Plan to each holder of an Allowed Administrative Expense Claim, Priority Tax Claim, Other Priority Tax Clam, Secured Lender Claim,

	Junior Secured Notes Claim, or Other Secured Claim against the GMACM Debtors.
	"RFC Debtors" means such term as defined in the section entitled "Debtors."
	"RFC Unsecured Claims Pool" means the proceeds of any assets allocable to the RFC Debtors remaining after distributions have been made under the Plan to each holder of an Allowed Administrative Expense Claim, Priority Tax Claim, Other Priority Tax Clam, Secured Lender Claim, Junior Secured Notes Claim, or Other Secured Claim against the RFC Debtors.
	"RMBS Trust Settlement Agreement" means the agreement dated as of May 13, 2012 among Residential Capital, LLC and its direct and indirect subsidiaries and certain Institutional Investors, attached hereto as Exhibit 7.
	"Section 510(b) Claims" means any Claim arising from rescission of a purchase or sale of security (including any Interest) of the Debtors, for damages arising from the purchase or sale of such a security, or for reimbursement or contribution allowed under section 502 of the Bankruptcy Code on account of such a Claim.
	"Secured Claim" means any Claim that is secured by a lien on property in which a Debtor's estate has an interest or that is subject to setoff under section 553 of the Bankruptcy Code, to the extent of the value of the Claim holder's interest in the applicable estate's interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code or, in the case of setoff, pursuant to section 553 of the Bankruptcy Code.
	"Secured Lender Claim" means any AFI Revolver Claim, AFI LOC Claim, Citibank Secured Lender Claim, or FNMA EAF Claim.
	"Senior Unsecured Claim" means any Claim of the Senior Unsecured Noteholders under the Senior Unsecured Notes.
	"Senior Unsecured Notes" means such term as defined in the section entitled "Senior Unsecured Noteholders."

	"Shared Services Agreement" means the agreement between Ally and the Debtors, attached hereto as Exhibit 8.
	"Stalking Horse Bidder" means such term as defined in the section entitled "Purchaser."
	"Subservicing Agreement" means the agreement between Ally Bank and the Debtors, attached hereto as Exhibit 1.
	"Term Sheet" means such term as defined in the preamble.
	"Transition Services Agreement" means the agreement between Ally and the Debtors, attached hereto as Exhibit 9.
	"Trustees" means the indenture trustees for the Trusts.
	"Trusts" means the securitization trusts identified on Exhibit A to the RMBS Trust Settlement Agreement.
	"Unimpaired" means Claims that are not Impaired.
	"Winning Bidder" means the party who submits the winning bid for the purchase of substantially all of the Debtors' assets with an accompanying asset purchase agreement.

EXHIBIT 1
"Subservicing Agreement"

EXHIBIT 2
"GNMA Forward Flow Agreement"

EXHIBIT 3
"Ally DIP Financing Facility"

EXHIBIT 4
"Platform Asset Purchase Agreement"

EXHIBIT 5
"Ally Settlement Agreement"

EXHIBIT 6
"Barclays DIP Financing Facility"

EXHIBIT 7
"RMBS Trust Agreement"

EXHIBIT 8
"Shared Services Agreement"

EXHIBIT 9
"Transition Services Agreement"

EXHIBIT C

MILESTONES

The Debtors' failure to comply with the following milestones will result in a Termination Event under Section 6 of this Agreement:

1. Obtain interim approval of debtor-possession financing on or before May 18, 2012.
2. Obtain, final approval of debtor-possession financing on or before 50 days following the Petition Date.
3. Obtain approval of this Agreement by the earlier of (i) 60 days following the Petition Date and (ii) the date on which the Bankruptcy Court enters an order approving the Disclosure Statement.
4. Obtain entry of an order of the Bankruptcy Court approving the compromises contemplated by the RMBS Trust Settlement Agreement on or before 60 days following the Petition Date,
5. Obtain approval the Disclosure Statement on or before 90 days following the Petition Date.
6. Obtain approval of proposed bidding procedures for the sales of assets contemplated in the Executive Summaries on or before 90 days following the Petition Date.
7. Obtain confirmation of the Plan on or before October 31, 2012.
8. On or before December 15, 2012, the effective date of the Plan shall have occurred.

EXHIBIT D

LIST OF FIRST DAY MOTIONS

1. Debtors' Motion For Order Under Bankruptcy Rule 1015 Authorizing Joint Administration Of The Debtors' Chapter 11 Cases

2. Debtors' Application For An Order Appointing Kurtzman Carson Consultants LLC As Claims And Noticing Agent For The Debtors Pursuant To 28 U.S.C. § 156(c), 11 U.S.C. § 105(a), S.D.N.Y. LBR 5075-1 And General Order M-409

3. Debtors' Motion For Order Under Bankruptcy Code Section 521 And Bankruptcy Rule 1007(c) Extending Time For Filing Schedules And Statements

4. Debtors' Motion For An Order Under Bankruptcy Code Section 105(a) And Bankruptcy Rule 2002(a), (f), (l) And (m) (I) Waiving The Requirement That Each Debtor File A List Of Creditors, (II) Authorizing The Debtors To File A Consolidated List Of The Fifty Largest Unsecured Creditors, (III) Approving The Form And Manner Of Notice Of The Commencement Of The Debtors' Chapter 11 Cases And (IV) Approving Publication Notice To Borrowers

5. Debtors' Motion For Entry Of An Order Under Bankruptcy Code Sections 102(1), 105(a) and 105(d), Bankruptcy Rules 1015(c), 2002(m) and 9007 And Local Bankruptcy Rule 2002-2 Establishing Certain Notice, Case Management And Administrative Procedures

6. Debtors' Motion For Order Under Bankruptcy Code Sections 105(a), 345, 363, 364, And 503(b)(1) Authorizing (I) Continued Use Of Existing Cash Management Practices, (II) Continued Use Of Existing Bank Accounts, Checks, And Business Forms, (III) Interim Waiver Of The Investment And Deposit Requirements Of Bankruptcy Code Section 345, (IV) Debtors To Honor Specified Outstanding Prepetition Payment Obligations, And (V) Continuation Of Intercompany Transactions, Including Intercompany Transactions With Future Debtors, And Granting Administrative Expense Status To Intercompany Claims

7. Debtors' Motion For Interim and Final Orders Under Bankruptcy Code Sections 105(a), 363(b), 507(a), 1107 And 1108 And Bankruptcy Rule 6003 (I) Authorizing But Not Directing Debtors To (A) Pay And Honor Prepetition Wages, Compensation, Employee Expense And Employee Benefit Obligations; And (B) Maintain and Continue Employee Compensation And Benefit Programs; And (II) Directing Banks To Honor Prepetition Checks And Transfer Requests For Payment Of Prepetition Employee Obligations

8. Debtors' Motion For Interim And Final Orders Under Bankruptcy Code Sections 105(a), 363, 506(a), 507(a)(8), 541 And 1129 And Bankruptcy Rule 6003 Authorizing Payment Of Taxes And Regulatory Fees

9. Debtors' Motion For Order Under Bankruptcy Code Sections 105, 507 And 541 And Bankruptcy Rule 6003 Authorizing Debtors To Honor Certain Prepetition Obligations To Customers

10. Debtors' Motion For Interim And Final Orders Pursuant To Sections 105(a), 363, 364, 503(b), 1107(a) and 1108 Of The Bankruptcy Code Authorizing The Debtors To (I) Process And Where Applicable Fund Prepetition Mortgage Loan Commitments, (II) Continue Brokerage, Origination And Sale Activities Related To Loan Securitization, (III) Continue To Perform Under The Mortgage Loan Purchase And Sale Agreement With Ally Bank And Related Agreements, (IV) Pay Certain Prepetition Amounts Due To Critical Origination Vendors, And (IV) Continue Honoring Mortgage Loan Repurchase Obligations Arising In Connection With Loan Sales And Servicing, Each In The Ordinary Course Of Business

11. Debtors' Motion For Interim And Final Orders Under Sections 105(a), 361, 362, 363, 1107(a), And 1108 Of The Bankruptcy Code (I) Authorizing The Debtors To Continue In The Ordinary Course Of Business (A) Servicing Agency Loans; And (B) Foreclosure Activities Related To Certain Real Estate Owned By Fannie Mae, Freddie Mac, And Ginnie Mae, (II) Authorizing The Debtors To Pay Certain Prepetition Amounts Due To Critical Servicing Vendors And Foreclosure Professionals, (III) Granting Limited Stay Relief To Enable Borrowers To Assert Related Counter-Claims In Foreclosure Proceedings; (IV) Authorizing the Debtors To Use Cash Collateral Under The Fannie Mae EAF Facility; And (V) Granting Related Relief

12. Debtors' Motion For Interim And Final Orders Under Sections 105(a), 362, 363, 1107(a) And 1108 Of The Bankruptcy Code (I) Authorizing The Debtors To Continue In The Ordinary Course Of Business (A) Servicing Private Label Loans, And (B) Sale Activities Related To Certain Loans In Foreclosure And Real Estate Owned Property, And (II) Granting Limited Stay Relief To Enable Borrowers To Assert Related Counter-Claims In Foreclosure and Eviction Proceedings

13. Debtors' Motion For Interim And Final Orders Under Bankruptcy Code Sections 105(a) And 363 Authorizing The Debtors To Continue To Perform Under The Ally Bank Servicing Agreements In The Ordinary Course Of Business

14. Debtors' Motion Seeking Authority To Provide Notice To Borrowers That The Debtors Will Suspend Funding Draws Under Certain Home Equity Lines Of Credit

15. Debtors' Motion For Interim And Final Orders Under 11 U.S.C. §§ 105 And 363 Authorizing Residential Capital, LLC To Enter Into A Shared Services Agreement With Ally Financial Inc. *Nunc Pro Tunc* To The Petition Date For The Continued Receipt And Provision Of Shared Services Necessary For The Operation Of The Debtors' Businesses

16. Debtors' Motion For Entry Of Interim And Final Orders Pursuant To Bankruptcy Code Sections 361, 363, And 507(b) And Bankruptcy Rule 4001(b): (I) Authorizing The Use Of Cash Collateral And Related Relief, (II) Granting Adequate Protection And (III) Scheduling A Final Hearing (Citibank Cash Collateral)

17. Debtors' Motion For Interim And Final Orders Pursuant To Bankruptcy Code Sections 105, 361, 363, And 507(b) And Bankruptcy Rule 4001(b): (I) Authorizing The Use Of Cash Collateral And Related Relief, (II) Granting Adequate Protection And (III) Scheduling A Final Hearing (AFI/Secured Notes Cash Collateral)

18. Debtors' Motion Pursuant to 11 U.S.C. §§ 105, 363(b), (f), And (m), 365 and 1123, and Fed. R. Bankr. P. 2002, 6004, 6006, and 9014 For Order: (A)(I) Authorizing and Approving Sale Procedures, Including Break-Up Fee and Expense Reimbursement; (II) Scheduling Bid Deadline and Sale Hearing; (III) Approving Form and Manner of Notice Thereof; and (IV) Granting Related Relief and (B)(I) Authorizing the Sale of Certain Assets Free and Clear of Liens, Claims, Encumbrances, and Other Interests; (II) Authorizing and Approving Asset Purchase Agreements Thereto; (III) Approving the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases Related Thereto; and (IV) Granting Related Relief.

19. Debtors' Motion Pursuant to 11 U.S.C. §§ 105, 363(b), (f), And (m) And 365 And 1123, And Fed R. Bankr. P. 2002, 6004, And 6006 For Orders: (a)(i) Authorizing And Approving Sale Procedures, Including Break-up Fee And Expense Reimbursement; (ii) Scheduling Bid Deadline And Sale Hearing; (iii) Approving Form And Manner Of Notice Thereof; And (iv) Granting Related Relief And (b)(i) Authorizing The Sale Of Certain Assets Free And Clear Of Liens, Claims, Encumbrances, And Other Interests; (ii) Authorizing And Approving Asset Purchase Agreements Thereto; (iii) Approving The Assumption And Assignment Of Certain Executory Contracts And Unexpired Leases Related Thereto; (iv) Granting Related Relief

LIST OF SECOND DAY OR POTENTIAL SECOND DAY MOTIONS

20. Motion To Assume And Assign Certain Executory Contracts And Unexpired Leases In Connection With The Proposed Sale of MSB Business And The Fixing Of Cure Amounts And Procedures Associated Therewith

21. Motion Pursuant To Section 365(a) Of The Bankruptcy Code For Authorization To Reject Executory Contract Between GMAC Mortgage Group, LLC, RESCAP Investments LLC, And Residential Capital, LLC

22. Debtors' Motion For Order Under Bankruptcy Code Sections 105(a) and 107(b) And Bankruptcy Rule 9018 Authorizing The Filing Under Seal of Certain Proposed Debtor In Possession Financing Fee Letters

23. Debtors' Motion For Order Under Bankruptcy Code Sections 105(a) And 107(a) And Bankruptcy Rule 9018 (I) Authorizing The Debtors To File Under Seal Confidentiality Exhibit To The Servicing Motion and (II) Limiting Notice Thereof

24. Debtors' Motion For Order Under Bankruptcy Code Sections 105(a) And 366 (I) Prohibiting Utility Companies From Altering, Refusing, or Discontinuing Service On Account Of Prepetition Invoices, (II) Approving Deposits As Adequate Assurance Of Payment, And (III) Establishing Procedures For Resolving Requests By Utility Companies For Additional Assurance Of Payment

25. Debtors' Application Pursuant To Section 327(a) Of The Bankruptcy Code, Bankruptcy Rules 2014 And 2016 And Local Rules 2014-1 And 2016-1, For Entry Of An Order Authorizing The Retention And Employment Of Morrison & Foerster LLP As Bankruptcy Counsel To The Debtors *Nunc Pro Tunc* To the Petition Date

26. Debtors' Application For Order Under Bankruptcy Code Sections 327(a) And 328(a), Bankruptcy Rule 2014(a) And Local Rule 2014-1 Authorizing The Employment And Retention Of FTI Consulting, Inc. As Financial Advisor *Nunc Pro Tunc* To The Petition Date

27. Debtors' Application For Order Under Bankruptcy Code Sections 327(a) And 328(a) Authorizing Employment And Retention Of Centerview Partners LLC As Investment Banker

28. Debtors' Motion For Order Pursuant to Section 327(a) Of The Bankruptcy Code And Bankruptcy Rule 2014(A) For Authorization To Employ And Retain Sitrick And Company As Corporate Communications Consultant For The Debtors, *Nunc Pro Tunc* To The Petition Date

29. Debtors' Motion For Order Pursuant To Bankruptcy Code Sections 105(a) and 331 Establishing Procedures For Interim Compensation And Reimbursement Of Expenses Of Professionals

30. Debtors' Motion For Order Under bankruptcy Code Sections 105(a), 327(e), 328, And 330 And Bankruptcy Rule 2014 Authorizing Employment And Payment Of Professionals Utilized In The Ordinary Course Of Business *Nunc Pro Tunc* To The Petition Date

31. Debtors' Motion For An Order Authorizing Payment Of Retention Pay To Certain Employees Pursuant To Sections 105(A), 363(B)(1) And 503(C)(3) Of The Bankruptcy Code

32. Debtors' Motion For An Order Pursuant To Sections 105(a), 363(b)(1) and 503(c)(3) Of The Bankruptcy Code Authorizing (I) Implementation Of (A) A Key Employment Retention Plan For Certain Non-Insiders And (B) A Key Employee

Incentive Plan For Certain Insiders And (II) Payment Of Any Obligations Arising Thereunder As Administrative Expenses

33. Motion Of The Debtors For An Order Providing That Creditors Committees Are Not Authorized Or required To Provide Access To Confidential Information Of The Debtors Or To Privileged Information

34. Plaintiffs' Motion For A Stay Or, In The Alternative, Injunctive Relief Enjoining Prosecution Of Pending Litigation Against Debtors' Former Directors And Officers

35. Plaintiffs' Motion For A Stay Or, In The Alternative, Injunctive Relief Enjoining Prosecution Of Pending Litigation Against Non-Debtor Affiliates

EXECUTION COPY

EXHIBIT E

JOINDER ACKNOWLEDGEMENT

This joinder (this "Joinder") to the Plan Support Agreement, dated as of May 13, 2012 (the "Agreement"), by and among (i) Residential Capital, LLC ("ResCap") and certain of its direct and indirect subsidiaries (collectively, the "Debtors"), (ii) Ally Financial Inc. on behalf of its direct and indirect subsidiaries other than the Debtors, and (iii) the Consenting Claimants (as defined therein, is made by [_____] (the "Joining Party") and is executed and delivered as of [_____], 2012. Each capitalized term used herein but not otherwise defined shall have the meaning set forth in the Agreement.

1. ***Agreement to be Bound***. The Joining Party hereby agrees to be bound by all of the terms of the Agreement, a copy of which is attached to this Joinder as Annex I (as the same has been or may be hereafter amended, restated or otherwise modified from time to time in accordance with the provisions hereof). The Joining Party shall hereafter be deemed to be a "Consenting Claimant" and a "Party" for all purposes under the Agreement.

2. ***Representations and Warranties***. The Joining Party hereby represents and warrants that it holds, or is the authorized investment manager for the holders of, the securities listed on the signature page hereto, in the respective amounts set forth therein by CUSIP number, that such holdings are materially accurate as of the date hereof, and that since the date set forth the Joining Party (a) has not, in the aggregate, materially decreased the Joining Party's holdings in the Securities and (b) makes the representations and warranties set forth in Section 3 of the Agreement to each other Party.

3. ***Governing Law***. This Joinder shall be governed by and construed in accordance with the internal laws of the State of New York, without regard to any conflicts of law provisions which would require the application of the law of any other jurisdiction.

4. ***Notice***. All notices and other communications given or made pursuant to the Agreement shall be sent to:

To the Joining Party at:
[JOINING PARTY]
[ADDRESS]
Attn:
Facsimile: [FAX]
EMAIL:

EXECUTION COPY

IN WITNESS WHEREOF, the Joining Party has caused this Joinder to be executed as of the date first written above.

[JOINING PARTY]

By: _____

Name:

Title:

Holdings Information (by CUSIP #):

Exhibit F

Holdings Information

Consenting Claimant Names

1. AEGON USA Investment Management LLC
2. BlackRock Financial Management Inc and its Advisory affiliates
3. Bayerische Landesbank, acting through its New York Branch
4. Federal Home Loan Bank of Atlanta
5. Goldman Sachs Asset Management L.P.
6. ING Investment Management Co. LLC
7. ING Investment Management LLC
8. Kore Advisors, L.P.
9. Pacific Investment Management Co. LLC
10. Teachers Insurance and Annuity Association of America
11. Thrivent Financial for Lutherans
12. Western Asset Management Company
13. Neuberger Berman Europe Limited
14. Maiden Lane LLC and Maiden Lane III LLC by Federal Reserve Bank of New York, as managing member
15. The TCW Group, Inc.
16. Metropolitan Life Insurance Company
17. Cascade Investment L.L.C.

Aggregate Holdings - CUSIP and Amount

Deal Name	Cusip	SumOfOriginal Face	SumOfCurrent Face
GMACM 2004-AR1	36185NX39	$59,525,000.00	$8,175,172.37
GMACM 2004-AR1	36185NX54	$112,473,000.00	$18,850,721.55
GMACM 2004-AR1	36185NX62	$14,902,800.00	$779,440.52
GMACM 2004-AR1	36185NX70	$66,361,100.00	$11,581,008.18
GMACM 2004-AR1	36185NX88	$11,279,800.00	$1,494,687.97
GMACM 2004-AR1	36185NX96	$0.00	$0.00
GMACM 2004-AR2	36185N3T5	$600,000.00	$118,037.31
GMACM 2004-AR2	36185N3U2	$32,000,000.00	$5,702,662.00
GMACM 2004-AR2	36185N3V0	$25,000,000.00	$5,517,771.53
GMACM 2004-AR2	36185N4A5	$2,000,000.00	$441,421.73
GMACM 2004-HE2	361856DD6	$20,085,000.00	$5,653,540.45
GMACM 2004-HE3	361856DG9	$103,600,000.00	$32,412,025.20
GMACM 2004-HE4	361856DR5	$1.00	$0.38
GMACM 2004-HE5	361856DX2	$20,000,000.00	$9,798,206.17
GMACM 2004-HE5	361856DY0	$7,000,000.00	$3,139,785.06
GMACM 2004-J1	36185NV64	$2,005,000.00	$1,286,938.57
GMACM 2004-J1	36185NW48	$6,014,000.00	$3,426,858.69
GMACM 2004-J1	36185NW55	$2,406,000.00	$1,370,971.40
GMACM 2004-J3	36185N2Z2	$17,680,250.00	$12,943,219.33
GMACM 2004-J3	36185N3B4	$10,420,086.00	$10,420,086.00
GMACM 2004-J3	36185N3F5	$14,008,000.00	$21,022,980.38
GMACM 2004-J3	36185N3G3	$2,000,000.00	$884,010.74
GMACM 2004-J4	36185N4J6	$26,000,000.00	$34,448,182.05
GMACM 2004-J4	36185N4K3	$33,900,000.00	$51,395,233.90
GMACM 2004-J5	36185N5B2	$11,250,000.00	$7,263,675.06
GMACM 2004-J5	36185N5C0	$14,500,000.00	$14,500,000.00
GMACM 2004-JR1	36185NS35	$10,000,000.00	$8,686,073.08
GMACM 2004-JR1	36185NS43	$28,311,915.00	$43,238,535.34
GMACM 2004-VF1	36186FAA4	$115,278,998.00	$18,399,746.32
GMACM 2005-AA1	76112BNN6	$50,000,000.00	$10,022,410.39
GMACM 2005-AF1	36185MAJ1	$30,935,205.00	$17,992,750.89
GMACM 2005-AF1	36185MAK8	$58,719,000.00	$7,860,050.53
GMACM 2005-AF1	36185MAN2	$1,000,000.00	$1,479,905.60
GMACM 2005-AR1	76112BKK5	$10,000,000.00	$687,431.34
GMACM 2005-AR1	76112BKN9	$53,559,000.00	$14,272,877.71
GMACM 2005-AR1	76112BKP4	$16,390,000.00	$4,684,637.43
GMACM 2005-AR1	76112BKQ2	$277,340.00	$90,952.47
GMACM 2005-AR1	76112BKS8	$7,796,000.00	$5,462,481.28
GMACM 2005-AR2	36185N6M7	$2,100,000.00	$373,455.48
GMACM 2005-AR2	36185N6N5	$1,500,000.00	$475,829.57
GMACM 2005-AR2	36185N6Q8	$37,293,000.00	$14,492,493.16

GMACM 2005-AR3	36185N6Y1	$23,756,000.00	$3,078,751.10
GMACM 2005-AR3	36185N7D6	$9,516,000.00	$925,595.37
GMACM 2005-AR3	36185N7E4	$1,000,000.00	$1,000,000.00
GMACM 2005-AR3	36185N7H7	$50,000,000.00	$3,690,962.79
GMACM 2005-AR3	36185N7L8	$100,617,387.26	$33,343,345.49
GMACM 2005-AR3	36185N7M6	$5,000,000.00	$1,656,937.55
GMACM 2005-AR4	76112BUD0	$14,512,000.00	$1,717,517.74
GMACM 2005-AR4	76112BUG3	$56,000,000.00	$20,747,040.06
GMACM 2005-AR4	76112BUK4	$2,592,000.00	$836,696.62
GMACM 2005-AR4	76112BUM0	$3,933,000.00	$1,298,661.68
GMACM 2005-AR5	76112BYB0	$600,000.00	$231,853.88
GMACM 2005-AR5	76112BYD6	$35,000,000.00	$13,182,471.99
GMACM 2005-AR5	76112BYF1	$5,905,000.00	$2,475,640.32
GMACM 2005-AR6	36185MBG6	$48,131,000.00	$15,396,021.72
GMACM 2005-AR6	36185MBJ0	$81,693,026.00	$30,858,233.47
GMACM 2005-AR6	36185MBL5	$27,986,000.00	$12,501,009.30
GMACM 2005-AR6	36185MBN1	$44,030,945.00	$22,277,176.61
GMACM 2005-HE1	361856EB9	$35,100,000.00	$16,289,231.06
GMACM 2005-HE1	361856EC7	$45,000,000.00	$20,883,629.47
GMACM 2005-HE2	36185MAD4	$5,000,000.00	$2,666,379.03
GMACM 2005-HE2	36185MAF9	$44,000,000.00	$26,323,988.66
GMACM 2005-HE3	361856EH6	$2,500,000.00	$1,351,643.25
GMACM 2005-J1	36185MBY7	$13,650,000.00	$2,595,782.18
GMACM 2005-J1	36185MCJ9	$20,000,000.00	$17,253,639.71
GMACM 2005-J1	36185MCL4	$20,000,000.00	$18,348,106.59
GMACM 2005-J1	36185MCP5	$24,000,000.00	$24,000,000.00
GMACM 2006-AR1	36185MDN9	$8,840,000.00	$3,784,623.44
GMACM 2006-AR1	36185MDQ2	$112,902,000.00	$47,427,857.23
GMACM 2006-AR2	36185MFB3	$30,697,840.00	$9,100,819.00
GMACM 2006-HE1	361856ER4	$49,485,000.00	$21,833,699.68
GMACM 2006-HE2	38011AAC8	$25,150,000.00	$16,046,139.33
GMACM 2006-HE3	38012TAB8	$8,620,000.00	$3,248,873.04
GMACM 2006-HE3	38012TAC6	$1,360,000.00	$787,581.94
GMACM 2006-HE4	38012UAA7	$46,310,000.00	$21,844,576.85
GMACM 2006-HE4	38012UAB5	$4,100,000.00	$1,933,983.19
GMACM 2006-HLTV	36185HEH2	$9,700,000.00	$138,887.96
GMACM 2006-HLTV	36185HEJ8	$20,500,000.00	$20,250,000.00
GMACM 2006-J1	36185MEB4	$58,877,000.00	$10,286,054.12
GMACM 2006-J1	36185MEG3	$15,000,000.00	$14,127,453.31
GMACM 2007-HE1	36186KAB1	$4,731,000.00	$770,700.89
GMACM 2007-HE1	36186KAD7	$14,000,000.00	$14,000,000.00

GMACM 2007-HE2	36186LAB9	$90,000.00	$54,419.27
GMACM 2007-HE2	36186LAG8	$24,004,000.00	$14,514,202.75
GMACM 2007-HE3	36186MAA9	$35,735,000.00	$13,454,365.26
GMACM 2007-HE3	36186MAC5	$36,960,000.00	$18,812,695.41
RAAC 2004-SP1	7609855V9	$49,812,000.00	$5,700,976.26
RAAC 2004-SP1	7609855Y3	$2,337,000.00	$704,462.52
RAAC 2004-SP2	7609857N5	$1,000,000.00	$55,326.52
RAAC 2004-SP3	76112BEN6	$12,769,000.00	$12,769,000.00
RAAC 2004-SP3	76112BES5	$30,000,000.00	$5,442,471.66
RAAC 2005-RP1	76112BJR2	$7,000,000.00	$7,000,000.00
RAAC 2005-RP2	76112BXN5	$66,360,000.00	$640,466.76
RAAC 2005-RP3	76112BP95	$4,000,000.00	$4,000,000.00
RAAC 2005-SP1	76112BQL7	$31,117,000.00	$27,013,250.19
RAAC 2005-SP1	76112BQN3	$57,000,000.00	$757,348.91
RAAC 2005-SP1	76112BQS2	$2,180,500.00	$3,285,426.60
RAAC 2005-SP1	76112BRE2	$323,000.00	$233,120.85
RAAC 2005-SP1	76112BSA9	$1,500,000.00	$343,937.96
RAAC 2005-SP2	76112BE48	$13,000,000.00	$3,365,502.68
RAAC 2005-SP2	76112BE71	$1,551,000.00	$1,551,000.00
RAAC 2005-SP2	76112BF54	$113,800,000.00	$23,201,012.00
RAAC 2005-SP2	76112BF70	$4,291,000.00	$1,579,709.70
RAAC 2005-SP3	76112BS43	$2,600,000.00	$2,455,539.56
RAAC 2006-RP1	76112B2V1	$2,880,055.00	$2,880,055.00
RAAC 2006-RP1	76112B2W9	$8,000,000.00	$8,000,000.00
RAAC 2006-RP1	76112B3R9	$42,483,000.00	$5,659,607.67
RAAC 2006-RP2	74919MAA4	$132,274,000.00	$24,870,249.66
RAAC 2006-RP3	74919RAA3	$151,820,000.00	$37,512,966.12
RAAC 2006-RP3	74919RAE5	$15,000,000.00	$15,000,000.00
RAAC 2006-RP4	74919TAA9	$105,576,520.00	$28,972,532.49
RAAC 2006-RP4	74919TAB7	$20,700,000.00	$20,700,000.00
RAAC 2006-SP1	76112B3D0	$3,200,000.00	$752,301.25
RAAC 2006-SP2	74919PAB5	$35,409,000.00	$9,478,791.84
RAAC 2006-SP3	74919QAD9	$4,364,000.00	$4,364,000.00
RAAC 2006-SP4	74919VAH9	$5,000,000.00	$5,000,000.00
RAAC 2007-RP1	74977YAA7	$184,091,000.00	$67,091,939.37
RAAC 2007-RP1	74977YAB5	$11,800,000.00	$11,800,000.00
RAAC 2007-RP2	74919WAA2	$74,860,000.00	$25,790,180.45
RAAC 2007-RP2	74919WAB0	$9,800,000.00	$9,800,000.00
RAAC 2007-RP3	74978BAA6	$60,200,000.00	$22,780,459.57
RAAC 2007-RP3	74978BAB4	$6,900,000.00	$6,900,000.00
RAAC 2007-RP3	74978FAA7	$14,400,000.00	$5,672,315.02
RAAC 2007-RP4	74919LAD0	$35,700,000.00	$17,303,135.56
RAAC 2007-RP4	74919LAE8	$16,513,000.00	$16,513,000.00

RAAC 2007-SP1	74978AAC4	$51,211,000.00	$51,211,000.00
RAAC 2007-SP2	74919XAE2	$9,900,000.00	$9,900,000.00
RAAC 2007-SP3	74978FAA7	$117,076,000.00	$46,117,492.22
RALI 2004-QA1	76110HRM3	$19,000,000.00	$789,690.45
RALI 2004-QA2	76110HVU0	$25,000,000.00	$3,499,008.16
RALI 2004-QA3	76110HXR5	$10,657,000.00	$1,861,483.53
RALI 2004-QA4	76110HZH5	$10,564,000.00	$1,362,671.05
RALI 2004-QA4	76110HZP7	$6,095,900.00	$3,326,557.02
RALI 2004-QA4	76110HZQ5	$3,143,400.00	$1,229,988.93
RALI 2004-QA5	76110HC72	$37,338,000.00	$2,260,669.39
RALI 2004-QA5	76110HC98	$100,000.00	$5,188.91
RALI 2004-QA6	76110HH28	$70,320,000.00	$4,456,586.56
RALI 2004-QA6	76110HH85	$18,350,000.00	$4,765,681.90
RALI 2004-QR1	76110HB57	$108,346,390.00	$13,542,294.00
RALI 2004-QS1	76110HQF9	$36,482,573.00	$3,351,246.65
RALI 2004-QS10	76110HWC9	$50,000,000.00	$3,696,417.31
RALI 2004-QS10	76110HWG0	$21,200,000.00	$33,543,864.51
RALI 2004-QS10	76110HWK1	$216,614,427.00	$54,544,002.09
RALI 2004-QS11	76110HWU9	$40,633,600.00	$3,411,076.00
RALI 2004-QS11	76110HWV7	$13,000,000.00	$13,000,000.00
RALI 2004-QS11	76110HWW5	$3,380,000.00	$283,741.48
RALI 2004-QS11	76110HWX3	$19,000,000.00	$16,747,700.57
RALI 2004-QS11	76110HXC8	$217,512,005.00	$56,892,689.34
RALI 2004-QS13	76110HYF0	$3,600,000.00	$827,786.04
RALI 2004-QS13	76110HYH6	$129,166,655.00	$28,131,284.43
RALI 2004-QS16	76110HJ59	$121,835,000.00	$19,351,250.94
RALI 2004-QS16	76110HJ91	$17,500,000.00	$15,779,390.45
RALI 2004-QS16	76110HK24	$3,200,000.00	$728,620.56
RALI 2004-QS2	76110HQG7	$38,831,040.00	$4,380,787.00
RALI 2004-QS2	76110HQM4	$95,777,000.00	$21,124,010.62
RALI 2004-QS2	76110HQS1	$6,870,000.00	$5,137,689.94
RALI 2004-QS2	76110HQT9	$3,215,800.00	$2,510,081.95
RALI 2004-QS3	76110HRA9	$11,800,000.00	$2,322,241.08
RALI 2004-QS4	76110HRV3	$690,000.00	$81,890.07
RALI 2004-QS4	76110HSA8	$29,543,500.00	$5,170,290.87
RALI 2004-QS4	76110HSG5	$7,694,900.00	$5,699,173.40
RALI 2004-QS4	76110HSH3	$3,686,800.00	$2,744,461.69
RALI 2004-QS5	76110HSR1	$16,725,000.00	$2,370,928.64
RALI 2004-QS5	76110HSU4	$12,438,900.00	$12,438,900.00
RALI 2004-QS5	76110HSW0	$2,805,000.00	$389,577.36
RALI 2004-QS6	76110HTG4	$2,000,000.00	$448,522.46
RALI 2004-QS7	76110HTV1	$40,457,000.00	$2,607,829.90
RALI 2004-QS7	76110HTW9	$15,000,000.00	$15,000,000.00

RALI 2004-QS7	76110HTX7	$2,000,000.00	$890,694.16
RALI 2004-QS8	76110HUL1	$150,000.00	$12,805.31
RALI 2004-QS8	76110HUN7	$9,630,166.00	$726,675.12
RALI 2004-QS8	76110HUR8	$3,500,000.00	$5,379,589.02
RALI 2004-QS8	76110HUT4	$25,174,900.00	$7,265,375.54
RALI 2004-QS9	76110HVH9	$51,542,000.00	$11,523,385.30
RALI 2005-QA1	76110HM63	$70,000,000.00	$11,644,941.30
RALI 2005-QA10	761118GD4	$63,450,000.00	$28,434,595.73
RALI 2005-QA10	761118GE2	$74,247,000.00	$35,330,729.37
RALI 2005-QA10	761118GL6	$12,077,000.00	$332,539.02
RALI 2005-QA12	761118MY1	$32,839,000.00	$10,055,832.86
RALI 2005-QA12	761118MZ8	$24,000,000.00	$6,139,991.23
RALI 2005-QA12	761118NB0	$24,031,000.00	$9,296,623.99
RALI 2005-QA12	761118NC8	$4,050,000.00	$1,592,391.26
RALI 2005-QA13	761118PE2	$197,550,000.00	$80,522,480.40
RALI 2005-QA13	761118PF9	$375,000.00	$127,465.58
RALI 2005-QA2	76110HT90	$38,817,000.00	$12,132,243.89
RALI 2005-QA3	76110H2H1	$84,790,900.00	$19,011,586.77
RALI 2005-QA3	76110H2K4	$31,402,800.00	$7,949,443.21
RALI 2005-QA3	76110H2L2	$8,765,600.00	$2,774,968.65
RALI 2005-QA3	76110H2P3	$17,924,800.00	$2,937,306.19
RALI 2005-QA4	76110H4F3	$13,225,000.00	$3,556,000.19
RALI 2005-QA4	76110H4G1	$96,000.00	$23,602.35
RALI 2005-QA4	76110H4K2	$30,000.00	$10,084.90
RALI 2005-QA4	76110H4L0	$87,930,000.00	$33,362,341.52
RALI 2005-QA5	76110H5A3	$44,000,000.00	$2,530,640.80
RALI 2005-QA5	76110H5C9	$3,859,900.00	$1,427,833.31
RALI 2005-QA6	76110H5Z8	$3,882,000.00	$798,192.82
RALI 2005-QA6	76110H6E4	$20,612,560.00	$4,993,573.00
RALI 2005-QA6	76110H6F1	$230,000.00	$230,000.00
RALI 2005-QA7	76110H7B9	$84,350,000.00	$30,476,596.74
RALI 2005-QA7	76110H7D5	$5,000,000.00	$1,806,555.90
RALI 2005-QA7	76110H7J2	$3,500,000.00	$373,818.85
RALI 2005-QA8	761118BP2	$101,397,000.00	$26,691,765.84
RALI 2005-QA8	761118BS6	$54,000,000.00	$19,664,315.85
RALI 2005-QA8	761118BW7	$10,025,000.00	$3,443,924.79
RALI 2005-QA9	761118FG8	$27,700,000.00	$7,774,410.12
RALI 2005-QA9	761118FJ2	$27,000,000.00	$7,424,605.83
RALI 2005-QA9	761118FM5	$42,390,000.00	$18,981,051.78
RALI 2005-QO1	761118EN4	$99,400,000.00	$29,924,469.79
RALI 2005-QO1	761118EP9	$6,330,000.00	$1,905,653.50
RALI 2005-QO2	761118HU5	$111,860,000.00	$35,809,815.74
RALI 2005-QO3	761118KU1	$129,849,000.00	$44,254,225.46

RALI 2005-QO3	761118KV9	$36,156,400.00	$11,762,228.18
RALI 2005-QO4	761118NN4	$131,410,000.00	$47,913,396.79
RALI 2005-QO4	761118NP9	$35,953,000.00	$11,792,949.44
RALI 2005-QO5	761118QM3	$257,979,000.00	$98,220,567.34
RALI 2005-QS1	76110HN88	$80,000,000.00	$22,370,403.00
RALI 2005-QS1	76110HP45	$40,410,000.00	$11,299,850.02
RALI 2005-QS1	76110HP78	$214,597,361.00	$76,877,951.15
RALI 2005-QS10	761118CW6	$25,000,000.00	$9,824,052.31
RALI 2005-QS10	761118CX4	$25,000,000.00	$7,277,629.12
RALI 2005-QS10	761118CZ9	$13,283,000.00	$10,134,410.76
RALI 2005-QS11	761118CE6	$36,149,700.00	$32,452,216.90
RALI 2005-QS12	761118DN5	$36,935,205.00	$20,811,421.27
RALI 2005-QS12	761118DR6	$10,410,000.00	$9,774,428.07
RALI 2005-QS12	761118DU9	$10,560,000.00	$594,177.68
RALI 2005-QS13	761118GW2	$41,885,000.00	$8,871,234.82
RALI 2005-QS13	761118GX0	$1,300,000.00	$535,461.24
RALI 2005-QS13	761118HA9	$41,935,205.00	$23,585,238.40
RALI 2005-QS13	761118HC5	$68,400,000.00	$17,944,983.83
RALI 2005-QS14	761118JG4	$125,510,000.00	$34,169,004.34
RALI 2005-QS14	761118JH2	$46,530,000.00	$21,227,525.11
RALI 2005-QS14	761118JJ8	$99,999,999.68	$36,579,683.96
RALI 2005-QS14	761118JQ2	$484,882,069.00	$178,984,271.76
RALI 2005-QS15	761118KG2	$66,099,000.00	$32,667,405.47
RALI 2005-QS15	761118KJ6	$18,861,000.00	$7,825,497.29
RALI 2005-QS16	761118MC9	$25,450,000.00	$23,333,695.90
RALI 2005-QS17	761118PQ5	$13,165,000.00	$11,751,935.12
RALI 2005-QS17	761118PS1	$10,000,000.00	$8,543,063.86
RALI 2005-QS17	761118PU6	$1,500,000.00	$293,127.89
RALI 2005-QS17	761118PY8	$103,032,000.00	$35,783,851.00
RALI 2005-QS17	761118PZ5	$53,366,200.00	$15,208,445.59
RALI 2005-QS2	76110HQ69	$53,001,600.00	$14,062,105.00
RALI 2005-QS3	76110HX53	$10,990,200.00	$9,840,588.13
RALI 2005-QS3	76110HX61	$15,000,000.00	$2,009,268.73
RALI 2005-QS3	76110HX87	$24,048,000.00	$22,501,858.82
RALI 2005-QS3	76110HY86	$103,981,675.00	$27,427,074.84
RALI 2005-QS5	76110H2X6	$81,000,000.00	$20,210,307.25
RALI 2005-QS5	76110H2Z1	$58,392,577.00	$14,745,643.72
RALI 2005-QS6	76110H5F2	$118,400,000.00	$24,716,937.00
RALI 2005-QS6	76110H5J4	$13,083,333.00	$5,929,652.65
RALI 2005-QS6	76110H5L9	$8,844,000.00	$8,287,892.76
RALI 2005-QS6	76110H5M7	$250,000.00	$234,280.10
RALI 2005-QS7	761118AA6	$20,100,000.00	$4,967,334.76
RALI 2005-QS7	761118AE8	$22,827,000.00	$21,309,278.84

RALI 2005-QS7	761118AH1	$99,840,000.00	$38,586,890.82
RALI 2005-QS9	761118AV0	$42,000,000.00	$9,277,846.07
RALI 2005-QS9	761118AZ1	$12,098,000.00	$11,225,892.70
RALI 2006-Q10	751153AA5	$19,410,000.00	$11,084,423.82
RALI 2006-QA1	761118SZ2	$50,000,000.00	$12,606,050.84
RALI 2006-QA1	761118TB4	$147,482,000.00	$65,247,325.86
RALI 2006-QA1	761118TD0	$9,800,000.00	$3,304,827.88
RALI 2006-QA10	74922NAA7	$35,728,269.00	$13,459,710.78
RALI 2006-QA10	74922NAB5	$91,295,092.00	$38,214,542.99
RALI 2006-QA2	761118TN8	$25,849,397.00	$10,099,810.44
RALI 2006-QA2	761118TR9	$25,000,000.00	$10,435,351.77
RALI 2006-QA2	761118TU2	$27,106,000.00	$13,682,175.07
RALI 2006-QA3	75114RAD7	$65,500,000.00	$19,946,268.36
RALI 2006-QA4	748939AA3	$55,340,405.00	$19,362,187.54
RALI 2006-QA5	75115BAA7	$48,463,281.00	$17,088,242.50
RALI 2006-QA5	75115BAB5	$100,000,000.00	$34,840,508.38
RALI 2006-QA6	74922MAA9	$69,181,483.00	$22,240,617.04
RALI 2006-QA6	74922MAB7	$15,000,000.00	$5,362,548.77
RALI 2006-QA6	74922MAC5	$6,370,000.00	$2,277,295.71
RALI 2006-QA7	751152AA7	$122,384,675.00	$40,803,254.28
RALI 2006-QA8	74922QAA0	$73,678,889.00	$25,312,045.04
RALI 2006-QA8	74922QAB8	$25,000,000.00	$9,542,936.62
RALI 2006-QA9	75115VAA3	$27,007,000.00	$9,931,577.59
RALI 2006-QH1	75115GAA6	$15,000,000.00	$8,515,112.78
RALI 2006-QO1	761118RG5	$5,400,000.00	$838,109.67
RALI 2006-QO1	761118RJ9	$78,443,000.00	$24,013,603.76
RALI 2006-QO1	761118RK6	$10,496,000.00	$0.03
RALI 2006-QO1	761118RM2	$105,602,000.00	$51,300,225.35
RALI 2006-QO1	761118RN0	$89,680,800.00	$29,684,643.50
RALI 2006-QO10	751153AA5	$99,395,000.00	$56,761,261.83
RALI 2006-QO10	751153AB3	$81,000,000.00	$41,396,225.42
RALI 2006-QO2	761118VY1	$265,842,000.00	$94,138,538.93
RALI 2006-QO2	761118VZ8	$99,413,600.00	$38,595,980.48
RALI 2006-QO3	761118WP9	$164,541,000.00	$70,431,593.54
RALI 2006-QO3	761118WQ7	$34,747,000.00	$16,745,355.27
RALI 2006-QO4	75114GAC3	$5,470,000.00	$2,647,461.19
RALI 2006-QO5	75114HAD9	$66,000,000.00	$35,286,331.22
RALI 2006-QO5	75114HAE7	$10,800,000.00	$4,274,581.07
RALI 2006-QO5	75114HAH0	$29,397,000.00	$7,731,231.07
RALI 2006-QO5	75114HAK3	$11,000,000.00	$9,974,691.10
RALI 2006-QO6	75114NAA2	$532,153,000.00	$268,255,921.95
RALI 2006-QO6	75114NAB0	$249,055,000.00	$127,674,640.47
RALI 2006-QO7	751150AA1	$12,000,000.00	$7,142,533.74

RALI 2006-QO7	751150AD5	$80,751,000.00	$48,796,184.34
RALI 2006-QO7	751150AH6	$64,378,000.00	$46,855,661.04
RALI 2006-QO7	751150AJ2	$37,954,000.00	$32,438,418.87
RALI 2006-QO8	75115FAS9	$15,000,000.00	$13,791,616.34
RALI 2006-QO9	75114PAA7	$1,700,000.00	$0.00
RALI 2006-QO9	75114PAC3	$85,000,000.00	$79,706,842.10
RALI 2006-QS1	761118SB5	$22,000,000.00	$5,271,753.67
RALI 2006-QS10	751155AN2	$15,810,666.00	$6,941,953.19
RALI 2006-QS10	751155BE1	$5,293,385.00	$2,509,526.92
RALI 2006-QS11	75115EAA1	$75,000,000.00	$27,080,806.88
RALI 2006-QS11	75115EAU7	$17,284,000.00	$13,187,758.02
RALI 2006-QS12	751151AA9	$85,000,000.00	$25,462,526.17
RALI 2006-QS12	751151AD3	$25,177,000.00	$18,110,058.92
RALI 2006-QS12	751151AG6	$7,000,000.00	$2,647,360.10
RALI 2006-QS12	751151AH4	$10,300,000.00	$7,059,103.39
RALI 2006-QS12	751151AU5	$20,000,000.00	$8,455,282.29
RALI 2006-QS12	751151AV3	$40,744,973.00	$17,225,512.65
RALI 2006-QS13	75115DAA3	$126,039,000.00	$54,810,097.54
RALI 2006-QS13	75115DAK1	$3,338,000.00	$2,543,031.36
RALI 2006-QS14	74922GAE4	$15,384,616.00	$6,240,381.48
RALI 2006-QS14	74922GAK0	$5,547,285.00	$3,920,867.58
RALI 2006-QS14	74922GAP9	$75,000,000.00	$37,600,223.93
RALI 2006-QS15	74922YAA3	$32,000,000.00	$14,218,626.83
RALI 2006-QS15	74922YAD7	$251,000.00	$212,376.61
RALI 2006-QS15	74922YAE5	$14,697,000.00	$10,796,952.80
RALI 2006-QS16	74922LAA1	$155,025,250.00	$71,509,273.88
RALI 2006-QS16	74922LAG8	$500,000.00	$210,221.71
RALI 2006-QS17	74922SAA6	$27,500,000.00	$13,065,317.92
RALI 2006-QS18	74922RAC4	$116,032,000.00	$42,573,048.93
RALI 2006-QS18	74922RAF7	$50,000,000.00	$29,161,054.63
RALI 2006-QS18	74922RAH3	$256,013,950.00	$119,929,539.25
RALI 2006-QS18	74922RAM2	$23,171,000.00	$10,120,686.65
RALI 2006-QS18	74922RAP5	$2,690,000.00	$960,359.87
RALI 2006-QS18	74922RAR1	$4,660,000.00	$1,663,671.74
RALI 2006-QS2	761118UL0	$8,550,000.00	$5,156,304.28
RALI 2006-QS2	761118UQ9	$29,500,000.00	$8,330,539.80
RALI 2006-QS2	761118UY2	$100,000,000.00	$60,908,920.86
RALI 2006-QS2	761118VA3	$106,430,000.00	$26,481,615.06
RALI 2006-QS3	761118XL7	$88,458,000.00	$22,276,987.61
RALI 2006-QS4	749228AA0	$25,553,000.00	$20,021,007.78
RALI 2006-QS4	749228AF9	$10,000,000.00	$3,081,460.09
RALI 2006-QS4	749228AJ1	$22,950,000.00	$8,116,379.87
RALI 2006-QS5	75114TAC5	$40,000,000.00	$23,719,955.70

RALI 2006-QS5	75114TAD3	$20,000,000.00	$15,149,622.39
RALI 2006-QS5	75114TAE1	$33,909,000.00	$25,685,427.28
RALI 2006-QS6	74922EAA7	$80,000,000.00	$28,624,734.00
RALI 2006-QS6	74922EAB5	$450,000.00	$147,346.81
RALI 2006-QS6	74922EAN9	$16,669,000.00	$5,609,641.33
RALI 2006-QS6	74922EAQ2	$3,550,000.00	$1,779,842.27
RALI 2006-QS7	748940AA1	$139,600,000.00	$66,316,587.90
RALI 2006-QS7	748940AD5	$19,000,000.00	$2,229,816.56
RALI 2006-QS8	75115AAA9	$116,485,000.00	$56,007,745.08
RALI 2006-QS8	75115AAB7	$11,095,000.00	$8,219,601.67
RALI 2006-QS8	75115AAC5	$26,500,000.00	$19,632,216.64
RALI 2006-QS8	75115AAD3	$51,255,000.00	$7,551,577.51
RALI 2006-QS9	75115CAA5	$43,000,000.00	$7,531,962.67
RALI 2006-QS9	75115CAG2	$10,755,650.00	$8,440,367.10
RALI 2006-QS9	75115CAL1	$12,000,000.00	$4,250,967.47
RALI 2007-QA1	74923GAA1	$72,495,000.00	$25,552,691.63
RALI 2007-QA2	74922PAA2	$40,000,000.00	$12,631,088.43
RALI 2007-QA2	74922PAC8	$990,054.00	$396,607.77
RALI 2007-QA4	74923YAA2	$128,000,000.00	$46,308,406.45
RALI 2007-QA5	749236AE5	$36,360,960.00	$24,506,067.00
RALI 2007-QH1	74922HAA0	$71,968,000.00	$44,264,673.62
RALI 2007-QH1	74922HAB8	$17,551,200.00	$10,795,050.00
RALI 2007-QH2	74922JAA6	$30,079,200.00	$18,122,445.00
RALI 2007-QH2	74922JAB4	$29,862,600.00	$17,991,945.01
RALI 2007-QH3	74922WAA7	$112,327,000.00	$70,667,905.38
RALI 2007-QH4	74922TAA4	$48,200,000.00	$31,590,638.47
RALI 2007-QH4	74922TAB2	$55,482,400.00	$36,363,577.04
RALI 2007-QH5	75116EAA0	$30,000,000.00	$19,360,377.15
RALI 2007-QH5	75116EAB8	$49,048,800.00	$31,653,442.00
RALI 2007-QH6	74922AAA5	$146,600,000.00	$96,850,905.58
RALI 2007-QH6	74922AAB3	$56,000,000.00	$36,996,253.00
RALI 2007-QH7	75115LAA5	$45,957,480.00	$30,899,122.00
RALI 2007-QH9	749241AA3	$102,885,000.00	$78,363,668.81
RALI 2007-QO1	75115YAA7	$102,083,000.00	$59,735,302.14
RALI 2007-QO2	75116AAA8	$88,030,000.00	$51,729,339.74
RALI 2007-QO2	75116AAB6	$15,110,400.00	$1,961,764.00
RALI 2007-QO3	74923TAA3	$63,615,000.00	$38,905,015.60
RALI 2007-QO3	74923TAC9	$8,675,000.00	$616,980.44
RALI 2007-QO4	74923LAA0	$3,250,000.00	$1,980,917.06
RALI 2007-QO4	74923LAB8	$53,700,000.00	$32,730,845.05
RALI 2007-QO4	74923LAC6	$11,325,000.00	$6,902,734.06
RALI 2007-QO4	74923LAD4	$7,625,000.00	$1,405,484.34
RALI 2007-QS1	74922KAA3	$15,000,000.00	$4,871,042.36

RALI 2007-QS1	74922KAB1	$34,499,000.00	$25,666,406.90
RALI 2007-QS1	74922KAD7	$5,000,000.00	$3,949,705.88
RALI 2007-QS1	74922KAH8	$143,167,000.00	$78,897,588.95
RALI 2007-QS10	74924DAA7	$1,385,000.00	$831,511.26
RALI 2007-QS11	74925GAA9	$1,925,000.00	$1,060,502.07
RALI 2007-QS2	74923CAC6	$3,200,000.00	$2,452,121.99
RALI 2007-QS2	74923CAD4	$10,000,000.00	$5,087,390.51
RALI 2007-QS3	75116BAB4	$240,000,000.00	$119,345,672.00
RALI 2007-QS3	75116BAE8	$39,000,000.00	$30,661,109.71
RALI 2007-QS4	74923HAE1	$39,661,000.00	$20,632,988.04
RALI 2007-QS4	74923HAM3	$39,390,000.00	$19,192,252.08
RALI 2007-QS4	74923HAT8	$23,203,000.00	$18,859,618.00
RALI 2007-QS4	74923HBA8	$9,976,000.00	$3,319,478.46
RALI 2007-QS5	74923JAB3	$100,000,000.00	$67,741,718.36
RALI 2007-QS5	74923JAH0	$27,630,000.00	$16,137,872.62
RALI 2007-QS6	74923WAK4	$55,127,000.00	$29,693,716.77
RALI 2007-QS6	75116CAA4	$143,200,000.00	$76,856,023.56
RALI 2007-QS6	75116CAF3	$25,213,000.00	$18,947,451.15
RALI 2007-QS6	75116CAM8	$52,229,464.00	$34,031,437.58
RALI 2007-QS6	75116CBW5	$20,000,000.00	$9,250,604.24
RALI 2007-QS6	75116CCP9	$12,000,000.00	$2,343,699.33
RALI 2007-QS7	74923WAD0	$43,289,000.00	$35,231,826.19
RALI 2007-QS7	74923WAE8	$47,398,500.00	$22,308,609.97
RALI 2007-QS8	74922UAA1	$75,345,750.00	$44,970,920.70
RALI 2007-QS8	74922UAB9	$80,869,000.00	$48,267,531.82
RALI 2007-QS8	74922UAG8	$149,706,000.00	$84,999,326.00
RALI 2007-QS8	74922UAH6	$9,000,000.00	$4,879,220.92
RALI 2007-QS8	74922UAK9	$10,585,000.00	$5,107,615.58
RALI 2007-QS8	74922UAN3	$3,876,000.00	$3,266,816.52
RALI 2007-QS9	75116FBH1	$125,543,462.00	$73,847,619.44
RAMP 2004-RS1	760985M73	$15,620,000.00	$8,714,738.52
RAMP 2004-RS1	760985M81	$18,787,000.00	$10,504,735.65
RAMP 2004-RS1	760985N49	$16,250,000.00	$8,099,314.24
RAMP 2004-RS10	76112BDS6	$10,285,000.00	$193,886.84
RAMP 2004-RS10	76112BDT4	$7,100,000.00	$7,100,000.00
RAMP 2004-RS10	76112BDV9	$250,000.00	$201,745.48
RAMP 2004-RS10	76112BED8	$5,000,000.00	$4,466,167.04
RAMP 2004-RS11	76112BFJ4	$3,000,000.00	$1,602,696.08
RAMP 2004-RS11	76112BFK1	$2,000,000.00	$949,025.56
RAMP 2004-RS12	76112BGD6	$5,000,000.00	$1,970,412.37
RAMP 2004-RS12	76112BGF1	$2,500,000.00	$2,500,000.00
RAMP 2004-RS12	76112BGG9	$4,500,000.00	$4,500,000.00
RAMP 2004-RS2	760985Q38	$37,636,000.00	$27,858,421.88

RAMP 2004-RS2	760985Q46	$8,000,000.00	$3,405,596.23
RAMP 2004-RS2	760985Q61	$4,000,000.00	$2,052,757.42
RAMP 2004-RS2	760985Q79	$1,813,000.00	$811,954.38
RAMP 2004-RS3	760985V32	$31,030,000.00	$23,136,930.34
RAMP 2004-RS4	7609852X8	$39,042,000.00	$27,967,608.06
RAMP 2004-RS4	7609852Y6	$17,000,000.00	$6,525,918.21
RAMP 2004-RS4	7609853J8	$16,100,000.00	$8,295,682.31
RAMP 2004-RS5	7609854A6	$35,000,000.00	$32,700,643.15
RAMP 2004-RS5	7609854G3	$5,000,000.00	$2,493,091.93
RAMP 2004-RS5	7609854H1	$12,000,000.00	$3,336,677.45
RAMP 2004-RS5	7609854K4	$5,000,000.00	$1,323,313.48
RAMP 2004-RS5	7609854L2	$2,500,000.00	$38,743.75
RAMP 2004-RS6	7609855A5	$498,000.00	$78,442.97
RAMP 2004-RS6	7609855B3	$9,600,000.00	$9,600,000.00
RAMP 2004-RS6	7609855L1	$15,000,000.00	$7,309,699.69
RAMP 2004-RS6	7609855M9	$10,000,000.00	$2,601,383.85
RAMP 2004-RS7	7609857E5	$7,000,000.00	$6,974,642.27
RAMP 2004-RS7	7609857D7	$2,500,000.00	$823,092.17
RAMP 2004-RS7	7609857F2	$2,000,000.00	$969,387.95
RAMP 2004-RS7	7609857K1	$23,500,000.00	$5,391,788.00
RAMP 2004-RS8	76112BAE0	$12,558,000.00	$12,558,000.00
RAMP 2004-RS8	76112BAM2	$15,000,000.00	$11,845,975.74
RAMP 2004-RS9	76112BCG3	$5,000,000.00	$4,983,526.53
RAMP 2004-RS9	76112BCM0	$10,000,000.00	$7,502,690.65
RAMP 2004-RS9	76112BCQ1	$4,200,000.00	$953,082.87
RAMP 2004-RZ1	760985T84	$8,304,000.00	$5,611,962.62
RAMP 2004-RZ1	760985T92	$19,533,000.00	$6,722,418.53
RAMP 2004-RZ1	760985U25	$71,100,000.00	$7,012,288.47
RAMP 2004-RZ1	760985U33	$2,000,000.00	$671,187.13
RAMP 2004-RZ1	760985U58	$6,487,000.00	$2,272,796.22
RAMP 2004-RZ1	760985U66	$2,000,000.00	$584,166.15
RAMP 2004-RZ2	7609854S7	$7,500,000.00	$2,706,475.59
RAMP 2004-RZ3	76112BAY6	$6,000,000.00	$1,437,110.87
RAMP 2004-RZ3	76112BAZ3	$6,500,000.00	$6,500,000.00
RAMP 2004-RZ3	76112BBK5	$7,125,000.00	$7,125,000.00
RAMP 2004-RZ4	76112BHF0	$5,000,000.00	$286,682.17
RAMP 2004-SL1	760985W31	$4,456,000.00	$324,387.89
RAMP 2004-SL1	760985W49	$12,430,000.00	$72,000.97
RAMP 2004-SL1	760985W56	$3,800,000.00	$117,989.18
RAMP 2004-SL1	760985W72	$19,207,000.00	$4,203,462.56
RAMP 2004-SL1	760985W80	$26,100,000.00	$2,352,360.99
RAMP 2004-SL1	760985W98	$59,393,000.00	$4,451,324.10
RAMP 2004-SL1	760985X30	$7,537,000.00	$4,086,504.89

RAMP 2004-SL1	760985Z53	$3,913,200.00	$1,434,146.17
RAMP 2004-SL1	760985Z61	$1,750,000.00	$641,356.48
RAMP 2004-SL1	760985Z79	$1,206,600.00	$442,206.18
RAMP 2004-SL2	7609856A4	$37,152,866.00	$596,695.63
RAMP 2004-SL2	7609856D8	$76,187,665.00	$12,461,237.03
RAMP 2004-SL2	7609856L0	$10,585,236.00	$5,865,707.85
RAMP 2004-SL3	76112BBP4	$12,967,000.00	$442,622.92
RAMP 2004-SL3	76112BBQ2	$76,115,000.00	$10,383,340.35
RAMP 2004-SL3	76112BBR0	$18,005,000.00	$2,180,343.75
RAMP 2004-SL3	76112BBS8	$31,380,000.00	$5,993,322.42
RAMP 2004-SL3	76112BBZ2	$2,449,000.00	$1,694,219.49
RAMP 2004-SL4	76112BGK0	$9,000,000.00	$270,565.02
RAMP 2004-SL4	76112BGM6	$16,560,000.00	$2,199,077.62
RAMP 2004-SL4	76112BGP9	$23,390,000.00	$5,758,786.10
RAMP 2004-SL4	76112BGU8	$2,065,900.00	$1,333,007.01
RAMP 2005-EFC1	76112BRM4	$6,000,000.00	$6,000,000.00
RAMP 2005-EFC1	76112BRN2	$7,000,000.00	$7,000,000.00
RAMP 2005-EFC1	76112BRQ5	$4,000,000.00	$4,000,000.00
RAMP 2005-EFC2	76112BVP2	$8,423,000.00	$1,411,499.91
RAMP 2005-EFC2	76112BVQ0	$1,331,000.00	$1,331,000.00
RAMP 2005-EFC2	76112BVW7	$2,686,000.00	$1,446,627.80
RAMP 2005-EFC3	76112BYT1	$9,626,000.00	$3,911,256.23
RAMP 2005-EFC3	76112BYU8	$10,347,000.00	$10,347,000.00
RAMP 2005-EFC3	76112BYV6	$4,069,272.00	$4,069,272.00
RAMP 2005-EFC3	76112BYY0	$6,000,000.00	$6,000,000.00
RAMP 2005-EFC3	76112BZA1	$2,708,000.00	$2,708,000.00
RAMP 2005-EFC3	76112BZB9	$4,625,000.00	$164,013.99
RAMP 2005-EFC4	76112BC32	$53,237,500.00	$290,553.86
RAMP 2005-EFC4	76112BC40	$7,000,000.00	$7,000,000.00
RAMP 2005-EFC4	76112BC99	$4,000,000.00	$4,000,000.00
RAMP 2005-EFC5	76112BH29	$43,812,500.00	$2,678,499.47
RAMP 2005-EFC5	76112BH45	$1,150,000.00	$1,150,000.00
RAMP 2005-EFC5	76112BH52	$4,315,000.00	$4,315,000.00
RAMP 2005-EFC5	76112BH60	$6,000,000.00	$6,000,000.00
RAMP 2005-EFC5	76112BH86	$5,000,000.00	$5,000,000.00
RAMP 2005-EFC5	76112BH94	$10,000,000.00	$10,000,000.00
RAMP 2005-EFC6	76112BJ84	$2,000,000.00	$110,644.68
RAMP 2005-EFC6	76112BK25	$8,000,000.00	$8,000,000.00
RAMP 2005-EFC7	76112BR69	$35,000,000.00	$12,084,337.06
RAMP 2005-NC1	76112BQ94	$62,423,000.00	$25,177,881.59
RAMP 2005-RS1	76112BHW3	$8,139,000.00	$2,335,511.15
RAMP 2005-RS1	76112BHX1	$10,000,000.00	$10,000,000.00
RAMP 2005-RS1	76112BHY9	$4,165,000.00	$2,546,583.13

RAMP 2005-RS1	76112BHZ6	$2,300,000.00	$2,167,784.09
RAMP 2005-RS1	76112BJB7	$1,500,000.00	$594,015.49
RAMP 2005-RS1	76112BJG6	$9,690,000.00	$5,983,691.73
RAMP 2005-RS1	76112BJH4	$10,000,000.00	$7,377,835.23
RAMP 2005-RS2	76112BKC3	$390,000.00	$390,000.00
RAMP 2005-RS2	76112BKE9	$3,938,000.00	$3,938,000.00
RAMP 2005-RS2	76112BKF6	$3,688,000.00	$3,603,074.99
RAMP 2005-RS3	76112BLH1	$10,487,000.00	$10,487,000.00
RAMP 2005-RS3	76112BLJ7	$4,625,000.00	$4,625,000.00
RAMP 2005-RS3	76112BLK4	$4,906,000.00	$4,906,000.00
RAMP 2005-RS3	76112BLN8	$2,000,000.00	$2,000,000.00
RAMP 2005-RS3	76112BLP3	$5,587,000.00	$5,587,000.00
RAMP 2005-RS4	76112BPA2	$14,660,000.00	$6,228,978.94
RAMP 2005-RS4	76112BPC8	$5,000,000.00	$5,000,000.00
RAMP 2005-RS4	76112BPE4	$2,500,000.00	$2,500,000.00
RAMP 2005-RS4	76112BPF1	$3,000,000.00	$3,000,000.00
RAMP 2005-RS5	76112BPU8	$20,289,000.00	$12,169,437.02
RAMP 2005-RS5	76112BPX2	$11,500,000.00	$11,500,000.00
RAMP 2005-RS5	76112BPY0	$8,750,000.00	$8,750,000.00
RAMP 2005-RS5	76112BPZ7	$2,500,000.00	$2,500,000.00
RAMP 2005-RS5	76112BQA1	$2,500,000.00	$2,500,000.00
RAMP 2005-RS6	76112BTS9	$4,300,000.00	$4,300,000.00
RAMP 2005-RS6	76112BTU4	$944,044.00	$944,044.00
RAMP 2005-RS7	76112BWU0	$2,000,000.00	$15,006.49
RAMP 2005-RS7	76112BWV8	$40,000,000.00	$40,000,000.00
RAMP 2005-RS8	76112BZF0	$178,300,000.00	$18,079,197.61
RAMP 2005-RS8	76112BZK9	$10,000,000.00	$10,000,000.00
RAMP 2005-RS8	76112BZL7	$3,983,000.00	$3,983,000.00
RAMP 2005-RS8	76112BZM5	$3,650,000.00	$3,333,200.24
RAMP 2005-RS9	76112BL81	$10,000,000.00	$8,144,162.23
RAMP 2005-RZ3	76112BA42	$7,350,000.00	$7,350,000.00
RAMP 2005-RZ3	76112BZY9	$7,026,430.00	$950,568.84
RAMP 2005-RZ3	76112BZZ6	$5,613,000.00	$5,613,000.00
RAMP 2005-RZ4	76112BM72	$26,754,000.00	$5,856,793.31
RAMP 2005-SL1	76112BMM9	$2,475,000.00	$166,513.03
RAMP 2005-SL1	76112BMQ0	$34,244,200.00	$5,363,872.76
RAMP 2005-SL1	76112BMR8	$19,354,700.00	$3,673,290.70
RAMP 2005-SL1	76112BMS6	$76,216,000.00	$20,669,574.90
RAMP 2005-SL1	76112BMX5	$4,076,800.00	$2,888,121.24
RAMP 2005-SL1	76112BMY3	$3,520,100.00	$1,920,074.18
RAMP 2005-SL2	76112BUV0	$7,000,000.00	$303,221.92
RAMP 2005-SL2	76112BUW8	$24,780,000.00	$4,107,671.07
RAMP 2005-SL2	76112BUX6	$7,350,000.00	$1,926,493.93

RAMP 2005-SL2	76112BUY4	$2,519,000.00	$657,614.11
RAMP 2005-SL2	76112BUZ1	$22,145,000.00	$6,373,354.89
RAMP 2005-SL2	76112BVB3	$1,390,306.00	$184,320.85
RAMP 2005-SL2	76112BVE7	$3,802,100.00	$2,445,045.16
RAMP 2005-SL2	76112BVF4	$3,039,400.00	$1,963,527.92
RAMP 2006-EFC2	749238AB7	$28,640,000.00	$1,517,991.00
RAMP 2006-NC1	76112BW97	$132,750,000.00	$26,358,652.87
RAMP 2006-NC1	76112BX21	$16,044,500.00	$16,044,500.00
RAMP 2006-NC2	75156TAB6	$50,000,000.00	$15,475,963.70
RAMP 2006-NC2	75156TAC4	$4,000,000.00	$4,000,000.00
RAMP 2006-NC2	75156TAD2	$4,720,000.00	$4,720,000.00
RAMP 2006-NC2	75156TAE0	$4,180,000.00	$4,180,000.00
RAMP 2006-NC2	75156TAF7	$3,000,000.00	$1,661,418.67
RAMP 2006-NC3	76112B4M9	$67,650,000.00	$24,337,082.03
RAMP 2006-RS1	76112BT83	$142,400,000.00	$40,984,787.83
RAMP 2006-RS1	76112BU32	$10,000,000.00	$9,480,809.20
RAMP 2006-RS2	76112B2C3	$214,820,000.00	$58,010,800.41
RAMP 2006-RS2	76112B2E9	$4,400,000.00	$4,400,000.00
RAMP 2006-RS2	76112B2F6	$3,800,000.00	$2,623,297.82
RAMP 2006-RS3	75156VAC9	$75,000,000.00	$46,815,957.76
RAMP 2006-RS4	75156WAC7	$114,300,000.00	$78,293,576.05
RAMP 2006-RS4	75156WAD5	$34,312,810.00	$34,312,810.00
RAMP 2006-RS4	75156WAF0	$10,000,000.00	$8,272,962.37
RAMP 2006-RS5	75156YAC3	$60,000,000.00	$33,902,496.85
RAMP 2006-RS6	75156QAC0	$29,896,749.00	$23,103,490.41
RAMP 2006-RS6	75156QAD8	$30,000,000.00	$24,735,661.96
RAMP 2006-RZ1	76112BY87	$66,402,000.00	$9,462,919.04
RAMP 2006-RZ1	76112BZ78	$4,000,000.00	$1,457,622.54
RAMP 2006-RZ2	75156UAB3	$30,044,000.00	$11,208,239.22
RAMP 2006-RZ3	75156MAB1	$73,066,000.00	$37,281,085.61
RAMP 2006-RZ3	75156MAD7	$12,000,000.00	$12,000,000.00
RAMP 2006-RZ3	75156MAE5	$2,000,000.00	$2,000,000.00
RAMP 2006-RZ3	75156MAF2	$7,000,000.00	$1,654,046.15
RAMP 2006-RZ4	75156XAB7	$190,256,318.55	$107,160,858.53
RAMP 2006-RZ4	75156XAE1	$5,950,000.00	$5,950,000.00
RAMP 2006-RZ5	749239AD1	$6,400,000.00	$4,341,988.16
RAMP 2007-RS1	74923RAC3	$124,951,000.00	$122,382,552.82
RAMP 2007-RS1	74923RAD1	$52,287,000.00	$52,287,000.00
RAMP 2007-RS2	75157DAA2	$92,422,000.00	$1,357,531.55
RAMP 2007-RS2	75157DAB0	$11,000,000.00	$11,000,000.00
RAMP 2007-RZ1	74923PAB9	$645,000.00	$568,928.73
RASC 2004-KS1	74924PAE2	$5,600,000.00	$5,600,000.00
RASC 2004-KS1	74924PAH5	$1,200,000.00	$432,225.48

RASC 2004-KS1	74924PAJ1	$5,600,000.00	$2,170,170.60
RASC 2004-KS1	74924PAM4	$15,000,000.00	$5,688,468.09
RASC 2004-KS1	74924PAN2	$250,000.00	$27,172.46
RASC 2004-KS10	76110WF84	$13,614,000.00	$10,272,334.60
RASC 2004-KS10	76110WG26	$9,000,000.00	$248,459.26
RASC 2004-KS10	76110WG34	$7,000,000.00	$4,282,973.02
RASC 2004-KS12	76110WK88	$5,180,000.00	$3,701,602.32
RASC 2004-KS2	76110WWE2	$2,500,000.00	$497,509.89
RASC 2004-KS2	76110WWF9	$7,500,000.00	$7,500,000.00
RASC 2004-KS2	76110WWG7	$4,650,000.00	$2,488,695.18
RASC 2004-KS2	76110WWH5	$4,000,000.00	$1,646,616.79
RASC 2004-KS2	76110WWJ1	$5,375,000.00	$2,221,100.75
RASC 2004-KS2	76110WWK8	$4,925,000.00	$2,035,147.86
RASC 2004-KS2	76110WWN2	$5,000,000.00	$1,910,537.87
RASC 2004-KS2	76110WWP7	$5,000,000.00	$640,050.65
RASC 2004-KS2	76110WWQ5	$4,000,000.00	$485,550.23
RASC 2004-KS3	76110WWX0	$1,150,000.00	$263,332.71
RASC 2004-KS3	76110WWY8	$8,750,000.00	$8,750,000.00
RASC 2004-KS3	76110WXF8	$8,375,000.00	$4,453,747.86
RASC 2004-KS3	76110WXG6	$10,000,000.00	$1,261,444.30
RASC 2004-KS3	76110WXH4	$4,000,000.00	$684,922.67
RASC 2004-KS4	76110WXR2	$9,700,000.00	$9,700,000.00
RASC 2004-KS5	76110WYC4	$3,000,000.00	$1,206,793.58
RASC 2004-KS5	76110WYD2	$6,500,000.00	$6,500,000.00
RASC 2004-KS5	76110WYF7	$8,500,000.00	$4,163,788.62
RASC 2004-KS5	76110WYG5	$6,000,000.00	$2,950,022.79
RASC 2004-KS5	76110WYM2	$22,000,000.00	$13,257,445.50
RASC 2004-KS5	76110WYN0	$10,000,000.00	$1,839,241.73
RASC 2004-KS5	76110WYP5	$14,500,000.00	$865,310.17
RASC 2004-KS6	76110WZN9	$6,617,000.00	$6,617,000.00
RASC 2004-KS6	76110WZP4	$3,000,000.00	$1,638,231.02
RASC 2004-KS6	76110WZU3	$3,750,000.00	$1,977,420.69
RASC 2004-KS6	76110WZV1	$2,750,000.00	$1,855,137.45
RASC 2004-KS6	76110WZX7	$30,000,000.00	$17,747,971.60
RASC 2004-KS6	76110WZY5	$10,000,000.00	$2,074,463.58
RASC 2004-KS8	76110WC79	$3,000,000.00	$1,522,638.57
RASC 2004-KS8	76110WC95	$2,300,000.00	$1,461,157.45
RASC 2004-KS8	76110WD52	$3,700,000.00	$2,100,986.84
RASC 2004-KS9	76110WE51	$9,000,000.00	$2,798,705.96
RASC 2004-KS9	76110WE69	$11,000,000.00	$11,000,000.00
RASC 2004-KS9	76110WF35	$55,700,000.00	$3,580,968.41
RASC 2005-AHL1	76110W4D5	$16,500,000.00	$225,410.86
RASC 2005-AHL1	76110W4E3	$3,000,000.00	$3,000,000.00

RASC 2005-AHL1	76110W4G8	$3,564,000.00	$3,564,000.00
RASC 2005-AHL1	76110W4J2	$500,000.00	$500,000.00
RASC 2005-AHL1	76110W4K9	$2,112,000.00	$1,073,321.57
RASC 2005-AHL2	76110W5J1	$2,200,000.00	$2,200,000.00
RASC 2005-AHL2	76110W5K8	$1,500,000.00	$1,500,000.00
RASC 2005-AHL3	76110W6L5	$49,000,000.00	$8,762,120.45
RASC 2005-EMX1	76110WQ66	$7,500,000.00	$2,441,957.10
RASC 2005-EMX2	76110W2G0	$8,274,837.00	$8,274,837.00
RASC 2005-EMX2	76110W2J4	$6,839,000.00	$6,839,000.00
RASC 2005-EMX3	75405MAF1	$1,000,000.00	$978,212.49
RASC 2005-EMX3	75405MAK0	$5,000,000.00	$5,000,000.00
RASC 2005-EMX4	76110W5X0	$24,140,000.00	$608,980.59
RASC 2005-EMX4	76110W6E1	$10,000,000.00	$8,958,505.52
RASC 2005-KS1	76110WM37	$12,350,000.00	$10,255,314.10
RASC 2005-KS10	75405WAB8	$5,000,000.00	$335,253.03
RASC 2005-KS10	75405WAC6	$12,372,000.00	$12,372,000.00
RASC 2005-KS10	75405WAE2	$5,160,000.00	$5,160,000.00
RASC 2005-KS10	75405WAF9	$6,500,000.00	$6,500,000.00
RASC 2005-KS10	75405WAG7	$4,000,000.00	$4,000,000.00
RASC 2005-KS10	75405WAH5	$6,500,000.00	$6,500,000.00
RASC 2005-KS10	75405WAJ1	$5,000,000.00	$4,260,613.89
RASC 2005-KS11	76110W7A8	$23,969,000.00	$518,815.34
RASC 2005-KS11	76110W7D2	$7,000,000.00	$7,000,000.00
RASC 2005-KS11	76110W7E0	$5,750,000.00	$5,750,000.00
RASC 2005-KS12	753910AB4	$167,090,000.00	$21,262,557.03
RASC 2005-KS12	753910AC2	$5,087,000.00	$5,087,000.00
RASC 2005-KS12	753910AD0	$5,535,000.00	$5,535,000.00
RASC 2005-KS2	76110WN69	$10,000,000.00	$8,517,521.32
RASC 2005-KS3	76110WS31	$3,000,000.00	$2,774,174.72
RASC 2005-KS3	76110WS72	$1,600,000.00	$1,107,505.79
RASC 2005-KS3	76110WS98	$1,000,000.00	$215,051.64
RASC 2005-KS4	76110WU61	$11,427,000.00	$8,646,818.79
RASC 2005-KS4	76110WU87	$500,000.00	$500,000.00
RASC 2005-KS4	76110WV37	$1,000,000.00	$81,229.91
RASC 2005-KS5	76110WW69	$5,406,000.00	$2,619,680.96
RASC 2005-KS5	76110WW77	$2,762,000.00	$2,762,000.00
RASC 2005-KS5	76110WX35	$1,811,000.00	$1,811,000.00
RASC 2005-KS5	76110WX43	$2,198,000.00	$2,198,000.00
RASC 2005-KS5	76110WX50	$1,702,000.00	$778,032.96
RASC 2005-KS6	76110WY67	$3,292,000.00	$1,349,242.59
RASC 2005-KS6	76110WY75	$4,000,000.00	$4,000,000.00
RASC 2005-KS6	76110WY83	$1,750,000.00	$1,750,000.00
RASC 2005-KS6	76110WY91	$2,500,000.00	$2,500,000.00

RASC 2005-KS6	76110WZ25	$3,500,000.00	$3,500,000.00
RASC 2005-KS7	76110W2V7	$10,000,000.00	$0.00
RASC 2005-KS7	76110W2X3	$3,402,000.00	$3,168,683.66
RASC 2005-KS7	76110W2Y1	$1,202,000.00	$1,202,000.00
RASC 2005-KS7	76110W2Z8	$4,001,000.00	$4,001,000.00
RASC 2005-KS7	76110W3B0	$2,000,000.00	$2,000,000.00
RASC 2005-KS7	76110W3C8	$4,000,000.00	$4,000,000.00
RASC 2005-KS8	76110W3S3	$5,500,000.00	$5,500,000.00
RASC 2005-KS8	76110W3T1	$7,000,000.00	$7,000,000.00
RASC 2005-KS8	76110W3U8	$3,500,000.00	$3,500,000.00
RASC 2005-KS8	76110W3X2	$5,900,000.00	$5,900,000.00
RASC 2005-KS9	754058AB1	$28,000,000.00	$0.00
RASC 2005-KS9	754058AF2	$1,779,941.00	$1,779,941.00
RASC 2005-KS9	754058AG0	$3,000,000.00	$3,000,000.00
RASC 2005-KS9	754058AL9	$3,250,000.00	$3,250,000.00
RASC 2006-EMX1	75405KAB4	$8,400,000.00	$1,118,039.34
RASC 2006-EMX1	75405KAF5	$3,020,000.00	$3,020,000.00
RASC 2006-EMX2	75406AAB5	$60,139,000.00	$13,559,341.24
RASC 2006-EMX2	75406AAC3	$16,596,000.00	$16,596,000.00
RASC 2006-EMX3	76113ABZ3	$240,966,000.00	$81,498,726.85
RASC 2006-EMX4	75406DAC7	$50,000,000.00	$35,660,535.05
RASC 2006-EMX5	74924QAC4	$50,000,000.00	$40,627,360.38
RASC 2006-EMX6	754065AC4	$22,070,000.00	$21,903,194.98
RASC 2006-EMX7	74924TAC8	$49,437,000.00	$49,437,000.00
RASC 2006-EMX8	74924UAB7	$62,403,000.00	$15,957,746.09
RASC 2006-EMX8	74924UAC5	$41,325,000.00	$41,325,000.00
RASC 2006-EMX9	74924VAC3	$19,350,000.00	$19,350,000.00
RASC 2006-EMX9	74924VAD1	$10,000,000.00	$10,000,000.00
RASC 2006-KS1	76113AAE1	$66,000,000.00	$15,482,646.26
RASC 2006-KS1	76113AAF8	$26,783,000.00	$26,783,000.00
RASC 2006-KS1	76113AAG6	$10,000,000.00	$10,000,000.00
RASC 2006-KS1	76113AAH4	$5,000,000.00	$5,000,000.00
RASC 2006-KS2	75406BAC1	$35,996,000.00	$8,724,635.75
RASC 2006-KS2	75406BAE7	$14,230,000.00	$14,230,000.00
RASC 2006-KS2	75406BAF4	$14,500,000.00	$14,500,000.00
RASC 2006-KS2	75406BAG2	$7,000,000.00	$7,000,000.00
RASC 2006-KS2	75406BAJ6	$2,500,000.00	$743,081.43
RASC 2006-KS3	76113ABH3	$25,860,000.00	$7,629,300.26
RASC 2006-KS3	76113ABJ9	$13,000,000.00	$13,000,000.00
RASC 2006-KS3	76113ABL4	$12,700,000.00	$12,700,000.00
RASC 2006-KS3	76113ABM2	$7,500,000.00	$7,500,000.00
RASC 2006-KS4	75406EAC5	$32,000,000.00	$17,265,755.42
RASC 2006-KS4	75406EAD3	$17,038,000.00	$17,038,000.00

RASC 2006-KS5	75406VAC7	$84,000,000.00	$68,431,902.21
RASC 2006-KS5	75406VAD5	$26,928,000.00	$26,928,000.00
RASC 2006-KS5	75406VAE3	$12,300,000.00	$12,300,000.00
RASC 2006-KS6	75406WAC5	$26,634,000.00	$22,274,404.60
RASC 2006-KS6	75406WAF8	$2,000,000.00	$2,000,000.00
RASC 2006-KS6	75406WAG6	$3,887,000.00	$2,614,595.26
RASC 2006-KS7	75406XAC3	$44,647,000.00	$38,240,894.29
RASC 2006-KS8	74924RAC2	$83,565,000.00	$83,565,000.00
RASC 2006-KS9	75406YAB3	$15,000,000.00	$5,748,734.94
RASC 2006-KS9	75406YAC1	$20,000,000.00	$20,000,000.00
RASC 2007-KS1	74924SAC0	$13,600,000.00	$13,600,000.00
RASC 2007-KS1	74924SAF3	$2,200,000.00	$1,165,088.05
RASC 2007-KS2	74924WAB3	$2,500,000.00	$2,053,337.73
RASC 2007-KS2	74924WAC1	$20,515,000.00	$20,515,000.00
RASC 2007-KS3	74924YAB9	$50,082,000.00	$46,323,949.39
RASC 2007-KS3	74924YAC7	$59,000,000.00	$59,000,000.00
RASC 2007-KS4	74924NAA5	$50,210,000.00	$1,632,885.32
RASC 2007-KS4	74924NAB3	$17,500,000.00	$17,500,000.00
RASC 2007-KS4	74924NAF4	$800,000.00	$595,300.37
RFMS2 2004-HI1	76110VPR3	$12,774,000.00	$5,375,864.86
RFMS2 2004-HI1	76110VPS1	$2,000,000.00	$431,477.93
RFMS2 2004-HI1	76110VPT9	$6,615,000.00	$1,456,111.01
RFMS2 2004-HI1	76110VPU6	$3,400,000.00	$751,602.81
RFMS2 2004-HI1	76110VPV4	$2,350,000.00	$519,490.16
RFMS2 2004-HI1	76110VPW2	$1,125,000.00	$248,692.11
RFMS2 2004-HI2	76110VQS0	$20,161,000.00	$9,843,248.50
RFMS2 2004-HS1	76110VQC5	$15,000,000.00	$3,704,850.20
RFMS2 2004-HS2	76110VQJ0	$10,000,000.00	$1,279,156.28
RFMS2 2004-HS2	76110VQM3	$89,000,000.00	$4,891,352.74
RFMS2 2005-HI1	76110VRD2	$8,000,000.00	$5,222,408.91
RFMS2 2005-HI2	76110VRJ9	$10,154,000.00	$9,898,144.21
RFMS2 2005-HI2	76110VRK6	$1,000,000.00	$462,390.21
RFMS2 2005-HI3	76110VSF6	$2,325,000.00	$2,325,000.00
RFMS2 2005-HI3	76110VSG4	$12,425,000.00	$12,425,000.00
RFMS2 2005-HS1	76110VRX8	$75,000.00	$75,000.00
RFMS2 2005-HSA1	76110VSY5	$20,544,000.00	$17,135,868.39
RFMS2 2006-HI1	76110VTV0	$17,614,000.00	$2,344,608.40
RFMS2 2006-HI1	76110VUE6	$2,850,000.00	$1,546,289.62
RFMS2 2006-HI2	437185AC5	$1,200,000.00	$839,102.88
RFMS2 2006-HI3	43718NAC6	$13,000,000.00	$9,150,721.34
RFMS2 2006-HI4	43718MAD6	$15,000,000.00	$15,000,000.00
RFMS2 2006-HSA1	76110VTE8	$155,000.00	$118,648.19
RFMS2 2006-HSA1	76110VTF5	$167,000.00	$136,765.03

RFMS2 2006-HSA2	76110VTP3	$125,000.00	$104,019.92
RFMS2 2006-HSA2	76110VTQ1	$7,095,000.00	$7,095,000.00
RFMS2 2006-HSA2	76110VTR9	$14,715,000.00	$11,361,763.69
RFMS2 2006-HSA2	76110VTS7	$982,000.00	$188,532.63
RFMS2 2006-HSA3	76113JAA0	$15,590,000.00	$2,195,303.35
RFMS2 2007-HI1	43718WAC6	$7,550,000.00	$7,550,000.00
RFMS2 2007-HSA2	43710RAF8	$35,478,000.00	$35,478,000.00
RFMS2 2007-HSA2	43710RAG6	$34,000,000.00	$31,953,124.86
RFMS2 2007-HSA3	43710WAE0	$15,000,000.00	$15,000,000.00
RFMS2 2007-HSA3	43710WAF7	$31,124,000.00	$29,517,173.99
RFMSI 2004-S1	76111XFD0	$18,000,000.00	$27,489,967.95
RFMSI 2004-S1	76111XFP3	$923,100.00	$518,269.40
RFMSI 2004-S4	76111XHA4	$21,141,000.00	$19,887,000.00
RFMSI 2004-S4	76111XHD8	$19,898,000.00	$10,033,772.06
RFMSI 2004-S4	76111XHZ9	$4,314,300.00	$2,392,797.85
RFMSI 2004-S4	76111XJB0	$616,400.00	$341,867.88
RFMSI 2004-S5	76111XJW4	$16,913,000.00	$25,493,807.08
RFMSI 2004-S6	76111XLX9	$17,415,332.00	$12,180,540.23
RFMSI 2004-S6	76111XLZ4	$10,553,000.00	$10,553,000.00
RFMSI 2004-S6	76111XNB5	$155,008,185.00	$24,602,302.03
RFMSI 2004-S7	76111XNQ2	$105,288.00	$41,243.93
RFMSI 2004-S8	76111XNU3	$15,000,000.00	$10,793,439.93
RFMSI 2004-S8	76111XNZ2	$15,300,000.00	$23,090,241.73
RFMSI 2004-S9	76111XRB1	$19,800,000.00	$19,800,000.00
RFMSI 2004-S9	76111XRD7	$32,000,000.00	$24,057,029.27
RFMSI 2004-S9	76111XRG0	$3,660,000.00	$562,571.06
RFMSI 2004-S9	76111XRL9	$127,000,000.00	$19,672,338.67
RFMSI 2005-S1	76111XRX3	$100,000,000.00	$14,886,339.31
RFMSI 2005-S1	76111XSK0	$203,320,667.00	$30,158,419.03
RFMSI 2005-S2	76111XTR4	$23,903,000.00	$20,013,781.66
RFMSI 2005-S3	76111XUG6	$89,368,000.00	$14,799,184.98
RFMSI 2005-S5	76111XWT6	$12,310,000.00	$10,396,236.97
RFMSI 2005-S6	76111XXN8	$28,000,000.00	$23,795,750.59
RFMSI 2005-S6	76111XXQ1	$58,900,000.00	$7,977,883.09
RFMSI 2005-S6	76111XXR9	$24,475,000.00	$8,742,085.13
RFMSI 2005-S7	76111XZR7	$30,690,000.00	$5,421,925.58
RFMSI 2005-S7	76111XZV8	$2,015,000.00	$355,985.03
RFMSI 2005-S8	76111XC50	$100,000,000.00	$25,497,258.50
RFMSI 2005-S8	76111XC68	$12,673,000.00	$12,673,000.00
RFMSI 2005-S8	76111XC76	$29,879,000.00	$27,926,722.41
RFMSI 2005-S9	76111XE33	$49,879,000.00	$13,928,476.46
RFMSI 2005-S9	76111XE90	$10,000,000.00	$14,091,189.32
RFMSI 2005-S9	76111XF24	$15,000,000.00	$15,000,000.00

RFMSI 2005-S9	76111XF99	$5,300,000.00	$733,021.98
RFMSI 2005-SA1	76111XTB9	$50,000,000.00	$5,413,251.20
RFMSI 2005-SA1	76111XTC7	$21,040,000.00	$2,277,896.16
RFMSI 2005-SA1	76111XTF0	$75,000,000.00	$15,048,069.15
RFMSI 2005-SA2	76111XVE0	$7,455,000.00	$1,761,469.27
RFMSI 2005-SA2	76111XVG5	$1,000,000.00	$1,000,000.00
RFMSI 2005-SA2	76111XVJ9	$10,075,000.00	$6,473,238.80
RFMSI 2005-SA2	76111XVL4	$33,760,000.00	$11,277,484.98
RFMSI 2005-SA3	76111XVZ3	$69,930,000.00	$20,570,507.34
RFMSI 2005-SA3	76111XWE9	$35,000,000.00	$11,344,114.94
RFMSI 2005-SA3	76111XWF6	$10,804,000.00	$6,833,798.54
RFMSI 2005-SA4	76111XYC1	$16,000,000.00	$4,054,256.97
RFMSI 2005-SA4	76111XYD9	$82,781,000.00	$41,979,229.93
RFMSI 2005-SA4	76111XYE7	$1,833,000.00	$929,536.11
RFMSI 2005-SA4	76111XYF4	$17,530,000.00	$7,659,100.73
RFMSI 2005-SA4	76111XYH0	$65,000,000.00	$25,776,283.51
RFMSI 2005-SA4	76111XYJ6	$69,500,000.00	$27,032,890.62
RFMSI 2005-SA5	76111XZA4	$70,173,900.00	$22,568,835.50
RFMSI 2005-SA5	76111XZB2	$97,687,000.00	$43,172,570.45
RFMSI 2005-SA5	76111XZC0	$11,000,000.00	$4,324,195.78
RFMSI 2006-KS6	75406WAD3	$31,498,000.00	$31,498,000.00
RFMSI 2006-S1	76111XJ61	$8,500,000.00	$1,024,211.35
RFMSI 2006-S10	74958DAA6	$220,000,000.00	$82,616,854.29
RFMSI 2006-S10	74958DAG3	$15,000,000.00	$13,174,729.68
RFMSI 2006-S10	74958DAH1	$127,923,000.00	$20,766,069.93
RFMSI 2006-S11	74958FAA1	$200,000,000.00	$75,832,800.10
RFMSI 2006-S11	74958FAB9	$24,931,000.00	$3,476,388.82
RFMSI 2006-S11	74958FAD5	$7,393,000.00	$6,474,198.55
RFMSI 2006-S12	74958EAC0	$183,485,000.00	$27,882,303.15
RFMSI 2006-S12	74958EAD8	$50,000,000.00	$50,000,000.00
RFMSI 2006-S12	74958EAF3	$15,000,000.00	$15,000,000.00
RFMSI 2006-S12	74958EAJ5	$46,926,805.00	$12,084,524.62
RFMSI 2006-S2	76111XL76	$8,500,000.00	$1,735,032.06
RFMSI 2006-S2	76111XM26	$14,000,000.00	$19,290,394.90
RFMSI 2006-S2	76111XM34	$1,000,000.00	$1,264,657.95
RFMSI 2006-S2	76111XM42	$45,141,000.00	$37,393,781.29
RFMSI 2006-S3	76111XN90	$7,500,000.00	$8,781,254.61
RFMSI 2006-S3	76111XP56	$50,000,000.00	$13,594,001.60
RFMSI 2006-S4	762010AB2	$28,000,000.00	$5,667,759.06
RFMSI 2006-S4	762010AE6	$10,032,000.00	$10,032,000.00
RFMSI 2006-S5	74957EAE7	$19,184,000.00	$17,798,440.17
RFMSI 2006-S5	74957EAF4	$39,131,000.00	$35,650,071.62
RFMSI 2006-S5	74957EAM9	$1,000,000.00	$901,063.48

RFMSI 2006-S5	74957EAN7	$5,930,000.00	$5,343,306.42
RFMSI 2006-S5	74957EAQ0	$5,373,000.00	$973,873.79
RFMSI 2006-S5	74957EAR8	$57,000,000.00	$29,996,388.60
RFMSI 2006-S6	74957VAJ8	$22,000,000.00	$6,868,488.98
RFMSI 2006-S6	74957VAM1	$69,999,999.93	$22,616,534.52
RFMSI 2006-S6	74957VAQ2	$32,849,000.00	$27,437,794.59
RFMSI 2006-S7	74958AAC8	$104,247,000.00	$17,062,077.17
RFMSI 2006-S7	74958AAD6	$32,786,000.00	$29,373,428.34
RFMSI 2006-S7	74958AAH7	$30,000,000.00	$26,877,356.81
RFMSI 2006-S7	74958AAJ3	$6,000,000.00	$5,328,507.22
RFMSI 2006-S8	74957XAF2	$37,400,000.00	$35,769,546.93
RFMSI 2006-S8	74957XAN5	$50,080,000.00	$9,585,917.80
RFMSI 2006-S8	74957XAQ8	$8,546,000.00	$1,838,300.20
RFMSI 2006-S9	749577AC6	$15,000,000.00	$2,468,178.10
RFMSI 2006-S9	749577AL6	$19,147,000.00	$18,794,123.35
RFMSI 2006-SA1	76111XG72	$80,815,000.00	$37,619,977.46
RFMSI 2006-SA1	76111XG98	$14,500,000.00	$6,102,313.33
RFMSI 2006-SA2	749574AC3	$40,778,220.00	$17,460,725.05
RFMSI 2006-SA2	749574AG4	$21,795,000.00	$10,394,314.81
RFMSI 2006-SA3	749575AA4	$15,363,000.00	$6,375,525.75
RFMSI 2006-SA3	749575AD8	$7,000,000.00	$5,895,166.88
RFMSI 2006-SA3	749575AG1	$17,420,000.00	$5,769,644.21
RFMSI 2006-SA3	749575AJ5	$5,000,000.00	$2,007,792.86
RFMSI 2006-SA4	74958CAB6	$16,995,000.00	$6,156,025.83
RFMSI 2007-S1	749581AJ3	$8,000,000.00	$3,497,457.02
RFMSI 2007-S1	749581AL8	$15,000,000.00	$13,367,809.87
RFMSI 2007-S2	749583AH3	$10,973,000.00	$10,366,382.22
RFMSI 2007-S2	749583AJ9	$30,000,000.00	$28,039,031.17
RFMSI 2007-S2	749583AY6	$27,978,000.00	$21,010,285.72
RFMSI 2007-S3	74958BAH5	$28,115,000.00	$22,934,450.48
RFMSI 2007-S3	74958BAM4	$20,000,000.00	$16,065,109.52
RFMSI 2007-S3	74958BAQ5	$26,200,000.00	$3,933,879.89
RFMSI 2007-S4	74958YAB8	$72,244,357.00	$27,978,918.04
RFMSI 2007-S4	74958YAE2	$2,150,000.00	$771,919.61
RFMSI 2007-S4	74958YAN2	$10,000,000.00	$8,517,878.90
RFMSI 2007-S5	749580AB2	$100,000,000.00	$39,944,339.80
RFMSI 2007-S5	749580AC0	$51,497,000.00	$26,996,308.06
RFMSI 2007-S6	762009AK4	$4,000,000.00	$1,475,398.94
RFMSI 2007-S6	762009AL2	$53,000,000.00	$22,201,811.18
RFMSI 2007-S6	762009AR9	$18,899.43	$8,479.71
RFMSI 2007-S7	76200RAC2	$75,000,000.00	$41,919,876.53
RFMSI 2007-S7	76200RAV0	$170,622,000.00	$97,354,764.97
RFMSI 2007-S8	76200QAA8	$2,500,000.00	$1,304,277.38

RFMSI 2007-S9	74958VAA6	$78,440,000.00	$38,019,490.47
RFMSI 2007-SA1	74958WAA4	$2,800,000.00	$1,059,401.63
RFMSI 2007-SA1	74958WAC0	$66,660,000.00	$25,350,819.97
RFMSI 2007-SA1	74958WAF3	$46,363,200.00	$22,996,709.00
RFMSI 2007-SA2	74958XAB0	$14,000,000.00	$5,526,124.30
RFMSI 2007-SA2	74958XAC8	$19,478,400.00	$8,132,804.42
RFMSI 2007-SA2	74958XAF1	$27,804,800.00	$13,901,970.00
RFMSI 2007-SA3	74958TAB9	$20,895,000.00	$10,585,687.94
RFMSI 2007-SA3	74958TAJ2	$38,625,000.00	$17,386,053.08
RFMSI 2007-SA4	74959AAB9	$35,000,000.00	$17,040,241.21
RFMSI 2007-SA4	74959AAF0	$73,536,400.00	$39,676,725.48
RFSC 2004-RP1A	760985S36	$14,577,000.00	$0.00
RFSC 2004-RP1A	760985S44	$7,000,000.00	$1,265,075.64

Exhibit 58

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THIRD AMENDED AND RESTATED RMBS TRUST SETTLEMENT AGREEMENT

This THIRD Amended and Restated RMBS Trust Settlement Agreement is entered into as of September 21, 2012, by and between Residential Capital, LLC ("ResCap LLC") and its direct and indirect subsidiaries (collectively, "ResCap" or the "Debtors"), on the one hand, and the Institutional Investors (as defined below), on the other hand (the "Settlement Agreement"), and amends and restates in its entirety the Second Amended RMBS Trust Settlement Agreement entered into as of September 17, 2012, by and between ResCap, on the one hand, and the Institutional Investors, on the other hand. Each of ResCap and the Institutional Investors may be referred to herein as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, certain ResCap entities were the Seller, Depositor, Servicer and/or Master Servicer for the securitizations identified on the attached Exhibit A (the "Settlement Trusts");

WHEREAS, certain ResCap entities are parties to certain applicable Pooling and Servicing Agreements, Assignment and Assumption Agreements, Indentures, Mortgage Loan Purchase Agreements and/or other agreements governing the Settlement Trusts (the "Governing Agreements"), and certain ResCap entities have, at times, acted as Master Servicer and/or Servicer for the Settlement Trusts pursuant to certain of the Governing Agreements;

WHEREAS, pursuant to the Governing Agreements, certain ResCap entities have contributed or sold loans into the Settlement Trusts (the "Mortgage Loans");

WHEREAS, the Institutional Investors have alleged that certain loans held by the Settlement Trusts were originally contributed in breach of representations and warranties contained in the Governing Agreements, allowing the Investors in such Settlement Trusts to seek to compel the trustee or indenture trustee (each, a "Trustee") to take certain actions with respect to those loans, and further have asserted past and continuing covenant breaches and defaults by various ResCap entities under the Governing Agreements;

WHEREAS, the Institutional Investors have indicated their intent under the Governing Agreements for each Settlement Trust in which the Institutional Investors collectively hold or are authorized investment managers for holders of at least 25% of a particular tranche of the Securities (as defined below) held by such Settlement Trust either to seek action by the Trustee for such Settlement Trust or to pursue claims, including but not limited to claims to compel ResCap to cure the alleged breaches of representations and warranties, and ResCap disputes such claims and allegations of breach and waives no rights, and preserves all of its defenses, with respect to such allegations and putative cure requirements;

WHEREAS, the Institutional Investors are jointly represented by Gibbs & Bruns, LLP ("Gibbs & Bruns") and Ropes & Gray LLP ("Ropes & Gray") and have, through counsel, engaged in arm's length settlement negotiations with ResCap that included the exchange of confidential materials;

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WHEREAS, ResCap filed petitions for relief under chapter 11 of the Bankruptcy Code (the "Chapter 11 Cases") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court");

WHEREAS, ResCap and the Institutional Investors have reached agreement concerning all claims of the Settlement Trusts under the Governing Agreements; and

WHEREAS, the Parties therefore enter into this Settlement Agreement to set forth their mutual understandings and agreements for terms for resolving the disputes regarding the Governing Agreements:

AGREEMENT

NOW, THEREFORE, after good faith, arm's length negotiations without collusion, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to the following terms:

ARTICLE I. DEFINITIONS.

As used in this Settlement Agreement, in addition to the terms otherwise defined herein, the following terms shall have the meanings set forth below (the definitions to be applicable to both the singular and the plural forms of each term defined if both forms of such term are used in this Settlement Agreement). Any capitalized terms not defined in this Settlement Agreement shall have the definition given to them in the Governing Agreements.

Section 1.01 "Bankruptcy Code" shall mean title 11 of the United States Code.

Section 1.02 "Covered Trusts" means the Settlement Trusts listed in Exhibit D hereto and any other Settlement Trusts for which the Institutional Investors in the aggregate hold, and/or are authorized investment managers for holders of, 25% or more of the voting rights in one or more classes of notes, bonds and/or certificates backed by mortgage loans held by the Trusts.

Section 1.03 "Depositor Entity" means, for each individual Settlement Trust, the entity from the following list that the Governing Agreements define as the "Company" for that Settlement Trust, including but not limited to: Residential Funding Mortgage Securities I, Inc., Residential Funding Mortgage Securities II, Inc., Residential Asset Securities Corp., Residential Accredit Loans, Inc., and Residential Asset Mortgage Products, Inc.

Section 1.04 "Direction" shall mean the direction by the Institutional Investors, to the extent permitted by the Governing Agreements, directing any Trustee to take or refrain from taking any action; *provided, however*, that in no event shall the Institutional Investors be required to provide a Trustee with any security or indemnity for action or inaction taken at the direction of the Institutional Investors and the Institutional Investors shall not be required to directly or indirectly incur any costs, fees, or expenses to compel any action or inaction by a Trustee, except that the Institutional Investors shall continue to retain contingency counsel.

Section 1.05 "Effective Date" shall have the meaning ascribed in Section 2.01.

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Section 1.06 "Governmental Authority" shall mean any United States or foreign government, any state or other political subdivision thereof, any entity exercising executive, legislative, judicial, regulatory, or administrative functions of or pertaining to the foregoing, or any other authority, agency, department, board, commission, or instrumentality of the United States, any State of the United States or any political subdivision thereof or any foreign jurisdiction, and any court, tribunal, or arbitrator(s) of competent jurisdiction, and any United States or foreign governmental or non-governmental self-regulatory organization, agency, or authority (including the New York Stock Exchange, Nasdaq, and the Financial Industry Regulatory Authority).

Section 1.07 "Institutional Investors" shall mean the authorized investment managers and Investors identified in the attached signature pages.

Section 1.08 "Investors" shall mean all certificateholders, bondholders and noteholders in the Settlement Trusts, and their successors in interest, assigns, pledgees, and/or transferees.

Section 1.09 "Net Losses" means, with respect to any Settlement Trust, the amount of net losses for such Settlement Trust that have been or are estimated to be borne by that trust from its inception date to its expected date of termination, as determined by the Expert (as defined in Exhibit B) in accordance with the methodology described in Exhibit B. For the avoidance of doubt, a loss on a mortgage loan that has been reimbursed or indemnified by reason of applicable policies of mortgage or bond insurance shall be considered a loss on a mortgage loan and included within the calculation of "Net Losses."

Section 1.10 "Person" shall mean any individual, corporation, company, partnership, limited liability company, joint venture, association, trust, or other entity, including a Governmental Authority.

Section 1.11 "Petition Date" means the date on which ResCap files petitions under chapter 11 of the Bankruptcy Code.

Section 1.12 "Plan" shall mean a chapter 11 plan of reorganization for the Debtors.

Section 1.13 "Purchaser" means Nationstar Mortgage LLC or any other successful bidder for any or all of the Debtors' mortgage loan origination and servicing platform.

Section 1.14 "Scheduling Order" shall mean the Revised Joint Omnibus Scheduling Order and Provisions for Other Relief Regarding (I) Debtors' Motion Pursuant to Fed. R. Bankr. P. 9019 for Approval of RMBS Trust Settlement Agreements, and (II) the Trustees' Limited Objection to the Sale Motion, entered by the Bankruptcy Court on July 31, 2012.

Section 1.15 "Securities" shall mean securities, notes, bonds, certificates, and/or other instruments backed by mortgage loans held by Settlement Trusts.

Section 1.16 "Seller Entity" means, for each Settlement Trust, the entity from the following list that the Governing Agreements define as the "Seller" for that Trust, including but

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not limited to: Residential Funding Company LLC (f/k/a Residential Funding Corporation) and GMAC Mortgage LLC (f/k/a GMAC Mortgage Corporation).

ARTICLE II. SETTLEMENT PROCESS.

Section 2.01 Effective Date. This Settlement Agreement shall be effective immediately except as to the granting of allowed claims to the Accepting Trusts (as defined below in Section 5.01) and the releases set forth herein. The claims allowance and releases shall only be effective, with respect to a specific Accepting Trust on the date on which a Trustee accepts the settlement with respect to such Settlement Trust (the "Effective Date"). However, for the sake of clarity, the Debtors' obligations hereunder are subject to the approval of this Settlement Agreement by the Court.

Section 2.02 Bankruptcy Court Approval. The Debtors (a) orally presented this Settlement Agreement in court on the Petition Date, including the agreed amount of the Total Allowed Claim (as defined below in Section 5.01), and (b) shall comply with the schedule for the approval of this Settlement Agreement set forth in the Scheduling Order. The Trustee for each Settlement Trust may accept the offer of a compromise contemplated by this Settlement Agreement on behalf of such Settlement Trust, within the time set forth in the Scheduling Order, by a writing substantially in the form of acceptance included in the proposed order for approval of this Settlement Agreement to be submitted to the Bankruptcy Court.

Section 2.03 Standing. The Debtors agree that the Institutional Investors are parties in interest in the chapter 11 cases of ResCap for the purposes of enforcing rights and complying with obligations under this Settlement Agreement. The Parties further agree that they will not oppose any effort of the Institutional Investors or any other Investor(s) in seeking status as a party in interest in the Chapter 11 Cases.

ARTICLE III. REPRESENTATIONS AND WARRANTIES.

Section 3.01 Holdings and Authority. As of May 13, 2012, lead counsel to the Institutional Investors, Gibbs & Bruns, has represented to ResCap that the Institutional Investors have or advise clients who have aggregate holdings of greater than 25% of the voting rights in one or more classes of the Securities issued by each of the Settlement Trusts identified on the attached Exhibit D. Each Institutional Investor represents that (i) it has the authority to take the actions contemplated by this Settlement Agreement, to the extent that it has the authority with respect to any other entities, account holders, or accounts for which or on behalf of which it is signing this Settlement Agreement, and (ii) it holds, or is the authorized investment manager for the holders of, the Securities listed in Exhibit D hereto, in the respective amounts set forth therein by CUSIP number, that such schedule was accurate as of the date set forth for the respective institution, and that since the date set forth for the Institutional Investor, the Institutional Investor has not, in the aggregate, materially decreased the Institutional Investor's holdings in the Securities. The Parties agree that the aggregate amounts of Securities collectively held by the Institutional Investors for each Settlement Trust may be disclosed publicly, but that the individual holdings of the Institutional Investors shall remain confidential, subject to review only by ResCap, the Bankruptcy Court, the Office of the United States Trustee,

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the Trustees, and the official committee of unsecured creditors appointed in the Chapter 11 Cases.

Section 3.02 Holdings Retention. As of May 13, 2012, the Institutional Investors collectively held Securities representing in aggregate 25% of the voting rights in one or more classes of Securities of not less than 290 of the Settlement Trusts. The Institutional Investors, collectively, shall maintain holdings aggregating 25% of the voting rights in one or more classes of Securities of not less than 235 of the Covered Trusts ("Requisite Holdings") until the earliest of: (i) confirmation of a plan of reorganization, (ii) December 31, 2012, (iii) a Consenting Claimant Termination Event, or (iv) a Debtor Termination Event (as the terms in subsections (iii) and (iv) were defined in the plan support agreement agreed to by the Parties); *provided, however*, that any reduction in Requisite Holdings caused by: (a) sales by Maiden Lane I and Maiden Lane III; or (b) exclusion of one or more trusts due to the exercise of voting rights by a third party guarantor or financial guaranty provider, shall not be considered in determining whether the Requisite Holdings threshold has been met. If the Requisite Holdings are not maintained, ResCap shall have the right to terminate the Settlement Agreement, but ResCap shall not terminate the Settlement Agreement before it has conferred in good faith with the Institutional Investors concerning whether termination is warranted. For the avoidance of doubt, other than as set forth above, this Settlement Agreement shall not restrict the right of any Institutional Investor to sell or exchange any Securities issued by a Settlement Trust free and clear of any encumbrance. The Institutional Investors will not sell any of the Securities for the purpose of avoiding their obligations under this Settlement Agreement, and each Institutional Investor (except Maiden Lane I and Maiden Lane III) commits to maintain at least one position in one of the Securities in one of the Settlement Trusts until the earliest of the dates set forth above. If the Debtor reaches a similar agreement to this with another bondholder group, the Debtor will include a substantially similar proportionate holdings requirement in that agreement as contained herein.

ARTICLE IV. DIRECTION TO TRUSTEES AND INDENTURE TRUSTEES.

Section 4.01 Direction to Trustees and Indenture Trustees. The relevant Institutional Investors for each Settlement Trust shall, by the time of the filing of a motion to approve this Settlement Agreement, provide the relevant Trustee with Direction to accept the settlement and compromises set forth herein. The Institutional Investors hereby agree to confer in good faith with ResCap as to any further or other Direction that may be reasonably necessary to effectuate the settlement contemplated herein, including filing motions and pleadings with the Bankruptcy Court and making statements in open court in support of the Debtors' restructuring.

Section 4.02 No Inconsistent Directions. Except for providing Directions in accordance with Section 4.01, the Institutional Investors agree that (i) between the date hereof and the Effective Date, with respect to the Securities issued by the Settlement Trusts, they will not, individually or collectively, direct, vote for, or take any other action that they may have the right or the option to take under the Governing Agreements or to join with any other Investors or the Trustee of any note, bond or other security issued by the Settlement Trusts, to cause the Trustees to enforce (or seek derivatively to enforce) any representations and warranties regarding the Mortgage Loans or the servicing of the Mortgage Loans, and (ii) to the extent that any of the Institutional Investors have already taken any such action, the applicable Institutional Investor

will promptly rescind or terminate such action. Nothing in the foregoing shall restrict the ability of the Institutional Investors to demand that any Investor who seeks to direct the Trustee for a Settlement Trust post any indemnity or bond required by the Governing Agreements for the applicable Settlement Trust.

Section 4.03 Amendments to Governing Agreements Regarding Financing of Advances. The Institutional Investors agree to use commercially reasonable efforts (which shall not require the giving of any indemnity or other payment obligation or expenditure of out-of-pocket funds) to negotiate any request by the Debtors or the Trustees for any Settlement Trusts with respect to which the servicing rights are being assumed and assigned to the Purchaser, and if any Trustee shall require a vote of the certificate or note holders with respect thereto, shall vote in favor of (to the extent agreement is reached) any amendment to the relevant Governing Agreements and related documents requested by the Debtors in order to permit "Advances" (as it or any similar term may be defined in the Governing Agreements) to be financeable and to make such other amendments thereto as may be reasonably requested by the Debtors in accordance with any agreement to acquire all or substantially all of the Debtors' servicing assets, so long as such changes would not cause material financial detriment to the Settlement Trusts, their respective trustees, certificate or note holders, or the Institutional Investors.

ARTICLE V. ALLOWANCE OF CLAIM.

Section 5.01 The Allowed Claim. ResCap hereby makes an irrevocable offer to settle, expiring at 5:00 p.m. prevailing New York time on the date that is set forth in the Scheduling Order, with each of the Settlement Trusts (the Settlement Trusts that timely agree to the terms of this Settlement Agreement being the "Accepting Trusts"). In consideration for such agreement, ResCap will provide a general unsecured claim of $8,700,000,000 in the aggregate against the Seller Entities and the Depositor Entities (as the Depositor Entities are jointly liable for such claim) (the "Total Allowed Claim"), all of which shall be allocated and implemented as provided in Section 6.01. For the avoidance of doubt, the Total Allowed Claim shall be allocated among the Accepting Trusts, subject to the provisions of this Settlement Agreement. Subject to the provisions of this Settlement Agreement, the Accepting Trusts shall be allowed an aggregate claim in an amount calculated as set forth below (the "Allowed Claim"), which aggregate claim shall be allocated to each Accepting Trust pursuant to Article VI herein. The amount of the Allowed Claim shall equal (i) $8,700,000,000, less (ii) $8,700,000,000 multiplied by the percentage represented by (a) the total dollar amount of original principal balance for the Settlement Trusts not accepting the offer outlined above, divided by (b) the total dollar amount of original principal balance for all Settlement Trusts.

Section 5.02 Waiver of Setoff and Recoupment. By accepting the offer to settle contained in Section 5.01, each Accepting Trust irrevocably waives any right to setoff and/or recoupment such Accepting Trust may have against ResCap, except that such right, if any, shall be preserved with respect to claims, described in Section 8.02 hereof, that are not released or waived under Article VII hereof.

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ARTICLE VI. ALLOCATION OF ALLOWED CLAIM.

Section 6.01 The Allocation of the Allowed Claim. Each Accepting Trust shall be allocated a share of the Allowed Claim against its Seller Entity and its Depositor Entity (the "Allocated Claim"), calculated as set forth on Exhibit B hereto, for which such Seller Entity and Depositor Entity are jointly liable.

Section 6.02 In the event the Bankruptcy Court does not approve the Allowed Claim as to a particular Seller Entity or Depositor Entity, the settlement shall remain in full force with respect to any other Seller Entity or Depositor Entity, as applicable; *provided, however,* that if the Allowed Claim in the amounts proposed herein is not approved as to any of the Seller Entities or Depositor Entities, the Institutional Investors shall have the right to terminate this Settlement Agreement upon written notice to the Debtors; *provided, further,* that in the event that the Bankruptcy Court does not approve the Allowed Claim as to a particular Seller Entity or Depositor Entity, that particular Seller Entity or Depositor Entity shall not receive any release, waiver, or discharge of any Released Claims pursuant to Article VII.

Section 6.03 Legal Fees.

(a) ResCap and the Institutional Investors agree that Gibbs & Bruns and Ropes & Gray shall, on the Effective Date, be allocated legal fees as follows, as an integrated and nonseverable part of this Settlement Agreement. First, Gibbs & Bruns and Ropes & Gray, as counsel to the Institutional Investors, shall be allocated by ResCap without conveyance to the Trustees the percentages of the Allowed Claim set forth on the fee schedule attached hereto as Exhibit C, without requirement of submitting any form of estate retention or fee application, for their work relating to these cases and the settlement. Second, the Debtors and Institutional Investors may further agree at any time, that the Debtors may pay Gibbs & Bruns and Ropes & Gray in cash, in an amount that Gibbs & Bruns and Ropes & Gray respectively agree is equal to the cash value of their respective portions of the Allowed Claim, and in any such event, no estate retention application, fee application or further order of the Bankruptcy Court shall be required as a condition of the Debtors making such agreed allocation. Third, the Debtors agree and the settlement approval order shall provide that the amount of the Allowed Claim payable to Gibbs & Bruns and Ropes & Gray may be reduced to a separate claim stipulation for convenience of the parties.

(b) In the event that, prior to acceptance of this compromise by a Trustee for a Settlement Trust other than a Covered Trust, counsel to Investors in such Settlement Trust cause a direction to be given by more than 25% of the holders of a tranche of such Settlement Trust to accept this compromise, then the same provisions as contained in Section 6.02(a) shall apply to such counsel, solely as to the amounts allocated to such Settlement Trust. Such counsel shall be entitled to a share of the fee for such trust equal to the ratio of (a) 25% minus the percentage of such tranche held by Institutional Investors divided by (b) 25%. Counsel would be required to identify itself and satisfy the Debtors and Institutional Investors as to the holdings of client-investors and that counsel caused such directions.

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ARTICLE VII. RELEASES.

Section 7.01 Releases. Except as set forth in Article VIII, as of the Effective Date, with respect to each and every Accepting Trust, and in exchange for the Allowed Claim, the Institutional Investors, Accepting Trusts, Trustees in respect of such trusts, and any Persons claiming by, through or on behalf of such Accepting Trust or the Trustees of such trusts (including Investors claiming derivatively) (collectively, the "Releasors"), irrevocably and unconditionally grant a full, final, and complete release, waiver, and discharge of all alleged or actual claims, demands to repurchase, demands to cure, demands to substitute, counterclaims, defenses, rights of setoff, rights of rescission, liens, disputes, liabilities, losses, debts, costs, expenses, obligations, demands, claims for accountings or audits, alleged events of default, damages, rights, and causes of action of any kind or nature whatsoever, whether asserted or unasserted, known or unknown, suspected or unsuspected, fixed or contingent, in contract, tort, or otherwise, secured or unsecured, accrued or unaccrued, whether direct or derivative, arising under law or equity (collectively, "Claims"), against the Debtors (with the exception of ResCap LLC as set forth in the last sentence of this Section 7.01) and their current and former officers, directors, and employees (but in no case does this section apply to Ally Financial Inc. ("AFI") or any person who is an officer or director of AFI) that arise under the Governing Agreements. Such released claims include, but are not limited to, claims arising out of and/or relating to (i) the origination and sale of mortgage loans to the Accepting Trusts (including, without limitation, the liability of any Debtors that are party to a Pooling and Servicing Agreement with respect to representations and warranties made in connection with such sale or with respect to the noticing and enforcement of any remedies in respect of alleged breaches of such representations and warranties) (collectively, the "Origination-Related Provisions"), (ii) the documentation of the Mortgage Loans held by the Accepting Trusts including with respect to allegedly defective, incomplete, or non-existent documentation, as well as issues arising out of or relating to recordation, title, assignment, or any other matter relating to legal enforceability of a Mortgage or Mortgage Note, or any alleged failure to provide notice of such defective, incomplete or non-existent documentation, (iii) the servicing of the Mortgage Loans held by the Accepting Trusts (including any claim relating to the timing of collection efforts or foreclosure efforts, loss mitigation, transfers to subservicers, advances or servicing advances) (the "Servicing Claims"), but only to the extent assumed pursuant to Section 365 of the Bankruptcy Code by an assignee to the applicable Debtor in its capacity as Master Servicer or Servicer under any Governing Agreement (the "Assumed Servicing Claims"), (iv) any duty of a debtor as master servicer, servicer or sub-servicer to notice and enforce remedies in respect of alleged breaches of representations and warranties (together with the Assumed Servicing Claims, the "Released Servicing Claims"), (v) setoff or recoupment under the Governing Agreements against ResCap with respect to the Origination-Related Provisions or the Released Servicing Claims, and (vi) any loan seller that either sold loans to ResCap or AFI that were sold and transferred to such Accepting Trust or sold loans directly to such Accepting Trust, in all cases prior to the Petition Date (collectively, all such claims being defined as the "Released Claims"). For the avoidance of doubt, this release does not include individual direct claims for securities fraud or other disclosure-related claims arising from the purchase or sale of Securities. Notwithstanding any provision of this Section 7.01, the Releasors do not release, waive, or discharge any Claims against ResCap LLC.

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Section 7.02 Release of Claims Against Investors, Accepting Trusts, and Trustees. Except as set forth in Article VIII, as of the Effective Date, ResCap irrevocably and unconditionally grants to the Accepting Trusts, Trustees in respect of such trusts, and Investors in such trusts, as well as such Accepting Trusts', Trustees' and Investors' respective officers, directors, and employees, a full final, and complete release, waiver, and discharge of all alleged or actual claims from any claim it may have under or arising out of the Governing Agreements.

Section 7.03 Agreement Not to Pursue Relief from the Stay. The Institutional Investors agree that neither they nor their successors in interest, assigns, pledges, delegates, affiliates, subsidiaries, and/or transferees, will seek relief from the automatic stay imposed by section 362 of the Bankruptcy Code in order to institute, continue or otherwise prosecute any action relating to the Released Claims; provided, however, nothing contained herein shall preclude the Institutional Investors or their advised clients from seeking any such relief with respect to direct claims for securities fraud or other disclosure-related claims arising from the purchase or sale of Securities. ResCap reserves its rights and defenses therewith.

Section 7.04 Inclusion of Accepting Trusts and Trustees in Plan Release and Exculpation Provisions. The Accepting Trusts and the Trustees in respect of any such Accepting Trust and their respective counsel shall be entitled to the benefit of any releases and plan exculpation provisions, if any, included in the Plan, which provisions shall be no less favorable than the releases and plan exculpation provisions extended to similarly situated creditors or parties in interest who are parties to any plan support agreement with ResCap.

ARTICLE VIII. CLAIMS NOT RELEASED

Section 8.01 ResCap LLC Claim. ResCap LLC does not concede or admit fault for any liability under the Governing Agreements. Without any limitation on the foregoing, each Accepting Trust shall be entitled to file a proof of claim against ResCap LLC for claims, if any, arising under the Governing Agreements (any such claim is hereinafter referred to as a "ResCap LLC Claim"). Nothing contained herein shall be deemed to establish the validity or amount of any ResCap LLC Claim, which shall remain subject to objections in all respects in accordance with the Federal Rules of Bankruptcy Procedure. Notwithstanding the foregoing, the allowed amount of any ResCap LLC Claim shall not exceed such Accepting Trust's Allocated Claim; provided that any recovery on any such allowed ResCap LLC Claim shall be reduced by any amount paid by any Seller Entity or Depositor Entity on account of the Accepting Trust's Allocated Claim. Subject to the provisions of this Agreement, the Accepting Trusts expressly reserve all rights regarding the validity and amount of any ResCap LLC Claim.

Section 8.02 Administration of the Mortgage Loans. The releases and waivers in Article VII herein do not include: (i) claims that first arise after the Effective Date and are based in whole or in part on any actions, inactions, or practices of the Master Servicer, Servicer, or Subservicer as to the servicing of the Mortgage Loans held by the Accepting Trusts, and (ii) any Servicing Claim that is not an Assumed Servicing Claim and for which the Court finds a cure or rejection claim exists pursuant to Section 365 of the Bankruptcy Code (it being understood that such cure or rejection claims, if any, are not intended to be affected by such releases and waivers).

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Section 8.03 Financial-Guaranty Provider Rights and Obligations. To the extent that any third party guarantor or financial-guaranty provider with respect to any Settlement Trust has rights or obligations independent of the rights or obligations of the Investors, the Trustees, or the Settlement Trusts, the releases and waivers in Article VII are not intended to and shall not release such rights.

Section 8.04 Settlement Agreement Rights. The Parties do not release or waive any rights or claims against each other to enforce the terms of this Settlement Agreement or the Allowed Claim.

Section 8.05 Disclosure Claims. The releases and waivers in Article VII do not include any claims based on improper disclosures under federal or state securities law.

Section 8.06 Reservation of Rights. Notwithstanding anything in this Settlement Agreement to the contrary, the Institutional Investors have not waived their right to file an objection to a motion of the holders of the ResCap 9 5/8% bonds requesting payment of any interest on account of their ResCap 9 5/8% bond claims that may be due and owing after the Petition Date.

ARTICLE IX. RELEASE OF UNKNOWN CLAIMS.

Each of the Parties acknowledges that it has been advised by its attorneys concerning, and is familiar with, California Civil Code Section 1542 and expressly waives any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to the provisions of the California Civil Code Section 1542, including that provision itself, which reads as follows:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH, IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

The Parties acknowledge that inclusion of the provisions of this Article IX to this Settlement Agreement was a material and separately bargained for element of this Settlement Agreement.

ARTICLE X. OTHER PROVISIONS

Section 10.01 Voluntary Agreement. Each Party acknowledges that it has read all of the terms of this Settlement Agreement, has had an opportunity to consult with counsel of its own choosing or voluntarily waived such right and enters into this Settlement Agreement voluntarily and without duress.

Section 10.02 No Admission of Breach or Wrongdoing. ResCap has denied and continues to deny any breach, fault, liability, or wrongdoing. This denial includes, but is not limited to, breaches of representations and warranties, violations of state or federal securities laws, and other claims sounding in contract or tort in connection with any securitizations,

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including those for which ResCap was the Seller, Servicer and/or Master Servicer. Neither this Settlement Agreement, whether or not consummated, any proceedings relating to this Settlement Agreement, nor any of the terms of the Settlement Agreement, whether or not consummated, shall be construed as, or deemed to be evidence of, an admission or concession on the part of ResCap with respect to any claim or of any breach, liability, fault, wrongdoing, or damage whatsoever, or with respect to any infirmity in any defense that ResCap has or could have asserted.

Section 10.03 No Admission Regarding Claim Status. ResCap expressly states that in the event this Settlement Agreement is not consummated or is terminated prior to the Effective Date, then neither this Settlement Agreement, nor any proceedings relating to this Settlement Agreement, nor any of the terms of the Settlement Agreement, shall be construed as, or deemed to be evidence of, an admission or concession on the part of ResCap that any claims asserted by the Institutional Investors are not contingent, unliquidated or disputed. The Institutional Investors expressly state that in the event this Settlement Agreement is not consummated or is terminated prior to the Effective Date, neither this Settlement Agreement, nor any proceedings relating to this Settlement Agreement, nor any of the terms of the Settlement Agreement, shall be construed as, or deemed to be evidence of, an admission or concession on the part of the Institutional Investors that any claims asserted by the Institutional Investors and Trustees are not limited to the amounts set forth in this Settlement Agreement or are of any particular priority.

Section 10.04 Counterparts. This Settlement Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same Settlement Agreement. Delivery of a signature page to this Settlement Agreement by facsimile or other electronic means shall be effective as delivery of the original signature page to this Settlement Agreement.

Section 10.05 Joint Drafting. This Settlement Agreement shall be deemed to have been jointly drafted by the Parties, and in construing and interpreting this Settlement Agreement, no provision shall be construed and interpreted for or against any of the Parties because such provision or any other provision of the Settlement Agreement as a whole is purportedly prepared or requested by such Party.

Section 10.06 Entire Agreement. This document contains the entire agreement between the Parties, and may only be modified, altered, amended, or supplemented in writing signed by the Parties or their duly appointed agents. All prior agreements and understandings between the Parties concerning the subject matter hereof are superseded by the terms of this Settlement Agreement.

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Section 10.07 Specific Performance. It is understood that money damages are not a sufficient remedy for any breach of this Settlement Agreement, and the Parties shall have the right, in addition to any other rights and remedies contained herein, to seek specific performance, injunctive, or other equitable relief from the Bankruptcy Court as a remedy for any such breach. The Parties hereby agree that specific performance shall be their only remedy for any violation of this Agreement.

Section 10.08 Authority. Each Party represents and warrants that each Person who executes this Settlement Agreement on its behalf is duly authorized to execute this Settlement Agreement on behalf of the respective Party, and that such Party has full knowledge of and has consented to this Settlement Agreement.

Section 10.09 No Third Party Beneficiaries. There are no third party beneficiaries of this Settlement Agreement.

Section 10.10 Headings. The headings of all sections of this Settlement Agreement are inserted solely for the convenience of reference and are not a part of and are not intended to govern, limit, or aid in the construction or interpretation of any term or provision hereof.

Section 10.11 Notices. All notices or demands given or made by one Party to the other relating to this Settlement Agreement shall be in writing and either personally served or sent by registered or certified mail, postage paid, return receipt requested, overnight delivery service, or by electronic mail transmission, and shall be deemed to be given for purposes of this Settlement Agreement on the earlier of the date of actual receipt or three days after the deposit thereof in the mail or the electronic transmission of the message. Unless a different or additional address for subsequent notices is specified in a notice sent or delivered in accordance with this Section, such notices or demands shall be sent as follows:

To: Institutional Investors
c/o Kathy Patrick
Gibbs & Bruns LLP
1100 Louisiana
Suite 5300
Houston, TX 77002
Tel: 713-650-8805
Email: kpatrick@gibbsbruns.com
-and-
Keith H. Wofford
D. Ross Martin
Ropes & Gray LLP
1211 Avenue of the Americas
New York, NY 10036
Tel: 212-841-5700
Email: keith.wofford@ropesgray.com
ross.martin@ropesgray.com

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To: ResCap
c/o Gary S. Lee
Jamie A. Levitt
Morrison & Foerster LLP
1290 Avenue of the Americas
New York, NY 10104
Tel: 212-468-8000
Email: glee@mofo.com
jlevitt@mofo.com

Section 10.12 Disputes. This Settlement Agreement, and any disputes arising under or in connection with this Settlement Agreement, are to be governed by and construed in accordance with the laws of the State of New York, without giving effect to the choice of laws principles thereof. Further, by its execution and delivery of this Settlement Agreement, each of the Parties hereto hereby irrevocably and unconditionally agrees that the United States District Court for the Southern District of New York shall have jurisdiction to enforce this Settlement Agreement, *provided, however*, that, upon commencement of the Chapter 11 Cases, the Bankruptcy Court shall have exclusive jurisdiction of all matters arising out of or in connection with this Settlement Agreement.

Section 10.13 The Parties have agreed to include the following statement in the proposed order attached to the Debtors' motion to approve this Settlement Agreement: "Nothing contained in the RMBS Trust Settlement Agreement, the order approving the RMBS Trust Settlement Agreement, and any associated expert reports, including exhibits, schedules, declarations, and other documents attached thereto or referenced therein, or in any declarations, pleadings, or other documents or evidence submitted to, or filed in, the Bankruptcy Court in connection therewith, shall be construed as an admission of, or to prejudice in any way, Ally Financial Inc. and its non-Debtor direct and indirect subsidiaries and affiliates (collectively, "Ally") and may not be used as evidence against Ally in any court proceeding."

Section 10.14 Notwithstanding anything to the contrary in this Settlement Agreement, nothing herein is intended to or shall be deemed to amend any of the Governing Agreements for any Settlement Trust.

[REST OF PAGE INTENTIONALLY LEFT BLANK]

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Dated the 21st th day of September, 2012.

ROPES + GRAY LLP
~~Gibbs & Bruns LLP~~ on behalf of the
Institutional Investors

Signature: _____

Name: KEITH WOFFORD

Title: PARTNER

ny-1058745

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Dated the 21st day of September, 2012.

Residential Capital, LLC
for itself and its direct and indirect subsidiaries

Signature: Tammy Hamzehpour

Name: Tammy Hamzehpour

Title: General Counsel

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EXHIBIT A

TRUSTS

Exhibit A- Trusts

Deal Name	Original Issue Balance (in Thousands)	Deal Name	Original Issue Balance (in Thousands)
2004-AR1	635.0	2004-QS12	424.3
2004-AR2	510.1	2004-QS13	129.2
2004-GH1	224.1	2004-QS14	212.9
2004-HE1	1,292.3	2004-QS15	213.7
2004-HE2	711.5	2004-QS16	534.7
2004-HE3	977.3	2004-QS2	292.3
2004-HE4	1,018.0	2004-QS3	207.8
2004-HE5	700.0	2004-QS4	320.6
2004-HI1	235.0	2004-QS5	293.7
2004-HI2	275.0	2004-QS6	156.5
2004-HI3	220.0	2004-QS7	449.2
2004-HLTV1	175.0	2004-QS8	271.0
2004-HS1	477.1	2004-QS9	105.1
2004-HS2	604.1	2004-RP1	199.5
2004-HS3	284.0	2004-RS1	1,400.0
2004-J1	401.0	2004-RS10	1,250.0
2004-J2	400.6	2004-RS11	925.0
2004-J3	350.0	2004-RS12	975.0
2004-J4	600.1	2004-RS2	875.0
2004-J5	551.9	2004-RS3	600.0
2004-J6	408.0	2004-RS4	1,100.0
2004-KR1	2,000.0	2004-RS5	1,050.0
2004-KR2	1,250.0	2004-RS6	1,000.0
2004-KS1	950.0	2004-RS7	1,183.7
2004-KS10	986.0	2004-RS8	900.0
2004-KS11	692.7	2004-RS9	950.0
2004-KS12	541.8	2004-RZ1	485.0
2004-KS2	990.0	2004-RZ2	475.0
2004-KS3	675.0	2004-RZ3	360.0
2004-KS4	1,000.0	2004-RZ4	276.6
2004-KS5	1,175.0	2004-S1	307.7
2004-KS6	1,000.0	2004-S2	362.0
2004-KS7	850.0	2004-S3	228.3
2004-KS8	600.0	2004-S4	460.3
2004-KS9	600.0	2004-S5	423.5
2004-PS1	100.1	2004-S6	527.2
2004-QA1	201.3	2004-S7	105.3
2004-QA2	365.1	2004-S8	311.0
2004-QA3	320.1	2004-S9	645.9
2004-QA4	290.2	2004-SA1	250.1
2004-QA5	325.1	2004-SL1	632.9
2004-QA6	720.3	2004-SL2	499.0
2004-QS1	319.9	2004-SL3	222.5
2004-QS10	216.6	2004-SL4	206.5
2004-QS11	217.5	2004-SP1	233.7

Deal Name	Original Issue Balance (in Thousands)	Deal Name	Original Issue Balance (in Thousands)
2004-SP2	145.1	2005-KS8	1,165.8
2004-SP3	306.9	2005-KS9	487.0
2004-VFT	820.7	2005-NC1	870.8
2005-AA1	265.6	2005-QA1	296.7
2005-AF1	235.5	2005-QA10	621.8
2005-AF2	296.9	2005-QA11	525.1
2005-AHL1	463.7	2005-QA12	285.2
2005-AHL2	434.2	2005-QA13	560.2
2005-AHL3	488.8	2005-QA2	501.0
2005-AR1	399.8	2005-QA3	500.0
2005-AR2	458.4	2005-QA4	525.2
2005-AR3	523.7	2005-QA5	241.8
2005-AR4	386.1	2005-QA6	575.5
2005-AR5	597.2	2005-QA7	575.0
2005-AR6	592.0	2005-QA8	519.5
2005-EFC1	1,101.5	2005-QA9	650.5
2005-EFC2	679.3	2005-QO1	711.1
2005-EFC3	731.9	2005-QO2	425.1
2005-EFC4	707.8	2005-QO3	500.6
2005-EFC5	693.3	2005-QO4	797.0
2005-EFC6	672.7	2005-QO5	1,275.1
2005-EFC7	698.2	2005-QS1	214.6
2005-EMX1	792.8	2005-QS10	265.7
2005-EMX2	620.4	2005-QS11	213.6
2005-EMX3	674.5	2005-QS12	528.9
2005-EMX4	492.6	2005-QS13	639.2
2005-EMX5	380.0	2005-QS14	615.8
2005-HE1	991.1	2005-QS15	431.5
2005-HE2	1,113.5	2005-QS16	428.0
2005-HE3	988.0	2005-QS17	540.1
2005-HI1	240.0	2005-QS2	213.0
2005-HI2	240.0	2005-QS3	475.6
2005-HI3	224.9	2005-QS4	211.7
2005-HS1	853.8	2005-QS5	214.0
2005-HS2	577.5	2005-QS6	265.1
2005-HSA1	278.8	2005-QS7	370.0
2005-J1	525.5	2005-QS8	104.1
2005-KS1	708.8	2005-QS9	371.0
2005-KS10	1,299.2	2005-RP1	343.1
2005-KS11	1,339.3	2005-RP2	301.1
2005-KS12	1,117.2	2005-RP3	282.5
2005-KS2	543.4	2005-RS1	975.0
2005-KS3	413.5	2005-RS2	725.0
2005-KS4	411.1	2005-RS3	741.3
2005-KS5	401.8	2005-RS4	522.4
2005-KS6	596.2	2005-RS5	497.5
2005-KS7	387.6	2005-RS6	1,183.2

Deal Name	Original Issue Balance (in Thousands)	Deal Name	Original Issue Balance (in Thousands)
2005-RS7	493.0	2006-HI4	272.7
2005-RS8	660.0	2006-HI5	247.5
2005-RS9	1,179.0	2006-HLTV1	229.9
2005-RZ1	203.8	2006-HSA1	461.4
2005-RZ2	333.7	2006-HSA2	447.9
2005-RZ3	340.0	2006-HSA3	201.0
2005-RZ4	411.2	2006-HSA4	402.1
2005-S1	463.1	2006-HSA5	295.6
2005-S2	260.9	2006-J1	550.0
2005-S3	183.1	2006-KS1	840.1
2005-S4	259.4	2006-KS2	977.5
2005-S5	258.2	2006-KS3	1,125.9
2005-S6	412.9	2006-KS4	687.8
2005-S7	311.7	2006-KS5	687.1
2005-S8	312.3	2006-KS6	529.1
2005-S9	366.6	2006-KS7	532.7
2005-SA1	295.2	2006-KS8	535.9
2005-SA2	500.8	2006-KS9	1,197.1
2005-SA3	675.2	2006-NC1	536.8
2005-SA4	850.5	2006-NC2	745.2
2005-SA5	355.3	2006-NC3	504.9
2005-SL1	370.5	2006-QA1	603.9
2005-SL2	168.9	2006-QA10	375.5
2005-SP1	831.0	2006-QA11	372.4
2005-SP2	490.2	2006-QA2	394.0
2005-SP3	285.7	2006-QA3	398.5
2006-AR1	508.7	2006-QA4	304.4
2006-AR2	373.0	2006-QA5	695.6
2006-EFC1	593.2	2006-QA6	625.8
2006-EFC2	387.6	2006-QA7	588.2
2006-EMX1	424.6	2006-QA8	795.1
2006-EMX2	550.1	2006-QA9	369.2
2006-EMX3	773.6	2006-QH1	337.9
2006-EMX4	661.7	2006-QO1	901.2
2006-EMX5	580.2	2006-QO10	895.7
2006-EMX6	620.5	2006-QO2	665.5
2006-EMX7	495.3	2006-QO3	644.8
2006-EMX8	698.6	2006-QO4	843.2
2006-EMX9	728.8	2006-QO5	1,071.6
2006-HE1	1,274.2	2006-QO6	1,290.3
2006-HE2	626.2	2006-QO7	1,542.4
2006-HE3	1,142.3	2006-QO8	1,288.1
2006-HE4	1,159.1	2006-QO9	895.6
2006-HE5	1,244.5	2006-QS1	323.8
2006-HI1	214.2	2006-QS10	533.6
2006-HI2	237.4	2006-QS11	751.5
2006-HI3	223.2	2006-QS12	541.3

Deal Name	Original Issue Balance (in Thousands)	Deal Name	Original Issue Balance (in Thousands)
2006-QS13	641.0	2006-SP3	291.9
2006-QS14	753.7	2006-SP4	303.9
2006-QS15	538.6	2007-EMX1	692.9
2006-QS16	752.1	2007-HE1	1,185.9
2006-QS17	537.0	2007-HE2	1,240.9
2006-QS18	1,181.9	2007-HE3	350.6
2006-QS2	881.7	2007-HI1	255.0
2006-QS3	969.8	2007-HSA1	546.8
2006-QS4	752.3	2007-HSA2	1,231.4
2006-QS5	698.0	2007-HSA3	796.4
2006-QS6	858.8	2007-KS1	415.6
2006-QS7	537.5	2007-KS2	961.5
2006-QS8	966.3	2007-KS3	1,270.3
2006-QS9	540.1	2007-KS4	235.9
2006-RP1	293.0	2007-QA1	410.1
2006-RP2	317.0	2007-QA2	367.0
2006-RP3	290.4	2007-QA3	882.4
2006-RP4	357.4	2007-QA4	243.5
2006-RS1	1,173.6	2007-QA5	504.1
2006-RS2	785.6	2007-QH1	522.3
2006-RS3	741.6	2007-QH2	348.4
2006-RS4	887.5	2007-QH3	349.5
2006-RS5	382.6	2007-QH4	401.0
2006-RS6	372.2	2007-QH5	497.5
2006-RZ1	483.8	2007-QH6	597.0
2006-RZ2	368.6	2007-QH7	347.0
2006-RZ3	688.3	2007-QH8	560.1
2006-RZ4	851.8	2007-QH9	594.4
2006-RZ5	505.1	2007-QO1	625.1
2006-S1	367.1	2007-QO2	529.3
2006-S10	1,087.7	2007-QO3	296.3
2006-S11	623.2	2007-QO4	502.8
2006-S12	1,204.3	2007-QO5	231.2
2006-S2	260.6	2007-QS1	1,297.4
2006-S3	337.8	2007-QS10	435.8
2006-S4	313.9	2007-QS11	305.8
2006-S5	678.1	2007-QS2	536.7
2006-S6	599.6	2007-QS3	971.6
2006-S7	469.7	2007-QS4	746.9
2006-S8	416.3	2007-QS5	432.7
2006-S9	442.3	2007-QS6	808.3
2006-SA1	275.1	2007-QS7	803.3
2006-SA2	791.3	2007-QS8	651.8
2006-SA3	350.9	2007-QS9	707.0
2006-SA4	282.3	2007-RP1	334.4
2006-SP1	275.9	2007-RP2	263.3
2006-SP2	348.1	2007-RP3	346.6

Deal Name	Original Issue Balance (in Thousands)
2007-RP4	239.2
2007-RS1	478.3
2007-RS2	376.8
2007-RZ1	329.3
2007-S1	522.5
2007-S2	472.2
2007-S3	575.3
2007-S4	314.5
2007-S5	524.8
2007-S6	707.7
2007-S7	419.1
2007-S8	488.8
2007-S9	172.4
2007-SA1	310.8
2007-SA2	385.1
2007-SA3	363.8
2007-SA4	414.9
2007-SP1	346.6
2007-SP2	279.3
2007-SP3	298.1
Grand Total	**220,987.7**

EXHIBIT B

ALLOCATION OF ALLOWED CLAIM

1. The Allowed Claim shall be allocated amongst the Accepting Trusts by the Trustees pursuant to the determination of a qualified financial advisor (the "Expert") who will make any determinations and perform any calculations required in connection with the allocation of the Allowed Claim among the Accepting Trusts. To the extent that the collateral in any Accepting Trust is divided by the Governing Agreements into groups of loans ("Loan Groups") so that ordinarily only certain classes of investors benefit from the proceeds of particular Loan Groups, those Loan Groups shall be deemed to be separate Accepting Trusts for purposes of the allocation and distribution methodologies set forth below. The Expert is to apply the following allocation formulas:

(i) *First*, the Expert shall calculate the amount of Net Losses for each Accepting Trust as a percentage of the sum of the Net Losses for all Accepting Trusts (such amount, the "Net Loss Percentage");

(ii) *Second*, the Expert shall calculate the "Allocated Claim" for each Accepting Trust by multiplying (A) the amount of the Allowed Claim by (B) the Net Loss Percentage for such Accepting Trust, expressed as a decimal; provided that the Expert shall be entitled to make adjustments to the Allocated Claim of each Accepting Trust to ensure that the effects of rounding do not cause the sum of the Allocated Claims for all Accepting Trusts to exceed the amount of the Allowed Claim.

(iii) For the avoidance of doubt, the Seller Entity and Depositor Entity for each Accepting Trust are jointly liable for that Trust's Allocated Claim.

(iv) If applicable, the Expert shall calculate the portion of the Allocated Claim that relates to principal-only certificates or notes and the portion of the Allocated Claim that relates to all other certificates or notes.

2. All distributions from the Estate to an Accepting Trust on account of any Allocated Claim shall be treated as Subsequent Recoveries, as that term is defined in the Governing Agreement for that trust; provided that if the Governing Agreement for a particular Accepting Trust does not include the term "Subsequent Recovery," the distribution resulting from the Allocated Claim shall be distributed as though it was unscheduled principal available for distribution on that distribution date; *provided, however*, that should the Bankruptcy Court determine that a different treatment is required to conform the distributions to the requirements of the Governing Agreements, that determination shall govern and shall not constitute a material change to this Settlement Agreement.

3. Notwithstanding any other provision of any Governing Agreement, the Debtors and all Servicers agree that neither the Master Servicer nor any Subservicer shall be entitled to receive any portion of any distribution resulting from any Allocated Claim for any purpose, including without limitation the satisfaction of any Servicing Advances, it being understood that the Master Servicer's other entitlements to payments, and to reimbursement or recovery, including of

Advances and Servicing Advances, under the terms of the Governing Agreements shall not be affected by this Settlement Agreement except as expressly provided here. To the extent that as a result of the distribution resulting from an Allocated Claim in a particular Accepting Trust a principal payment would become payable to a class of REMIC residual interests, whether on the distribution of the amount resulting from the Allocated Claim or on any subsequent distribution date that is not the final distribution date under the Governing Agreement for such Accepting Trust, such payment shall be maintained in the distribution account and the relevant Trustee shall distribute it on the next distribution date according to the provisions of this section.

4. In addition, after any distribution resulting from an Allocated Claim pursuant to section 3 above, the relevant Trustee will allocate the amount of the distribution for that Accepting Trust in the reverse order of previously allocated Realized Losses, to increase the Class Certificate Balance, Component Balance, Component Principal Balance, or Note Principal Balance, as applicable, of each class of Certificates or Notes (or Components thereof) (other than any class of REMIC residual interests) to which Realized Losses have been previously allocated, but in each case by not more than the amount of Realized Losses previously allocated to that class of Certificates or Notes (or Components thereof) pursuant to the Governing Agreements. For the avoidance of doubt, for Accepting Trusts for which the Credit Support Depletion Date shall have occurred prior to the allocation of the amount of the Allocable Share in accordance with the immediately preceding sentence, in no event shall the foregoing allocation be deemed to reverse the occurrence of the Credit Support Depletion Date in such Accepting Trusts. Holders of such Certificates or Notes (or Components thereof) will not be entitled to any payment in respect of interest on the amount of such increases for any interest accrual period relating to the distribution date on which such increase occurs or any prior distribution date. Any such increase shall be applied pro rata to the Certificate Balance, Component Balance, Component Principal Balance, or Note Principal Balance of each Certificate or Note of each class. For the avoidance of doubt, this section 4 is intended only to increase Class Certificate Balances, Component Balances, Component Principal Balances, and Note Principal Balances, as provided for herein, and shall not affect any distributions resulting from Allocated Claims provided for in section 3 above.

5. Nothing in this Settlement Agreement amends or modifies in any way any provisions of any Governing Agreement. To the extent any credit enhancer or financial guarantee insurer receives a distribution on account of the Allowed Claim, such distribution shall be credited at least dollar for dollar against the amount of any claim it files against the Debtor that does not arise under the Governing Agreements.

6. In no event shall the distribution to an Accepting Trust as a result of any Allocated Claim be deemed to reduce the collateral losses experienced by such Accepting Trust.

EXHIBIT C
FEE SCHEDULE

Exhibit C -- Fee Schedule

Percentage of the Allowed Claim (being the sum of the Allocated Allow Claims) allocable to trusts which accept the settlement, subject to adjustment pursuant to section 6.02(b) for trusts other than original "Covered Trusts."

Gibbs & Bruns, L.L.P.: 4.75%

Ropes & Gray LLP:

If Effective Date of Plan occurs on or before Sept. 2, 2012, 0.475%

If Effective Date of Plan occurs after Sept. 2, 2012 and on or before Dec. 2, 2012, 0.7125%

If Effective Date of Plan occurs after Dec. 3, 2012 and on or before May 2, 2013, 0.855%

If Effective Date of Plan occurs after May 2, 2013, 0.95%

EXHIBIT D
SCHEDULE OF INSTITUTIONAL INVESTOR HOLDINGS

Deal Name	Cusip	Original Face	Current Face
GMACM 2004-AR1	36185NX54	$112,473,000.00	$16,847,947.57
GMACM 2004-AR1	36185NX70	$66,361,100.00	$11,441,610.81
GMACM 2004-AR1	36185NX39	$37,725,000.00	$4,576,874.83
GMACM 2004-AR1	36185NX62	$14,902,800.00	$769,857.84
GMACM 2004-AR1	36185NX88	$11,279,800.00	$1,475,371.18
GMACM 2004-AR2	36185N3U2	$32,000,000.00	$5,386,526.90
GMACM 2004-AR2	36185N3V0	$25,000,000.00	$4,981,543.75
GMACM 2004-AR2	36185N4A5	$2,000,000.00	$398,523.50
GMACM 2004-AR2	36185N3T5	$600,000.00	$112,213.82
GMACM 2004-HE2	361856DD6	$7,075,000.00	$1,676,186.29
GMACM 2004-HE3	361856DG9	$121,607,000.00	$35,528,965.33
GMACM 2004-HE4	361856DR5	$152,334,917.00	$52,999,477.73
GMACM 2004-HE5	361856DX2	$20,000,000.00	$9,387,414.13
GMACM 2004-HE5	361856DY0	$10,570,000.00	$3,734,479.38
GMACM 2004-J1	36185NW48	$6,014,000.00	$2,960,436.85
GMACM 2004-J1	36185NW55	$2,406,000.00	$1,184,371.62
GMACM 2004-J1	36185NV64	$2,005,000.00	$1,119,403.35
GMACM 2004-J2	36185N2J8	$1,135,000.00	$653,053.80
GMACM 2004-J3	36185N2Z2	$17,680,250.00	$9,641,790.32
GMACM 2004-J3	36185N3F5	$14,008,000.00	$21,580,904.84
GMACM 2004-J3	36185N3B4	$10,420,086.00	$10,420,086.00
GMACM 2004-J3	36185N3G3	$2,000,000.00	$639,705.06
GMACM 2004-J4	36185N4K3	$33,900,000.00	$52,824,896.98
GMACM 2004-J4	36185N4J6	$26,000,000.00	$18,813,906.90
GMACM 2004-J5	36185N5B2	$16,000,000.00	$7,992,325.88
GMACM 2004-J5	36185N5C0	$14,500,000.00	$14,500,000.00
GMACM 2004-J6	36185N5T3	$28,000,000.00	$0.00
GMACM 2004-VF1	36186FAA4	$416,206,680.00	$57,512,916.88

Deal Name	Cusip	Original Face	Current Face
GMACM 2005-AA1	76112BNN6	$50,000,000.00	$9,120,902.08
GMACM 2005-AF1	36185MAK8	$58,719,000.00	$5,506,202.18
GMACM 2005-AF1	36185MAJ1	$31,460,154.00	$18,076,812.51
GMACM 2005-AF1	36185MAN2	$1,000,000.00	$1,515,703.09
GMACM 2005-AF2	36185MDE9	$202,283,350.00	$66,663,480.51
GMACM 2005-AR1	76112BKN9	$53,559,000.00	$13,585,683.34
GMACM 2005-AR1	76112BKP4	$16,390,000.00	$4,267,585.68
GMACM 2005-AR1	76112BKK5	$10,000,000.00	$652,161.41
GMACM 2005-AR1	76112BKS8	$7,796,000.00	$5,233,926.07
GMACM 2005-AR1	76112BKQ2	$277,340.00	$85,019.91
GMACM 2005-AR2	36185N6Q8	$37,293,000.00	$13,824,752.42
GMACM 2005-AR2	36185N6M7	$2,100,000.00	$348,882.60
GMACM 2005-AR2	36185N6N5	$1,500,000.00	$450,323.21
GMACM 2005-AR3	36185N7L8	$77,773,387.26	$23,155,494.79
GMACM 2005-AR3	36185N7H7	$50,000,000.00	$714,273.84
GMACM 2005-AR3	36185N6Y1	$29,656,000.00	$3,801,430.30
GMACM 2005-AR3	36185N7D6	$9,516,000.00	$690,005.81
GMACM 2005-AR3	36185N7M6	$5,000,000.00	$1,488,651.56
GMACM 2005-AR3	36185N7E4	$1,600,000.00	$1,600,000.00
GMACM 2005-AR4	76112BUG3	$32,500,000.00	$11,449,717.11
GMACM 2005-AR4	76112BUD0	$14,512,000.00	$1,505,874.14
GMACM 2005-AR4	76112BUM0	$3,933,000.00	$1,173,821.62
GMACM 2005-AR4	76112BUK4	$2,592,000.00	$695,453.80
GMACM 2005-AR5	76112BYD6	$35,000,000.00	$11,816,742.05
GMACM 2005-AR5	76112BYF1	$2,060,000.00	$803,660.02
GMACM 2005-AR6	36185MBG6	$48,131,000.00	$14,520,598.29
GMACM 2005-AR6	36185MBN1	$44,030,945.00	$19,754,825.62
GMACM 2005-AR6	36185MBJ0	$36,875,000.00	$13,569,454.75

Deal Name	Cusip	Original Face	Current Face
GMACM 2005-AR6	36185MBL5	$34,601,000.00	$15,206,317.25
GMACM 2005-HE1	361856EC7	$45,000,000.00	$19,794,958.79
GMACM 2005-HE1	361856EB9	$35,100,000.00	$15,228,116.12
GMACM 2005-HE2	36185MAC6	$135,760,000.00	$0.00
GMACM 2005-HE2	36185MAF9	$44,000,000.00	$24,584,534.20
GMACM 2005-HE2	36185MAD4	$5,000,000.00	$2,446,587.50
GMACM 2005-HE3	361856EH6	$2,500,000.00	$1,267,439.51
GMACM 2005-J1	36185MCT7	$471,782,774.00	$182,659,887.70
GMACM 2005-J1	36185MCP5	$24,000,000.00	$24,000,000.00
GMACM 2005-J1	36185MCJ9	$20,000,000.00	$16,034,682.77
GMACM 2005-J1	36185MCL4	$20,000,000.00	$17,614,989.29
GMACM 2005-J1	36185MBY7	$13,650,000.00	$1,958,471.22
GMACM 2006-AR1	36185MDQ2	$111,081,545.00	$44,825,586.15
GMACM 2006-AR1	36185MDN9	$8,840,000.00	$3,672,531.90
GMACM 2006-AR2	36185MFB3	$30,697,840.00	$8,079,500.72
GMACM 2006-HE1	361856ER4	$48,485,000.00	$20,080,691.66
GMACM 2006-HE2	38011AAC8	$25,150,000.00	$14,372,599.60
GMACM 2006-HE3	38012TAA0	$60,000,000.00	$0.00
GMACM 2006-HE3	38012TAD4	$16,316,000.00	$8,656,785.61
GMACM 2006-HE3	38012TAB8	$8,620,000.00	$2,976,589.46
GMACM 2006-HE3	38012TAC6	$1,360,000.00	$721,575.66
GMACM 2006-HE4	38012UAA7	$104,119,000.00	$45,712,255.98
GMACM 2006-HE4	38012UAB5	$91,100,000.00	$39,996,412.19
GMACM 2006-HE4	38012UAC3	$45,000,000.00	$19,756,734.90
GMACM 2006-HLTV	36185HEJ8	$20,250,000.00	$18,142,325.91
GMACM 2006-HLTV	36185HEH2	$10,200,000.00	$0.00
GMACM 2006-J1	36185MEB4	$58,877,000.00	$7,621,667.70
GMACM 2006-J1	36185MEG3	$15,000,000.00	$13,562,469.79

Deal Name	Cusip	Original Face	Current Face
GMACM 2007-HE1	36186KAA3	$132,500,000.00	$0.00
GMACM 2007-HE1	36186KAB1	$50,000,000.00	$0.00
GMACM 2007-HE2	36186LAG8	$51,541,000.00	$28,216,785.77
GMACM 2007-HE2	36186LAD5	$5,000,000.00	$2,737,314.54
GMACM 2007-HE2	36186LAC7	$2,550,000.00	$1,396,030.42
GMACM 2007-HE2	36186LAB9	$90,000.00	$49,271.77
GMACM 2007-HE3	36186MAC5	$33,510,000.00	$16,240,844.03
GMACM 2007-HE3	36186MAA9	$32,335,000.00	$11,317,991.12
RAAC 2004-SP1	7609855V9	$49,812,000.00	$5,341,999.30
RAAC 2004-SP1	7609855U1	$2,500,000.00	$565,156.60
RAAC 2004-SP2	7609857N5	$1,000,000.00	$25,497.23
RAAC 2004-SP3	76112BES5	$30,000,000.00	$4,631,673.25
RAAC 2005-RP3	76112BP95	$4,000,000.00	$4,000,000.00
RAAC 2005-SP1	76112BQN3	$57,000,000.00	$0.00
RAAC 2005-SP1	76112BQL7	$31,117,000.00	$24,958,888.05
RAAC 2005-SP1	76112BQS2	$2,180,500.00	$3,112,080.72
RAAC 2005-SP1	76112BSA9	$1,500,000.00	$290,353.24
RAAC 2005-SP1	76112BRE2	$323,000.00	$220,372.18
RAAC 2005-SP2	76112BF54	$153,800,000.00	$30,195,557.75
RAAC 2005-SP2	76112BF70	$4,291,000.00	$1,240,600.18
RAAC 2005-SP2	76112BE71	$1,551,000.00	$1,551,000.00
RAAC 2005-SP3	76112BS43	$2,600,000.00	$2,165,713.56
RAAC 2006-RP1	76112B3R9	$37,983,000.00	$4,416,513.43
RAAC 2006-RP1	76112B2V1	$1,700,000.00	$1,700,000.00
RAAC 2006-RP2	74919MAA4	$127,229,000.00	$22,012,181.16
RAAC 2006-RP2	74919MAB2	$5,000,000.00	$5,000,000.00
RAAC 2006-RP3	74919RAA3	$146,320,000.00	$33,626,929.08
RAAC 2006-RP3	74919RAE5	$15,000,000.00	$15,000,000.00

Deal Name	Cusip	Original Face	Current Face
RAAC 2006-RP4	74919TAA9	$68,976,520.00	$17,327,677.33
RAAC 2006-RP4	74919TAB7	$20,700,000.00	$20,700,000.00
RAAC 2006-SP1	76112B3F5	$4,000,000.00	$4,000,000.00
RAAC 2006-SP1	76112B3D0	$3,200,000.00	$665,349.23
RAAC 2006-SP2	74919PAB5	$35,199,000.00	$6,692,388.62
RAAC 2006-SP3	74919QAD9	$4,447,992.00	$4,447,992.00
RAAC 2006-SP4	74919VAC0	$15,000,000.00	$15,000,000.00
RAAC 2006-SP4	74919VAH9	$5,000,000.00	$5,000,000.00
RAAC 2006-SP4	74919VAG1	$2,250,000.00	$2,250,000.00
RAAC 2007-RP1	74977YAA7	$107,420,000.00	$36,656,254.05
RAAC 2007-RP1	74977YAB5	$12,010,000.00	$12,010,000.00
RAAC 2007-RP2	74919WAA2	$59,620,000.00	$19,261,017.24
RAAC 2007-RP2	74919WAB0	$5,100,000.00	$5,100,000.00
RAAC 2007-RP3	74978BAA6	$53,200,000.00	$18,784,053.74
RAAC 2007-RP3	74978BAB4	$6,900,000.00	$6,900,000.00
RAAC 2007-RP4	74919LAD0	$57,980,000.00	$26,801,872.78
RAAC 2007-RP4	74919LAE8	$16,513,000.00	$16,513,000.00
RAAC 2007-SP1	74978AAC4	$18,000,000.00	$18,000,000.00
RAAC 2007-SP1	74978AAB6	$17,328,000.00	$9,367,465.32
RAAC 2007-SP2	74919XAE2	$13,000,000.00	$13,000,000.00
RAAC 2007-SP2	74919XAF9	$3,653,660.00	$3,653,660.00
RAAC 2007-SP3	74978FAA7	$142,479,281.00	$52,679,373.77
RALI 2004-QA1	76110HRM3	$19,000,000.00	$769,264.54
RALI 2004-QA2	76110HVU0	$25,000,000.00	$3,109,214.27
RALI 2004-QA4	76110HZH5	$10,564,000.00	$1,308,947.16
RALI 2004-QA4	76110HZP7	$6,095,900.00	$3,233,999.89
RALI 2004-QA4	76110HZQ5	$3,143,400.00	$1,142,101.69
RALI 2004-QA5	76110HC72	$37,338,000.00	$2,234,571.97

Deal Name	Cusip	Original Face	Current Face
RALI 2004-QA5	76110HC98	$100,000.00	$5,136.87
RALI 2004-QA6	76110HH28	$69,548,000.00	$4,375,797.98
RALI 2004-QA6	76110HH85	$19,350,000.00	$4,773,119.65
RALI 2004-QS1	76110HQF9	$36,482,573.00	$2,788,769.76
RALI 2004-QS1	76110HQA0	$1,700,000.00	$1,275,410.90
RALI 2004-QS10	76110HWK1	$216,614,427.00	$51,688,025.33
RALI 2004-QS10	76110HWC9	$50,000,000.00	$2,754,580.84
RALI 2004-QS10	76110HWG0	$21,200,000.00	$34,562,843.57
RALI 2004-QS11	76110HXC8	$217,512,005.00	$53,446,880.06
RALI 2004-QS11	76110HWU9	$40,633,600.00	$2,894,550.67
RALI 2004-QS11	76110HWX3	$19,000,000.00	$16,112,653.71
RALI 2004-QS11	76110HWV7	$13,000,000.00	$13,000,000.00
RALI 2004-QS11	76110HWW5	$3,380,000.00	$240,775.64
RALI 2004-QS13	76110HYH6	$129,166,655.00	$25,416,484.89
RALI 2004-QS13	76110HYF0	$3,600,000.00	$744,183.74
RALI 2004-QS16	76110HJ59	$122,380,000.00	$16,512,580.50
RALI 2004-QS16	76110HJ91	$17,500,000.00	$14,995,629.67
RALI 2004-QS16	76110HK24	$3,200,000.00	$654,089.74
RALI 2004-QS2	76110HQM4	$95,777,000.00	$20,210,301.77
RALI 2004-QS2	76110HQG7	$38,831,040.00	$4,298,452.30
RALI 2004-QS2	76110HQS1	$6,870,000.00	$5,082,347.42
RALI 2004-QS2	76110HQT9	$3,215,800.00	$2,410,460.30
RALI 2004-QS2	76110HQV4	$1,023,200.00	$0.00
RALI 2004-QS3	76110HRA9	$11,800,000.00	$2,096,202.67
RALI 2004-QS4	76110HSG5	$7,694,900.00	$5,325,193.30
RALI 2004-QS4	76110HSH3	$3,686,800.00	$2,594,066.79
RALI 2004-QS4	76110HRV3	$2,565,000.00	$266,891.54
RALI 2004-QS5	76110HSR1	$12,500,000.00	$1,562,389.91

Deal Name	Cusip	Original Face	Current Face
RALI 2004-QS5	76110HSU4	$12,438,900.00	$12,438,900.00
RALI 2004-QS5	76110HSW0	$2,805,000.00	$343,495.32
RALI 2004-QS6	76110HTG4	$2,000,000.00	$381,067.52
RALI 2004-QS7	76110HTV1	$40,457,000.00	$1,864,231.52
RALI 2004-QS7	76110HTW9	$15,000,000.00	$15,000,000.00
RALI 2004-QS7	76110HTX7	$2,000,000.00	$817,879.50
RALI 2004-QS8	76110HUT4	$25,174,900.00	$6,587,077.89
RALI 2004-QS8	76110HUN7	$9,630,166.00	$595,792.62
RALI 2004-QS8	76110HUR8	$3,500,000.00	$5,504,006.55
RALI 2004-QS8	76110HUL1	$150,000.00	$6,682.01
RALI 2004-QS9	76110HVH9	$51,542,000.00	$9,656,193.51
RALI 2005-QA1	76110HM63	$66,000,000.00	$10,222,714.49
RALI 2005-QA10	761118GD4	$63,450,000.00	$27,834,138.84
RALI 2005-QA10	761118GE2	$62,897,000.00	$28,838,108.55
RALI 2005-QA12	761118MY1	$32,839,000.00	$9,841,820.72
RALI 2005-QA12	761118MZ8	$24,000,000.00	$5,876,740.56
RALI 2005-QA12	761118NB0	$6,249,000.00	$2,391,362.14
RALI 2005-QA12	761118NC8	$4,050,000.00	$1,417,629.80
RALI 2005-QA13	761118PE2	$214,784,000.00	$82,675,516.96
RALI 2005-QA13	761118PF9	$4,470,000.00	$1,435,529.89
RALI 2005-QA2	76110HT90	$35,506,000.00	$10,835,170.46
RALI 2005-QA3	76110H2H1	$84,080,900.00	$18,490,442.17
RALI 2005-QA3	76110H2K4	$24,162,800.00	$6,065,264.68
RALI 2005-QA3	76110H2P3	$17,924,800.00	$1,940,574.77
RALI 2005-QA3	76110H2L2	$8,765,600.00	$2,676,826.36
RALI 2005-QA4	76110H4L0	$87,725,000.00	$31,227,291.89
RALI 2005-QA4	76110H4F3	$13,225,000.00	$3,451,912.00
RALI 2005-QA4	76110H4K2	$9,868,000.00	$3,245,127.72

Deal Name	Cusip	Original Face	Current Face
RALI 2005-QA4	76110H4G1	$96,000.00	$23,317.74
RALI 2005-QA5	76110H5A3	$44,000,000.00	$2,389,740.60
RALI 2005-QA5	76110H5C9	$3,859,900.00	$1,325,550.11
RALI 2005-QA6	76110H6E4	$20,612,560.00	$4,579,284.91
RALI 2005-QA6	76110H5Z8	$940,000.00	$187,736.76
RALI 2005-QA6	76110H6F1	$230,000.00	$229,969.90
RALI 2005-QA7	76110H7B9	$84,350,000.00	$29,751,554.40
RALI 2005-QA7	76110H7A1	$38,002,800.00	$9,713,243.64
RALI 2005-QA7	76110H7J2	$5,164,000.00	$10,818.01
RALI 2005-QA7	76110H7D5	$5,000,000.00	$1,765,522.87
RALI 2005-QA8	761118BP2	$101,397,000.00	$25,593,321.42
RALI 2005-QA8	761118BS6	$53,625,000.00	$18,743,857.21
RALI 2005-QA8	761118BW7	$14,395,000.00	$4,729,792.37
RALI 2005-QA9	761118FM5	$42,390,000.00	$18,162,523.70
RALI 2005-QA9	761118FJ2	$41,501,000.00	$10,887,711.51
RALI 2005-QA9	761118FG8	$27,700,000.00	$7,501,698.27
RALI 2005-QO1	761118EN4	$108,930,000.00	$31,873,782.79
RALI 2005-QO1	761118EP9	$24,987,500.00	$7,311,541.52
RALI 2005-QO2	761118HU5	$112,657,994.00	$34,976,333.76
RALI 2005-QO3	761118KU1	$111,735,000.00	$37,180,873.48
RALI 2005-QO3	761118KV9	$36,156,400.00	$10,619,559.95
RALI 2005-QO4	761118NN4	$129,600,000.00	$45,612,079.16
RALI 2005-QO4	761118NP9	$35,953,000.00	$9,923,930.20
RALI 2005-QO5	761118QM3	$410,734,000.00	$150,583,752.63
RALI 2005-QS1	76110HP78	$214,597,361.00	$72,653,992.73
RALI 2005-QS1	76110HN88	$80,000,000.00	$20,684,284.56
RALI 2005-QS1	76110HP45	$40,410,000.00	$10,448,149.24
RALI 2005-QS10	761118CX4	$72,649,000.00	$19,869,196.38

Deal Name	Cusip	Original Face	Current Face
RALI 2005-QS10	761118CW6	$25,000,000.00	$9,424,732.44
RALI 2005-QS10	761118CZ9	$13,283,000.00	$9,725,344.72
RALI 2005-QS11	761118CL0	$213,644,237.00	$82,446,947.81
RALI 2005-QS11	761118CE6	$36,149,700.00	$30,460,096.91
RALI 2005-QS11	761118CJ5	$8,364,400.00	$6,558,687.42
RALI 2005-QS11	761118CK2	$369,202.00	$190,376.26
RALI 2005-QS12	761118ED6	$528,901,122.00	$201,702,182.80
RALI 2005-QS12	761118DN5	$37,460,154.00	$20,565,080.93
RALI 2005-QS12	761118DU9	$12,400,000.00	$534,582.47
RALI 2005-QS12	761118DR6	$10,410,000.00	$9,450,933.30
RALI 2005-QS12	761118EC8	$1,137,106.00	$569,611.56
RALI 2005-QS13	761118HJ0	$639,169,632.00	$259,991,490.50
RALI 2005-QS13	761118HA9	$42,460,154.00	$22,654,128.93
RALI 2005-QS13	761118GW2	$41,885,000.00	$8,276,876.03
RALI 2005-QS13	761118HC5	$29,400,000.00	$7,263,415.63
RALI 2005-QS13	761118HH4	$3,199,626.00	$1,533,043.03
RALI 2005-QS13	761118GX0	$1,300,000.00	$499,586.18
RALI 2005-QS14	761118JQ2	$484,882,069.00	$166,765,568.45
RALI 2005-QS14	761118JN9	$130,938,205.00	$33,312,682.81
RALI 2005-QS14	761118JG4	$125,510,000.00	$31,676,001.10
RALI 2005-QS14	761118JJ8	$99,999,999.68	$34,058,264.89
RALI 2005-QS14	761118JH2	$47,530,000.00	$21,002,024.07
RALI 2005-QS15	761118KL1	$431,500,310.00	$162,560,936.80
RALI 2005-QS15	761118KG2	$66,099,000.00	$30,694,857.05
RALI 2005-QS15	761118KJ6	$18,861,000.00	$7,288,401.30
RALI 2005-QS15	761118KK3	$8,301,530.00	$3,722,610.84
RALI 2005-QS16	761118MP0	$427,980,012.00	$166,591,924.80
RALI 2005-QS16	761118MC9	$25,450,000.00	$22,351,857.23

Deal Name	Cusip	Original Face	Current Face
RALI 2005-QS16	761118MN5	$2,596,273.00	$1,251,664.94
RALI 2005-QS17	761118QC5	$540,112,378.00	$202,259,498.70
RALI 2005-QS17	761118PY8	$103,032,000.00	$33,504,379.32
RALI 2005-QS17	761118PZ5	$53,366,200.00	$14,239,651.11
RALI 2005-QS17	761118PQ5	$13,165,000.00	$11,098,613.33
RALI 2005-QS17	761118QB7	$5,958,254.00	$2,695,031.23
RALI 2005-QS17	761118PU6	$1,500,000.00	$274,455.33
RALI 2005-QS2	76110HQ69	$53,001,600.00	$12,876,899.42
RALI 2005-QS3	76110HX79	$173,143,700.00	$22,743,125.66
RALI 2005-QS3	76110HY86	$103,981,675.00	$23,901,134.23
RALI 2005-QS3	76110HX87	$24,048,000.00	$21,661,655.89
RALI 2005-QS3	76110HX61	$15,000,000.00	$1,970,310.70
RALI 2005-QS3	76110HX53	$10,990,200.00	$9,202,311.44
RALI 2005-QS5	76110H2X6	$85,000,000.00	$19,592,718.11
RALI 2005-QS5	76110H2Z1	$58,392,577.00	$13,459,640.89
RALI 2005-QS6	76110H5F2	$118,400,000.00	$21,687,561.60
RALI 2005-QS6	76110H5J4	$13,883,333.00	$6,292,122.05
RALI 2005-QS6	76110H5K1	$12,787,000.00	$12,787,000.00
RALI 2005-QS6	76110H5L9	$8,844,000.00	$8,063,901.60
RALI 2005-QS6	76110H5M7	$250,000.00	$227,948.37
RALI 2005-QS7	761118AK4	$369,979,162.00	$131,214,154.70
RALI 2005-QS7	761118AH1	$99,840,000.00	$37,775,092.49
RALI 2005-QS7	761118AE8	$22,827,000.00	$20,715,771.98
RALI 2005-QS7	761118AA6	$20,100,000.00	$4,401,669.21
RALI 2005-QS9	761118BE7	$370,978,359.00	$134,913,325.00
RALI 2005-QS9	761118AV0	$50,000,000.00	$10,256,441.16
RALI 2005-QS9	761118AZ1	$12,098,000.00	$10,896,280.98
RALI 2005-QS9	761118AW8	$419,959.00	$84,353.13

Deal Name	Cusip	Original Face	Current Face
RALI 2006-QA1	761118TB4	$130,617,000.00	$55,413,498.20
RALI 2006-QA1	761118SZ2	$50,000,000.00	$11,884,081.35
RALI 2006-QA1	761118TD0	$16,505,000.00	$5,250,116.48
RALI 2006-QA10	74922NAB5	$62,495,092.00	$24,565,187.80
RALI 2006-QA10	74922NAA7	$35,956,403.00	$12,720,170.27
RALI 2006-QA10	74922NAG4	$10,000,000.00	$0.00
RALI 2006-QA2	761118TN8	$49,001,476.00	$18,610,129.67
RALI 2006-QA2	761118TU2	$24,906,000.00	$12,289,878.38
RALI 2006-QA2	761118TR9	$13,300,000.00	$5,396,391.37
RALI 2006-QA3	75114RAD7	$65,500,000.00	$18,930,361.34
RALI 2006-QA4	748939AA3	$137,490,303.00	$44,713,057.37
RALI 2006-QA4	748939AH8	$10,000,000.00	$0.00
RALI 2006-QA5	75115BAB5	$100,000,000.00	$33,647,079.11
RALI 2006-QA5	75115BAA7	$48,463,281.00	$16,502,900.63
RALI 2006-QA6	74922MAA9	$103,500,441.00	$31,629,706.48
RALI 2006-QA6	74922MAB7	$15,000,000.00	$5,097,617.58
RALI 2006-QA6	74922MAC5	$6,370,000.00	$2,164,788.27
RALI 2006-QA7	751152AA7	$132,316,641.00	$41,045,495.69
RALI 2006-QA8	74922QAA0	$87,038,737.00	$28,366,566.55
RALI 2006-QA8	74922QAB8	$75,800,000.00	$27,448,666.23
RALI 2006-QA9	75115VAA3	$17,625,000.00	$6,207,165.88
RALI 2006-QA9	75115VAF2	$10,000,000.00	$0.00
RALI 2006-QH1	75115GAA6	$18,715,500.00	$10,130,112.12
RALI 2006-QO1	761118RJ9	$110,420,000.00	$32,016,368.72
RALI 2006-QO1	761118RM2	$107,602,000.00	$50,948,144.97
RALI 2006-QO1	761118RN0	$89,680,800.00	$25,960,135.90
RALI 2006-QO1	761118RG5	$55,194,000.00	$7,143,378.65
RALI 2006-QO1	761118RK6	$10,496,000.00	$0.00

Deal Name	Cusip	Original Face	Current Face
RALI 2006-QO10	751153AA5	$118,805,000.00	$65,186,558.57
RALI 2006-QO10	751153AB3	$6,000,000.00	$2,677,170.97
RALI 2006-QO2	761118VY1	$242,042,000.00	$82,681,806.24
RALI 2006-QO2	761118VZ8	$87,113,600.00	$32,508,770.82
RALI 2006-QO3	761118WP9	$215,041,000.00	$88,532,587.40
RALI 2006-QO3	761118WQ7	$34,747,000.00	$16,105,821.07
RALI 2006-QO4	75114GAC3	$37,720,000.00	$17,473,832.82
RALI 2006-QO4	75114GAF6	$3,825,000.00	$0.00
RALI 2006-QO5	75114HAD9	$118,000,000.00	$59,876,334.97
RALI 2006-QO5	75114HAH0	$29,397,000.00	$6,506,135.62
RALI 2006-QO5	75114HAE7	$16,800,000.00	$5,233,877.08
RALI 2006-QO5	75114HAS6	$12,962,000.00	$0.00
RALI 2006-QO5	75114HAK3	$11,000,000.00	$9,649,473.16
RALI 2006-QO6	75114NAA2	$510,853,000.00	$249,815,342.36
RALI 2006-QO6	75114NAB0	$226,645,000.00	$112,710,889.42
RALI 2006-QO7	751150AD5	$79,746,000.00	$46,373,963.28
RALI 2006-QO7	751150AH6	$62,938,000.00	$43,155,457.12
RALI 2006-QO7	751150AJ2	$37,954,000.00	$31,823,148.85
RALI 2006-QO7	751150AA1	$31,093,476.00	$17,397,420.69
RALI 2006-QO7	751150AB9	$30,170,400.00	$0.00
RALI 2006-QO8	75115FAS9	$15,000,000.00	$13,410,428.89
RALI 2006-QO9	75115HAN6	$548,514,000.00	$244,866,136.70
RALI 2006-QO9	75114PAC3	$85,000,000.00	$78,242,121.30
RALI 2006-QO9	75114PAE9	$32,526,000.00	$29,725,432.79
RALI 2006-QO9	75114PAD1	$20,000,000.00	$0.00
RALI 2006-QO9	75114PAA7	$1,700,000.00	$0.00
RALI 2006-QS1	761118SB5	$20,000,000.00	$4,511,999.30
RALI 2006-QS10	751155AS1	$513,600,596.00	$202,191,757.41

Deal Name	Cusip	Original Face	Current Face
RALI 2006-QS10	751155AP7	$66,810,666.00	$27,984,568.32
RALI 2006-QS10	751155AN2	$16,810,666.00	$7,041,379.28
RALI 2006-QS10	751155BE1	$5,293,385.00	$2,394,049.63
RALI 2006-QS11	75115EAK9	$742,705,705.00	$292,981,670.71
RALI 2006-QS11	75115EAA1	$75,000,000.00	$25,964,078.40
RALI 2006-QS11	75115EAU7	$17,284,000.00	$12,541,986.37
RALI 2006-QS11	75115EAJ2	$5,521,342.00	$2,324,932.29
RALI 2006-QS12	751151AA9	$85,000,000.00	$23,653,476.82
RALI 2006-QS12	751151AV3	$40,744,973.00	$16,204,202.42
RALI 2006-QS12	751151AD3	$25,177,000.00	$16,823,384.49
RALI 2006-QS12	751151AH4	$20,000,000.00	$12,894,300.88
RALI 2006-QS12	751151AG6	$7,000,000.00	$2,490,396.55
RALI 2006-QS12	751151AN1	$4,902,666.00	$3,160,822.53
RALI 2006-QS12	751151AZ4	$2,005,760.00	$869,484.71
RALI 2006-QS13	75115DAB1	$166,039,000.00	$67,600,793.51
RALI 2006-QS13	75115DAK1	$3,338,000.00	$2,380,881.47
RALI 2006-QS13	75115DAW5	$416,200.00	$0.00
RALI 2006-QS14	74922GAP9	$75,000,000.00	$36,177,132.08
RALI 2006-QS14	74922GAE4	$15,384,616.00	$5,888,961.17
RALI 2006-QS14	74922GAK0	$5,547,285.00	$3,700,068.19
RALI 2006-QS15	74922YAH8	$538,578,792.00	$198,276,918.80
RALI 2006-QS15	74922YAA3	$32,000,000.00	$13,526,228.62
RALI 2006-QS15	74922YAE5	$14,697,000.00	$10,271,178.35
RALI 2006-QS15	74922YAG0	$1,839,075.00	$832,070.31
RALI 2006-QS16	74922LAN3	$752,079,933.00	$305,603,568.00
RALI 2006-QS16	74922LAB9	$175,025,250.00	$76,262,869.36
RALI 2006-QS16	74922LAM5	$1,212,939.00	$552,090.55
RALI 2006-QS17	74922SAN8	$537,005,668.00	$226,619,000.60

Deal Name	Cusip	Original Face	Current Face
RALI 2006-QS17	74922SAB4	$106,635,250.00	$48,060,333.03
RALI 2006-QS17	74922SAM0	$1,096,065.00	$575,380.35
RALI 2006-QS18	74922RAT7	$323,635,781.00	$139,882,051.83
RALI 2006-QS18	74922RAC4	$116,032,000.00	$40,782,334.44
RALI 2006-QS18	74922RAH3	$95,475,000.00	$42,676,095.43
RALI 2006-QS18	74922RAF7	$50,000,000.00	$27,934,478.00
RALI 2006-QS18	74922RAU4	$4,914,900.00	$2,070,377.21
RALI 2006-QS18	74922RAR1	$4,660,000.00	$1,566,628.68
RALI 2006-QS18	74922RAP5	$2,690,000.00	$904,341.45
RALI 2006-QS18	74922RAW0	$355,377.00	$126,490.53
RALI 2006-QS18	74922RAS9	$190,116.00	$67,893.62
RALI 2006-QS2	761118VE5	$750,230,678.00	$284,377,685.09
RALI 2006-QS2	761118VA3	$106,430,000.00	$24,450,553.43
RALI 2006-QS2	761118UQ9	$29,500,000.00	$7,869,950.30
RALI 2006-QS2	761118UL0	$6,962,750.00	$3,966,907.64
RALI 2006-QS3	761118XL7	$44,229,000.00	$10,354,862.86
RALI 2006-QS4	749228AA0	$25,553,000.00	$18,810,760.70
RALI 2006-QS4	749228AJ1	$22,950,000.00	$7,606,457.33
RALI 2006-QS4	749228AF9	$10,000,000.00	$2,887,863.25
RALI 2006-QS5	75114TAC5	$40,000,000.00	$22,359,144.40
RALI 2006-QS5	75114TAG6	$40,000,000.00	$11,252,254.86
RALI 2006-QS5	75114TAE1	$33,909,000.00	$24,211,856.97
RALI 2006-QS5	75114TAD3	$20,000,000.00	$14,280,490.12
RALI 2006-QS6	74922EAV1	$687,937,102.00	$251,254,688.86
RALI 2006-QS6	74922EAA7	$80,000,000.00	$27,441,141.52
RALI 2006-QS6	74922EAN9	$16,669,000.00	$5,377,690.43
RALI 2006-QS6	74922EAQ2	$3,550,000.00	$1,706,248.26
RALI 2006-QS6	74922EAB5	$450,000.00	$141,254.22

Deal Name	Cusip	Original Face	Current Face
RALI 2006-QS7	748940AG8	$537,508,457.00	$183,210,935.57
RALI 2006-QS7	748940AA1	$139,600,000.00	$61,272,396.90
RALI 2006-QS7	748940AD5	$21,600,000.00	$2,342,135.29
RALI 2006-QS8	75115AAG6	$966,346,145.00	$358,507,110.84
RALI 2006-QS8	75115AAA9	$116,485,000.00	$53,072,729.63
RALI 2006-QS8	75115AAD3	$46,230,000.00	$6,454,293.07
RALI 2006-QS8	75115AAC5	$20,244,000.00	$14,211,605.10
RALI 2006-QS8	75115AAB7	$11,095,000.00	$7,788,863.79
RALI 2006-QS9	75115CAV9	$430,619,725.00	$159,083,945.73
RALI 2006-QS9	75115CAX5	$109,497,733.00	$29,470,634.42
RALI 2006-QS9	75115CAL1	$12,000,000.00	$4,012,813.55
RALI 2006-QS9	75115CAG2	$10,755,650.00	$7,918,511.54
RALI 2007-QA1	74923GAA1	$72,495,000.00	$23,605,918.30
RALI 2007-QA1	74923GAB9	$13,670,000.00	$11,076,037.14
RALI 2007-QA2	74922PAA2	$40,000,000.00	$11,737,116.63
RALI 2007-QA2	74922PAC8	$990,054.00	$372,967.93
RALI 2007-QA3	74923XAA4	$69,000,000.00	$32,903,829.06
RALI 2007-QA3	74923XAE6	$24,709,272.00	$0.00
RALI 2007-QA3	74923XAD8	$21,064,872.00	$0.00
RALI 2007-QA4	74923YAA2	$92,000,000.00	$30,567,648.30
RALI 2007-QA5	749236AE5	$36,360,960.00	$21,863,737.98
RALI 2007-QH1	74922HAA0	$136,734,000.00	$81,136,342.92
RALI 2007-QH1	74922HAB8	$17,551,200.00	$10,414,675.08
RALI 2007-QH2	74922JAA6	$65,079,200.00	$37,688,507.76
RALI 2007-QH2	74922JAB4	$27,937,600.00	$16,179,154.86
RALI 2007-QH3	74922WAA7	$112,327,000.00	$66,914,307.75
RALI 2007-QH4	74922TAA4	$105,200,000.00	$65,686,066.71
RALI 2007-QH4	74922TAB2	$44,982,400.00	$28,086,662.80

Deal Name	Cusip	Original Face	Current Face
RALI 2007-QH5	75116EAB8	$49,048,800.00	$29,934,676.82
RALI 2007-QH5	75116EAA0	$30,000,000.00	$18,662,898.88
RALI 2007-QH6	74922AAA5	$146,600,000.00	$93,053,705.84
RALI 2007-QH6	74922AAB3	$56,000,000.00	$35,545,753.94
RALI 2007-QH7	75115LAA5	$45,957,480.00	$30,250,782.69
RALI 2007-QH9	749241AA3	$85,785,000.00	$61,010,370.87
RALI 2007-QO1	75115YAA7	$109,273,000.00	$61,665,205.06
RALI 2007-QO2	75116AAA8	$177,011,685.00	$99,865,247.34
RALI 2007-QO2	75116AAB6	$15,110,400.00	$134,649.89
RALI 2007-QO2	75116AAC4	$9,763,000.00	$0.00
RALI 2007-QO3	74923TAA3	$83,540,000.00	$48,570,397.65
RALI 2007-QO4	74923LAB8	$53,700,000.00	$31,685,344.20
RALI 2007-QO4	74923LAC6	$11,325,000.00	$6,682,244.38
RALI 2007-QO4	74923LAD4	$4,950,000.00	$559,886.85
RALI 2007-QO4	74923LAA0	$2,550,000.00	$1,504,611.32
RALI 2007-QS1	74922KAW5	$430,044,970.00	$218,241,569.70
RALI 2007-QS1	74922KAY1	$399,322,306.00	$176,584,747.73
RALI 2007-QS1	74922KAH8	$176,973,000.00	$91,127,727.12
RALI 2007-QS1	74922KAB1	$34,499,000.00	$24,735,401.37
RALI 2007-QS1	74922KAQ8	$28,309,600.00	$12,559,903.46
RALI 2007-QS1	74922KAA3	$15,000,000.00	$4,615,688.06
RALI 2007-QS1	74922KAX3	$12,521,309.00	$5,501,832.67
RALI 2007-QS1	74922KAD7	$5,000,000.00	$3,742,650.74
RALI 2007-QS1	74922KAV7	$1,462,542.00	$678,091.50
RALI 2007-QS10	74924DAJ8	$435,758,536.00	$208,657,003.37
RALI 2007-QS10	74924DAA7	$1,385,000.00	$781,082.81
RALI 2007-QS11	74925GAA9	$48,925,000.00	$25,435,553.60
RALI 2007-QS2	74923CAJ1	$527,443,546.00	$245,235,300.67

Deal Name	Cusip	Original Face	Current Face
RALI 2007-QS2	74923CAC6	$3,200,000.00	$2,336,597.97
RALI 2007-QS3	75116BAH1	$880,350,722.00	$417,086,874.75
RALI 2007-QS3	75116BAB4	$240,000,000.00	$113,715,576.24
RALI 2007-QS3	75116BAE8	$39,000,000.00	$29,214,681.16
RALI 2007-QS4	74923HBG5	$324,427,824.00	$168,343,325.65
RALI 2007-QS4	74923HBC4	$54,261,538.00	$27,960,214.73
RALI 2007-QS4	74923HAX9	$49,758,800.00	$21,785,863.16
RALI 2007-QS4	74923HAE1	$39,661,000.00	$19,615,217.63
RALI 2007-QS4	74923HAM3	$39,390,000.00	$18,407,689.97
RALI 2007-QS4	74923HAT8	$23,203,000.00	$17,733,050.51
RALI 2007-QS4	74923HBA8	$6,476,000.00	$1,806,585.90
RALI 2007-QS4	74923HAL5	$6,262,000.00	$4,668,439.82
RALI 2007-QS5	74923JAR8	$432,705,069.00	$216,716,952.74
RALI 2007-QS5	74923JAH0	$60,132,000.00	$32,325,554.98
RALI 2007-QS5	74923JAB3	$50,000,000.00	$31,174,619.11
RALI 2007-QS6	75116CEX0	$808,301,218.00	$380,748,625.74
RALI 2007-QS6	75116CAA4	$136,574,000.00	$68,852,866.68
RALI 2007-QS6	75116CAM8	$26,229,464.00	$16,053,630.02
RALI 2007-QS6	75116CAF3	$20,000,000.00	$14,118,071.48
RALI 2007-QS6	75116CBW5	$20,000,000.00	$8,689,388.40
RALI 2007-QS6	75116CCP9	$12,000,000.00	$2,201,511.74
RALI 2007-QS7	74923WAQ1	$272,791,973.00	$110,798,856.26
RALI 2007-QS7	74923WAD0	$43,289,000.00	$34,178,110.29
RALI 2007-QS7	74923WAK4	$13,127,000.00	$6,630,867.56
RALI 2007-QS8	74922UAU7	$651,756,520.00	$339,202,596.54
RALI 2007-QS8	74922UAG8	$149,706,000.00	$79,462,008.05
RALI 2007-QS8	74922UAB9	$80,869,000.00	$45,123,122.09
RALI 2007-QS8	74922UAD5	$67,500,000.00	$50,600,873.81

Deal Name	Cusip	Original Face	Current Face
RALI 2007-QS8	74922UAC7	$48,500,000.00	$36,357,664.89
RALI 2007-QS8	74922UAK9	$13,398,000.00	$6,198,497.30
RALI 2007-QS8	74922UAH6	$9,000,000.00	$4,580,867.16
RALI 2007-QS8	74922UAF0	$2,000,000.00	$1,139,863.16
RALI 2007-QS9	75116FBH1	$124,938,462.00	$69,396,893.15
RAMP 2004-RS1	760985N98	$25,000,000.00	$4,250,937.45
RAMP 2004-RS1	760985M81	$18,787,000.00	$10,234,615.98
RAMP 2004-RS1	760985M73	$15,620,000.00	$8,509,326.81
RAMP 2004-RS1	760985N49	$8,125,000.00	$4,049,657.12
RAMP 2004-RS10	76112BDS6	$10,285,000.00	$52,457.16
RAMP 2004-RS10	76112BDT4	$7,100,000.00	$7,100,000.00
RAMP 2004-RS11	76112BFJ4	$1,000,000.00	$534,232.03
RAMP 2004-RS12	76112BFS4	$24,000,000.00	$0.00
RAMP 2004-RS12	76112BFV7	$6,000,000.00	$6,000,000.00
RAMP 2004-RS12	76112BGD6	$5,000,000.00	$1,753,214.39
RAMP 2004-RS12	76112BGG9	$4,500,000.00	$4,500,000.00
RAMP 2004-RS12	76112BGF1	$2,500,000.00	$2,500,000.00
RAMP 2004-RS12	76112BGH7	$1,000,000.00	$691,053.22
RAMP 2004-RS2	760985Q38	$37,636,000.00	$27,464,180.05
RAMP 2004-RS2	760985Q46	$8,000,000.00	$2,794,027.52
RAMP 2004-RS2	760985R78	$5,000,000.00	$0.00
RAMP 2004-RS2	760985Q79	$1,813,000.00	$669,480.57
RAMP 2004-RS3	760985V32	$31,030,000.00	$22,819,704.28
RAMP 2004-RS4	7609853H2	$45,200,000.00	$11,871,960.89
RAMP 2004-RS4	7609852X8	$39,042,000.00	$27,219,888.92
RAMP 2004-RS4	7609852Y6	$17,450,000.00	$5,791,429.35
RAMP 2004-RS4	7609853J8	$16,100,000.00	$7,964,181.29
RAMP 2004-RS5	7609854A6	$35,000,000.00	$31,584,433.18

Deal Name	Cusip	Original Face	Current Face
RAMP 2004-RS5	7609854G3	$15,000,000.00	$7,253,472.10
RAMP 2004-RS5	7609854H1	$12,000,000.00	$3,336,677.48
RAMP 2004-RS5	7609854K4	$5,000,000.00	$1,257,281.63
RAMP 2004-RS6	7609855L1	$15,000,000.00	$6,986,297.86
RAMP 2004-RS6	7609855M9	$10,000,000.00	$2,573,677.31
RAMP 2004-RS6	7609855B3	$9,600,000.00	$9,600,000.00
RAMP 2004-RS6	7609855A5	$498,000.00	$60,983.42
RAMP 2004-RS7	7609857K1	$23,500,000.00	$5,080,559.56
RAMP 2004-RS7	7609857E5	$7,000,000.00	$6,905,504.30
RAMP 2004-RS7	7609857D7	$6,300,000.00	$1,762,537.14
RAMP 2004-RS7	7609857F2	$2,000,000.00	$733,946.90
RAMP 2004-RS8	76112BAM2	$15,000,000.00	$10,667,161.62
RAMP 2004-RS8	76112BAE0	$12,558,000.00	$12,558,000.00
RAMP 2004-RS9	76112BCN8	$24,000,000.00	$6,748,169.67
RAMP 2004-RS9	76112BCM0	$12,250,000.00	$8,692,842.05
RAMP 2004-RS9	76112BCG3	$5,000,000.00	$4,983,526.55
RAMP 2004-RS9	76112BCQ1	$4,200,000.00	$869,627.56
RAMP 2004-RZ1	760985U25	$69,100,000.00	$6,711,476.93
RAMP 2004-RZ1	760985T92	$18,208,000.00	$4,464,317.45
RAMP 2004-RZ1	760985T84	$8,304,000.00	$5,611,962.62
RAMP 2004-RZ1	760985U58	$6,487,000.00	$2,272,796.22
RAMP 2004-RZ1	760985U33	$2,000,000.00	$671,187.13
RAMP 2004-RZ1	760985U66	$2,000,000.00	$584,166.15
RAMP 2004-RZ2	7609854S7	$7,500,000.00	$2,607,031.88
RAMP 2004-RZ3	76112BBK5	$7,125,000.00	$7,125,000.00
RAMP 2004-RZ3	76112BAZ3	$6,500,000.00	$6,500,000.00
RAMP 2004-RZ3	76112BAY6	$6,000,000.00	$1,360,675.10
RAMP 2004-RZ4	76112BHF0	$209,980.00	$1,232.59

Deal Name	Cusip	Original Face	Current Face
RAMP 2004-SL1	760985W98	$59,393,000.00	$3,798,887.10
RAMP 2004-SL1	760985W80	$26,100,000.00	$2,276,795.10
RAMP 2004-SL1	760985W72	$19,207,000.00	$4,038,457.76
RAMP 2004-SL1	760985W49	$12,240,000.00	$40,715.35
RAMP 2004-SL1	760985X30	$7,537,000.00	$3,884,725.97
RAMP 2004-SL1	760985W31	$4,456,000.00	$317,310.04
RAMP 2004-SL1	760985Z53	$3,913,200.00	$1,434,146.17
RAMP 2004-SL1	760985W56	$3,800,000.00	$86,596.30
RAMP 2004-SL1	760985Z61	$1,750,000.00	$641,356.48
RAMP 2004-SL1	760985Z79	$1,206,600.00	$442,206.18
RAMP 2004-SL2	7609856D8	$70,387,665.00	$10,997,043.59
RAMP 2004-SL2	7609856A4	$37,152,866.00	$345,479.93
RAMP 2004-SL2	7609856L0	$10,585,236.00	$5,525,040.91
RAMP 2004-SL3	76112BBQ2	$67,265,000.00	$8,217,605.29
RAMP 2004-SL3	76112BBS8	$31,580,000.00	$5,936,182.68
RAMP 2004-SL3	76112BBR0	$26,396,000.00	$3,000,422.20
RAMP 2004-SL3	76112BBP4	$12,967,000.00	$373,729.03
RAMP 2004-SL3	76112BBZ2	$2,449,000.00	$1,632,565.29
RAMP 2004-SL4	76112BGP9	$22,140,000.00	$5,298,944.25
RAMP 2004-SL4	76112BGM6	$16,560,000.00	$2,052,293.95
RAMP 2004-SL4	76112BGK0	$9,000,000.00	$205,866.16
RAMP 2004-SL4	76112BGU8	$2,065,900.00	$1,289,642.08
RAMP 2005-EFC1	76112BRU6	$10,000,000.00	$0.00
RAMP 2005-EFC1	76112BRN2	$7,000,000.00	$7,000,000.00
RAMP 2005-EFC1	76112BRL6	$7,000,000.00	$964,545.46
RAMP 2005-EFC1	76112BRM4	$6,000,000.00	$6,000,000.00
RAMP 2005-EFC2	76112BVP2	$8,423,000.00	$399,997.32
RAMP 2005-EFC2	76112BVW7	$2,686,000.00	$1,083,394.76

Deal Name	Cusip	Original Face	Current Face
RAMP 2005-EFC2	76112BVQ0	$1,331,000.00	$1,331,000.00
RAMP 2005-EFC3	76112BZB9	$22,125,000.00	$690,888.33
RAMP 2005-EFC3	76112BYU8	$10,347,000.00	$10,347,000.00
RAMP 2005-EFC3	76112BYT1	$9,626,000.00	$2,267,116.70
RAMP 2005-EFC3	76112BYY0	$6,000,000.00	$6,000,000.00
RAMP 2005-EFC3	76112BYV6	$4,069,272.00	$4,069,272.00
RAMP 2005-EFC3	76112BZA1	$2,708,000.00	$2,708,000.00
RAMP 2005-EFC4	76112BD49	$10,000,000.00	$0.00
RAMP 2005-EFC4	76112BC40	$7,000,000.00	$7,000,000.00
RAMP 2005-EFC4	76112BC99	$4,000,000.00	$4,000,000.00
RAMP 2005-EFC5	76112BH29	$43,812,500.00	$1,694,703.72
RAMP 2005-EFC5	76112BJ43	$15,000,000.00	$0.00
RAMP 2005-EFC5	76112BH94	$10,000,000.00	$10,000,000.00
RAMP 2005-EFC5	76112BH86	$5,000,000.00	$5,000,000.00
RAMP 2005-EFC5	76112BH45	$1,150,000.00	$1,150,000.00
RAMP 2005-EFC5	76112BH52	$215,000.00	$215,000.00
RAMP 2005-EFC6	76112BK25	$8,000,000.00	$8,000,000.00
RAMP 2005-EFC6	76112BJ84	$2,000,000.00	$74,415.91
RAMP 2005-EFC7	76112BR69	$35,000,000.00	$10,865,648.22
RAMP 2005-RS1	76112BHX1	$10,000,000.00	$10,000,000.00
RAMP 2005-RS1	76112BJG6	$9,690,000.00	$5,592,509.34
RAMP 2005-RS1	76112BHW3	$8,139,000.00	$2,191,038.86
RAMP 2005-RS1	76112BHY9	$4,165,000.00	$2,171,564.87
RAMP 2005-RS1	76112BHZ6	$2,300,000.00	$2,167,784.09
RAMP 2005-RS1	76112BJB7	$1,500,000.00	$303,925.00
RAMP 2005-RS2	76112BKC3	$390,000.00	$390,000.00
RAMP 2005-RS2	76112BKE9	$250,000.00	$250,000.00
RAMP 2005-RS3	76112BLH1	$10,487,000.00	$10,487,000.00

Deal Name	Cusip	Original Face	Current Face
RAMP 2005-RS3	76112BLP3	$5,587,000.00	$5,587,000.00
RAMP 2005-RS3	76112BLK4	$4,906,000.00	$4,906,000.00
RAMP 2005-RS3	76112BLN8	$2,000,000.00	$2,000,000.00
RAMP 2005-RS4	76112BPC8	$10,163,000.00	$10,163,000.00
RAMP 2005-RS4	76112BPE4	$4,875,000.00	$4,875,000.00
RAMP 2005-RS5	76112BPT1	$68,487,000.00	$0.00
RAMP 2005-RS5	76112BPU8	$20,289,000.00	$9,743,425.98
RAMP 2005-RS5	76112BPX2	$11,500,000.00	$11,500,000.00
RAMP 2005-RS5	76112BPY0	$8,750,000.00	$8,750,000.00
RAMP 2005-RS5	76112BPW4	$3,000,000.00	$3,000,000.00
RAMP 2005-RS6	76112BTT7	$16,331,672.00	$16,331,672.00
RAMP 2005-RS6	76112BTS9	$4,300,000.00	$4,300,000.00
RAMP 2005-RS6	76112BTU4	$1,154,024.00	$1,154,024.00
RAMP 2005-RS7	76112BWV8	$40,000,000.00	$38,259,748.80
RAMP 2005-RS8	76112BZF0	$178,300,000.00	$14,305,744.67
RAMP 2005-RS8	76112BZK9	$10,000,000.00	$10,000,000.00
RAMP 2005-RS8	76112BZL7	$3,983,000.00	$3,983,000.00
RAMP 2005-RS8	76112BZM5	$3,650,000.00	$3,291,310.31
RAMP 2005-RS8	76112BZJ2	$283,000.00	$283,000.00
RAMP 2005-RS9	76112BL81	$10,000,000.00	$8,059,257.28
RAMP 2005-RZ1	76112BMC1	$3,075,000.00	$2,098,810.64
RAMP 2005-RZ3	76112BA42	$7,350,000.00	$7,350,000.00
RAMP 2005-RZ3	76112BZY9	$7,026,430.00	$703,995.75
RAMP 2005-RZ3	76112BZZ6	$5,613,000.00	$5,613,000.00
RAMP 2005-RZ3	76112BA26	$5,000,000.00	$5,000,000.00
RAMP 2005-RZ4	76112BM72	$26,754,000.00	$4,692,449.07
RAMP 2005-RZ4	76112BM98	$14,875,000.00	$14,875,000.00
RAMP 2005-RZ4	76112BN48	$10,000,000.00	$8,983,103.67

Deal Name	Cusip	Original Face	Current Face
RAMP 2005-SL1	76112BMS6	$75,776,000.00	$19,885,673.00
RAMP 2005-SL1	76112BMQ0	$31,744,200.00	$4,887,379.83
RAMP 2005-SL1	76112BMR8	$19,354,700.00	$3,443,455.02
RAMP 2005-SL1	76112BMX5	$4,076,800.00	$2,772,231.49
RAMP 2005-SL1	76112BMY3	$3,520,100.00	$1,387,971.71
RAMP 2005-SL1	76112BMM9	$2,475,000.00	$124,972.77
RAMP 2005-SL2	76112BUW8	$24,780,000.00	$3,625,312.73
RAMP 2005-SL2	76112BUZ1	$22,145,000.00	$6,150,778.47
RAMP 2005-SL2	76112BUX6	$7,350,000.00	$1,820,921.93
RAMP 2005-SL2	76112BUV0	$7,000,000.00	$225,530.58
RAMP 2005-SL2	76112BVE7	$3,802,100.00	$2,339,862.75
RAMP 2005-SL2	76112BVF4	$3,039,400.00	$1,879,059.71
RAMP 2005-SL2	76112BUY4	$2,519,000.00	$630,889.68
RAMP 2005-SL2	76112BVB3	$1,390,306.00	$165,401.78
RAMP 2006-EFC1	76112BW63	$37,500,000.00	$0.00
RAMP 2006-EFC1	76112BW71	$12,000,000.00	$0.00
RAMP 2006-EFC1	76112BW22	$5,490,000.00	$5,490,000.00
RAMP 2006-EFC1	76112BW30	$4,941,000.00	$905,766.99
RAMP 2006-EFC2	749238AC5	$18,602,000.00	$17,988,378.45
RAMP 2006-EFC2	749238AN1	$15,000,000.00	$0.00
RAMP 2006-EFC2	749238AM3	$5,000,000.00	$0.00
RAMP 2006-NC1	76112BW97	$50,250,000.00	$8,776,894.05
RAMP 2006-NC1	76112BX39	$5,640,000.00	$5,640,000.00
RAMP 2006-NC1	76112BX88	$3,000,000.00	$0.00
RAMP 2006-NC2	75156TAB6	$171,575,000.00	$48,833,327.80
RAMP 2006-NC2	75156TAC4	$4,650,000.00	$4,650,000.00
RAMP 2006-NC2	75156TAF7	$3,000,000.00	$1,111,675.97
RAMP 2006-NC2	75156TAE0	$2,930,000.00	$2,930,000.00

Deal Name	Cusip	Original Face	Current Face
RAMP 2006-NC3	76112B4M9	$67,650,000.00	$22,832,994.66
RAMP 2006-RS1	76112BT83	$142,400,000.00	$36,539,890.17
RAMP 2006-RS1	76112BU32	$15,600,000.00	$11,737,559.27
RAMP 2006-RS1	76112BU65	$5,500,000.00	$0.00
RAMP 2006-RS1	76112BU73	$2,700,000.00	$0.00
RAMP 2006-RS2	76112B2C3	$134,820,000.00	$31,687,030.73
RAMP 2006-RS2	76112B2D1	$60,007,000.00	$60,007,000.00
RAMP 2006-RS2	76112B2E9	$4,588,982.00	$4,588,982.00
RAMP 2006-RS2	76112B2F6	$3,800,000.00	$2,042,152.39
RAMP 2006-RS3	75156VAC9	$96,683,000.00	$51,649,918.42
RAMP 2006-RS4	75156WAC7	$49,300,000.00	$31,390,699.96
RAMP 2006-RS4	75156WAH6	$3,000,000.00	$0.00
RAMP 2006-RS5	75156YAC3	$60,000,000.00	$28,985,681.95
RAMP 2006-RS6	75156QAD8	$30,000,000.00	$24,641,532.69
RAMP 2006-RS6	75156QAC0	$29,896,749.00	$21,652,198.23
RAMP 2006-RZ1	76112BY87	$131,402,000.00	$12,358,474.17
RAMP 2006-RZ1	76112BZ29	$8,000,000.00	$8,000,000.00
RAMP 2006-RZ1	76112BZ78	$4,000,000.00	$790,133.61
RAMP 2006-RZ2	75156UAC1	$17,155,000.00	$17,155,000.00
RAMP 2006-RZ2	75156UAB3	$8,044,000.00	$2,651,464.94
RAMP 2006-RZ2	75156UAD9	$2,688,000.00	$2,688,000.00
RAMP 2006-RZ3	75156MAD7	$28,200,000.00	$28,200,000.00
RAMP 2006-RZ3	75156MAB1	$15,000,000.00	$6,964,323.19
RAMP 2006-RZ3	75156MAE5	$8,300,000.00	$2,000,000.00
RAMP 2006-RZ3	75156MAF2	$7,000,000.00	$648,304.96
RAMP 2006-RZ3	75156MAJ4	$6,425,000.00	$0.00
RAMP 2006-RZ3	75156MAH8	$6,300,000.00	$0.00
RAMP 2006-RZ3	75156MAG0	$4,845,000.00	$0.00

Deal Name	Cusip	Original Face	Current Face
RAMP 2006-RZ4	75156XAD3	$46,910,000.00	$46,910,000.00
RAMP 2006-RZ4	75156XAE1	$30,080,000.00	$30,080,000.00
RAMP 2006-RZ4	75156XAF8	$18,480,000.00	$3,358,082.81
RAMP 2006-RZ4	75156XAG6	$16,720,000.00	$0.00
RAMP 2006-RZ4	75156XAH4	$15,840,000.00	$0.00
RAMP 2006-RZ4	75156XAJ0	$14,520,000.00	$0.00
RAMP 2006-RZ4	75156XAK7	$12,276,000.00	$0.00
RAMP 2006-RZ4	75156XAB7	$11,789,318.55	$6,131,176.89
RAMP 2006-RZ4	75156XAC5	$4,340,620.00	$4,340,620.00
RAMP 2007-RS1	74923RAC3	$124,951,000.00	$115,619,555.84
RAMP 2007-RS1	74923RAD1	$35,287,000.00	$35,287,000.00
RAMP 2007-RS2	75157DAB0	$41,000,000.00	$39,311,086.50
RAMP 2007-RZ1	74923PAB9	$21,095,000.00	$17,633,169.86
RASC 2004-KS1	74924PAM4	$35,000,000.00	$12,974,124.62
RASC 2004-KS1	74924PAJ1	$5,600,000.00	$2,170,170.60
RASC 2004-KS1	74924PAE2	$5,600,000.00	$5,600,000.00
RASC 2004-KS1	74924PAP7	$2,000,000.00	$175,688.65
RASC 2004-KS1	74924PAH5	$1,200,000.00	$408,896.22
RASC 2004-KS1	74924PAN2	$250,000.00	$25,974.26
RASC 2004-KS10	76110WG42	$9,900,000.00	$1,885,334.31
RASC 2004-KS10	76110WG26	$9,000,000.00	$248,459.25
RASC 2004-KS10	76110WG34	$7,000,000.00	$4,017,062.86
RASC 2004-KS12	76110WK88	$6,080,000.00	$4,100,825.15
RASC 2004-KS12	76110WK96	$4,000,000.00	$1,245,830.81
RASC 2004-KS2	76110WWN2	$14,000,000.00	$5,165,401.79
RASC 2004-KS2	76110WWF9	$7,500,000.00	$7,500,000.00
RASC 2004-KS2	76110WWJ1	$5,375,000.00	$2,156,614.40
RASC 2004-KS2	76110WWP7	$5,000,000.00	$621,133.75

Deal Name	Cusip	Original Face	Current Face
RASC 2004-KS2	76110WWK8	$4,925,000.00	$1,976,060.57
RASC 2004-KS2	76110WWG7	$4,650,000.00	$2,211,633.14
RASC 2004-KS2	76110WWH5	$4,000,000.00	$1,585,883.38
RASC 2004-KS2	76110WWE2	$2,500,000.00	$488,314.34
RASC 2004-KS3	76110WXG6	$10,000,000.00	$1,246,623.21
RASC 2004-KS3	76110WWY8	$8,750,000.00	$8,750,000.00
RASC 2004-KS3	76110WXF8	$8,375,000.00	$4,333,577.19
RASC 2004-KS4	76110WXR2	$9,700,000.00	$9,700,000.00
RASC 2004-KS5	76110WYM2	$22,000,000.00	$12,612,981.40
RASC 2004-KS5	76110WYP5	$10,500,000.00	$2,011.47
RASC 2004-KS5	76110WYN0	$10,000,000.00	$1,744,124.42
RASC 2004-KS5	76110WYD2	$6,500,000.00	$6,500,000.00
RASC 2004-KS5	76110WYC4	$3,000,000.00	$1,193,005.49
RASC 2004-KS6	76110WZX7	$30,000,000.00	$16,829,922.95
RASC 2004-KS6	76110WZY5	$10,000,000.00	$1,831,497.43
RASC 2004-KS6	76110WZN9	$6,617,000.00	$6,617,000.00
RASC 2004-KS6	76110WZP4	$3,000,000.00	$1,450,954.21
RASC 2004-KS7	76110WA89	$21,400,000.00	$12,385,721.03
RASC 2004-KS8	76110WD52	$3,700,000.00	$2,018,663.02
RASC 2004-KS8	76110WC79	$3,000,000.00	$1,460,155.29
RASC 2004-KS8	76110WC95	$2,300,000.00	$1,461,157.45
RASC 2004-KS9	76110WF35	$55,700,000.00	$3,457,637.87
RASC 2004-KS9	76110WE69	$11,000,000.00	$11,000,000.00
RASC 2004-KS9	76110WE51	$9,000,000.00	$2,649,471.57
RASC 2005-AHL1	76110W4E3	$3,000,000.00	$2,718,787.55
RASC 2005-AHL1	76110W4J2	$500,000.00	$500,000.00
RASC 2005-AHL1	76110W4G8	$62,994.00	$62,994.00
RASC 2005-AHL2	76110W5G7	$12,150,000.00	$12,150,000.00

Deal Name	Cusip	Original Face	Current Face
RASC 2005-AHL2	76110W5J1	$2,200,000.00	$2,200,000.00
RASC 2005-AHL2	76110W5K8	$1,500,000.00	$1,500,000.00
RASC 2005-AHL3	76110W6P6	$128,579.00	$128,579.00
RASC 2005-EMX1	76110WQ82	$3,000,000.00	$658,760.28
RASC 2005-EMX1	76110WQ90	$3,000,000.00	$658,760.28
RASC 2005-EMX1	76110WR24	$3,000,000.00	$0.00
RASC 2005-EMX2	76110W2G0	$8,472,869.00	$8,472,869.00
RASC 2005-EMX2	76110W2P0	$7,500,000.00	$0.00
RASC 2005-EMX2	76110W2J4	$6,450,000.00	$6,450,000.00
RASC 2005-EMX3	75405MAG9	$12,285,000.00	$12,285,000.00
RASC 2005-EMX3	75405MAK0	$5,000,000.00	$5,000,000.00
RASC 2005-EMX3	75405MAF1	$1,000,000.00	$787,080.49
RASC 2005-EMX4	76110W5X0	$89,140,000.00	$47,097.08
RASC 2005-EMX4	76110W6A9	$13,540,000.00	$13,540,000.00
RASC 2005-EMX4	76110W5Z5	$13,300,000.00	$13,300,000.00
RASC 2005-EMX4	76110W6E1	$10,000,000.00	$6,085,765.73
RASC 2005-KS1	76110WM37	$8,000,000.00	$6,643,118.40
RASC 2005-KS10	75405WAC6	$12,372,000.00	$12,372,000.00
RASC 2005-KS10	75405WAB8	$5,000,000.00	$215,212.70
RASC 2005-KS10	75405WAF9	$5,000,000.00	$5,000,000.00
RASC 2005-KS10	75405WAG7	$4,000,000.00	$4,000,000.00
RASC 2005-KS10	75405WAJ1	$3,500,000.00	$2,149,073.44
RASC 2005-KS10	75405WAE2	$1,340,000.00	$1,340,000.00
RASC 2005-KS11	76110W7A8	$16,019,000.00	$0.00
RASC 2005-KS11	76110W7D2	$16,000,000.00	$16,000,000.00
RASC 2005-KS11	76110W7E0	$5,750,000.00	$5,750,000.00
RASC 2005-KS11	76110W7F7	$3,000,000.00	$3,000,000.00
RASC 2005-KS12	753910AB4	$167,090,000.00	$17,556,283.74

Deal Name	Cusip	Original Face	Current Face
RASC 2005-KS12	753910AL2	$20,000,000.00	$0.00
RASC 2005-KS12	753910AD0	$5,535,000.00	$5,535,000.00
RASC 2005-KS12	753910AC2	$5,087,000.00	$5,087,000.00
RASC 2005-KS12	753910AK4	$1,500,000.00	$0.00
RASC 2005-KS2	76110WN69	$10,000,000.00	$8,517,521.30
RASC 2005-KS3	76110WS31	$3,000,000.00	$2,526,840.01
RASC 2005-KS3	76110WS72	$1,600,000.00	$1,107,505.79
RASC 2005-KS3	76110WS98	$1,000,000.00	$215,051.64
RASC 2005-KS4	76110WU61	$11,427,000.00	$7,496,139.14
RASC 2005-KS4	76110WV37	$7,500,000.00	$0.00
RASC 2005-KS4	76110WU87	$500,000.00	$500,000.00
RASC 2005-KS5	76110WW69	$5,406,000.00	$1,974,207.99
RASC 2005-KS5	76110WW77	$2,762,000.00	$2,762,000.00
RASC 2005-KS5	76110WX50	$1,702,000.00	$571,060.72
RASC 2005-KS6	76110WZ58	$32,000,000.00	$0.00
RASC 2005-KS6	76110WZ66	$7,500,000.00	$2,657,940.71
RASC 2005-KS6	76110WY75	$4,000,000.00	$4,000,000.00
RASC 2005-KS6	76110WY67	$3,292,000.00	$650,130.62
RASC 2005-KS6	76110WY91	$2,500,000.00	$2,500,000.00
RASC 2005-KS6	76110WY83	$1,750,000.00	$1,750,000.00
RASC 2005-KS7	76110W2V7	$10,000,000.00	$0.00
RASC 2005-KS7	76110W3F1	$7,500,000.00	$2,120,843.66
RASC 2005-KS7	76110W2Z8	$4,001,000.00	$4,001,000.00
RASC 2005-KS7	76110W2X3	$3,402,000.00	$2,692,926.21
RASC 2005-KS7	76110W3C8	$2,000,000.00	$2,000,000.00
RASC 2005-KS7	76110W3B0	$2,000,000.00	$2,000,000.00
RASC 2005-KS7	76110W2Y1	$1,202,000.00	$1,202,000.00
RASC 2005-KS8	76110W3X2	$11,800,000.00	$11,800,000.00

Deal Name	Cusip	Original Face	Current Face
RASC 2005-KS8	76110W3T1	$7,000,000.00	$7,000,000.00
RASC 2005-KS8	76110W3S3	$3,000,000.00	$3,000,000.00
RASC 2005-KS8	76110W3Y0	$2,000,000.00	$593,521.53
RASC 2005-KS9	754058AB1	$28,000,000.00	$0.00
RASC 2005-KS9	754058AL9	$3,250,000.00	$3,250,000.00
RASC 2005-KS9	754058AG0	$3,000,000.00	$3,000,000.00
RASC 2005-KS9	754058AF2	$1,779,941.00	$1,779,941.00
RASC 2006-EMX1	75405KAB4	$14,030,000.00	$1,616,111.92
RASC 2006-EMX1	75405KAL2	$12,500,000.00	$0.00
RASC 2006-EMX1	75405KAG3	$3,140,000.00	$2,093,861.13
RASC 2006-EMX1	75405KAF5	$3,020,000.00	$3,020,000.00
RASC 2006-EMX2	75406AAD1	$6,000,000.00	$6,000,000.00
RASC 2006-EMX3	76113ABZ3	$240,966,000.00	$75,932,650.56
RASC 2006-EMX3	76113ACA7	$5,502,500.00	$5,502,500.00
RASC 2006-EMX3	76113ACK5	$2,500,000.00	$0.00
RASC 2006-EMX4	75406DAB9	$58,534,000.00	$0.00
RASC 2006-EMX4	75406DAC7	$24,350,000.00	$16,180,658.09
RASC 2006-EMX4	75406DAN3	$12,500,000.00	$0.00
RASC 2006-EMX4	75406DAD5	$6,000,000.00	$6,000,000.00
RASC 2006-EMX4	75406DAK9	$6,000,000.00	$0.00
RASC 2006-EMX4	75406DAL7	$3,145,000.00	$0.00
RASC 2006-EMX5	74924QAB6	$59,202,000.00	$0.00
RASC 2006-EMX5	74924QAD2	$10,000,000.00	$10,000,000.00
RASC 2006-EMX6	754065AB6	$67,037,000.00	$0.00
RASC 2006-EMX6	754065AC4	$49,343,000.00	$45,555,445.04
RASC 2006-EMX6	754065AD2	$15,000,000.00	$15,000,000.00
RASC 2006-EMX6	754065AM2	$15,000,000.00	$0.00
RASC 2006-EMX6	754065AE0	$11,800,000.00	$11,800,000.00

Deal Name	Cusip	Original Face	Current Face
RASC 2006-EMX6	754065AF7	$5,250,000.00	$1,131,017.83
RASC 2006-EMX6	754065AG5	$5,190,000.00	$0.00
RASC 2006-EMX7	74924TAC8	$20,637,000.00	$19,937,332.19
RASC 2006-EMX8	74924UAC5	$62,625,000.00	$62,625,000.00
RASC 2006-EMX8	74924UAB7	$62,403,000.00	$12,827,894.05
RASC 2006-EMX9	74924VAP4	$25,000,000.00	$0.00
RASC 2006-EMX9	74924VAC3	$17,650,000.00	$17,650,000.00
RASC 2006-EMX9	74924VAD1	$10,000,000.00	$10,000,000.00
RASC 2006-KS1	76113AAE1	$66,000,000.00	$13,637,028.25
RASC 2006-KS1	76113AAF8	$25,903,000.00	$25,903,000.00
RASC 2006-KS1	76113AAG6	$12,581,240.00	$12,581,240.00
RASC 2006-KS1	76113AAH4	$5,000,000.00	$5,000,000.00
RASC 2006-KS1	76113AAK7	$4,500,000.00	$4,500,000.00
RASC 2006-KS1	76113AAL5	$1,800,000.00	$0.00
RASC 2006-KS2	75406BAC1	$145,996,000.00	$17,774,224.09
RASC 2006-KS2	75406BAF4	$23,500,000.00	$23,500,000.00
RASC 2006-KS2	75406BAM9	$20,000,000.00	$0.00
RASC 2006-KS2	75406BAE7	$14,230,000.00	$14,230,000.00
RASC 2006-KS2	75406BAG2	$7,000,000.00	$7,000,000.00
RASC 2006-KS2	75406BAJ6	$2,500,000.00	$369,659.25
RASC 2006-KS3	76113ABH3	$25,860,000.00	$5,817,588.96
RASC 2006-KS3	76113ABJ9	$13,000,000.00	$13,000,000.00
RASC 2006-KS3	76113ABL4	$12,700,000.00	$12,700,000.00
RASC 2006-KS3	76113ABM2	$7,500,000.00	$7,500,000.00
RASC 2006-KS4	75406EAC5	$32,000,000.00	$14,997,549.10
RASC 2006-KS4	75406EAM3	$32,000,000.00	$0.00
RASC 2006-KS4	75406EAD3	$17,038,000.00	$17,038,000.00
RASC 2006-KS4	75406EAN1	$10,000,000.00	$0.00

Deal Name	Cusip	Original Face	Current Face
RASC 2006-KS4	75406EAL5	$4,506,000.00	$0.00
RASC 2006-KS4	75406EAK7	$4,500,000.00	$0.00
RASC 2006-KS5	75406VAC7	$112,480,000.00	$85,334,703.13
RASC 2006-KS5	75406VAD5	$20,328,000.00	$20,328,000.00
RASC 2006-KS5	75406VAE3	$12,300,000.00	$12,300,000.00
RASC 2006-KS5	75406VAM5	$10,000,000.00	$0.00
RASC 2006-KS6	75406WAD3	$44,198,000.00	$44,198,000.00
RASC 2006-KS6	75406WAC5	$36,634,000.00	$28,645,927.34
RASC 2006-KS6	75406WAE1	$9,000,000.00	$9,000,000.00
RASC 2006-KS6	75406WAN1	$7,500,000.00	$0.00
RASC 2006-KS6	75406WAF8	$5,857,200.00	$0.00
RASC 2006-KS6	75406WAG6	$5,000,000.00	$2,554,982.64
RASC 2006-KS7	75406XAC3	$59,482,000.00	$45,981,407.94
RASC 2006-KS8	74924RAC2	$83,565,000.00	$83,565,000.00
RASC 2006-KS8	74924RAD0	$66,063,000.00	$66,063,000.00
RASC 2006-KS8	74924RAE8	$20,112,000.00	$20,112,000.00
RASC 2006-KS8	74924RAF5	$18,183,000.00	$5,786,351.72
RASC 2006-KS8	74924RAH1	$9,918,000.00	$0.00
RASC 2006-KS8	74924RAJ7	$9,643,000.00	$0.00
RASC 2006-KS8	74924RAL2	$6,888,000.00	$0.00
RASC 2006-KS9	75406YAC1	$55,000,000.00	$55,000,000.00
RASC 2006-KS9	75406YAN7	$16,000,000.00	$0.00
RASC 2006-KS9	75406YAB3	$15,000,000.00	$4,416,184.11
RASC 2007-KS1	74924SAC0	$49,055,000.00	$49,055,000.00
RASC 2007-KS1	74924SAM8	$7,500,000.00	$0.00
RASC 2007-KS1	74924SAF3	$2,200,000.00	$892,457.77
RASC 2007-KS2	74924WAC1	$20,515,000.00	$20,515,000.00
RASC 2007-KS2	74924WAN7	$10,000,000.00	$0.00

Deal Name	Cusip	Original Face	Current Face
RASC 2007-KS2	74924WAB3	$2,500,000.00	$1,767,024.92
RASC 2007-KS3	74924YAC7	$59,000,000.00	$59,000,000.00
RASC 2007-KS3	74924YAB9	$50,082,000.00	$40,089,756.05
RASC 2007-KS3	74924YAN3	$7,500,000.00	$0.00
RASC 2007-KS3	74924YAD5	$1,300,000.00	$1,300,000.00
RASC 2007-KS4	74924NAB3	$17,500,000.00	$17,069,776.48
RASC 2007-KS4	74924NAF4	$800,000.00	$520,957.22
RFMS2 2004-HI1	76110VPR3	$12,774,000.00	$4,751,831.60
RFMS2 2004-HI1	76110VPT9	$5,450,000.00	$1,064,924.17
RFMS2 2004-HI1	76110VPU6	$3,400,000.00	$664,356.35
RFMS2 2004-HI1	76110VPV4	$2,350,000.00	$459,187.47
RFMS2 2004-HI1	76110VPW2	$1,125,000.00	$219,823.78
RFMS2 2004-HI2	76110VQS0	$20,161,000.00	$9,075,943.11
RFMS2 2004-HS1	76110VQC5	$15,000,000.00	$2,755,832.82
RFMS2 2004-HS1	76110VQA9	$13,000,000.00	$1,993,461.67
RFMS2 2004-HS2	76110VQM3	$76,000,000.00	$3,907,872.57
RFMS2 2004-HS2	76110VQJ0	$20,000,000.00	$1,701,635.17
RFMS2 2005-HI1	76110VRC4	$10,000,000.00	$0.00
RFMS2 2005-HI1	76110VRD2	$8,000,000.00	$4,684,516.07
RFMS2 2005-HI2	76110VRJ9	$10,154,000.00	$8,942,174.33
RFMS2 2005-HI2	76110VRH3	$7,000,000.00	$0.00
RFMS2 2005-HI3	76110VSG4	$12,425,000.00	$12,425,000.00
RFMS2 2005-HI3	76110VSF6	$2,325,000.00	$2,271,137.38
RFMS2 2005-HI3	76110VSK5	$1,649,900.00	$1,649,900.00
RFMS2 2005-HS1	76110VRV2	$25,000,000.00	$0.00
RFMS2 2005-HS1	76110VRX8	$75,000.00	$75,000.00
RFMS2 2006-HI1	76110VTY4	$8,150,000.00	$8,150,000.00
RFMS2 2006-HI1	76110VTV0	$6,614,000.00	$0.07

Deal Name	Cusip	Original Face	Current Face
RFMS2 2006-HI1	76110VUE6	$2,850,000.00	$1,088,434.73
RFMS2 2006-HI2	437185AC5	$13,200,000.00	$676,849.37
RFMS2 2006-HI2	437185AB7	$1,000,000.00	$0.00
RFMS2 2006-HI3	43718NAC6	$28,586,000.00	$7,896,366.81
RFMS2 2006-HI4	43718MAD6	$15,000,000.00	$15,000,000.00
RFMS2 2006-HSA1	76110VTC2	$141,919,000.00	$0.00
RFMS2 2006-HSA1	76110VTD0	$21,000,000.00	$0.00
RFMS2 2006-HSA1	76110VTF5	$167,000.00	$133,537.22
RFMS2 2006-HSA1	76110VTE8	$155,000.00	$100,955.24
RFMS2 2006-HSA2	76110VTM0	$51,175,000.00	$0.00
RFMS2 2006-HSA2	76110VTR9	$14,715,000.00	$11,050,206.92
RFMS2 2006-HSA2	76110VTN8	$9,000,000.00	$0.00
RFMS2 2006-HSA2	76110VTQ1	$7,095,000.00	$7,095,000.00
RFMS2 2006-HSA2	76110VTS7	$982,000.00	$183,046.86
RFMS2 2006-HSA2	76110VTP3	$125,000.00	$98,607.09
RFMS2 2006-HSA3	76113JAA0	$28,340,000.00	$3,794,398.22
RFMS2 2007-HI1	43718WAA0	$44,889,001.00	$0.00
RFMS2 2007-HI1	43718WAC6	$5,980,000.00	$5,980,000.00
RFMS2 2007-HSA2	43710RAG6	$44,000,000.00	$40,496,137.59
RFMS2 2007-HSA2	43710RAF8	$35,478,000.00	$35,478,000.00
RFMS2 2007-HSA3	43710WAF7	$31,124,000.00	$29,001,862.14
RFMS2 2007-HSA3	43710WAE0	$15,000,000.00	$15,000,000.00
RFMSI 2004-S1	76111XFD0	$18,000,000.00	$22,473,117.36
RFMSI 2004-S1	76111XFP3	$923,100.00	$454,463.80
RFMSI 2004-S2	76111XFT5	$38,116,146.00	$0.00
RFMSI 2004-S4	76111XHA4	$21,141,000.00	$19,759,000.00
RFMSI 2004-S4	76111XHD8	$19,898,000.00	$5,859,179.43
RFMSI 2004-S4	76111XHZ9	$4,314,300.00	$2,174,004.42

Deal Name	Cusip	Original Face	Current Face
RFMSI 2004-S4	76111XJB0	$616,400.00	$313,426.53
RFMSI 2004-S5	76111XJR5	$20,700,000.00	$0.00
RFMSI 2004-S5	76111XJW4	$16,913,000.00	$26,170,381.86
RFMSI 2004-S5	76111XJZ7	$784,000.00	$436,611.67
RFMSI 2004-S5	76111XJX2	$184,000.00	$284,712.96
RFMSI 2004-S5	76111XKT9	$101,200.00	$32,761.02
RFMSI 2004-S6	76111XNB5	$155,008,185.00	$20,344,185.28
RFMSI 2004-S6	76111XLX9	$17,415,332.00	$11,356,460.48
RFMSI 2004-S6	76111XLZ4	$10,553,000.00	$10,553,000.00
RFMSI 2004-S6	76111XLR2	$2,025,000.00	$1,584,967.05
RFMSI 2004-S7	76111XNQ2	$105,288.00	$37,571.49
RFMSI 2004-S8	76111XNZ2	$15,300,000.00	$20,107,246.52
RFMSI 2004-S9	76111XRL9	$127,000,000.00	$15,980,771.71

Exhibit 59

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THIRD AMENDED AND RESTATED RMBS TRUST SETTLEMENT AGREEMENT

This THIRD Amended and Restated RMBS Trust Settlement Agreement is entered into as of September 20, 2012, by and between Residential Capital, LLC ("ResCap LLC") and its direct and indirect subsidiaries (collectively, "ResCap" or the "Debtors"), on the one hand, and the Institutional Investors (as defined below), on the other hand (the "Settlement Agreement"), and amends and restates in its entirety the Second Amended RMBS Trust Settlement Agreement entered into as of September 17, 2012, by and between ResCap, on the one hand, and the Institutional Investors, on the other hand. Each of ResCap and the Institutional Investors may be referred to herein as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, certain ResCap entities were the Seller, Depositor, Servicer and/or Master Servicer for the securitizations identified on the attached Exhibit A (the "Settlement Trusts");

WHEREAS, certain ResCap entities are parties to certain applicable Pooling and Servicing Agreements, Assignment and Assumption Agreements, Indentures, Mortgage Loan Purchase Agreements and/or other agreements governing the Settlement Trusts (the "Governing Agreements"), and certain ResCap entities have, at times, acted as Master Servicer and/or Servicer for the Settlement Trusts pursuant to certain of the Governing Agreements;

WHEREAS, pursuant to the Governing Agreements, certain ResCap entities have contributed or sold loans into the Settlement Trusts (the "Mortgage Loans");

WHEREAS, the Institutional Investors have alleged that certain loans held by the Settlement Trusts were originally contributed in breach of representations and warranties contained in the Governing Agreements, allowing the Investors in such Settlement Trusts to seek to compel the trustee or indenture trustee (each, a "Trustee") to take certain actions with respect to those loans, and further have asserted past and continuing covenant breaches and defaults by various ResCap entities under the Governing Agreements;

WHEREAS, the Institutional Investors have indicated their intent under the Governing Agreements for each Settlement Trust in which the Institutional Investors collectively hold or are authorized investment managers for holders of at least 25% of a particular tranche of the Securities (as defined below) held by such Settlement Trust either to seek action by the Trustee for such Settlement Trust or to pursue claims, including but not limited to claims to compel ResCap to cure the alleged breaches of representations and warranties, and ResCap disputes such claims and allegations of breach and waives no rights, and preserves all of its defenses, with respect to such allegations and putative cure requirements;

WHEREAS, the Institutional Investors are jointly represented by Talcott Franklin P.C. ("Talcott Franklin"); Miller, Johnson, Snell & Cummiskey, P.L.C. ("Miller Johnson"); and Carter Ledyard & Milburn LLP ("Carter Ledyard") and have, through counsel, engaged in arm's length settlement negotiations with ResCap that included the exchange of confidential materials;

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WHEREAS, ResCap filed petitions for relief under chapter 11 of the Bankruptcy Code (the "Chapter 11 Cases") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court");

WHEREAS, ResCap and the Institutional Investors have reached agreement concerning all claims of the Settlement Trusts under the Governing Agreements; and

WHEREAS, the Parties therefore enter into this Settlement Agreement to set forth their mutual understandings and agreements for terms for resolving the disputes regarding the Governing Agreements:

AGREEMENT

NOW, THEREFORE, after good faith, arm's length negotiations without collusion, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to the following terms:

ARTICLE I. DEFINITIONS.

As used in this Settlement Agreement, in addition to the terms otherwise defined herein, the following terms shall have the meanings set forth below (the definitions to be applicable to both the singular and the plural forms of each term defined if both forms of such term are used in this Settlement Agreement). Any capitalized terms not defined in this Settlement Agreement shall have the definition given to them in the Governing Agreements.

Section 1.01 "Bankruptcy Code" shall mean title 11 of the United States Code.

Section 1.02 "Covered Trusts" means the Settlement Trusts listed in Exhibit D hereto and any other Settlement Trusts for which the Institutional Investors in the aggregate hold, and/or are authorized investment managers for holders of, 25% or more of the voting rights in one or more classes of notes, bonds and/or certificates backed by mortgage loans held by the Trusts.

Section 1.03 "Depositor Entity" means, for each individual Settlement Trust, the entity from the following list that the Governing Agreements define as the "Company" for that Settlement Trust, including but not limited to: Residential Funding Mortgage Securities I, Inc., Residential Funding Mortgage Securities II, Inc., Residential Asset Securities Corp., Residential Accredit Loans, Inc., and Residential Asset Mortgage Products, Inc.

Section 1.04 "Direction" shall mean the direction by the Institutional Investors, to the extent permitted by the Governing Agreements, directing any Trustee to take or refrain from taking any action; *provided*, *however*, that in no event shall the Institutional Investors be required to provide a Trustee with any security or indemnity for action or inaction taken at the direction of the Institutional Investors and the Institutional Investors shall not be required to directly or indirectly incur any costs, fees, or expenses to compel any action or inaction by a Trustee, except that the Institutional Investors shall continue to retain contingency counsel.

Section 1.05 "Effective Date" shall have the meaning ascribed in Section 2.01.

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Section 1.06 "Governmental Authority" shall mean any United States or foreign government, any state or other political subdivision thereof, any entity exercising executive, legislative, judicial, regulatory, or administrative functions of or pertaining to the foregoing, or any other authority, agency, department, board, commission, or instrumentality of the United States, any State of the United States or any political subdivision thereof or any foreign jurisdiction, and any court, tribunal, or arbitrator(s) of competent jurisdiction, and any United States or foreign governmental or non-governmental self-regulatory organization, agency, or authority (including the New York Stock Exchange, Nasdaq, and the Financial Industry Regulatory Authority).

Section 1.07 "Institutional Investors" shall mean the authorized investment managers and Investors identified in the attached signature pages.

Section 1.08 "Investors" shall mean all certificateholders, bondholders and noteholders in the Settlement Trusts, and their successors in interest, assigns, pledgees, and/or transferees.

Section 1.09 "Net Losses" means, with respect to any Settlement Trust, the amount of net losses for such Settlement Trust that have been or are estimated to be borne by that trust from its inception date to its expected date of termination, as determined by the Expert (as defined in Exhibit B) in accordance with the methodology described in Exhibit B. For the avoidance of doubt, a loss on a mortgage loan that has been reimbursed or indemnified by reason of applicable policies of mortgage or bond insurance shall be considered a loss on a mortgage loan and included within the calculation of "Net Losses."

Section 1.10 "Person" shall mean any individual, corporation, company, partnership, limited liability company, joint venture, association, trust, or other entity, including a Governmental Authority.

Section 1.11 "Petition Date" means the date on which ResCap files petitions under chapter 11 of the Bankruptcy Code.

Section 1.12 "Plan" shall mean a chapter 11 plan of reorganization for the Debtors.

Section 1.13 "Purchaser" means Nationstar Mortgage LLC or any other successful bidder for any or all of the Debtors' mortgage loan origination and servicing platform.

Section 1.14 "Scheduling Order" shall mean the Revised Joint Omnibus Scheduling Order and Provisions for Other Relief Regarding (I) Debtors' Motion Pursuant to Fed. R. Bankr. P. 9019 for Approval of RMBS Trust Settlement Agreements, and (II) the Trustees' Limited Objection to the Sale Motion, entered by the Bankruptcy Court on July 31, 2012.

Section 1.15 "Securities" shall mean securities, notes, bonds, certificates, and/or other instruments backed by mortgage loans held by Settlement Trusts.

Section 1.16 "Seller Entity" means, for each Settlement Trust, the entity from the following list that the Governing Agreements define as the "Seller" for that Trust, including but

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not limited to: Residential Funding Company LLC (f/k/a Residential Funding Corporation) and GMAC Mortgage LLC (f/k/a GMAC Mortgage Corporation).

ARTICLE II. SETTLEMENT PROCESS.

Section 2.01 Effective Date. This Settlement Agreement shall be effective immediately except as to the granting of allowed claims to the Accepting Trusts (as defined below in Section 5.01) and the releases set forth herein. The claims allowance and releases shall only be effective, with respect to a specific Accepting Trust on the date on which a Trustee accepts the settlement with respect to such Settlement Trust (the "Effective Date"). However, for the sake of clarity, the Debtors' obligations hereunder are subject to the approval of this Settlement Agreement by the Court.

Section 2.02 Bankruptcy Court Approval. The Debtors (a) orally presented this Settlement Agreement in court on the Petition Date, including the agreed amount of the Total Allowed Claim (as defined below in Section 5.01), and (b) shall comply with the schedule for the approval of this Settlement Agreement set forth in the Scheduling Order. The Trustee for each Settlement Trust may accept the offer of a compromise contemplated by this Settlement Agreement on behalf of such Settlement Trust, within the time set forth in the Scheduling Order, by a writing substantially in the form of acceptance included in the proposed order for approval of this Settlement Agreement to be submitted to the Bankruptcy Court.

Section 2.03 Standing. The Debtors agree that the Institutional Investors are parties in interest in the chapter 11 cases of ResCap for the purposes of enforcing rights and complying with obligations under this Settlement Agreement. The Parties further agree that they will not oppose any effort of the Institutional Investors or any other Investor(s) in seeking status as a party in interest in the Chapter 11 Cases.

ARTICLE III. REPRESENTATIONS AND WARRANTIES.

Section 3.01 Holdings and Authority. As of August 15, 2012, lead counsel to the Institutional Investors has represented to ResCap that the Institutional Investors hold Securities representing in aggregate 25% of the voting rights in one or more classes of the Securities issued by each of the Settlement Trusts identified on the attached Exhibit D. Each Institutional Investor represents that (i) it has the authority to take the actions contemplated by this Settlement Agreement, to the extent that it has the authority with respect to any other entities, account holders, or accounts for which or on behalf of which it is signing this Settlement Agreement, and (ii) it holds, or is the authorized investment manager for the holders of, the Securities listed in Exhibit D hereto, in the respective amounts set forth therein by CUSIP number, that such schedule was accurate as of the date set forth for the respective institution, and that since the date set forth for the Institutional Investor, the Institutional Investor has not, in the aggregate, materially decreased the Institutional Investor's holdings in the Securities. The Parties agree that the aggregate amounts of Securities collectively held by the Institutional Investors for each Settlement Trust may be disclosed publicly, but that the individual holdings of the Institutional Investors shall remain confidential, subject to review only by ResCap, the Bankruptcy Court, the Office of the United States Trustee, the Trustees, and the official committee of unsecured creditors appointed in the Chapter 11 Cases.

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Section 3.02 Holdings Retention. As of August 15, 2012, the Institutional Investors hold Securities representing in aggregate 25% of the voting rights in one or more classes of the Securities issued by each of the Settlement Trusts identified on the attached Exhibit D. The Institutional Investors, collectively, shall maintain holdings aggregating 25% of the voting rights in one or more classes of Securities of not less than 80% of the Covered Trusts ("Requisite Holdings") until the earliest of: (i) confirmation of a plan of reorganization, (ii) December 31, 2012, (iii) a Consenting Claimant Termination Event, or (iv) a Debtor Termination Event (as the terms in subsections (iii) and (iv) were defined in the plan support agreement agreed to by the Parties); *provided, however,* that any reduction in Requisite Holdings caused by exclusion of one or more trusts due to the exercise of voting rights by a third party guarantor or financial guaranty provider, shall not be considered in determining whether the Requisite Holdings threshold has been met. If the Requisite Holdings are not maintained, ResCap shall have the right to terminate the Settlement Agreement, but ResCap shall not terminate the Settlement Agreement before it has conferred in good faith with the Institutional Investors concerning whether termination is warranted. For the avoidance of doubt, other than as set forth above, this Settlement Agreement shall not restrict the right of any Institutional Investor to sell or exchange any Securities issued by a Settlement Trust free and clear of any encumbrance. The Institutional Investors will not sell any of the Securities for the purpose of avoiding their obligations under this Settlement Agreement, and each Institutional Investor commits to maintain at least one position in one of the Securities in one of the Settlement Trusts until the earliest of the dates set forth above. If the Debtor reaches a similar agreement to this with another bondholder group, the Debtor will include a substantially similar proportionate holdings requirement in that agreement as contained herein.

ARTICLE IV. DIRECTION TO TRUSTEES AND INDENTURE TRUSTEES.

Section 4.01 Direction to Trustees and Indenture Trustees. The relevant Institutional Investors for each Settlement Trust shall, by the time of the filing of a motion to approve this Settlement Agreement, provide the relevant Trustee with Direction to accept the settlement and compromises set forth herein. The Institutional Investors hereby agree to confer in good faith with ResCap as to any further or other Direction that may be reasonably necessary to effectuate the settlement contemplated herein, including filing motions and pleadings with the Bankruptcy Court and making statements in open court in support of the Debtors' restructuring.

Section 4.02 No Inconsistent Directions. Except for providing Directions in accordance with Section 4.01, the Institutional Investors agree that (i) between the date hereof and the Effective Date, with respect to the Securities issued by the Settlement Trusts, they will not, individually or collectively, direct, vote for, or take any other action that they may have the right or the option to take under the Governing Agreements or to join with any other Investors or the Trustee of any note, bond or other security issued by the Settlement Trusts, to cause the Trustees to enforce (or seek derivatively to enforce) any representations and warranties regarding the Mortgage Loans or the servicing of the Mortgage Loans, and (ii) to the extent that any of the Institutional Investors have already taken any such action, the applicable Institutional Investor will promptly rescind or terminate such action. Nothing in the foregoing shall restrict the ability of the Institutional Investors to demand that any Investor who seeks to direct the Trustee for a Settlement Trust post any indemnity or bond required by the Governing Agreements for the applicable Settlement Trust.

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Section 4.03 Amendments to Governing Agreements Regarding Financing of Advances. The Institutional Investors agree to use commercially reasonable efforts (which shall not require the giving of any indemnity or other payment obligation or expenditure of out-of-pocket funds) to negotiate any request by the Debtors or the Trustees for any Settlement Trusts with respect to which the servicing rights are being assumed and assigned to the Purchaser, and if any Trustee shall require a vote of the certificate or note holders with respect thereto, shall vote in favor of (to the extent agreement is reached) any amendment to the relevant Governing Agreements and related documents requested by the Debtors in order to permit "Advances" (as it or any similar term may be defined in the Governing Agreements) to be financeable and to make such other amendments thereto as may be reasonably requested by the Debtors in accordance with any agreement to acquire all or substantially all of the Debtors' servicing assets, so long as such changes would not cause material financial detriment to the Settlement Trusts, their respective trustees, certificate or note holders, or the Institutional Investors.

ARTICLE V. ALLOWANCE OF CLAIM.

Section 5.01 The Allowed Claim. ResCap hereby makes an irrevocable offer to settle, expiring at 5:00 p.m. prevailing New York time on the date that is set forth in the Scheduling Order, with each of the Settlement Trusts (the Settlement Trusts that timely agree to the terms of this Settlement Agreement being the "Accepting Trusts"). In consideration for such agreement, ResCap will provide a general unsecured claim of $8,700,000,000 in the aggregate against the Seller Entities and the Depositor Entities (as the Depositor Entities are jointly liable for such claim) (the "Total Allowed Claim"), all of which shall be allocated and implemented as provided in Section 6.01. For the avoidance of doubt, the Total Allowed Claim shall be allocated among the Accepting Trusts, subject to the provisions of this Settlement Agreement. Subject to the provisions of this Settlement Agreement, the Accepting Trusts shall be allowed an aggregate claim in an amount calculated as set forth below (the "Allowed Claim"), which aggregate claim shall be allocated to each Accepting Trust pursuant to Article VI herein. The amount of the Allowed Claim shall equal (i) $8,700,000,000, less (ii) $8,700,000,000 multiplied by the percentage represented by (a) the total dollar amount of original principal balance for the Settlement Trusts not accepting the offer outlined above, divided by (b) the total dollar amount of original principal balance for all Settlement Trusts.

Section 5.02 Waiver of Setoff and Recoupment. By accepting the offer to settle contained in Section 5.01, each Accepting Trust irrevocably waives any right to setoff and/or recoupment such Accepting Trust may have against ResCap, except that such right, if any, shall be preserved with respect to claims, described in Section 8.02 hereof, that are not released or waived under Article VII hereof.

ARTICLE VI. ALLOCATION OF ALLOWED CLAIM.

Section 6.01 The Allocation of the Allowed Claim. Each Accepting Trust shall be allocated a share of the Allowed Claim against its Seller Entity and its Depositor Entity (the "Allocated Claim"), calculated as set forth on Exhibit B hereto, for which such Seller Entity and Depositor Entity are jointly liable.

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Section 6.02 In the event the Bankruptcy Court does not approve the Allowed Claim as to a particular Seller Entity or Depositor Entity, the settlement shall remain in full force with respect to any other Seller Entity or Depositor Entity, as applicable; *provided, however,* that if the Allowed Claim in the amounts proposed herein is not approved as to any of the Seller Entities or Depositor Entities, the Institutional Investors shall have the right to terminate this Settlement Agreement upon written notice to the Debtors; *provided, further,* that in the event that the Bankruptcy Court does not approve the Allowed Claim as to a particular Seller Entity or Depositor Entity, that particular Seller Entity or Depositor Entity shall not receive any release, waiver, or discharge of any Released Claims pursuant to Article VII.

Section 6.03 Legal Fees.

(a) ResCap and the Institutional Investors agree that Talcott Franklin, Miller Johnson, and Carter Leydard shall, on the Effective Date, be allocated legal fees as follows, as an integrated and nonseverable part of this Settlement Agreement. First, Talcott Franklin, Miller Johnson, and Carter Leydard, as counsel to the Institutional Investors, shall be allocated by ResCap without conveyance to the Trustees the percentages of the Allowed Claim set forth on the fee schedule attached hereto as Exhibit C, without requirement of submitting any form of estate retention or fee application, for their work relating to these cases and the settlement. Second, the Debtors and Institutional Investors may further agree at any time, that the Debtors may pay Talcott Franklin, Miller Johnson, and Carter Leydard in cash, in an amount that Talcott Franklin, Miller Johnson, and Carter Leydard respectively agree is equal to the cash value of their respective portions of the Allowed Claim, and in any such event, no estate retention application, fee application or further order of the Bankruptcy Court shall be required as a condition of the Debtors making such agreed allocation. Third, the Debtors agree and the settlement approval order shall provide that the amount of the Allowed Claim payable to Talcott Franklin, Miller Johnson, and Carter Leydard may be reduced to a separate claim stipulation for convenience of the parties.

(b) In the event that, prior to acceptance of this compromise by a Trustee for a Settlement Trust other than a Covered Trust, counsel to Investors in such Settlement Trust cause a direction to be given by more than 25% of the holders of a tranche of such Settlement Trust to accept this compromise, then the same provisions as contained in Section 6.02(a) shall apply to such counsel, solely as to the amounts allocated to such Settlement Trust. Such counsel shall be entitled to a share of the fee for such trust equal to the ratio of (a) 25% minus the percentage of such tranche held by Institutional Investors divided by (b) 25%. Counsel would be required to identify itself and satisfy the Debtors and Institutional Investors as to the holdings of client-investors and that counsel caused such directions.

ARTICLE VII. RELEASES.

Section 7.01 Releases. Except as set forth in Article VIII, as of the Effective Date, with respect to each and every Accepting Trust, and in exchange for the Allowed Claim, the Institutional Investors, Accepting Trusts, Trustees in respect of such trusts, and any Persons claiming by, through or on behalf of such Accepting Trust or the Trustees of such trusts

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(including Investors claiming derivatively) (collectively, the "Releasors"), irrevocably and unconditionally grant a full, final, and complete release, waiver, and discharge of all alleged or actual claims, demands to repurchase, demands to cure, demands to substitute, counterclaims, defenses, rights of setoff, rights of rescission, liens, disputes, liabilities, losses, debts, costs, expenses, obligations, demands, claims for accountings or audits, alleged events of default, damages, rights, and causes of action of any kind or nature whatsoever, whether asserted or unasserted, known or unknown, suspected or unsuspected, fixed or contingent, in contract, tort, or otherwise, secured or unsecured, accrued or unaccrued, whether direct or derivative, arising under law or equity (collectively, "Claims"), against the Debtors (with the exception of ResCap LLC as set forth in the last sentence of this Section 7.01) and their current and former officers, directors, and employees (but in no case does this section apply to Ally Financial Inc. ("AFI") or any person who is an officer or director of AFI) that arise under the Governing Agreements. Such released claims include, but are not limited to, claims arising out of and/or relating to (i) the origination and sale of mortgage loans to the Accepting Trusts (including, without limitation, the liability of any Debtors that are party to a Pooling and Servicing Agreement with respect to representations and warranties made in connection with such sale or with respect to the noticing and enforcement of any remedies in respect of alleged breaches of such representations and warranties) (collectively, the "Origination-Related Provisions"), (ii) the documentation of the Mortgage Loans held by the Accepting Trusts including with respect to allegedly defective, incomplete, or non-existent documentation, as well as issues arising out of or relating to recordation, title, assignment, or any other matter relating to legal enforceability of a Mortgage or Mortgage Note, or any alleged failure to provide notice of such defective, incomplete or non-existent documentation, (iii) the servicing of the Mortgage Loans held by the Accepting Trusts (including any claim relating to the timing of collection efforts or foreclosure efforts, loss mitigation, transfers to subservicers, advances or servicing advances) (the "Servicing Claims"), but only to the extent assumed pursuant to Section 365 of the Bankruptcy Code by an assignee to the applicable Debtor in its capacity as Master Servicer or Servicer under any Governing Agreement (the "Assumed Servicing Claims"), (iv) any duty of a debtor as master servicer, servicer or sub-servicer to notice and enforce remedies in respect of alleged breaches of representations and warranties (together with the Assumed Servicing Claims, the "Released Servicing Claims"), (v) setoff or recoupment under the Governing Agreements against ResCap with respect to the Origination-Related Provisions or the Released Servicing Claims, and (vi) any loan seller that either sold loans to ResCap or AFI that were sold and transferred to such Accepting Trust or sold loans directly to such Accepting Trust, in all cases prior to the Petition Date (collectively, all such claims being defined as the "Released Claims"). For the avoidance of doubt, this release does not include individual direct claims for securities fraud or other disclosure-related claims arising from the purchase or sale of Securities. Notwithstanding any provision of this Section 7.01, the Releasors do not release, waive, or discharge any Claims against ResCap LLC.

Section 7.02 Release of Claims Against Investors, Accepting Trusts, and Trustees. Except as set forth in Article VIII, as of the Effective Date, ResCap irrevocably and unconditionally grants to the Accepting Trusts, Trustees in respect of such trusts, and Investors in such trusts, as well as such Accepting Trusts', Trustees' and Investors' respective officers, directors, and employees, a full final, and complete release, waiver, and discharge of all alleged or actual claims from any claim it may have under or arising out of the Governing Agreements.

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Section 7.03 Agreement Not to Pursue Relief from the Stay. The Institutional Investors agree that neither they nor their successors in interest, assigns, pledges, delegates, affiliates, subsidiaries, and/or transferees, will seek relief from the automatic stay imposed by section 362 of the Bankruptcy Code in order to institute, continue or otherwise prosecute any action relating to the Released Claims; provided, however, nothing contained herein shall preclude the Institutional Investors or their advised clients from seeking any such relief with respect to direct claims for securities fraud or other disclosure-related claims arising from the purchase or sale of Securities. ResCap reserves its rights and defenses therewith.

Section 7.04 Inclusion of Accepting Trusts and Trustees in Plan Release and Exculpation Provisions. The Accepting Trusts and the Trustees in respect of any such Accepting Trust and their respective counsel shall be entitled to the benefit of any releases and plan exculpation provisions, if any, included in the Plan, which provisions shall be no less favorable than the releases and plan exculpation provisions extended to similarly situated creditors or parties in interest who are parties to any plan support agreement with ResCap.

ARTICLE VIII. CLAIMS NOT RELEASED

Section 8.01 ResCap LLC Claim. ResCap LLC does not concede or admit fault for any liability under the Governing Agreements. Without any limitation on the foregoing, each Accepting Trust shall be entitled to file a proof of claim against ResCap LLC for claims, if any, arising under the Governing Agreements (any such claim is hereinafter referred to as a "ResCap LLC Claim"). Nothing contained herein shall be deemed to establish the validity or amount of any ResCap LLC Claim, which shall remain subject to objections in all respects in accordance with the Federal Rules of Bankruptcy Procedure. Notwithstanding the foregoing, the allowed amount of any ResCap LLC Claim shall not exceed such Accepting Trust's Allocated Claim; provided that any recovery on any such allowed ResCap LLC Claim shall be reduced by any amount paid by any Seller Entity or Depositor Entity on account of the Accepting Trust's Allocated Claim. Subject to the provisions of this Agreement, the Accepting Trusts expressly reserve all rights regarding the validity and amount of any ResCap LLC Claim.

Section 8.02 Administration of the Mortgage Loans. The releases and waivers in Article VII herein do not include: (i) claims that first arise after the Effective Date and are based in whole or in part on any actions, inactions, or practices of the Master Servicer, Servicer, or Subservicer as to the servicing of the Mortgage Loans held by the Accepting Trusts, and (ii) any Servicing Claim that is not an Assumed Servicing Claim and for which the Court finds a cure or rejection claim exists pursuant to Section 365 of the Bankruptcy Code (it being understood that such cure or rejection claims, if any, are not intended to be affected by such releases and waivers).

Section 8.03 Financial-Guaranty Provider Rights and Obligations. To the extent that any third party guarantor or financial-guaranty provider with respect to any Settlement Trust has rights or obligations independent of the rights or obligations of the Investors, the Trustees, or the Settlement Trusts, the releases and waivers in Article VII are not intended to and shall not release such rights.

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Section 8.04 Settlement Agreement Rights. The Parties do not release or waive any rights or claims against each other to enforce the terms of this Settlement Agreement or the Allowed Claim.

Section 8.05 Disclosure Claims. The releases and waivers in Article VII do not include any claims based on improper disclosures under federal or state securities law.

Section 8.06 Reservation of Rights. Notwithstanding anything in this Settlement Agreement to the contrary, the Institutional Investors have not waived their right to file an objection to a motion of the holders of the ResCap 9 5/8% bonds requesting payment of any interest on account of their ResCap 9 5/8% bond claims that may be due and owing after the Petition Date.

ARTICLE IX. RELEASE OF UNKNOWN CLAIMS.

Each of the Parties acknowledges that it has been advised by its attorneys concerning, and is familiar with, California Civil Code Section 1542 and expressly waives any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to the provisions of the California Civil Code Section 1542, including that provision itself, which reads as follows:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH, IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

The Parties acknowledge that inclusion of the provisions of this Article IX to this Settlement Agreement was a material and separately bargained for element of this Settlement Agreement.

ARTICLE X. OTHER PROVISIONS

Section 10.01 Voluntary Agreement. Each Party acknowledges that it has read all of the terms of this Settlement Agreement, has had an opportunity to consult with counsel of its own choosing or voluntarily waived such right and enters into this Settlement Agreement voluntarily and without duress.

Section 10.02 No Admission of Breach or Wrongdoing. ResCap has denied and continues to deny any breach, fault, liability, or wrongdoing. This denial includes, but is not limited to, breaches of representations and warranties, violations of state or federal securities laws, and other claims sounding in contract or tort in connection with any securitizations, including those for which ResCap was the Seller, Servicer and/or Master Servicer. Neither this Settlement Agreement, whether or not consummated, any proceedings relating to this Settlement Agreement, nor any of the terms of the Settlement Agreement, whether or not consummated, shall be construed as, or deemed to be evidence of, an admission or concession on the part of ResCap with respect to any claim or of any breach, liability, fault, wrongdoing, or damage

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whatsoever, or with respect to any infirmity in any defense that ResCap has or could have asserted.

Section 10.03 No Admission Regarding Claim Status. ResCap expressly states that in the event this Settlement Agreement is not consummated or is terminated prior to the Effective Date, then neither this Settlement Agreement, nor any proceedings relating to this Settlement Agreement, nor any of the terms of the Settlement Agreement, shall be construed as, or deemed to be evidence of, an admission or concession on the part of ResCap that any claims asserted by the Institutional Investors are not contingent, unliquidated or disputed. The Institutional Investors expressly state that in the event this Settlement Agreement is not consummated or is terminated prior to the Effective Date, neither this Settlement Agreement, nor any proceedings relating to this Settlement Agreement, nor any of the terms of the Settlement Agreement, shall be construed as, or deemed to be evidence of, an admission or concession on the part of the Institutional Investors that any claims asserted by the Institutional Investors and Trustees are not limited to the amounts set forth in this Settlement Agreement or are of any particular priority.

Section 10.04 Counterparts. This Settlement Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same Settlement Agreement. Delivery of a signature page to this Settlement Agreement by facsimile or other electronic means shall be effective as delivery of the original signature page to this Settlement Agreement.

Section 10.05 Joint Drafting. This Settlement Agreement shall be deemed to have been jointly drafted by the Parties, and in construing and interpreting this Settlement Agreement, no provision shall be construed and interpreted for or against any of the Parties because such provision or any other provision of the Settlement Agreement as a whole is purportedly prepared or requested by such Party.

Section 10.06 Entire Agreement. This document contains the entire agreement between the Parties, and may only be modified, altered, amended, or supplemented in writing signed by the Parties or their duly appointed agents. All prior agreements and understandings between the Parties concerning the subject matter hereof are superseded by the terms of this Settlement Agreement.

Section 10.07 Specific Performance. It is understood that money damages are not a sufficient remedy for any breach of this Settlement Agreement, and the Parties shall have the right, in addition to any other rights and remedies contained herein, to seek specific performance, injunctive, or other equitable relief from the Bankruptcy Court as a remedy for any such breach. The Parties hereby agree that specific performance shall be their only remedy for any violation of this Agreement.

Section 10.08 Authority. Each Party represents and warrants that each Person who executes this Settlement Agreement on its behalf is duly authorized to execute this Settlement Agreement on behalf of the respective Party, and that such Party has full knowledge of and has consented to this Settlement Agreement.

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Section 10.09 No Third Party Beneficiaries. There are no third party beneficiaries of this Settlement Agreement.

Section 10.10 Headings. The headings of all sections of this Settlement Agreement are inserted solely for the convenience of reference and are not a part of and are not intended to govern, limit, or aid in the construction or interpretation of any term or provision hereof.

Section 10.11 Notices. All notices or demands given or made by one Party to the other relating to this Settlement Agreement shall be in writing and either personally served or sent by registered or certified mail, postage paid, return receipt requested, overnight delivery service, or by electronic mail transmission, and shall be deemed to be given for purposes of this Settlement Agreement on the earlier of the date of actual receipt or three days after the deposit thereof in the mail or the electronic transmission of the message. Unless a different or additional address for subsequent notices is specified in a notice sent or delivered in accordance with this Section, such notices or demands shall be sent as follows:

To: Institutional Investors
c/o Talcott Franklin P.C.
208 N. Market Street
Suite 200
Dallas, TX 75202
Tel: 214-736-8730
Email: tal@talcottfranklin.com
-and-
Miller, Johnson, Snell & Cummiskey, P.L.C.
250 Monroe Avenue NW
Suite 800
P.O. Box 306
Grand Rapids, MI 49501-0306
Tel: 618-831-1748
Email: sarbt@millerjohnson.com
-and-
Carter Ledyard & Milburn LLP
2 Wall Street
New York, New York 10005
Tel: 212-238-8607
Email: gadsden@clm.com

To: ResCap
c/o Gary S. Lee
Jamie A. Levitt
Morrison & Foerster LLP
1290 Avenue of the Americas
New York, NY 10104
Tel: 212-468-8000

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Email: glee@mofo.com
jlevitt@mofo.com

Section 10.12 Disputes. This Settlement Agreement, and any disputes arising under or in connection with this Settlement Agreement, are to be governed by and construed in accordance with the laws of the State of New York, without giving effect to the choice of laws principles thereof. Further, by its execution and delivery of this Settlement Agreement, each of the Parties hereto hereby irrevocably and unconditionally agrees that the United States District Court for the Southern District of New York shall have jurisdiction to enforce this Settlement Agreement, *provided*, *however*, that, upon commencement of the Chapter 11 Cases, the Bankruptcy Court shall have exclusive jurisdiction of all matters arising out of or in connection with this Settlement Agreement.

Section 10.13 The Parties have agreed to include the following statement in the proposed order attached to the Debtors' motion to approve this Settlement Agreement: "Nothing contained in the RMBS Trust Settlement Agreement, the order approving the RMBS Trust Settlement Agreement, and any associated expert reports, including exhibits, schedules, declarations, and other documents attached thereto or referenced therein, or in any declarations, pleadings, or other documents or evidence submitted to, or filed in, the Bankruptcy Court in connection therewith, shall be construed as an admission of, or to prejudice in any way, Ally Financial Inc. and its non-Debtor direct and indirect subsidiaries and affiliates (collectively, "Ally") and may not be used as evidence against Ally in any court proceeding."

Section 10.14 Notwithstanding anything to the contrary in this Settlement Agreement, nothing herein is intended to or shall be deemed to amend any of the Governing Agreements for any Settlement Trust.

[REST OF PAGE INTENTIONALLY LEFT BLANK]

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Dated the 21st day of September, 2012.

Talcott Franklin P.C. on behalf of the
Institutional Investors

Signature:_____

Name: Talcott F. Franklin

Title: Partner

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Dated the 25th day of September, 2012.

Residential Capital, LLC
for itself and its direct and indirect subsidiaries

Signature: Tammy Hamzehpour

Name: Tammy Hamzehpour

Title: General Counsel

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EXHIBIT A

TRUSTS

Exhibit A- Trusts

Deal Name	Original Issue Balance (in Thousands)	Deal Name	Original Issue Balance (in Thousands)
2004-AR1	635.0	2004-QS12	424.3
2004-AR2	510.1	2004-QS13	129.2
2004-GH1	224.1	2004-QS14	212.9
2004-HE1	1,292.3	2004-QS15	213.7
2004-HE2	711.5	2004-QS16	534.7
2004-HE3	977.3	2004-QS2	292.3
2004-HE4	1,018.0	2004-QS3	207.8
2004-HE5	700.0	2004-QS4	320.6
2004-HI1	235.0	2004-QS5	293.7
2004-HI2	275.0	2004-QS6	156.5
2004-HI3	220.0	2004-QS7	449.2
2004-HLTV1	175.0	2004-QS8	271.0
2004-HS1	477.1	2004-QS9	105.1
2004-HS2	604.1	2004-RP1	199.5
2004-HS3	284.0	2004-RS1	1,400.0
2004-J1	401.0	2004-RS10	1,250.0
2004-J2	400.6	2004-RS11	925.0
2004-J3	350.0	2004-RS12	975.0
2004-J4	600.1	2004-RS2	875.0
2004-J5	551.9	2004-RS3	600.0
2004-J6	408.0	2004-RS4	1,100.0
2004-KR1	2,000.0	2004-RS5	1,050.0
2004-KR2	1,250.0	2004-RS6	1,000.0
2004-KS1	950.0	2004-RS7	1,183.7
2004-KS10	986.0	2004-RS8	900.0
2004-KS11	692.7	2004-RS9	950.0
2004-KS12	541.8	2004-RZ1	485.0
2004-KS2	990.0	2004-RZ2	475.0
2004-KS3	675.0	2004-RZ3	360.0
2004-KS4	1,000.0	2004-RZ4	276.6
2004-KS5	1,175.0	2004-S1	307.7
2004-KS6	1,000.0	2004-S2	362.0
2004-KS7	850.0	2004-S3	228.3
2004-KS8	600.0	2004-S4	460.3
2004-KS9	600.0	2004-S5	423.5
2004-PS1	100.1	2004-S6	527.2
2004-QA1	201.3	2004-S7	105.3
2004-QA2	365.1	2004-S8	311.0
2004-QA3	320.1	2004-S9	645.9
2004-QA4	290.2	2004-SA1	250.1
2004-QA5	325.1	2004-SL1	632.9
2004-QA6	720.3	2004-SL2	499.0
2004-QS1	319.9	2004-SL3	222.5
2004-QS10	216.6	2004-SL4	206.5
2004-QS11	217.5	2004-SP1	233.7

Deal Name	Original Issue Balance (in Thousands)	Deal Name	Original Issue Balance (in Thousands)
2004-SP2	145.1	2005-KS8	1,165.8
2004-SP3	306.9	2005-KS9	487.0
2004-VFT	820.7	2005-NC1	870.8
2005-AA1	265.6	2005-QA1	296.7
2005-AF1	235.5	2005-QA10	621.8
2005-AF2	296.9	2005-QA11	525.1
2005-AHL1	463.7	2005-QA12	285.2
2005-AHL2	434.2	2005-QA13	560.2
2005-AHL3	488.8	2005-QA2	501.0
2005-AR1	399.8	2005-QA3	500.0
2005-AR2	458.4	2005-QA4	525.2
2005-AR3	523.7	2005-QA5	241.8
2005-AR4	386.1	2005-QA6	575.5
2005-AR5	597.2	2005-QA7	575.0
2005-AR6	592.0	2005-QA8	519.5
2005-EFC1	1,101.5	2005-QA9	650.5
2005-EFC2	679.3	2005-QO1	711.1
2005-EFC3	731.9	2005-QO2	425.1
2005-EFC4	707.8	2005-QO3	500.6
2005-EFC5	693.3	2005-QO4	797.0
2005-EFC6	672.7	2005-QO5	1,275.1
2005-EFC7	698.2	2005-QS1	214.6
2005-EMX1	792.8	2005-QS10	265.7
2005-EMX2	620.4	2005-QS11	213.6
2005-EMX3	674.5	2005-QS12	528.9
2005-EMX4	492.6	2005-QS13	639.2
2005-EMX5	380.0	2005-QS14	615.8
2005-HE1	991.1	2005-QS15	431.5
2005-HE2	1,113.5	2005-QS16	428.0
2005-HE3	988.0	2005-QS17	540.1
2005-HI1	240.0	2005-QS2	213.0
2005-HI2	240.0	2005-QS3	475.6
2005-HI3	224.9	2005-QS4	211.7
2005-HS1	853.8	2005-QS5	214.0
2005-HS2	577.5	2005-QS6	265.1
2005-HSA1	278.8	2005-QS7	370.0
2005-J1	525.5	2005-QS8	104.1
2005-KS1	708.8	2005-QS9	371.0
2005-KS10	1,299.2	2005-RP1	343.1
2005-KS11	1,339.3	2005-RP2	301.1
2005-KS12	1,117.2	2005-RP3	282.5
2005-KS2	543.4	2005-RS1	975.0
2005-KS3	413.5	2005-RS2	725.0
2005-KS4	411.1	2005-RS3	741.3
2005-KS5	401.8	2005-RS4	522.4
2005-KS6	596.2	2005-RS5	497.5
2005-KS7	387.6	2005-RS6	1,183.2

Deal Name	Original Issue Balance (in Thousands)	Deal Name	Original Issue Balance (in Thousands)
2005-RS7	493.0	2006-HI4	272.7
2005-RS8	660.0	2006-HI5	247.5
2005-RS9	1,179.0	2006-HLTV1	229.9
2005-RZ1	203.8	2006-HSA1	461.4
2005-RZ2	333.7	2006-HSA2	447.9
2005-RZ3	340.0	2006-HSA3	201.0
2005-RZ4	411.2	2006-HSA4	402.1
2005-S1	463.1	2006-HSA5	295.6
2005-S2	260.9	2006-J1	550.0
2005-S3	183.1	2006-KS1	840.1
2005-S4	259.4	2006-KS2	977.5
2005-S5	258.2	2006-KS3	1,125.9
2005-S6	412.9	2006-KS4	687.8
2005-S7	311.7	2006-KS5	687.1
2005-S8	312.3	2006-KS6	529.1
2005-S9	366.6	2006-KS7	532.7
2005-SA1	295.2	2006-KS8	535.9
2005-SA2	500.8	2006-KS9	1,197.1
2005-SA3	675.2	2006-NC1	536.8
2005-SA4	850.5	2006-NC2	745.2
2005-SA5	355.3	2006-NC3	504.9
2005-SL1	370.5	2006-QA1	603.9
2005-SL2	168.9	2006-QA10	375.5
2005-SP1	831.0	2006-QA11	372.4
2005-SP2	490.2	2006-QA2	394.0
2005-SP3	285.7	2006-QA3	398.5
2006-AR1	508.7	2006-QA4	304.4
2006-AR2	373.0	2006-QA5	695.6
2006-EFC1	593.2	2006-QA6	625.8
2006-EFC2	387.6	2006-QA7	588.2
2006-EMX1	424.6	2006-QA8	795.1
2006-EMX2	550.1	2006-QA9	369.2
2006-EMX3	773.6	2006-QH1	337.9
2006-EMX4	661.7	2006-QO1	901.2
2006-EMX5	580.2	2006-QO10	895.7
2006-EMX6	620.5	2006-QO2	665.5
2006-EMX7	495.3	2006-QO3	644.8
2006-EMX8	698.6	2006-QO4	843.2
2006-EMX9	728.8	2006-QO5	1,071.6
2006-HE1	1,274.2	2006-QO6	1,290.3
2006-HE2	626.2	2006-QO7	1,542.4
2006-HE3	1,142.3	2006-QO8	1,288.1
2006-HE4	1,159.1	2006-QO9	895.6
2006-HE5	1,244.5	2006-QS1	323.8
2006-HI1	214.2	2006-QS10	533.6
2006-HI2	237.4	2006-QS11	751.5
2006-HI3	223.2	2006-QS12	541.3

Deal Name	Original Issue Balance (in Thousands)	Deal Name	Original Issue Balance (in Thousands)
2006-QS13	641.0	2006-SP3	291.9
2006-QS14	753.7	2006-SP4	303.9
2006-QS15	538.6	2007-EMX1	692.9
2006-QS16	752.1	2007-HE1	1,185.9
2006-QS17	537.0	2007-HE2	1,240.9
2006-QS18	1,181.9	2007-HE3	350.6
2006-QS2	881.7	2007-HI1	255.0
2006-QS3	969.8	2007-HSA1	546.8
2006-QS4	752.3	2007-HSA2	1,231.4
2006-QS5	698.0	2007-HSA3	796.4
2006-QS6	858.8	2007-KS1	415.6
2006-QS7	537.5	2007-KS2	961.5
2006-QS8	966.3	2007-KS3	1,270.3
2006-QS9	540.1	2007-KS4	235.9
2006-RP1	293.0	2007-QA1	410.1
2006-RP2	317.0	2007-QA2	367.0
2006-RP3	290.4	2007-QA3	882.4
2006-RP4	357.4	2007-QA4	243.5
2006-RS1	1,173.6	2007-QA5	504.1
2006-RS2	785.6	2007-QH1	522.3
2006-RS3	741.6	2007-QH2	348.4
2006-RS4	887.5	2007-QH3	349.5
2006-RS5	382.6	2007-QH4	401.0
2006-RS6	372.2	2007-QH5	497.5
2006-RZ1	483.8	2007-QH6	597.0
2006-RZ2	368.6	2007-QH7	347.0
2006-RZ3	688.3	2007-QH8	560.1
2006-RZ4	851.8	2007-QH9	594.4
2006-RZ5	505.1	2007-QO1	625.1
2006-S1	367.1	2007-QO2	529.3
2006-S10	1,087.7	2007-QO3	296.3
2006-S11	623.2	2007-QO4	502.8
2006-S12	1,204.3	2007-QO5	231.2
2006-S2	260.6	2007-QS1	1,297.4
2006-S3	337.8	2007-QS10	435.8
2006-S4	313.9	2007-QS11	305.8
2006-S5	678.1	2007-QS2	536.7
2006-S6	599.6	2007-QS3	971.6
2006-S7	469.7	2007-QS4	746.9
2006-S8	416.3	2007-QS5	432.7
2006-S9	442.3	2007-QS6	808.3
2006-SA1	275.1	2007-QS7	803.3
2006-SA2	791.3	2007-QS8	651.8
2006-SA3	350.9	2007-QS9	707.0
2006-SA4	282.3	2007-RP1	334.4
2006-SP1	275.9	2007-RP2	263.3
2006-SP2	348.1	2007-RP3	346.6

Deal Name	Original Issue Balance (in Thousands)
2007-RP4	239.2
2007-RS1	478.3
2007-RS2	376.8
2007-RZ1	329.3
2007-S1	522.5
2007-S2	472.2
2007-S3	575.3
2007-S4	314.5
2007-S5	524.8
2007-S6	707.7
2007-S7	419.1
2007-S8	488.8
2007-S9	172.4
2007-SA1	310.8
2007-SA2	385.1
2007-SA3	363.8
2007-SA4	414.9
2007-SP1	346.6
2007-SP2	279.3
2007-SP3	298.1
Grand Total	**220,987.7**

EXHIBIT B

ALLOCATION OF ALLOWED CLAIM

1. The Allowed Claim shall be allocated amongst the Accepting Trusts by the Trustees pursuant to the determination of a qualified financial advisor (the "Expert") who will make any determinations and perform any calculations required in connection with the allocation of the Allowed Claim among the Accepting Trusts. To the extent that the collateral in any Accepting Trust is divided by the Governing Agreements into groups of loans ("Loan Groups") so that ordinarily only certain classes of investors benefit from the proceeds of particular Loan Groups, those Loan Groups shall be deemed to be separate Accepting Trusts for purposes of the allocation and distribution methodologies set forth below. The Expert is to apply the following allocation formulas:

(i) *First*, the Expert shall calculate the amount of Net Losses for each Accepting Trust as a percentage of the sum of the Net Losses for all Accepting Trusts (such amount, the "Net Loss Percentage");

(ii) *Second*, the Expert shall calculate the "Allocated Claim" for each Accepting Trust by multiplying (A) the amount of the Allowed Claim by (B) the Net Loss Percentage for such Accepting Trust, expressed as a decimal; provided that the Expert shall be entitled to make adjustments to the Allocated Claim of each Accepting Trust to ensure that the effects of rounding do not cause the sum of the Allocated Claims for all Accepting Trusts to exceed the amount of the Allowed Claim.

(iii) For the avoidance of doubt, the Seller Entity and Depositor Entity for each Accepting Trust are jointly liable for that Trust's Allocated Claim.

(iv) If applicable, the Expert shall calculate the portion of the Allocated Claim that relates to principal-only certificates or notes and the portion of the Allocated Claim that relates to all other certificates or notes.

2. All distributions from the Estate to an Accepting Trust on account of any Allocated Claim shall be treated as Subsequent Recoveries, as that term is defined in the Governing Agreement for that trust; provided that if the Governing Agreement for a particular Accepting Trust does not include the term "Subsequent Recovery," the distribution resulting from the Allocated Claim shall be distributed as though it was unscheduled principal available for distribution on that distribution date; *provided, however*, that should the Bankruptcy Court determine that a different treatment is required to conform the distributions to the requirements of the Governing Agreements, that determination shall govern and shall not constitute a material change to this Settlement Agreement.

3. Notwithstanding any other provision of any Governing Agreement, the Debtors and all Servicers agree that neither the Master Servicer nor any Subservicer shall be entitled to receive any portion of any distribution resulting from any Allocated Claim for any purpose, including without limitation the satisfaction of any Servicing Advances, it being understood that the Master Servicer's other entitlements to payments, and to reimbursement or recovery, including of

Advances and Servicing Advances, under the terms of the Governing Agreements shall not be affected by this Settlement Agreement except as expressly provided here. To the extent that as a result of the distribution resulting from an Allocated Claim in a particular Accepting Trust a principal payment would become payable to a class of REMIC residual interests, whether on the distribution of the amount resulting from the Allocated Claim or on any subsequent distribution date that is not the final distribution date under the Governing Agreement for such Accepting Trust, such payment shall be maintained in the distribution account and the relevant Trustee shall distribute it on the next distribution date according to the provisions of this section.

4. In addition, after any distribution resulting from an Allocated Claim pursuant to section 3 above, the relevant Trustee will allocate the amount of the distribution for that Accepting Trust in the reverse order of previously allocated Realized Losses, to increase the Class Certificate Balance, Component Balance, Component Principal Balance, or Note Principal Balance, as applicable, of each class of Certificates or Notes (or Components thereof) (other than any class of REMIC residual interests) to which Realized Losses have been previously allocated, but in each case by not more than the amount of Realized Losses previously allocated to that class of Certificates or Notes (or Components thereof) pursuant to the Governing Agreements. For the avoidance of doubt, for Accepting Trusts for which the Credit Support Depletion Date shall have occurred prior to the allocation of the amount of the Allocable Share in accordance with the immediately preceding sentence, in no event shall the foregoing allocation be deemed to reverse the occurrence of the Credit Support Depletion Date in such Accepting Trusts. Holders of such Certificates or Notes (or Components thereof) will not be entitled to any payment in respect of interest on the amount of such increases for any interest accrual period relating to the distribution date on which such increase occurs or any prior distribution date. Any such increase shall be applied pro rata to the Certificate Balance, Component Balance, Component Principal Balance, or Note Principal Balance of each Certificate or Note of each class. For the avoidance of doubt, this section 4 is intended only to increase Class Certificate Balances, Component Balances, Component Principal Balances, and Note Principal Balances, as provided for herein, and shall not affect any distributions resulting from Allocated Claims provided for in section 3 above.

5. Nothing in this Settlement Agreement amends or modifies in any way any provisions of any Governing Agreement. To the extent any credit enhancer or financial guarantee insurer receives a distribution on account of the Allowed Claim, such distribution shall be credited at least dollar for dollar against the amount of any claim it files against the Debtor that does not arise under the Governing Agreements.

6. In no event shall the distribution to an Accepting Trust as a result of any Allocated Claim be deemed to reduce the collateral losses experienced by such Accepting Trust.

EXHIBIT C
FEE SCHEDULE

Exhibit C -- Fee Schedule

Percentage of the Allowed Claim (being the sum of the Allocated Allowed Claims) allocable to trusts that accept the settlement, subject to adjustment pursuant to section 6.02(b) for trusts other than original "Covered Trusts."

If Effective Date of Plan occurs on or before Sept. 2, 2012, 5.225%

If Effective Date of Plan occurs after Sept. 2, 2012 and on or before Dec. 2, 2012, 5.4625%

If Effective Date of Plan occurs after Dec. 3, 2012 and on or before May 2, 2013, 5.605%

If Effective Date of Plan occurs after May 2, 2013, 5.7%

All fees shall be allocated between: (i) Talcott Franklin P.C.; (ii) Miller, Johnson, Snell & Cummiskey, P.L.C.; and (iii) Carter Ledyard & Milburn LLP, based on lodestar as calculated per agreement between co-counsel.

EXHIBIT D
SCHEDULE OF INSTITUTIONAL INVESTOR HOLDINGS

EXHIBIT D

Holdings as of October 18, 2012

	Deal Name	CUSIP	Class	Bond Original Face	Group Class Sum	Original Class Face	Percentage Interest
1	RASC 2005-KS10	75405WAB8	1A2	140,000	140,000	242,971,000	0.1%
2	RFMS2 2006-HSA4	43709WAA1	A	250,000	250,000	402,118,000	0.1%
3	RALI 2007-QS1	74922KAH8	2A2	390,000	390,000	400,296,500	0.1%
4	GMACM 2006-HE3	38012TAB8	A2	165,000	165,000	160,700,000	0.1%
5	RASC 2005-EMX4	76110W5X0	A2	210,000	210,000	196,158,000	0.1%
6	RFMS2 2006-HSA1	76110VTF5	A4	100,000	100,000	42,917,000	0.2%
7	RFMSI 2007-S6	762009AR9	1A16	400,000	400,000	96,413,000	0.4%
8	RFMSI 2006-S12	74958EAC0	2A2	1,325,000	1,325,000	267,085,000	0.5%
9	GMACM 2004-HE2	361856DD6	M1	220,000	220,000	37,356,000	0.6%
10	RAAC 2007-RP1	74977YAA7	A	1,700,000	1,700,000	281,521,000	0.6%
11	RALI 2007-QH1	74922HAB8	A2	800,000	800,000	123,939,000	0.6%
12	RALI 2006-QO1	761118RJ9	2A1	1,100,000	1,100,000	164,198,000	0.7%
13	RASC 2005-EMX3	75405MAF1	M1	215,000	215,000	26,950,000	0.8%
14	RALI 2006-QS13	75115DAH8	1A8	520,000	520,000	58,285,000	0.9%
15	RAAC 2005-SP2	76112BF54	2A	2,600,000	2,600,000	288,130,000	0.9%
16	RALI 2006-QA8	74922QAA0	A1	570,912	1,970,912	215,014,000	0.9%
17	RASC 2005-EMX3	75405MAG9	M2	240,000	240,000	24,150,000	1.0%
18	RAAC 2007-RP2	74919WAA2	A	2,480,000	2,480,000	215,883,000	1.1%
19	RALI 2006-QA1	761118TB4	A21	355,000	3,692,000	318,919,000	1.2%
20	RFMSI 2005-SA2	76111XVJ9	3A2	275,000	275,000	22,500,000	1.2%
21	RALI 2006-QO2	761118VZ8	A2	2,125,000	2,125,000	154,392,000	1.4%
22	RALI 2006-QO5	75114HAE7	2A2	1,975,000	1,975,000	118,628,000	1.7%
23	RAAC 2007-RP4	74919LAD0	A	3,000,000	3,000,000	177,410,000	1.7%
24	RALI 2007-QH5	75116EAA0	AI1	3,478,590	3,478,590	195,147,000	1.8%
25	RFMSI 2007-S9	74958VAA6	1A1	2,500,000	2,500,000	128,850,000	1.9%
26	RALI 2007-QH1	74922HAC6	A3	1,500,000	1,500,000	74,364,000	2.0%
27	RALI 2005-QA7	76110H7D5	A22	4,000,000	4,000,000	195,652,000	2.0%
28	RFMSI 2006-S2	76111XL76	A1	2,500,000	2,500,000	113,005,000	2.2%
29	RALI 2006-QA10	74922NAB5	A2	5,161,941	5,161,941	230,607,000	2.2%
30	RASC 2005-KS3	76110WS56	M5	250,000	250,000	9,974,000	2.5%
31	RALI 2007-QS6	75116CBE5	A29	2,300,000	4,800,000	187,421,000	2.6%
32	RALI 2007-QS2	74923CAF9	A6	2,600,000	2,600,000	100,000,000	2.6%
33	GMACM 2004-AR2	36185N3T5	3A	5,794,000	5,794,000	200,236,000	2.9%
34	RFMSI 2007-S4	74958YAB8	A2	2,159,643	2,159,643	74,404,000	2.9%
35	GMACM 2006-AR1	36185MDQ2	2A1	3,500,000	3,500,000	118,307,000	3.0%
36	RALI 2006-QA9	75115VAA3	A1	9,425,000	9,425,000	314,545,000	3.0%
37	RALI 2006-QS6	74922EAT6	2A1	3,230,000	3,230,000	99,917,000	3.2%
38	RAMP 2004-SL4	76112BGN4	A4	1,280,000	1,280,000	39,137,000	3.3%
39	GMACM 2005-HE3	361856EH6	A2	9,815,647	9,815,647	296,703,000	3.3%
40	RALI 2006-QO3	761118WQ7	A2	5,000,000	5,000,000	149,747,000	3.3%

	Deal Name	CUSIP	Class	Bond Original Face	Group Class Sum	Original Class Face	Percentage Interest
41	RALI 2007-QS6	75116CBD7	A28	3,300,000	6,300,000	187,421,000	3.4%
42	RAMP 2005-SL1	76112BMP2	A4	2,250,000	2,250,000	65,353,000	3.4%
43	RALI 2005-QS15	761118KG2	1A	3,000,000	3,000,000	86,099,000	3.5%
44	RALI 2006-QS9	75115CAC1	1A3	3,000,000	3,000,000	86,000,000	3.5%
45	RALI 2005-QA8	761118BW7	NB3	1,250,000	1,250,000	35,255,000	3.5%
46	GMACM 2005-HE1	361856EC7	A3	8,869,000	8,869,000	248,425,000	3.6%
47	RAMP 2004-RS7	7609857E5	AI5	2,000,000	2,000,000	55,330,000	3.6%
48	GMACM 2005-HE1	361856EB9	A2	10,500,000	10,500,000	290,100,000	3.6%
49	RFMSI 2005-S9	76111XE58	A5	2,975,000	2,975,000	81,289,900	3.7%
50	RALI 2007-QS9	75116FBH1	A33	23,000,000	23,000,000	627,984,000	3.7%
51	RALI 2004-QS1	76110HPQ6	A1	4,000,000	8,000,000	215,000,000	3.7%
52	RALI 2004-QS5	76110HSV2	A5	5,000,000	5,000,000	127,754,111	3.9%
53	RASC 2006-EMX4	75406DAJ2	M5	500,000	500,000	12,672,000	3.9%
54	RAMP 2006-NC2	75156TAG5	M4	500,000	500,000	12,540,000	4.0%
55	GMACM 2006-HE5	38012EAC9	2A2	10,000,000	10,000,000	239,558,000	4.2%
56	RAMP 2006-RS2	76112B2C3	A2	12,000,000	12,000,000	282,070,000	4.3%
57	RASC 2006-KS8	74924RAD0	A4	3,000,000	3,000,000	69,063,000	4.3%
58	RALI 2007-QO1	75115YAA7	A1	15,000,000	15,000,000	343,670,000	4.4%
59	RASC 2004-KS6	76110WZX7	MII1	2,300,000	2,300,000	50,000,000	4.6%
60	RALI 2005-QS7	761118AA6	A1	7,000,000	7,000,000	148,100,000	4.7%
61	RAAC 2005-RP2	76112BXP0	M1	1,100,000	1,100,000	23,103,000	4.8%
62	RFMSI 2006-S5	74957EAQ0	A15	4,362,000	4,362,000	89,735,000	4.9%
63	RASC 2006-KS4	75406EAC5	A3	5,100,000	5,100,000	104,883,000	4.9%
64	RALI 2006-QA3	75114RAD7	A1	15,000,000	15,000,000	304,755,000	4.9%
65	RASC 2005-KS1	76110WM37	M1	2,500,000	2,500,000	48,600,000	5.1%
66	RALI 2006-QA8	74922QAB8	A2	25,800,000	25,800,000	484,943,000	5.3%
67	RAMP 2006-RS1	76112BT83	AI2	13,000,000	15,000,000	272,199,000	5.5%
68	RALI 2006-QO3	761118WP9	A1	20,000,000	20,000,000	359,391,000	5.6%
69	RAMP 2004-RS8	76112BAF7	AI6	1,750,000	1,750,000	31,325,000	5.6%
70	RALI 2006-QS6	74922EAN9	1A13	1,895,000	1,895,000	33,564,000	5.6%
71	RASC 2004-KS8	76110WC61	AI6	195,000	985,000	17,300,000	5.7%
72	RALI 2006-QS15	74922YAA3	A1	20,000,000	20,000,000	350,192,000	5.7%
73	RASC 2005-KS10	75405WAF9	M2	2,500,000	2,500,000	43,659,000	5.7%
74	RFMSI 2006-S9	749577AA0	A1	2,500,000	2,500,000	42,573,000	5.9%
75	RALI 2006-QS4	749228AJ1	A9	12,000,000	12,000,000	199,950,000	6.0%
76	RALI 2006-QS1	761118SB5	A3	2,500,000	6,500,000	108,134,000	6.0%
77	GMACM 2005-HE3	361856EK9	A1VN	1,486,000	1,486,000	24,335,000	6.1%
78	RALI 2006-QO1	761118RN0	3A2	8,000,000	8,000,000	128,851,000	6.2%
79	RALI 2004-QS1	76110HPT0	A4	1,000,000	1,000,000	15,724,000	6.4%
80	RASC 2005-EMX3	75405MAQ7	M10	500,000	500,000	7,700,000	6.5%

	Deal Name	CUSIP	Class	Bond Original Face	Group Class Sum	Original Class Face	Percentage Interest
81	RAMP 2004-RS9	76112BCM0	MII1	3,100,000	3,100,000	47,300,000	6.6%
82	RAMP 2005-SL2	76112BUX6	A3	2,000,000	2,000,000	29,811,000	6.7%
83	RALI 2006-QO2	761118VY1	A1	25,000,000	25,000,000	370,542,000	6.7%
84	RALI 2004-QS4	76110HSB6	A7	3,500,000	3,500,000	50,000,000	7.0%
85	RALI 2005-QS10	761118CX4	3A1	7,500,000	7,500,000	105,149,000	7.1%
86	RALI 2005-QS10	761118CY2	3A2	7,500,000	7,500,000	105,149,000	7.1%
87	RAMP 2005-SL1	76112BMN7	A3	2,500,000	2,500,000	34,870,100	7.2%
88	RAMP 2005-EFC5	76112BH60	M3	1,200,404	1,200,404	16,714,000	7.2%
89	RALI 2007-QO1	75115YAC3	A3	6,200,000	6,200,000	85,910,000	7.2%
90	RALI 2007-QH6	74922AAA5	A1	25,000,000	25,000,000	336,244,000	7.4%
91	RALI 2006-QS12	751151AG6	2A3	3,000,000	3,000,000	40,000,000	7.5%
92	RAMP 2004-RS4	7609852Y6	AI6	2,800,000	2,800,000	37,300,000	7.5%
93	RALI 2006-QS8	75115AAD3	A4	15,175,000	26,405,000	348,750,000	7.6%
94	RFMSI 2007-S4	74958YAN2	A14	2,000,000	2,000,000	26,184,000	7.6%
95	RFMSI 2006-S6	74957VAM1	A12	7,866,700	7,866,700	102,866,700	7.6%
96	RFMSI 2005-S8	76111XC68	A2	4,200,000	4,200,000	53,873,000	7.8%
97	RASC 2006-EMX3	76113ACE9	M4	1,200,000	1,200,000	15,200,000	7.9%
98	RAMP 2004-RS3	760985V57	AII	7,000,000	7,000,000	88,500,000	7.9%
99	RALI 2005-QS14	761118JL3	3A3	8,500,000	8,500,000	104,601,000	8.1%
100	RALI 2005-QS9	761118AW8	A3	6,124,750	6,124,750	75,233,360	8.1%
101	RASC 2006-EMX2	75406AAF6	M3	1,000,000	1,000,000	12,255,000	8.2%
102	RASC 2005-KS8	76110W3P9	A3	16,000,000	16,000,000	195,700,000	8.2%
103	RASC 2005-KS8	76110W3T1	M3	1,923,272	1,923,272	23,400,000	8.2%
104	RALI 2006-QS11	75115EAD5	1A4	2,100,000	5,600,000	67,838,000	8.3%
105	RAAC 2005-RP3	76112BP95	M2	1,500,000	1,500,000	18,099,000	8.3%
106	RALI 2006-QO5	75114HAD9	2A1	20,000,000	20,000,000	237,255,000	8.4%
107	RAMP 2004-RZ1	760985U25	AII	13,500,000	13,500,000	160,000,000	8.4%
108	RFMSI 2007-SA1	74958WAB2	2A1	8,575,000	8,575,000	100,000,000	8.6%
109	RALI 2006-QA2	761118TU2	3A1	2,600,000	2,600,000	30,306,000	8.6%
110	RALI 2005-QO4	761118NN4	2A1	25,000,000	25,000,000	290,287,000	8.6%
111	RAMP 2006-NC2	75156TAE0	M2	2,000,000	2,000,000	23,180,000	8.6%
112	RALI 2006-QS9	75115CAL1	1A11	1,750,000	2,900,000	33,477,650	8.7%
113	RAMP 2005-EFC6	76112BK82	M7	1,000,000	1,000,000	11,449,000	8.7%
114	RASC 2006-KS2	75406BAD9	A4	5,000,000	5,000,000	56,557,000	8.8%
115	RASC 2006-KS1	76113AAE1	A3	85,000	15,085,000	170,300,000	8.9%
116	RALI 2005-QS2	76110HQ69	A1	2,000,000	15,300,000	171,752,000	8.9%
117	RFMSI 2007-S6	762009AL2	1A11	5,285,000	5,285,000	59,285,000	8.9%
118	RALI 2004-QS2	76110HQM4	CB	7,425,000	19,440,000	216,837,000	9.0%
119	RAMP 2005-RS1	76112BHY9	AI6	2,000,000	2,000,000	22,000,000	9.1%
120	RASC 2004-KS2	76110WWN2	M21	23,000,000	23,000,000	49,000,000	9.2%

	Deal Name	CUSIP	Class	Bond Original Face	Group Class Sum	Original Class Face	Percentage Interest
121	RALI 2005-QS15	761118KJ6	3A	25,000,000	25,000,000	269,638,000	9.3%
122	RALI 2005-QO1	761118EN4	A1	31,250,000	31,800,000	338,917,000	9.4%
123	RALI 2005-QA2	76110HT90	NB2	7,150,000	7,150,000	74,851,000	9.6%
124	RASC 2005-AHL2	76110W5F9	A2	15,000,000	15,000,000	156,469,000	9.6%
125	RASC 2004-KS8	76110WD60	MII2	2,000,000	2,000,000	20,400,000	9.8%
126	RALI 2006-QS4	749228AE2	A5	3,940,000	3,940,000	40,000,000	9.9%
127	RALI 2007-QS11	74925GAA9	A1	34,224,000	34,224,000	347,046,000	9.9%
128	RASC 2006-KS3	76113ABJ9	AI4	7,903,000	7,903,000	79,903,000	9.9%
129	RASC 2006-KS3	76113ABQ3	M5	2,000,000	2,000,000	20,125,000	9.9%
130	RAMP 2006-EFC1	76112BV98	M3	1,435,905	1,435,905	14,335,000	10.0%
131	RASC 2006-EMX2	75406AAJ8	M6	1,000,000	1,000,000	9,975,000	10.0%
132	RFMSI 2006-S7	74958AAC8	A3	28,000,000	28,000,000	277,250,000	10.1%
133	RALI 2006-QO6	75114NAA2	A1	74,053,000	74,053,000	725,353,000	10.2%
134	RASC 2004-KS5	76110WYD2	AI5	2,642,000	2,642,000	25,450,000	10.4%
135	RASC 2004-KS9	76110WE69	AI5	1,900,000	1,900,000	18,300,000	10.4%
136	RASC 2004-KS7	76110WA89	AI4	2,500,000	2,500,000	23,900,000	10.5%
137	RFMSI 2007-S2	749583AJ9	A9	4,688,000	4,688,000	44,688,000	10.5%
138	RALI 2005-QS9	761118AZ1	A6	3,038,000	3,938,000	37,098,000	10.6%
139	RFMSI 2007-S9	74958VAB4	1A2	575,000	575,000	5,400,000	10.6%
140	RALI 2005-QS13	761118GS1	1A1	2,000,000	6,400,000	60,000,000	10.7%
141	RALI 2006-QS4	749228AD4	A4	7,500,000	7,500,000	70,011,000	10.7%
142	GMACM 2004-AR2	36185N3U2	4A	6,825,000	6,825,000	63,485,000	10.8%
143	RALI 2005-QA12	761118MY1	CB1	7,865,000	7,865,000	72,839,000	10.8%
144	RASC 2004-KS11	76110WJ49	M2	4,000,000	4,000,000	36,750,000	10.9%
145	RASC 2007-EMX1	74924XAD7	A14	5,120,000	5,120,000	46,505,000	11.0%
146	GMACM 2006-HE2	38011AAC8	A3	16,485,000	16,485,000	149,300,000	11.0%
147	RAMP 2006-RZ3	75156MAE5	M2	3,000,000	3,000,000	26,980,000	11.1%
148	RASC 2005-KS12	753910AF5	M3	2,500,000	2,500,000	22,425,000	11.1%
149	RAMP 2007-RS2	75157DAC8	A3	5,602,000	5,602,000	49,602,000	11.3%
150	RASC 2005-EMX1	76110WQ58	M1	7,000,000	7,000,000	61,600,000	11.4%
151	RALI 2005-QS11	761118CF3	A2	16,500,000	16,500,000	145,078,000	11.4%
152	RAAC 2007-SP3	74978FAH2	A2	4,000,000	4,000,000	35,087,000	11.4%
153	RFMSI 2006-S10	74958DAB4	1A2	11,582,000	11,582,000	101,582,000	11.4%
154	RALI 2006-QS3	761118XN3	1A10	2,000,000	10,680,000	92,341,000	11.6%
155	RAMP 2005-EFC3	76112BYY0	M6	1,362,728	1,362,728	11,774,000	11.6%
156	RAMP 2006-RS2	76112B2F6	M2	2,000,000	2,000,000	16,800,000	11.9%
157	RFMSI 2006-SA3	749575AG1	3A1	11,075,000	11,075,000	92,538,000	12.0%
158	RALI 2007-QS5	74923JAE7	A5	6,609,000	12,049,000	100,132,000	12.0%
159	RAMP 2004-RS7	7609857D7	AI4	10,500,000	10,500,000	87,155,000	12.0%
160	RASC 2006-KS2	75406BAE7	M1	4,621,786	4,621,786	38,000,000	12.2%

	Deal Name	CUSIP	Class	Bond Original Face	Group Class Sum	Original Class Face	Percentage Interest
161	RFMSI 2006-SA3	749575AA4	1A	2,900,000	2,900,000	23,588,000	12.3%
162	RAMP 2004-RS8	76112BAN0	MII2	3,750,000	3,750,000	30,250,000	12.4%
163	RAMP 2006-RS2	76112B2G4	M3	1,500,000	1,500,000	12,000,000	12.5%
164	RAMP 2005-RS1	76112BJH4	MII2	5,000,000	5,000,000	39,875,000	12.5%
165	RASC 2004-KS12	76110WK96	M2	3,500,000	3,500,000	27,500,000	12.7%
166	RAAC 2006-RP1	76112B2V1	M1	2,588,000	2,588,000	20,088,000	12.9%
167	RAMP 2006-RZ2	75156UAF4	M3	2,200,000	2,200,000	16,800,000	13.1%
168	RASC 2007-KS3	74924YAD5	AI4	13,000,000	13,000,000	99,000,000	13.1%
169	RFMSI 2006-S11	74958FAA1	A1	75,000,000	75,000,000	563,000,000	13.3%
170	RASC 2006-EMX7	74924TAD6	A4	4,000,000	4,000,000	30,000,000	13.3%
171	RALI 2006-QS10	751155AA0	A1	20,030,000	20,100,000	150,000,000	13.4%
172	RASC 2005-AHL1	76110W4G8	M2	2,632,225	2,632,225	19,564,000	13.5%
173	RASC 2006-EMX4	75406DAE3	M1	3,743,000	3,743,000	27,743,000	13.5%
174	RALI 2007-QA3	74923XAA4	A1	50,000,000	50,000,000	368,210,000	13.6%
175	RALI 2007-QS6	75116CAA4	A1	20,500,000	23,800,000	175,000,000	13.6%
176	RALI 2006-QS16	74922LAG8	A7	2,500,000	18,563,000	130,735,000	14.2%
177	RFMSI 2005-SA3	76111XVZ3	1A	24,010,000	24,010,000	167,651,000	14.3%
178	RAMP 2005-EFC1	76112BRM4	M2	6,000,000	6,000,000	41,765,000	14.4%
179	RAMP 2004-SL4	76112BGM6	A3	9,040,000	9,040,000	62,893,000	14.4%
180	RALI 2005-QS13	761118HA9	2A1	20,000,000	20,000,000	139,000,000	14.4%
181	RALI 2007-QS1	74922KAM7	2A6	12,746,000	16,496,000	113,238,400	14.6%
182	RAAC 2007-SP2	74919XAF9	A3	2,828,640	2,828,640	19,286,000	14.7%
183	RASC 2006-EMX3	76113ACD1	M3	2,500,000	2,500,000	16,800,000	14.9%
184	RFMSI 2006-S3	76111XP56	A7	17,500,000	17,500,000	117,000,000	15.0%
185	RASC 2004-KS7	76110WB54	A2B3	5,000,000	5,000,000	33,400,000	15.0%
186	RALI 2006-QS12	751151AA9	1A1	15,000,000	15,000,000	100,000,000	15.0%
187	RFMSI 2007-S4	74958YAA0	A1	4,500,000	4,500,000	30,000,000	15.0%
188	RAMP 2005-EFC3	76112BYX2	M5	2,000,000	2,000,000	13,293,000	15.0%
189	RASC 2005-KS8	76110W3V6	M5	2,993,634	2,993,634	19,800,000	15.1%
190	RALI 2006-QO5	75114HAK3	3A4	5,649,000	5,649,000	36,385,000	15.5%
191	RFMSI 2007-S8	76200QAA8	1A1	61,148,400	61,148,400	393,148,400	15.6%
192	RALI 2006-QH1	75115GAB4	A2	12,500,000	12,500,000	80,014,000	15.6%
193	RFMSI 2006-S5	74957EAP2	A14	9,500,000	9,500,000	60,000,000	15.8%
194	RAAC 2006-RP3	74919RAF2	M2	3,000,000	3,000,000	18,760,000	16.0%
195	RALI 2007-QS1	74922KAA3	1A1	5,000,000	23,992,135	147,627,000	16.3%
196	RALI 2006-QS16	74922LAK9	A10	8,223,000	29,373,000	180,140,000	16.3%
197	RALI 2004-QA1	76110HRL5	A1	22,000,000	22,000,000	134,525,000	16.4%
198	RALI 2006-QO3	761118WR5	A3	14,848,000	14,848,000	89,848,000	16.5%
199	RALI 2006-QO8	75115FAF7	M1	4,000,000	4,000,000	24,058,000	16.6%
200	RAMP 2005-SL1	76112BMQ0	A5	10,000,000	10,000,000	60,089,200	16.6%

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201	RAMP 2005-EFC1	76112BRL6	M1	9,000,000	9,000,000	54,016,000	16.7%
202	RAAC 2007-SP2	74919XAE2	A2	8,000,000	8,000,000	47,983,000	16.7%
203	RALI 2006-QS14	74922GAA2	A1	2,350,000	8,350,000	50,000,000	16.7%
204	RASC 2005-AHL1	76110W4D5	A2	100,000	30,100,000	179,926,000	16.7%
205	RFMSI 2006-S1	76111XJ38	1A2	2,000,000	2,000,000	11,928,000	16.8%
206	RAMP 2006-NC2	75156TAF7	M3	2,500,000	2,500,000	14,820,000	16.9%
207	RALI 2006-QS4	749228AB8	A2	1,200,000	33,505,000	198,487,000	16.9%
208	RASC 2006-KS4	75406EAD3	A4	10,000,000	10,000,000	59,038,000	16.9%
209	RALI 2006-QS4	749228AM4	A12	12,380,000	12,380,000	72,867,000	17.0%
210	RAMP 2006-RS2	76112B2H2	M4	1,500,000	1,500,000	8,800,000	17.0%
211	RAMP 2006-RS3	75156VAD7	A4	10,000,000	25,000,000	146,622,000	17.1%
212	RAMP 2004-RS9	76112BCN8	MII2	6,329,377	6,329,377	37,100,000	17.1%
213	RALI 2005-QO1	761118EP9	A2	8,542,500	8,542,500	50,000,000	17.1%
214	RALI 2006-QO8	75115FAG5	M2	4,000,000	4,000,000	23,408,000	17.1%
215	RAMP 2004-SL1	760985W80	A7	30,552,000	30,552,000	178,552,000	17.1%
216	RFMS2 2005-HI1	76110VRD2	A5	4,500,000	10,080,000	58,080,000	17.4%
217	RAMP 2004-RZ1	760985U33	M1	4,037,000	4,037,000	23,037,000	17.5%
218	RASC 2007-KS3	74924YAG8	M2S	7,000,000	10,000,000	56,739,000	17.6%
219	RASC 2006-EMX3	76113ACB5	M1	5,500,000	5,500,000	31,200,000	17.6%
220	RASC 2005-EMX1	76110WQ66	M2	8,000,000	8,000,000	45,200,000	17.7%
221	RASC 2006-EMX9	74924VAK5	M5	2,700,000	2,700,000	14,440,000	18.7%
222	RAMP 2006-RS4	75156WAD5	A4	8,800,000	13,867,120	73,839,000	18.8%
223	RALI 2006-QS16	74922LAJ2	A9	2,015,000	2,015,000	10,550,000	19.1%
224	RALI 2006-QS12	751151AH4	2A4	12,000,000	12,000,000	62,800,000	19.1%
225	RASC 2006-KS3	76113ABM2	M2	4,825,000	7,825,000	40,825,000	19.2%
226	RFMSI 2007-S6	762009BK3	2A12	11,115,000	11,115,000	57,750,000	19.2%
227	RALI 2007-QS6	75116CEF9	A102	20,000,000	20,000,000	103,569,000	19.3%
228	RAMP 2004-RS12	76112BGE4	MII3	2,200,000	2,200,000	11,200,000	19.6%
229	GMACM 2006-HE1	361856ER4	A	4,275,000	252,101,385	1,274,156,000	19.8%
230	RALI 2004-QS7	76110HTY5	A4	2,500,000	5,000,000	25,000,000	20.0%
231	RAMP 2004-RZ4	76112BHN3	M7	420,000	420,000	2,100,000	20.0%
232	RASC 2004-KS9	76110WF35	AII4	50,000,000	50,000,000	250,000,000	20.0%
233	RALI 2005-QS17	761118PQ5	A1	10,000,000	10,000,000	49,665,000	20.1%
234	RASC 2005-EMX3	75405MAK0	M5	2,400,000	2,400,000	11,900,000	20.2%
235	RALI 2006-QS7	748940AD5	A4	25,350,000	39,115,000	193,750,000	20.2%
236	RAMP 2006-RZ3	75156MAD7	M1	10,900,000	10,900,000	53,960,000	20.2%
237	RASC 2005-KS10	75405WAH5	M4	4,976,000	4,976,000	24,476,000	20.3%
238	RAAC 2006-RP1	76112B2U3	A2	10,000,000	15,000,000	73,280,000	20.5%
239	RAAC 2006-RP4	74919TAC5	M2	3,627,000	3,627,000	17,627,000	20.6%
240	RAAC 2007-SP1	74978AAF7	M3	1,400,000	1,400,000	6,788,000	20.6%

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241	RASC 2005-AHL1	76110W4H6	M3	2,184,024	2,184,024	10,498,000	20.8%
242	RALI 2006-QH1	75115GAC2	A3	10,000,000	10,000,000	48,009,000	20.8%
243	RASC 2006-KS4	75406EAG6	M3	3,000,000	3,000,000	14,358,000	20.9%
244	RASC 2005-EMX3	75405MAL8	M6	2,360,110	2,360,110	11,200,000	21.1%
245	RALI 2007-QH2	74922JAB4	A2	17,500,000	17,500,000	82,422,000	21.2%
246	RASC 2006-EMX8	74924UAD3	1A4	5,406,000	5,406,000	25,406,000	21.3%
247	RALI 2006-QS10	751155AJ1	A9	13,520,615	13,520,615	63,520,615	21.3%
248	RASC 2004-KS10	76110WG34	M1	12,500,000	12,500,000	58,500,000	21.4%
249	RAAC 2005-SP3	76112BS35	A2	15,000,000	15,000,000	69,984,000	21.4%
250	RASC 2005-KS7	76110W3D6	M7	1,250,000	1,250,000	5,801,000	21.5%
251	RALI 2007-QS6	75116CCP9	A62	8,377,000	8,377,000	38,377,000	21.8%
252	RAMP 2006-NC2	75156TAC4	A3	9,600,000	9,600,000	43,831,000	21.9%
253	RALI 2005-QS16	761118MB1	A2	50,000,000	50,000,000	228,000,000	21.9%
254	RAMP 2005-EFC5	76112BH45	M1	6,050,000	6,050,000	27,383,000	22.1%
255	RAMP 2004-RS1	760985N98	MII2	12,000,000	12,000,000	54,000,000	22.2%
256	RALI 2007-QS6	75116CAB2	A2	4,672,000	4,672,000	21,000,000	22.2%
257	RASC 2005-KS3	76110WS80	M8	1,500,000	1,500,000	6,649,000	22.6%
258	RALI 2005-QS14	761118JJ8	3A1	50,000,000	50,000,000	220,000,000	22.7%
259	RASC 2007-KS4	74924NAD9	A4	3,500,000	3,500,000	15,275,000	22.9%
260	RALI 2006-QO10	751153AA5	A1	4,258,900	113,214,920	492,055,000	23.0%
261	RFMSI 2007-S4	74958YAE2	A5	11,460,000	14,056,991	60,860,000	23.1%
262	RAMP 2006-NC1	76112BX39	M1	4,360,000	4,360,000	18,700,000	23.3%
263	RALI 2006-QS10	751155AD4	A4	14,350,000	14,350,000	61,400,000	23.4%
264	RASC 2004-KS3	76110WXG6	MII2	3,125,000	6,125,000	26,125,000	23.4%
265	RASC 2005-EMX2	76110W2H8	M2	5,000,000	5,000,000	21,184,000	23.6%
266	RFMSI 2004-S4	76111XHD8	1A3	2,500,000	5,000,000	21,144,000	23.6%
267	RALI 2007-QA2	74922PAC8	A3	4,900,000	38,900,000	162,808,000	23.9%
268	RAMP 2005-EFC1	76112BRQ5	M5	2,000,000	4,000,000	16,706,000	23.9%
269	RAMP 2006-NC2	75156TAD2	M1	6,314,799	6,314,799	26,220,000	24.1%
270	RALI 2007-QH3	74922WAB5	A2	20,000,000	20,000,000	82,803,000	24.2%
271	RASC 2006-KS6	75406WAE1	M1	5,000,000	5,000,000	20,685,000	24.2%
272	RASC 2005-KS1	76110WM45	M2	9,000,000	9,000,000	37,080,000	24.3%
273	RASC 2007-KS4	74924NAE7	M1S	2,750,000	2,750,000	11,250,000	24.4%
274	RASC 2004-KS12	76110WK88	M1	11,860,000	11,860,000	48,400,000	24.5%
275	RASC 2004-KS5	76110WYN0	MII2	10,750,000	10,750,000	43,750,000	24.6%
276	RASC 2006-EMX5	74924QAD2	A4	9,802,000	9,802,000	39,802,000	24.6%
277	RASC 2006-KS1	76113AAJ0	M3	1,932,327	4,131,457	16,768,000	24.6%
278	RALI 2006-QS8	75115AAA9	A1	2,100,000	78,130,000	315,600,000	24.8%
279	RALI 2007-QH7	75115LAA5	1A1	30,000,000	30,000,000	120,952,000	24.8%
280	RALI 2004-QS7	76110HTX7	A3	6,100,000	6,100,000	24,521,000	24.9%

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281	RAAC 2005-RP1	76112BJQ4	M1	7,000,000	7,000,000	28,000,000	25.0%
282	RASC 2004-KS6	76110WZW9	MI3	1,000,000	1,000,000	4,000,000	25.0%
283	RASC 2006-KS2	75406BAG2	M3	5,000,000	5,000,000	20,000,000	25.0%
284	RASC 2006-EMX2	75406AAB5	A2	28,000,000	51,000,000	203,139,000	25.1%
285	RALI 2007-QH3	74922WAA7	A1	30,000,000	50,000,000	198,727,000	25.2%
286	RASC 2005-AHL2	76110W5J1	M2	3,526,000	3,526,000	13,626,000	25.9%
287	RAMP 2004-RS1	760985P54	MII6	3,500,000	3,500,000	13,500,000	25.9%
288	RASC 2006-KS7	75406XAM1	M8	2,000,000	2,000,000	7,700,000	26.0%
289	RALI 2006-QS13	75115DAJ4	1A9	10,000,000	10,000,000	38,339,000	26.1%
290	RALI 2004-QS12	76110HYY9	M1	750,000	2,500,000	9,546,300	26.2%
291	RALI 2005-QS9	761118AU2	A1	35,000,000	35,000,000	133,249,500	26.3%
292	RAMP 2004-RS9	76112BCQ1	MII4	4,000,000	4,000,000	15,200,000	26.3%
293	RALI 2007-QO2	75116AAA8	A1	102,221,000	102,221,000	388,219,000	26.3%
294	RAMP 2004-RZ2	7609854S7	AI4	11,530,000	11,530,000	43,700,000	26.4%
295	RALI 2007-QH9	749241AA3	A1	120,220,000	120,220,000	452,924,200	26.5%
296	RALI 2006-QS6	74922EAR0	1A16	1,500,000	12,623,750	47,495,000	26.6%
297	RASC 2004-KS9	76110WE77	AI6	2,000,000	4,000,000	15,000,000	26.7%
298	RALI 2006-QO1	761118RM2	3A1	12,256,620	82,758,000	309,242,000	26.8%
299	RFMSI 2007-S1	749581AL8	A7	22,000,000	22,000,000	82,000,000	26.8%
300	RASC 2005-EMX4	76110W6A9	M2	5,000,000	5,000,000	18,540,000	27.0%
301	RASC 2005-AHL2	76110W5K8	M3	100,000	2,605,000	9,605,000	27.1%
302	RAMP 2006-RS2	76112B2E9	M1	5,000,000	5,000,000	18,400,000	27.2%
303	RAAC 2005-SP2	76112BF62	2M1	2,000,000	2,000,000	7,356,000	27.2%
304	RASC 2006-EMX9	74924VAL3	M6	3,000,000	3,000,000	11,020,000	27.2%
305	RAMP 2004-RS5	7609854B4	AI6	11,000,000	11,000,000	40,000,000	27.5%
306	RASC 2005-EMX1	76110WQ90	M5	3,000,000	3,000,000	10,800,000	27.8%
307	RAAC 2007-SP2	74919XAH5	M2	5,000,000	5,000,000	17,961,000	27.8%
308	RASC 2006-KS5	75406VAG8	M3	4,000,000	4,000,000	14,350,000	27.9%
309	RASC 2005-KS11	76110W7G5	M4	6,161,000	6,161,000	22,080,000	27.9%
310	RFMSI 2005-S9	76111XE82	A8	4,486,000	4,486,000	15,986,000	28.1%
311	RASC 2005-AHL3	76110W6L5	A2	52,995,000	52,995,000	187,495,000	28.3%
312	RAMP 2004-RS9	76112BCF5	AI4	16,300,000	16,300,000	56,800,000	28.7%
313	RASC 2006-EMX8	74924UAL5	M6	3,500,000	3,500,000	12,045,000	29.1%
314	RAMP 2005-RS1	76112BHX1	AI5	8,100,000	8,100,000	27,843,000	29.1%
315	RASC 2004-KS6	76110WZN9	AI5	6,000,000	6,000,000	20,617,000	29.1%
316	RAMP 2005-EFC2	76112BVW7	M8	3,000,000	3,000,000	10,186,000	29.5%
317	RASC 2005-KS10	75405WAG7	M3	3,614,931	7,614,931	25,799,000	29.5%
318	RFMSI 2006-S4	762010AE6	A5	12,000,000	12,000,000	40,487,000	29.6%
319	RAMP 2004-RS11	76112BFL9	M4	1,000,000	5,500,000	18,500,000	29.7%
320	RASC 2006-EMX2	75406AAE9	M2	6,375,000	6,375,000	21,375,000	29.8%

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321	RASC 2006-EMX4	75406DAF0	M2	7,500,000	7,500,000	25,002,000	30.0%
322	RAMP 2004-RS2	760985R37	MII1	14,000,000	14,000,000	46,500,000	30.1%
323	RALI 2007-QS7	74923WAK4	2A1	72,000,000	72,000,000	238,127,000	30.2%
324	RALI 2007-QO4	74923LAB8	A1A	14,098,000	44,479,000	146,700,000	30.3%
325	RASC 2004-KS8	76110WD52	MII1	7,800,000	7,800,000	25,600,000	30.5%
326	RAMP 2005-EFC1	76112BRR3	M6	5,262,000	5,262,000	17,262,000	30.5%
327	RAMP 2005-RS7	76112BWX4	M2	3,750,000	3,750,000	12,250,000	30.6%
328	RALI 2005-QS13	761118HC5	2A3	40,050,000	40,050,000	130,000,000	30.8%
329	RASC 2006-KS5	75406VAH6	M4	4,000,000	4,000,000	12,950,000	30.9%
330	RAMP 2005-RZ3	76112BZY9	A2	100,000	36,100,000	116,001,000	31.1%
331	RAMP 2004-RS2	760985Q79	MI3	1,500,000	1,500,000	4,813,000	31.2%
332	RFMSI 2007-S6	762009AK4	1A10	13,500,000	13,500,000	43,184,000	31.3%
333	RAMP 2004-RS8	76112BAD2	AI4	15,000,000	15,000,000	47,894,000	31.3%
334	RAAC 2006-SP4	74919VAC0	A3	15,000,000	15,000,000	47,545,000	31.5%
335	RALI 2007-QS1	74922KAD7	1A4	19,978,000	19,978,000	63,255,000	31.6%
336	RASC 2004-KS6	76110WZY5	MII2	13,500,000	13,500,000	42,000,000	32.1%
337	RASC 2006-KS2	75406BAK3	M6	5,000,000	5,000,000	15,500,000	32.3%
338	RALI 2005-QS17	761118PZ5	A10	12,901,450	52,520,024	162,694,000	32.3%
339	RASC 2005-EMX3	75405MAJ3	M4	4,000,000	4,000,000	12,250,000	32.7%
340	RAAC 2007-SP3	74978FAB5	M1	8,000,000	8,000,000	24,496,000	32.7%
341	RAMP 2004-RS10	76112BEF3	MII4	7,000,000	7,000,000	21,400,000	32.7%
342	RALI 2005-QS1	76110HP45	A5	25,378,000	25,378,000	76,378,000	33.2%
343	RASC 2007-KS1	74924SAK2	M6	2,250,000	2,250,000	6,768,000	33.2%
344	RAAC 2006-RP2	74919MAB2	M1	2,660,000	2,660,000	8,000,000	33.3%
345	RAMP 2004-RZ4	76112BHM5	M6	700,000	700,000	2,100,000	33.3%
346	RASC 2005-KS11	76110W7D2	M1	940,000	16,680,000	49,680,000	33.6%
347	RAMP 2004-RS6	7609855M9	MII2	11,250,000	11,250,000	33,250,000	33.8%
348	RAMP 2006-RZ2	75156UAE7	M2	4,000,000	4,000,000	11,812,000	33.9%
349	RAMP 2004-RS5	7609854H1	MII2	10,500,000	10,500,000	30,875,000	34.0%
350	RASC 2007-KS2	74924WAF4	M1	7,006,672	14,374,990	42,000,000	34.2%
351	RASC 2006-KS3	76113ABL4	M1	3,000,000	15,000,000	43,700,000	34.3%
352	RAMP 2006-NC3	76112B4R8	M3	3,500,000	3,500,000	10,140,000	34.5%
353	RASC 2005-KS2	76110WN77	M2	10,000,000	10,000,000	28,875,000	34.6%
354	RASC 2006-KS6	75406WAF8	M2	6,508,000	6,508,000	18,508,000	35.2%
355	RAAC 2007-RP4	74919LAE8	M1	9,000,000	9,000,000	25,513,000	35.3%
356	RASC 2006-EMX6	754065AC4	A3	37,752,000	37,752,000	106,095,000	35.6%
357	RASC 2005-KS8	76110W3U8	M4	7,500,000	7,500,000	21,000,000	35.7%
358	RALI 2005-QA7	76110H7J2	M1	5,300,000	5,300,000	14,664,000	36.1%
359	RFMS2 2004-HS1	76110VQE1	AII	63,000,000	63,000,000	172,125,000	36.6%
360	RASC 2007-KS4	74924NAB3	A2	10,775,000	10,775,000	29,400,000	36.6%

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361	RASC 2006-EMX3	76113ACG4	M6	5,000,000	5,000,000	13,600,000	36.8%
362	RASC 2005-KS4	76110WU61	M1	7,740,000	7,740,000	20,927,000	37.0%
363	RALI 2007-QS6	75116CAF3	A6	38,569,000	38,569,000	103,569,000	37.2%
364	RALI 2005-QS16	761118MA3	A1	50,000,000	50,000,000	132,500,000	37.7%
365	RALI 2005-QS14	761118JH2	2A1	43,918,000	43,918,000	115,613,000	38.0%
366	RALI 2005-QA12	761118NC8	NB5	9,469,000	15,959,000	41,969,000	38.0%
367	RFMSI 2006-S7	74958AAM6	AV	180,000,000	180,000,000	469,651,185	38.3%
368	RASC 2007-KS2	74924WAD9	AI4	25,000,000	25,000,000	65,200,000	38.3%
369	RASC 2006-KS3	76113ABP5	M4	5,000,000	8,000,000	20,700,000	38.6%
370	RALI 2006-QH1	75115GAA6	A1	54,315,000	74,315,000	192,035,000	38.7%
371	RAMP 2006-RZ5	749239AE9	A3	12,760,000	12,760,000	32,720,000	39.0%
372	RALI 2006-QS7	748940AE3	A5	76,050,000	76,050,000	193,750,000	39.3%
373	RASC 2006-EMX2	75406AAD1	M1	9,085,000	9,085,000	23,085,000	39.4%
374	RASC 2005-EMX2	76110W2L9	M5	2,500,000	4,175,000	10,592,000	39.4%
375	RAMP 2004-RS9	76112BCG3	AI5	15,000,000	15,000,000	37,700,000	39.8%
376	RALI 2007-QS5	74923JAH0	A8	21,950,000	40,000,000	100,132,000	39.9%
377	RALI 2005-QS17	761118PS1	A3	10,000,000	10,000,000	25,000,000	40.0%
378	RALI 2007-QS8	74922UAH6	A8	19,375,000	19,375,000	48,375,000	40.1%
379	RALI 2007-QH3	74922WAC3	A3	20,000,000	20,000,000	49,682,000	40.3%
380	RALI 2005-QS13	761118GX0	1A6	3,500,000	29,500,000	73,261,000	40.3%
381	RALI 2006-QS5	75114TAC5	A3	39,129,000	39,129,000	96,590,000	40.5%
382	RASC 2005-EMX2	76110W2N5	M7	3,800,000	3,800,000	9,308,000	40.8%
383	RAMP 2006-NC1	76112BX47	M2	6,800,000	6,800,000	16,500,000	41.2%
384	RAMP 2006-RS4	75156WAE3	M1	14,875,000	14,875,000	35,613,000	41.8%
385	RASC 2005-EMX2	76110W2P0	M8	3,500,000	3,500,000	8,345,000	41.9%
386	RAMP 2006-RZ3	75156MAF2	M3	2,000,000	6,620,000	15,620,000	42.4%
387	RASC 2004-KS12	76110WL20	M3	3,500,000	3,500,000	8,200,000	42.7%
388	RAMP 2006-RS5	75156YAC3	A3	44,776,000	44,776,000	104,776,000	42.7%
389	RASC 2004-KS2	76110WWP7	M22	4,500,000	4,500,000	38,500,000	42.9%
390	RAAC 2006-SP1	76112B3F5	M1	5,069,000	9,069,000	21,069,000	43.0%
391	RAMP 2004-RS11	76112BFJ4	M2	21,000,000	21,000,000	48,563,000	43.2%
392	RASC 2005-KS11	76110W7F7	M3	13,186,098	13,186,098	30,360,000	43.4%
393	RAMP 2004-RS10	76112BEC0	MII1	30,000,000	30,000,000	68,900,000	43.5%
394	RAMP 2006-RZ2	75156UAD9	M1	6,000,000	6,000,000	13,688,000	43.8%
395	RALI 2007-QS5	74923JAA5	A1	5,750,000	32,782,000	73,592,000	44.5%
396	RALI 2004-QS1	76110HQA0	M2	1,568,600	1,568,600	3,518,600	44.6%
397	RASC 2007-KS1	74924SAC0	A3	35,455,000	35,455,000	79,455,000	44.6%
398	RFMSI 2005-S6	76111XXJ7	A1	48,700,000	48,700,000	108,900,000	44.7%
399	RASC 2004-KS10	76110WG67	M4	4,500,000	4,500,000	10,000,000	45.0%
400	RASC 2005-KS12	753910AG3	M4	671,000	9,208,000	20,125,000	45.8%

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401	RAAC 2006-RP1	76112B2W9	M2	6,914,000	6,914,000	14,914,000	46.4%
402	RASC 2005-KS3	76110WS64	M6	3,481,000	3,481,000	7,481,000	46.5%
403	RFSC 2001-RM2	760985FR7	A1	35,249,800	35,249,800	75,249,800	46.8%
404	RAMP 2005-EFC4	76112BC73	M4	6,196,000	6,196,000	13,196,000	47.0%
405	RAMP 2004-RS3	760985V81	M3	5,000,000	5,000,000	10,500,000	47.6%
406	RALI 2007-QO3	74923TAA3	A1	1,368,000	77,329,000	162,302,000	47.6%
407	RALI 2006-QS17	74922SAD0	A4	20,000,000	21,500,000	45,000,000	47.8%
408	RASC 2004-KS1	74924PAN2	MII2	17,250,000	17,250,000	35,750,000	48.3%
409	RASC 2005-KS9	754058AJ4	M6	3,750,000	3,750,000	7,750,000	48.4%
410	RALI 2006-QS5	75114TAF8	A6	15,793,500	21,193,500	43,630,000	48.6%
411	RFMSI 2006-S4	762010AM8	AV	153,917,718	153,917,718	313,917,718	49.0%
412	RAMP 2004-RS5	7609854J7	MII3	4,000,000	4,000,000	8,125,000	49.2%
413	RALI 2006-QO5	75114HAJ6	3A3	16,094,000	16,094,000	32,687,000	49.2%
414	RFMSI 2005-S2	76111XTV5	A6	11,600,000	11,600,000	23,484,000	49.4%
415	RFMSI 2007-S6	762009BB3	2A4	25,000,000	25,000,000	50,233,000	49.8%
416	RASC 2006-EMX8	74924UAH4	M3	8,000,000	8,000,000	16,060,000	49.8%
417	RASC 2007-KS1	74924SAH9	M4	3,900,000	3,900,000	7,826,000	49.8%
418	RALI 2004-QS16	76110HJ67	1A2	7,500,000	7,500,000	15,000,000	50.0%
419	RAMP 2004-RS6	7609855N7	MII3	4,375,000	4,375,000	8,750,000	50.0%
420	RAMP 2005-RS7	76112BXA3	M5	2,500,000	2,500,000	5,000,000	50.0%
421	RAMP 2006-EFC1	76112BV80	M2	10,980,000	10,980,000	21,960,000	50.0%
422	RAMP 2006-EFC2	749238AF8	M2	6,600,000	6,600,000	13,200,000	50.0%
423	RASC 2004-KS6	76110WZV1	MI2	2,750,000	2,750,000	5,500,000	50.0%
424	RFMS2 2006-HI1	76110VUE6	M8	2,877,000	2,877,000	5,727,000	50.2%
425	RAMP 2005-RZ2	76112BWJ5	M3	3,800,000	3,800,000	7,547,000	50.4%
426	RFMSI 2006-S11	74958FAC7	A3	2,360,000	2,360,000	4,643,000	50.8%
427	RALI 2005-QS9	761118AX6	A4	93,624,750	93,624,750	183,249,500	51.1%
428	RAMP 2006-NC3	76112B4P2	M1	10,000,000	10,000,000	19,500,000	51.3%
429	RAMP 2006-RZ1	76112BZ45	M3	5,000,000	5,000,000	9,750,000	51.3%
430	RALI 2005-QS17	761118PU6	A5	3,000,000	20,057,500	38,457,500	52.2%
431	RASC 2004-KS10	76110WG59	M3	8,000,000	8,000,000	15,000,000	53.3%
432	RAMP 2006-RS5	75156YAE9	M1	5,725,000	5,725,000	10,725,000	53.4%
433	RASC 2004-KS3	76110WXF8	MII1	16,500,000	16,500,000	30,875,000	53.4%
434	RASC 2005-EMX1	76110WQ82	M4	5,800,000	5,800,000	10,800,000	53.7%
435	RAMP 2005-RZ2	76112BWG1	M1	10,000,000	10,000,000	18,615,000	53.7%
436	RFMSI 2007-S2	749583AD2	A4	35,000,000	35,000,000	65,000,000	53.8%
437	RASC 2006-EMX3	76113ACA7	A3	4,260,000	16,260,000	29,750,000	54.7%
438	RAMP 2004-RS2	760985R45	MII2	10,000,000	20,000,000	36,000,000	55.6%
439	RASC 2004-KS9	76110WE51	AI4	11,750,000	11,750,000	21,100,000	55.7%
440	RALI 2005-QA9	761118FG8	CBI1	46,241,000	46,241,000	82,941,000	55.8%

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441	RAMP 2004-RS9	76112BCH1	AI6	12,831,000	15,357,000	27,500,000	55.8%
442	RAMP 2004-RS7	7609857F2	AI6	22,500,000	22,500,000	40,000,000	56.3%
443	RASC 2006-KS4	75406EAE1	M1	15,000,000	15,000,000	26,614,000	56.4%
444	RAMP 2005-RS6	76112BTX8	M6	9,500,000	9,500,000	16,800,000	56.5%
445	RAMP 2006-NC3	76112B4Q0	M2	10,000,000	10,000,000	17,680,000	56.6%
446	RAMP 2004-RS4	7609853J8	MII2	21,000,000	21,000,000	37,100,000	56.6%
447	RALI 2006-QS2	761118UR7	1A10	60,000,000	60,000,000	105,672,000	56.8%
448	RALI 2007-QS6	75116CBW5	A45	32,105,874	32,105,874	56,475,000	56.8%
449	RALI 2005-QS15	761118KH0	2A	25,000,000	25,000,000	43,296,000	57.7%
450	RALI 2005-QS3	76110HX61	1A21	98,000,000	98,000,000	167,418,000	58.5%
451	RALI 2006-QS9	75115CAD9	1A4	9,000,000	9,000,000	15,354,000	58.6%
452	RALI 2005-QS13	761118HB7	2A2	82,000,000	82,000,000	139,000,000	59.0%
453	GMACM 2005-HE1	361856ED5	A1VN	16,970,000	16,970,000	28,762,000	59.0%
454	RALI 2007-QO4	74923LAA0	A1	3,065,000	74,176,000	125,568,000	59.1%
455	RALI 2007-QH2	74922JAC2	A3	30,000,000	30,000,000	49,454,000	60.7%
456	GMACM 2004-J1	36185MCL4	A14	31,325,066	31,325,066	51,325,066	61.0%
457	RASC 2006-KS2	75406BAH0	M4	6,000,000	11,000,000	18,000,000	61.1%
458	RASC 2006-EMX6	754065AD2	A4	24,011,000	24,011,000	39,011,000	61.5%
459	RAMP 2005-RS4	76112BPF1	M5	4,875,000	4,875,000	7,875,000	61.9%
460	RALI 2006-QO8	75115FAC4	1A2A	82,653,000	82,653,000	132,653,000	62.3%
461	RALI 2008-QR1	74925FAD5	1A4	9,300,000	9,300,000	14,920,000	62.3%
462	RALI 2007-QS1	74922KAB1	1A2	104,191,250	104,191,250	166,706,000	62.5%
463	RASC 2006-KS4	75406EAF8	M2	11,000,000	16,000,000	24,863,000	64.4%
464	RASC 2007-KS3	74924YAF0	M1S	36,181,000	37,181,000	56,069,000	66.3%
465	RFMSI 2006-S4	762010AG1	A7	20,200,000	20,200,000	30,300,000	66.7%
466	RAAC 2006-SP1	76112B3G3	M2	11,449,000	11,449,000	17,173,000	66.7%
467	RAAC 2005-RP3	76112BP87	M1	15,289,000	15,289,000	22,839,000	66.9%
468	RAMP 2004-RS8	76112BAP5	MII3	8,375,000	8,375,000	12,375,000	67.7%
469	RALI 2007-QS1	74922KAR6	2A10	60,194,000	60,194,000	88,250,000	68.2%
470	RAMP 2004-RS4	7609853H2	MII1	45,200,000	45,200,000	64,400,000	70.2%
471	RALI 2005-QS12	761118DY1	A11	3,034,741	3,034,741	4,294,741	70.7%
472	GMACM 2005-AF1	36185MAS1	M1	4,946,000	4,946,000	6,946,000	71.2%
473	RAMP 2005-EFC2	76112BVU1	M6	7,889,000	7,889,000	10,889,000	72.4%
474	RASC 2006-EMX2	75406AAG4	M4	2,500,000	8,115,000	11,115,000	73.0%
475	RALI 2007-QA2	74922PAA2	A1	110,000,000	110,000,000	150,000,000	73.3%
476	RAMP 2005-EFC6	76112BK41	M3	12,500,000	12,500,000	17,000,000	73.5%
477	RAAC 2007-SP2	74919XAG7	M1	17,049,000	17,049,000	23,049,000	74.0%
478	RAMP 2005-RS6	76112BTV2	M4	16,000,000	16,000,000	21,000,000	76.2%
479	RFMSI 2006-SA3	749575AJ5	4A1	16,000,000	16,000,000	21,000,000	76.2%
480	RALI 2006-QS6	74922EAQ2	1A15	12,819,000	12,819,000	16,769,000	76.4%

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481	RALI 2006-QA5	75115BAY5	1A3	23,489,766	23,489,766	30,720,000	76.5%
482	RAMP 2005-RS7	76112BWY2	M3	5,000,000	5,000,000	6,500,000	76.9%
483	RALI 2006-QS4	749228AH5	A8	32,000,000	32,000,000	41,010,000	78.0%
484	RALI 2007-QS1	74922KAN5	2A7	2,000,000	2,000,000	2,558,600	78.2%
485	RFMSI 2007-S2	749583AE0	A5	30,000,000	30,000,000	38,348,000	78.2%
486	RAMP 2004-RS11	76112BFK1	M3	14,500,000	14,500,000	18,500,000	78.4%
487	RAMP 2004-RS11	76112BFM7	M5	10,875,000	10,875,000	13,875,000	78.4%
488	RFMSI 2006-SA3	749575AD8	2A3	26,150,000	26,150,000	33,150,000	78.9%
489	RALI 2006-QS12	751151AX9	2A18	40,072,903	40,072,903	49,972,903	80.2%
490	RASC 2005-KS4	76110WU87	M3	6,363,000	6,363,000	7,873,000	80.8%
491	RASC 2006-KS7	75406XAE9	M1	17,175,000	17,175,000	21,175,000	81.1%
492	RALI 2006-QS13	75115DAK1	1A10	16,000,000	16,000,000	19,338,000	82.7%
493	RASC 2005-AHL3	76110W6P6	M2	13,025,786	13,025,786	15,500,000	84.0%
494	RALI 2004-QS10	76110HWF2	A4	17,000,000	58,278,444	69,278,444	84.1%
495	RALI 2007-QS8	74922UAE3	A5	30,000,000	30,000,000	35,643,000	84.2%
496	RALI 2007-QS3	75116BAA6	A1	254,000,000	254,000,000	300,000,000	84.7%
497	RFMSI 2006-S3	76111XN74	A1	66,950,000	66,950,000	76,950,000	87.0%
498	RALI 2007-QS2	74923CAA0	A1	17,775,000	17,775,000	20,000,000	88.9%
499	RALI 2006-QS7	748940AC7	A3	67,018,000	67,018,000	75,009,000	89.3%
500	RASC 2005-EMX2	76110W2M7	M6	8,950,000	8,950,000	9,950,000	89.9%
501	RALI 2005-QS17	761118QA9	A11	18,000,000	18,000,000	20,000,000	90.0%
502	RALI 2006-QS17	74922SAE8	A5	127,061,000	177,061,000	187,061,000	94.7%
503	RALI 2006-QS16	74922LAL7	A11	15,040,000	15,040,000	15,540,000	96.8%
504	RAMP 2005-RS8	76112BZJ2	M1	20,000,000	20,000,000	20,283,000	98.6%
505	RALI 2007-QS2	74923CAB8	A2	8,770,000	8,770,000	8,800,000	99.7%
506	RALI 2006-QS2	761118VF2	2AP	1,618,278	1,618,278	1,623,637	99.7%
507	RALI 2006-QS2	761118VD7	1AP	3,239,836	3,239,836	3,240,432	100.0%
508	RFMSI 2005-S5	76111XWW9	AP	472,373	472,373	472,374	100.0%
509	RALI 2005-QS6	76110H5P0	AP	902,809	902,809	902,809	100.0%
510	RALI 2005-QS10	761118DB1	AP	1,864,997	1,864,997	1,864,997	100.0%
511	RASC 2005-EMX2	76110W2S4	SB	21,510,156	21,510,156	21,510,156	100.0%
512	RALI 2005-QS10	761118DC9	AV	265,747,521	265,747,521	265,747,522	100.0%
513	RFMSI 2005-S5	76111XWX7	AV	258,235,737	258,235,737	258,235,737	100.0%
514	GMACM 2004-J2	36185N2C3	A6	14,062,500	14,062,500	14,062,500	100.0%
515	GMACM 2005-AR3	36185N7J3	4A4	4,000,000	4,000,000	4,000,000	100.0%
516	RAAC 2004-SP3	76112BET3	MII1	3,485,000	3,485,000	3,485,000	100.0%
517	RAAC 2005-SP3	76112BS50	M1	12,590,000	12,590,000	12,590,000	100.0%
518	RALI 2004-QA1	76110HRN1	M1	4,226,000	4,226,000	4,226,000	100.0%
519	RALI 2004-QA3	76110HXU8	M1	6,401,000	6,401,000	6,401,000	100.0%
520	RALI 2004-QA6	76110HJ26	M1	14,408,900	14,408,900	14,408,900	100.0%

	Deal Name	CUSIP	Class	Bond Original Face	Group Class Sum	Original Class Face	Percentage Interest
521	RALI 2004-QR1	76110HB99	A5	20,054,123	20,054,123	20,054,123	100.0%
522	RALI 2004-QS14	76110HA41	AV	212,904,630	212,904,630	212,904,630	100.0%
523	RALI 2004-QS15	76110HE47	A1	122,235,023	122,235,023	122,235,023	100.0%
524	RALI 2004-QS15	76110HF46	AV	213,702,042	213,702,042	213,702,042	100.0%
525	RALI 2004-QS2	76110HQP7	AV	292,339,189	292,339,189	292,339,189	100.0%
526	RALI 2004-QS3	76110HRC5	AV	207,818,903	207,818,903	207,818,903	100.0%
527	RALI 2004-QS4	76110HSD2	AV	320,597,528	320,597,528	320,597,528	100.0%
528	RALI 2004-QS5	76110HSY6	A8	21,109,053	21,109,053	21,109,053	100.0%
529	RALI 2004-QS5	76110HTA7	AV	293,661,892	293,661,892	293,661,892	100.0%
530	RALI 2004-QS8	76110HUY3	AV	271,022,934	271,022,934	271,022,934	100.0%
531	RALI 2005-QS14	761118JM1	1AP	1,302,649	1,302,649	1,302,649	100.0%
532	RALI 2005-QS14	761118JP4	2AP	7,998,674	7,998,674	7,998,674	100.0%
533	RALI 2005-QS16	761118MF2	A6	14,504,565	14,504,565	14,504,565	100.0%
534	RALI 2005-QS16	761118MJ4	A9	94,233,000	94,233,000	94,233,000	100.0%
535	RALI 2005-QS17	761118PR3	A2	25,000,000	25,000,000	25,000,000	100.0%
536	RALI 2005-QS17	761118PT9	A4	25,000,000	25,000,000	25,000,000	100.0%
537	RALI 2005-QS17	761118PV4	A6	21,443,500	21,443,500	21,443,500	100.0%
538	RALI 2005-QS2	76110HR35	AV	212,988,702	212,988,702	212,988,702	100.0%
539	RALI 2005-QS3	76110HY60	1AV	371,599,754	371,599,754	371,599,754	100.0%
540	RALI 2005-QS4	76110H3V9	AV	211,687,240	211,687,240	211,687,240	100.0%
541	RALI 2005-QS5	76110H2Z1	A3	83,591,000	83,591,000	83,591,000	100.0%
542	RALI 2005-QS6	76110H5K1	A5	12,787,000	12,787,000	12,787,000	100.0%
543	RALI 2005-QS6	76110H5Q8	AV	265,144,243	265,144,243	265,144,243	100.0%
544	RALI 2005-QS8	76110H6S3	AV	104,071,255	104,071,255	104,071,255	100.0%
545	RALI 2006-QS1	761118SE9	A6	11,343,992	11,343,992	11,343,992	100.0%
546	RALI 2006-QS1	761118SJ8	AP	2,784,565	2,784,565	2,784,565	100.0%
547	RALI 2006-QS10	751155AG7	A7	24,638,000	24,638,000	24,638,000	100.0%
548	RALI 2006-QS14	74922GAT1	A18	30,113,677	30,113,677	30,113,677	100.0%
549	RALI 2006-QS16	74922LAD5	A4	43,131,000	43,131,000	43,131,000	100.0%
550	RALI 2006-QS16	74922LAH6	A8	6,092,000	6,092,000	6,092,000	100.0%
551	RALI 2006-QS17	74922SAH1	A8	28,792,000	28,792,000	28,792,000	100.0%
552	RALI 2006-QS18	74922RAX8	3AV	104,211,499	104,211,499	104,211,499	100.0%
553	RALI 2006-QS2	761118UK2	1A4	14,457,800	14,457,800	14,457,800	100.0%
554	RALI 2006-QS2	761118VG0	2AV	131,448,942	131,448,942	131,448,942	100.0%
555	RALI 2006-QS3	761118XP8	1A11	49,722,000	49,722,000	49,722,000	100.0%
556	RALI 2006-QS6	74922EAL3	1A11	53,101,000	53,101,000	53,101,000	100.0%
557	RALI 2006-QS6	74922EAX7	2AV	106,652,100	106,652,100	106,652,100	100.0%
558	RALI 2006-QS8	75115AAE1	A5	348,750,000	348,750,000	348,750,000	100.0%
559	RALI 2006-QS9	75115CAF4	1A6	25,000,000	25,000,000	25,000,000	100.0%
560	RALI 2007-QA1	74923GAB9	A2	13,670,000	13,670,000	13,670,000	100.0%

	Deal Name	CUSIP	Class	Bond Original Face	Group Class Sum	Original Class Face	Percentage Interest
561	RALI 2007-QH4	74922TAC0	A3	56,537,000	56,537,000	56,537,000	100.0%
562	RALI 2007-QO3	74923TAD7	M1	7,198,000	7,198,000	7,198,000	100.0%
563	RALI 2007-QS3	75116BAD0	A4	19,620,000	19,620,000	19,620,000	100.0%
564	RALI 2007-QS6	75116CAN6	A13	6,267,536	6,267,536	6,267,536	100.0%
565	RALI 2007-QS6	75116CDE3	A77	3,026,250	3,026,250	3,026,250	100.0%
566	RAMP 2004-RS9	76112BCP3	MII3	10,000,000	15,200,000	15,200,000	100.0%
567	RAMP 2004-RZ4	76112BHQ6	B	2,800,000	2,800,000	2,800,000	100.0%
568	RAMP 2005-RS7	76112BXB1	M6	4,750,000	4,750,000	4,750,000	100.0%
569	RAMP 2005-RZ1	76112BMA5	M3	4,100,000	4,100,000	4,100,000	100.0%
570	RAMP 2005-RZ1	76112BMB3	M4	4,100,000	4,100,000	4,100,000	100.0%
571	RAMP 2005-RZ2	76112BWL0	M5	8,050,000	8,050,000	8,050,000	100.0%
572	RAMP 2006-EFC2	749238AE1	M1	15,000,000	15,000,000	15,000,000	100.0%
573	RAMP 2006-RZ1	76112BZ52	M4	9,000,000	9,000,000	9,000,000	100.0%
574	RAMP 2006-RZ5	749239AH2	M3	10,960,000	10,960,000	10,960,000	100.0%
575	RASC 2004-KS12	76110WL79	SB	8,250,228	8,250,228	8,250,228	100.0%
576	RASC 2005-EMX1	76110WR24	M6	10,800,000	10,800,000	10,800,000	100.0%
577	RASC 2005-EMX1	76110WR40	SB	7,210,111	7,210,111	7,210,111	100.0%
578	RASC 2006-EMX1	75405KAC2	A3	17,073,000	17,073,000	17,073,000	100.0%
579	RFMSI 2004-S2	76111XFY4	IA6	17,500,000	17,500,000	17,500,000	100.0%
580	RFMSI 2004-S3	76111XGT4	M2	456,600	456,600	456,600	100.0%
581	RFMSI 2004-S5	76111XKC6	1AV	322,312,635	322,312,635	322,312,635	100.0%
582	RFMSI 2004-S6	76111XLY7	2A4	1,111,000	1,111,000	1,111,000	100.0%
583	RFMSI 2004-S6	76111XMX8	1AV	175,743,890	175,743,890	175,743,890	100.0%
584	RFMSI 2004-S6	76111XMZ3	2AV	196,429,039	196,429,039	196,429,039	100.0%
585	RFMSI 2004-S9	76111XQE6	1A2	35,700,000	35,700,000	35,700,000	100.0%
586	RFMSI 2004-S9	76111XRJ4	1AV	518,853,762	518,853,762	518,853,762	100.0%
587	RFMSI 2005-S1	76111XSH7	1AV	259,777,920	259,777,920	259,777,920	100.0%
588	RFMSI 2005-S6	76111XXT5	AV	412,859,719	412,859,719	412,859,719	100.0%
589	RFMSI 2005-S8	76111XC84	AP	1,370,905	1,370,905	1,370,905	100.0%
590	RFMSI 2005-S9	76111XE66	A6	32,000,000	32,000,000	32,000,000	100.0%
591	RFMSI 2006-S12	74958EAT3	3A10	11,625,000	11,625,000	11,625,000	100.0%
592	RFMSI 2006-S12	74958EAZ9	3AV	364,207,747	364,207,747	364,207,747	100.0%
593	RFMSI 2006-S8	74957XAC9	A3	25,000,000	25,000,000	25,000,000	100.0%
594	RFMSI 2006-S8	74957XAG0	A7	6,250,000	6,250,000	6,250,000	100.0%
595	RFMSI 2007-S2	749583AA8	A1	35,058,000	35,058,000	35,058,000	100.0%
596	RFMSI 2007-S3	74958BAK8	1A4	20,000,000	20,000,000	20,000,000	100.0%
597	RFMSI 2007-S5	749580AA4	A1	230,000,000	250,000,000	250,000,000	100.0%
598	RFMSI 2007-SA1	74958WAG1	4A	38,604,000	38,604,000	38,604,000	100.0%
599	RFMSI 2005-S4	76111XUW1	AV	259,355,464	259,355,464	259,355,464	100.0%
600	RFMSI 2004-S8	76111XPB3	AV	311,005,474	311,005,474	311,005,474	100.0%

	Deal Name	CUSIP	Class	Bond Original Face	Group Class Sum	Original Class Face	Percentage Interest
601	RFMSI 2006-S8	74957XAD7	A4	2,866,667	2,866,667	2,866,667	100.0%
602	RALI 2006-QS4	749228AN2	AP	1,376,144	1,376,144	1,376,144	100.0%
603	RALI 2005-QA4	76110H4N6	A5	23,362,000	23,362,000	23,262,000	100.0%

Exhibit 60

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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FINANCIAL GUARANTY INSURANCE COMPANY,

Plaintiff,

-against-

ALLY FINANCIAL, INC. F/K/A GMAC, LLC; RESIDENTIAL CAPITAL, LLC F/K/A RESIDENTIAL CAPITAL CORPORATION; ALLY BANK F/K/A GMAC BANK; GMAC MORTGAGE, LLC F/K/A GMAC MORTGAGE CORPORATION

Defendants.

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12 CV 1818

Civil Action No._____

COMPLAINT

RECEIVED
MAR 12 2012
U.S.D.C. S.D. N.Y.
CASHIERS

Plaintiff Financial Guaranty Insurance Company ("FGIC"), by and through its attorneys, Jones Day, for its Complaint against defendants, Ally Financial, Inc., formerly known as GMAC, LLC ("Ally Financial"), Residential Capital, LLC, formerly known as Residential Capital Corporation ("ResCap"), Ally Bank, formerly known as GMAC Bank ("Ally Bank"), and GMAC Mortgage, LLC, formerly known as GMAC Mortgage Corporation ("GMACM"), alleges as follows:

NATURE OF THE ACTION

1. This action arises in connection with two financial guaranty insurance policies (each the "Policy" and collectively the "Policies") issued by FGIC in relation to two GMACM-sponsored transactions (each a "Transaction" and collectively the "HE Transactions" or the "Transactions") in which GMACM Home Equity Loan Trust 2006-HE2 (the "2006-HE2 Trust") and GMACM Home Equity Loan Trust 2007-HE2 (the "2007-HE2 Trust" and together with the

2006-HE2 Trust, the "HE Trusts") issued and sold to investors a combined $1.87 billion aggregate principal amount of insured residential mortgage-backed securities (the "HE Notes"). As the sponsor of the HE Transactions, GMACM procured the Policies from FGIC in order to enhance the ratings and marketability of the HE Notes. GMACM fraudulently induced FGIC's agreement to provide insurance for the HE Transactions through willful and material misrepresentations and omissions concerning, among other things, the nature of its business practices and the credit quality and characteristics of the thousands of home equity loans (individually the "Mortgage Loans," and collectively with respect to each of the Transactions the "Mortgage Loan Pool" or "Loan Pool") that provided the collateral for the HE Notes. In short, the Mortgage Loans were different—and demonstrably worse—than GMACM had represented them to be. FGIC's issuance of the Policies enabled the HE Notes to receive a triple-A rating from the rating agencies, which in turn made the HE Transactions viable, and enabled GMACM and its affiliates to earn millions of dollars in transaction fees.

2. Since the closing of the HE Transactions, GMACM has compounded its misconduct by repeatedly and materially breaching its contractual obligations to FGIC. From the very inception of the HE Transactions, GMACM has violated the essential terms of its agreements with FGIC. GMACM has also breached the essential terms of the other operative documents incorporated therein.

3. The wrongdoing committed by GMACM, as detailed more fully below, was directed by Ally Financial, acting directly or indirectly through its wholly-owned subsidiary, ResCap. Ally Financial is the ultimate parent of ResCap, which owns GMACM. Ally Financial, as the ultimate parent of ResCap and GMACM, has the practical ability, which it has repeatedly exercised, to direct and control the activities of these (and other) subsidiaries. In many instances,

including in these Transactions, Ally Financial's direction and control was effected by using ResCap as an intermediary instrument to achieve its goals. For example, many of the material contractual breaches committed by GMACM, concerning, primarily, FGIC's right to access information in GMACM's possession and GMACM's failure to repurchase or cure certain of the Mortgage Loans backing the HE Notes that FGIC sought to have repurchased, were carried out by ResCap, at the direction and control of Ally Financial.

4. GMACM was also substantially assisted in fraudulently inducing FGIC to issue the Policies by another Ally Financial subsidiary, Ally Bank, then doing business as GMAC Bank. Ally Bank and GMACM were the two principal originators of loans that became the collateral for the HE Transactions, and as such had intimate knowledge of the quality of the Mortgage Loans. In total, Ally Bank sold nearly $1.1 billion in loans that it had originated or acquired to GMACM to be securitized in the HE Transactions. Further, Ally Bank agreed to serve as custodian (the "Custodian") of the HE Transactions—one of the critical parties charged with certain oversight and maintenance duties with respect to the HE Trusts—and received certain key operative documents with respect to the Transactions. With knowledge of GMACM's material misrepresentations and omissions regarding the Mortgage Loans that collateralized the HE Transactions, Ally Bank separately made representations and warranties regarding those loans for the purpose of aiding GMACM's inducement of FGIC to issue the Policies. By assisting GMACM in inducing FGIC to issue the Policies, Ally Bank was able to collect substantial fees as Custodian and perpetuate its lucrative loan origination business.

5. Ally Bank has materially breached its own separate contractual agreements regarding its duties as Custodian, in particular by failing to ensure that essential documents were

included in the loan file and failing to notify FGIC of breaches of representations and warranties by GMACM of which Ally Bank was aware.

6. The HE Transactions are mortgage loan securitizations: complex arrangements comprising multiple interdependent agreements among GMACM and several other parties whereby tens of thousands of home equity loans were pooled together and transferred to the HE Trusts, which then issued to investors securities (*i.e.*, the HE Notes) collateralized by those loans.

7. In June 2006, FGIC and several other parties entered into the 2006-HE2 Transaction. In June 2007, FGIC and several other parties entered into the 2007-HE2 Transaction. The HE Transactions were sponsored by GMACM. To facilitate the Transactions, GMACM pooled together tens of thousands of Mortgage Loans to provide collateral for the HE Notes. All of the Mortgage Loans were either originated or acquired by GMACM or Ally Bank.

8. After pooling the Mortgage Loans originated or acquired by GMACM and Ally Bank, GMACM transferred the Mortgage Loans directly or indirectly to another Ally Financial subsidiary, Residential Asset Mortgage Products, Inc. ("RAMP"). RAMP then deposited the Mortgage Loans it received from GMACM into the HE Trusts. The HE Trusts, in turn, issued the HE Notes to investors. The HE Trusts were legal entities created by GMACM solely for the purposes of the HE Transactions to hold the Mortgage Loans and to issue the HE Notes to investors in registered public offerings.

9. The periodic mortgage payments made by the borrowers under the Mortgage Loans held by the HE Trusts are used to pay, among other things, principal and interest due on the HE Notes, and the fees and expenses of GMACM and other participants in the Transactions.

10. GMACM is also the servicer of the 2006-HE2 Transaction (the "2006-HE2 Servicer") and, until March 2012, was the servicer of the 2007-HE2 Transaction (the "2007-HE2

Servicer"). The servicer of the Transactions supervises the collection of borrower payments and performs other duties related to servicing the Mortgage Loans. Yet another Ally Financial subsidiary, Ally Securities, LLC ("Ally Securities" f/k/a GMAC RFC Securities), was a co-manager of the HE Transactions. In addition, JPMorgan Chase Bank, N.A. ("JPMorgan") agreed to act as Indenture Trustee of the 2006-HE2 Trust, while The Bank of New York Trust Company, N.A. ("BNY") agreed to act as Indenture Trustee of the 2007-HE2 Trust. BNY later succeeded JPMorgan as Indenture Trustee of the 2006-HE2 Trust, as well.

11. GMACM, directed and controlled by Ally Financial, is, therefore, the hub of the HE Transactions: it is the sponsor of each securitization, the originator and seller of many of the Mortgage Loans, and the original servicer of all of the loans that collateralize the HE Notes. The primary victim of the HE Transactions—which turned out to be backed by inferior loans that did not meet the underwriting standards or loan characteristics warranted by GMACM—is FGIC, which has already paid out tens of millions of dollars in losses under the Policies, with further material losses still to come.

12. FGIC, a monoline financial guaranty insurance company, was in the business of writing financial guaranty insurance policies with respect to asset-backed and debt securities, including residential mortgage-backed notes ("RMBS Notes"). At the time of the HE Transactions, FGIC's financial strength was rated triple-A by Moody's Investors Services, Inc. ("Moody's"), Standard and Poor's Ratings Services (a division of The McGraw-Hill Companies, Inc.) ("S&P"), and Fitch, Inc., which enabled securities that were insured by FGIC to be rated triple-A as well. FGIC's financial guaranty insurance policies for RMBS Notes typically guaranteed the timely payment of the principal and interest due on the insured securities,

including the amount, if any, of principal losses allocated to the RMBS Notes. FGIC's insurance policies thus enhanced the credit quality, and marketability, of the insured securities.

13. To enhance the ratings and marketability of the HE Notes, and to increase the profit that GMACM would derive from the 2006-HE2 and 2007-HE2 Transactions, GMACM sought to have FGIC issue the Policies to JPMorgan and BNY, respectively, each in its capacity as Indenture Trustee.

14. To induce FGIC to issue the Policies, GMACM, *inter alia*, offered certain material representations and warranties to FGIC regarding the Transactions. These representations and warranties were false when stated, and FGIC reasonably relied on such warranties, among others, when deciding to enter into the HE Transactions. As a result, FGIC was fraudulently induced to enter the Transactions, and the credit risk assumed by FGIC in connection with the Transactions was far greater than it would have been had GMACM's representations and warranties been true, as demonstrated by the overwhelming number of claims that have been subsequently presented to FGIC.

15. GMACM received substantial assistance from Ally Bank in fraudulently inducing FGIC to issue the Policies. Ally Bank was aware of the material misrepresentations GMACM had made to FGIC, and further represented to FGIC that it would undertake duties to monitor and certify the accuracy and completeness of certain material aspects of the Mortgage Loan files, as well as inform FGIC of certain failures by GMACM to comply with its obligations under the HE Transaction documents. Ally Bank made these representations to FGIC despite its knowledge that GMACM had not complied—and would not comply—with its representations and warranties to FGIC. As such, Ally Bank actively aided and abetted GMACM's fraudulent inducement of FGIC to issue the Policies.

16. Moreover, both GMACM and Ally Bank received substantial assistance from Ally Financial in fraudulently inducing FGIC to issue the Policies. Ally Financial took actions and made statements to boost investor confidence in, and otherwise finance and support, its mortgage securitization business, which was carried out by its subsidiaries. Ally Financial was aware of the material misrepresentations GMACM and Ally Bank had made to FGIC. As a result of its dominance over ResCap, Ally Bank, and GMACM, Ally Financial knew that the representations and warranties GMACM and Ally Bank made to FGIC, prior to and at the closing, upon which FGIC reasonably relied, were false. As such, Ally Financial actively aided and abetted GMACM's and Ally Bank's fraudulent inducement of FGIC to issue the Policies.

17. The increased credit risk inherent in the Mortgage Loans has resulted in extremely high levels of delinquencies, defaults, and losses on the Mortgage Loans, and the resultant claims presented to FGIC have been far in excess of what FGIC reasonably expected when it decided to issue the Policies in reliance on the (presumed) accuracy and truthfulness of GMACM's representations and warranties and affirmative covenants. In fact, the levels of defaults and losses, and the resulting amount of claims presented to FGIC, have been overwhelming. Had FGIC been told the truth about the nature of GMACM's underwriting and business practices and/or the true characteristics of the Mortgage Loans, it would never have agreed to issue the Policies, and would thereby have avoided the significant losses and liabilities it has incurred, and will incur, as a result of GMACM's misconduct.

18. In order to evaluate the extent of GMACM's breaches, FGIC has requested copies of the mortgage loan files and servicing notes for the Mortgage Loans. GMACM is obligated, under its agreements with FGIC, to provide those documents to FGIC. GMACM has refused to provide FGIC with the requested documentation, which, on information and belief, will further

evidence material breaches by GMACM. This refusal to provide information in itself constitutes a material breach of GMACM's insurance agreements with FGIC.

19. Certain of the material contractual breaches committed by GMACM and Ally Bank—including, but not limited to, its refusal to honor FGIC's right to access information in GMACM's possession—were directed by Ally Financial, acting directly or indirectly through ResCap.

20. Through this Complaint, FGIC seeks relief against GMACM, Ally Bank, ResCap, and Ally Financial for GMACM's fraudulent inducement of FGIC, and for GMACM's material breaches of its insurance agreements with, and contractual obligations owed to, FGIC in connection with the HE Transactions.

21. Further, FGIC seeks relief against Ally Financial and Ally Bank for aiding and abetting GMACM's fraudulent inducement, as well as for Ally Bank's material breaches of its contractual obligations to FGIC.

22. FGIC also seeks a declaration from the Court that Ally Financial, ResCap, and GMACM were and continue to be alter egos of each other.

THE PARTIES

23. Plaintiff FGIC is a New York stock insurance corporation with its principal place of business at 125 Park Avenue, New York, New York 10017.

24. Defendant Ally Financial is a Delaware corporation with its principal place of business in Detroit, Michigan. Ally Financial is the parent company of ResCap, GMACM, and all GMACM-affiliated entities relevant to this action.

25. Defendant GMACM is a Delaware limited liability company with its principal place of business in Fort Washington, Pennsylvania. In the period relevant to this action,

GMACM originated, acquired, and serviced residential mortgage loans, and sponsored securitizations of mortgage loans.

26. Since 2005, GMACM has been an indirect wholly-owned subsidiary of ResCap; prior to that time, GMACM was an indirect, wholly-owned subsidiary of Ally Financial.

27. Defendant ResCap is a Delaware limited liability corporation and an indirect wholly-owned subsidiary of Ally Financial. ResCap is the indirect corporate parent of GMACM and its business includes originating, acquiring, selling, and servicing mortgage loans.

28. In September 2008, ResCap announced that it was closing much of its mortgage loan acquisition business.

29. Defendant Ally Bank (f/k/a GMAC Bank), an indirect, wholly-owned subsidiary of Ally Financial, was at all times relevant to this Complaint a loan originator. To facilitate the HE Transactions, Ally Bank sold to GMACM nearly $1.1 billion in mortgage loans that it had originated or acquired to be securitized in the Transactions. These loans comprised more than 75% of the initial Mortgage Loans. GMAC Bank was renamed Ally Bank in May 2009. Ally Bank is an online bank chartered under Utah law.

JURISDICTION AND VENUE

30. This Court has subject matter jurisdiction over this suit pursuant to 28 U.S.C. § 1332 because there is complete diversity of citizenship between the parties and the amount in controversy exceeds $75,000, exclusive of interest and costs.

31. Venue is proper in this district under 28 U.S.C. § 1391 because a substantial part of the events giving rise to this claim occurred within this judicial district. Moreover, at least one of the defendants in this action, GMACM, has agreed to submit to the jurisdiction of this Court, and has agreed not to challenge venue in this Court.

RELEVANT NON-PARTIES

32. RAMP, a special purpose vehicle, is an indirect, wholly-owned subsidiary of Ally Financial and a Delaware corporation with its principal place of business in Minnesota. To facilitate the HE Transactions, RAMP purchased mortgage loans from GMACM and another affiliate, Walnut Grove Mortgage Loan Trust 2003-A ("Walnut Grove"), and deposited those loans into the HE Trusts. The Trusts then issued the HE Notes to the underwriters, including Ally Securities (then doing business as GMAC RFC Securities), to be sold to investors.

33. Ally Securities, an entity incorporated in Delaware, is an affiliate of GMACM and RAMP and a registered broker-dealer under the Securities Exchange Act of 1934, and is registered to do business in New York. Prior to 2007, Ally Securities was known as Residential Funding Securities Corporation, and was doing business as GMAC RFC Securities. Ally Securities served as an underwriter of the HE Notes and, on information and belief, participated in the preparation of certain of the key offering documents for the HE Transactions.

34. Walnut Grove is a Delaware statutory trust established by an affiliate of GMACM. Beginning in 2003, GMACM sold to Walnut Grove second-lien mortgage loans that it had originated or acquired. To facilitate the HE Transactions, Walnut Grove sold certain of the Mortgage Loans to RAMP.

FACTUAL ALLEGATIONS

A. Ally Financial and its Subsidiaries

35. In the period relevant to this action, GMACM originated, acquired, sold, and serviced residential mortgage loans and, from time to time, arranged for the securitization of those mortgage loans and the sale of securities collateralized by those mortgage loans to investors, often in the form of RMBS Notes.

36. The Mortgage Loans have suffered extremely high rates of delinquencies, defaults and losses, and it is a matter of public knowledge that the business practices of Ally Financial's subsidiaries, including those of GMACM, Ally Bank, and ResCap, led Ally Financial to seek a bailout by the federal government in 2008.

(1) GMACM, GMAC-RFC, and RFC

37. GMACM is a subsidiary of GMAC-RFC Holding Company, LLC ("GMAC-RFC") which in turn is a subsidiary of ResCap, which in turn is a subsidiary of the ultimate parent, Ally Financial.

38. Residential Funding Corporation, LLC ("RFC") is also a subsidiary of GMAC-RFC and ResCap. Like its affiliate GMACM, RFC engaged in the business of originating, acquiring, servicing, and securitizing mortgage loans during the period relevant to this action.

39. GMAC-RFC companies issued $42.34 billion of non-agency mortgage-backed securities in 2004, $56.93 billion in 2005, $66.19 billion in 2006, and $32.43 billion in 2007, according to Inside Mortgage Finance Publications, Inc. *See* 2011 Mortgage Market Statistical Annual: Volume II at 38-41. GMAC-RFC was the fifth largest issuer of non-agency mortgage-backed securities in 2005, the fourth largest in 2006, and the eighth largest in 2007. *Id.*

40. GMAC-RFC was the largest issuer of private mortgage-backed securities in 2002, when it issued $11.5 billion of private mortgage-backed securities, according to the Financial Crisis Inquiry Report, Final Report of the National Commission on the Causes of the Financial and Economic Crisis in the United States (the "FCIC Report"), published in January 2011. *See* FCIC Report at 462. GMAC-RFC was also the fourth largest subprime mortgage lender in 2004, when it loaned $26 billion to subprime borrowers. *See id.* at 504.

41. The FCIC Report pointedly notes the widespread failure among the mortgage-backed security industry generally to adhere to basic standards in loan origination, selection, and

evaluation—a truth FGIC would come to learn specifically in its dealings with GMACM. The FCIC Report concludes that:

> [F]irms securitizing mortgages failed to perform adequate due diligence on the mortgages they purchased and at times knowingly waived compliance with underwriting standards. Potential investors were not fully informed or were misled about the poor quality of the mortgages contained in some mortgage-related securities. These problems appear to have been significant.

Id. at 187.

42. The FCIC Report further notes that, in light of Ally Financial and its subsidiaries' systemic failure to ensure the credit quality of the mortgage loans backing its securitizations, repurchase demands against GMAC/Ally Financial have mounted. From 2007 to 2010, the Federal National Mortgage Association ("Fannie Mae") has forced Ally Financial to buy back approximately $838 million worth of mortgage loans. *Id.* at 225. And in 2009 and 2010, the Federal Home Loan Mortgage Corporation ("Freddie Mac") forced Ally Financial to buy back approximately $453 million worth of mortgage loans. *Id.*

(2) Ally Financial's Securitization Business

43. Ally Financial's business model depended on securitizations, which were conducted by its business units, including GMACM. Pooling mortgage loans and selling them into securitizations enabled GMACM to fund its ongoing mortgage loan originations and acquisitions, earned it significant fees from the resulting transactions, and reduced the credit risk it retained with respect to those loans.

44. In order to gain additional fees for performing certain administrative duties under the various transaction agreements, including collecting mortgage payments and determining whether a mortgage loan is in default based on the transaction documents, GMACM generally acted as servicer of its own securitizations. GMACM thereby earned servicing fees that

normally amounted to 0.50% per annum of the aggregate principal balance of the mortgage loans, as well as collected fees in the range of approximately 20%-35% of any subsequent recoveries from charged-off loans.

45. GMACM also enriched Ally Financial and its other subsidiaries through its sponsorship of securitizations. Ally Financial entities typically participated in each of the key steps in the securitization process, and recorded gains and earned fees at each of those steps. For example, in the HE Transactions:

- Ally Bank gained fees for originating more than 75% of the loans initially comprising the HE Trusts, and proceeds from selling those loans to GMACM; Ally Bank also gained fees as Custodian of the HE Trusts for holding certain documents;

- Walnut Grove received the proceeds from selling certain of the Mortgage Loans to RAMP (after purchasing approximately 38% of the 2006-HE2 Mortgage Loans and 44% of 2007-HE2 Mortgage Loans from GMACM);

- RAMP received payments for serving as the depositor of the Mortgage Loans to the HE Trusts; and

- Ally Securities received fees for underwriting the HE Notes.

(3) Ally Financial, GMACM, and RFC Face Numerous Investigations and Lawsuits Relating to Their RMBS Securitizations

46. GMACM is currently being investigated by the U.S. Department of Justice (the "DOJ") for fraud related to the origination and underwriting of mortgage loans. On June 29, 2011, Ally Financial disclosed that the DOJ had served GMACM with a subpoena in June 2011, which "includes a broad request for documentation and other information in connection with its investigation of potential fraud related to the origination and/or underwriting of mortgage loans." Ally Fin. Inc., Amendment No. 3 to Form S-1 Registration Statement under the Securities Act of 1933 (Form S-1/A), at 23 (June 29, 2011).

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47. Additionally, on September 2, 2011, the Federal Housing Finance Authority ("FHFA"), as conservator for Freddie Mac, filed suit in the Supreme Court of the State of New York, New York County against Ally Financial and several of its subsidiaries for claims arising in connection with its role in the public filing of offering documents containing false and misleading statements. These claims arise from Freddie Mac's purchase of over $6 billion in certificates issued through twenty-one transactions similar to the transactions at issue here. Among other claims, FHFA brought suit for common law fraud against various Ally Financial subsidiaries and aiding and abetting fraud against Ally Financial for its intentional and substantial assistance in rendering material misrepresentations to Freddie Mac in connection with the sale of the subject certificates.

48. The FHFA also alleges violations of state and federal securities laws by Ally Financial and several of its subsidiaries stemming from false and misleading statements contained in publicly-filed prospectuses, prospectus supplements, registration statements, and other offering documents. Additionally, the FHFA alleges aiding and abetting fraud against Ally Financial and certain of its affiliates for their intentional and substantial assistance in rendering material misrepresentations to Freddie Mac in connection with the sale of the certificates. The FHFA action seeks relief in the form of rescission and recovery of the $6 billion purchase price of the certificates, including lost principal and interest, as well as punitive damages and attorneys' fees and costs. In October 2011, Ally Financial and its co-defendants removed the FHFA action to the U.S. District Court for the Southern District of New York.

49. In addition, GMACM is currently facing a lawsuit brought by MBIA Insurance Corporation ("MBIA") in New York Supreme Court in which MBIA alleges that, in connection with three transactions similar to the one at issue here, GMACM affirmatively misrepresented

the credit quality of tens of thousands of mortgage loans, with a total original principal balance of more than $4 billion, as a means of unfairly shifting to investors and MBIA risks that GMACM should have borne itself. On December 15, 2010, the New York Supreme Court issued a ruling denying GMACM's motion to dismiss, which allowed both the breach of representations and warranties and fraud claims, among others, to proceed to trial.

50. GMACM's sister company, RFC, is also currently facing a lawsuit brought by MBIA in New York Supreme Court for, among other things, fraud and breach of representations and warranties in connection with RMBS transactions. In December 2009, the New York Supreme Court rejected RFC's motion to dismiss certain of the claims brought against it, allowing both the breach of contract and fraud claims, among others, to proceed.

51. Additionally, according to Ally Financial's quarterly report for the third quarter of 2011, as of November 4, 2011, there were twenty-two suits in various jurisdictions pending against Ally Financial's mortgage-related business units and subsidiaries, arising from numerous mortgage-backed securities offerings. The plaintiffs in those suits have alleged, among other things, that Ally Financial's various mortgage subsidiaries made misstatements and omissions in registration statements, prospectuses, prospectus supplements, and other documents related to RMBS offerings. The alleged misstatements typically concern underwriting standards. *See* Ally Fin. Inc., Quarterly Report (Form 10-Q), at 159 (Nov. 4, 2011). Further, in its 2011 annual report, Ally Financial stated that it expects additional similar claims to be brought against Ally Financial and/or its subsidiaries in the future. *See* Ally Fin. Inc., Annual Report (Form 10-K), at 20 (Feb. 28, 2011).

52. Since the filing of its November 2011 quarterly report, moreover, Ally Financial and its subsidiaries have been sued by additional plaintiffs, including HSH Nordbank AG, which

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have alleged, *inter alia*, material misrepresentations and omissions about the loans backing RMBS securities issued by Ally Financial's affiliates.

53. Moreover, Ally Financial has disclosed that it expects additional RMBS lawsuits from monoline insurers like FGIC given that Ally Financial and its subsidiaries sold $42.7 billion of loans into monoline-wrapped securitizations from 2004 to 2007. During 2011, Ally Financial and its subsidiaries have received repurchase claims from monoline insurers for $265 million worth of mortgages related to securitizations it consummated between 2004 and 2007. Ally Financial clearly recognizes its exposure because, according to Ally Financial's CEO, Michael Carpenter, ResCap has already reserved $829 million for representations and warranties claims and, according to its own Securities and Exchange Commission ("SEC") filings, Ally Financial confirms that "litigation with . . . monolines is likely." Ally Fin. Inc., Annual Report (Form 10-K), at 98 (Feb. 28, 2012).

54. Indeed, according to Ally Financial's 2011 annual report, Ally Financial, GMACM's parent, also believes that "[t]he total exposure . . . to mortgage representation and warranty claims is most significant for loans originated and sold between 2004 through 2008, specifically the 2006 and 2007 vintages that were originated and sold prior to enhanced underwriting standards and risk-mitigation actions implemented in 2008 and forward." Ally Fin. Inc., Annual Report (Form 10-K), at 224 (Feb. 28, 2012). The 2006-HE2 and 2007-HE2 Transactions are, as their names imply, of the 2006 and 2007 vintages.

55. Additionally, Ally Financial also disclosed that the SEC served a subpoena on Ally Financial in June 2011, requesting documentation regarding certain "bulk settlements" relating to securitized mortgage loans as well as a request for materials provided to investors and prospective investors in mortgage securitization transactions. *See* Ally Fin. Inc., Amendment No.

3 to Form S-1 Registration Statement under the Securities Act of 1933 (Form S-1/A), at 23 (June 29, 2011).

(4) The Mortgage Loan Servicing Misconduct of Ally Financial and GMACM Has Come Under Scrutiny and Resulted in Severe Sanctions

56. On February 9, 2012, the Federal Reserve Board announced that Ally Financial, its subsidiaries, and several other mortgage loan servicers would be required to pay $766.5 million in monetary sanctions for "unsafe and unsound processes and practices in residential mortgage loans servicing and foreclosure processing." Press Release, Fed. Reserve Bd., Federal Reserve Board Announces Agreement in Principle with Five Banking Organizations Regarding the Issuance of Monetary Sanctions (Feb. 9, 2011). On February 12, 2012, the Federal Reserve Board imposed well over $200 million of this fine against Ally Financial, ResCap, and GMACM pursuant to an assessment order, which requires that the sanctions be paid into various borrower assistance programs and nonprofit programs established to help victims of improper servicing and foreclosure practices. *See In re Ally Fin. Inc.*, FRB Docket Nos. 12-006-CMP-HC & 12-006-CMP-DEO (Feb. 10, 2012) (the "Assessment Order"). According to the Federal Reserve Board, the sanction "takes into account the maximum amount prescribed for unsafe and unsound practices under the applicable statutory limits, the comparative severity of the institutions' misconduct, and the comparative sizes of the institutions' foreclosure activities." *See* Press Release, Fed. Reserve Bd., Federal Reserve Board Announces Agreement in Principle with Five Banking Organizations Regarding the Issuance of Monetary Sanctions (Feb. 9, 2011).

57. Further, also on February 9, 2012, the U.S. Attorney General announced that Ally Financial will take part in a $25 billion settlement to resolve claims brought by the government in response to the "reckless and abusive mortgage practices" of Ally Financial and four similarly situated bank holding companies. *See* Eric Holder, U.S. Attorney General, Remarks at the

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Mortgage Servicers Settlement Press Conference (Feb. 9, 2012). Although the settlement releases Ally Financial from certain civil claims brought by the DOJ and multiple state attorneys general, *see id.*; National Mortgage Settlement, Servicing Standard Highlights, *available at* http://www.nationalmortgagesettlement.com (last visited Mar. 10, 2012), the settlement was not designed to resolve any other liabilities that Ally Financial has incurred through its improper origination, securitization, and servicing practices, *see* National Mortgage Settlement, About the Settlement, http://www.nationalmortgagesettlement.com/about (last visited Mar. 10, 2012).

58. According to the U.S. Attorney General, the $25 billion settlement and $766.5 million sanction are just "the latest step forward" in holding Ally Financial and others accountable for "egregious mortgage loan servicing abuses." *See* Eric Holder, U.S. Attorney General, Remarks at the Mortgage Servicers Settlement Press Conference (Feb. 9, 2012).

59. Similarly, the New York Attorney General recently announced a $136 million settlement with the nation's five largest mortgage servicers—including GMAC/Ally Financial. *See* Press Release, Office of the New York Attorney General, Schneiderman Secures Major Settlement that Allows Sweeping Mortgage Investigations to Proceed (Feb. 9, 2012). As the New York Attorney General noted, the settlement principally addressed "foreclosure abuses" by GMAC/Ally Financial and other banks, and "[i]n addition to penalties for past abuses, the settlement includes direct relief to victims of wrongful foreclosure conduct" and "imposes strong national standards for mortgage servicing" that had previously been lacking. *Id.* Additionally, the New York Attorney General will lead the new Residential Mortgage-Backed Securities Working Group, a component of the interagency Financial Fraud Enforcement Task Force led by the DOJ, which "brings together the Department of Justice (DOJ), several state law enforcement

officials, and other federal agencies to investigate those responsible for misconduct contributing to the financial crisis through the pooling and sale of residential mortgage-backed securities." *Id.*

60. In addition to these recent settlements and Assessment Order, the Federal Reserve Board and the Federal Deposit Insurance Corporation (the "FDIC") previously ordered Ally Financial, GMACM, and several other Ally Financial subsidiaries to adopt new procedures and practices in relation to mortgage loan servicing. *See In re Ally Fin. Inc.*, FRB Docket Nos. 11020-B-HC & 11020-B-DEO, FDIC-11-123b (April 13, 2011) (the "Consent Order").

61. The Consent Order notes that Ally Financial's mortgage servicing subsidiaries, including GMACM, have been accused, *inter alia*, of (1) failing to properly increase financial, staffing, and managerial resources in order to meet an increasing number of foreclosures; (2) failing to properly put in place "adequate internal controls, policies and procedures, compliance risk management, internal audit, training, and oversight of the foreclosure process"; (3) filing false affidavits in foreclosure actions; and (4) litigating foreclosure proceedings without "confirming that the promissory note and mortgage document were properly endorsed or assigned." *Id.* at 3-4.

62. Furthermore, under the Consent Order, Ally Financial must direct GMACM and its other mortgage servicing subsidiaries to take certain remedial action to ensure that they operate in a "safe and sound manner" in the future. *Id.* at 4. Specifically, among other things, the Consent Order requires Ally Financial to take "steps to improve the information and reports that will be regularly reviewed by [Ally Financial's] board of directors. . . [to assess the performance of] residential mortgage loan servicing, Loss Mitigation, and foreclosure activities and operations." *Id.* at 8.

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63. In connection with the enforcement of the Consent Order, as of November 2011, the Federal Reserve Board is permitting mortgage borrowers who were financially harmed by the foreclosure processes of GMACM to request an independent review of their files. *See* Press Release, Fed. Reserve Bd., Federal Reserve Board Announces that Borrowers from Four Mortgage Servicers Can Request an Independent Review and Potentially Receive Compensation (Nov. 1, 2011). This independent review will determine whether errors and misrepresentations in GMACM's foreclosure processes indeed caused financial harm to the borrower. *See id.* If the foreclosure process is found to have caused financial injury to the borrower, GMACM will then be required to provide full compensation. *See id.*

64. As a result of servicing misconduct, Ally Financial and other bank holding companies will now be required to adhere to new, heightened servicing standards. *See* Press Release, Fed. Reserve Bd., Federal Reserve Board Announces Agreement in Principle with Five Banking Organizations Regarding the Issuance of Monetary Sanctions (Feb. 9, 2011). The Federal Reserve Board has ordered Ally Financial to remedy its servicing practices by, *inter alia*, "strengthen[ing] the coordination of communications with borrowers by providing borrowers the name of the person at the service who is their primary point of contact, establish[ing] limits on foreclosures where loan modifications have been approved, establish[ing] robust third party vendor controls, strengthen[ing] compliance programs, and provid[ing] appropriate remediation to borrowers who suffered financial injury as a result of errors by the servicers." *See id.*

65. Moreover, the servicing and foreclosure improprieties of Ally Financial and its subsidiaries is a matter of public record. According to the sworn testimony of an Ally Financial/GMACM employee, Ally Financial's mortgage servicing subsidiaries have routinely filed false affidavits in thousands of foreclosure actions across the country. *See* Jeffrey Stephan

Dep. *Fed. Nat'l Mortgage Ass'n v. Bradbury*, BRI-RE-09-65 (Me. Dist. Ct., Dist. Nine, Div. N. Cumberland) (June 7, 2010). Indeed, according to the FCIC Report:

> [L]enders have relied on "robo-signers" who substituted speed for accuracy by signing, and sometimes backdating, hundreds of affidavits claiming personal knowledge of facts about mortgages that they did not actually know to be true. One such "robosigner," Jeffrey Stephan of GMAC, said that he signed 10,000 affidavits in a month—roughly 1 per minute, in a 40-hour workweek—making it highly unlikely that he verified payment histories in each individual case of foreclosure.

FCIC Report at 407.

66. Stephan also testified that, when executing summary judgment affidavits to be used in judicial foreclosure actions, he was acting in accordance with policies and procedures, and never in fact inspected any of the exhibits to the affidavits or even ensured that the exhibits were attached, despite swearing that he had done so in the affidavits themselves. Stephan Dep. Tr. at 54:12-25. Such exhibits would generally include (or at least should have included), among other things, the mortgage note and documents relating to the assignment of the mortgage. *See id.* at 51:15-23. Stephan further testified that when he signed an affidavit affirming that the foreclosure was proper, all he knew was the borrower's name and whether he had signing authority for the GMAC entity foreclosing on the property. *Id.* at 62:23-25, 63:2-6. Stephan testified that the process he followed in signing summary judgment affidavits was in accordance with the policies and procedures required by GMACM. *Id.* at 64:8-14.

67. Additionally, in October 2010, the Ohio Attorney General filed suit against GMACM and Ally Financial, alleging, *inter alia*, that employees of GMACM had executed thousands of false affidavits in connection with foreclosures on properties in that state. *See Ohio v. GMAC Mortgage, LLC*, CI0201006984, Ct. C.P. Lucas Cnty. Although some of the claims brought by the Ohio Attorney General's suit have been resolved by the $25 billion multi-party

settlement, many additional claims not encompassed by the settlement, including those relating to the improper assignment of mortgage notes, have survived. As of February 2012, the action remains pending in Ohio.

68. Similarly, in December 2011, the Massachusetts Attorney General filed suit against GMACM for, among other things, engaging in unfair and deceptive foreclosure practices. *See Massachusetts v. Bank of Am., N.A.*, 11-4363, Suffolk Cnty. Super. Ct. Days after filing suit, the Massachusetts Attorney General sent a letter to the United States Senate Committee on Banking, Housing and Urban Affairs, and the United States House Committee on Financial Services asking that the federal government investigate Ally Financial and GMACM for allegedly carrying out illegal foreclosures and submitting false documents related to property seizures. *See* Boston Globe, *Attorney General Martha Coakley Urges Congress to Investigate Ally Financial's GMAC Over Foreclosure Practices*, Dec. 6, 2011. Specifically, the Massachusetts Attorney General's letter to the Senate and House Committees stated:

> In light of Ally [Financial]'s alleged deceptive and illegal actions against homeowners in Massachusetts and across the country, I respectfully request that your committees investigate Ally [Financial]'s serious misconduct and consider what actions the federal government can take to ensure that Ally [Financial] adheres to the law.

Id.

69. While the $25 billion settlement ultimately resolved certain claims brought by the Massachusetts Attorney General in this action, several claims relating to improper foreclosure practices and abuse of certain state recordation systems have survived and will continue to be prosecuted. *See* Press Release, Office of the Attorney General of Massachusetts, *Massachusetts Homeowners to Receive $318 Million in Relief as Part of State-Federal Agreement Over Unlawful Foreclosures and Loan Servicing*, Feb. 9, 2012.

(5) Significant Possibility of Ally Financial Seeking Bankruptcy Protection for ResCap, GMAC-RFC, and GMACM

70. Since at least as far back as November 2011, Ally Financial has been considering filing for bankruptcy protection for ResCap, its wholly-owned subsidiary, which has reportedly lost $555 million since 2009, according to multiple published reports. GMACM is a wholly-owned, indirect subsidiary of ResCap.

71. Around that time, the financial industry was "betting that Ally [Financial] will place its Residential Capital LLC [ResCap] mortgage unit into bankruptcy instead of supporting the business as the bank prepares for an initial public offering." Bloomberg News, *Ally May Put ResCap in Bankruptcy to Ease IPO: Corporate Finance*," Nov. 14, 2011.

72. As the article notes, Ally Financial has the power to decide whether its "mortgage unit," ResCap, should file for bankruptcy. *See id.*

73. Indeed, Ally Financial warned in its 2011 annual report that "[t]here is a significant risk that ResCap will not be able to meet its debt service obligations and other funding obligations in the near term." Ally Fin. Inc., Annual Report (Form 10-K), at 19 (Feb. 28, 2012).

74. That risk ultimately came to pass as Ally Financial recently disclosed that the penalties assessed by the federal government and numerous state attorneys general regarding the foreclosure practices of Ally Financial and its subsidiaries "resulted in our Mortgage operations recording a $230 million charge in the fourth quarter of 2011." *Id.* at 31. As Ally Financial detailed in its previous public filing, the "[t]he majority of [the charge] was recorded at Residential Capital, LLC ('ResCap') . . . [which] resulted in a covenant breach in certain of ResCap's credit facilities." Ally Fin. Inc., Current Report (Form 8-K) (Jan. 31, 2012). Indeed, as Ally Financial more recently explained, "ResCap is required to maintain consolidated net

worth . . . of $250 million at the end of each month under the terms of certain of its credit facilities. . . [and] as a result of the fourth quarter charge, ResCap's consolidated net worth was $92 million at December 31, 2011." Ally Fin. Inc., Annual Report (Form 10-K), at 31-32 (Feb. 28, 2012). ResCap's substantial shortfall, however, was "immediately remediated by Ally through a capital contribution of $197 million, which was provided through forgiveness of intercompany debt during January 2012." *Id.*

75. Moreover, in February 2012, it was reported that Ally Financial had contacted buyout firms such as Fortress Investment Group LLC and Cerberus Capital Management LP regarding a potential sale of ResCap through a pre-packaged bankruptcy to be effectuated by the end of March as ResCap faces financing and liquidity deadlines. *See* Bloomberg News, *Ally's ResCap Said to Seek Buyers for Prearranged Bankruptcy*, Feb. 8, 2012.

76. According to the report, "[p]otential bidders are being told that a pre-packaged bankruptcy filing would allow the buyer to leave behind liabilities such as [RMBS] securitizations that have been the subject of litigation." *Id.* To that end, Ally Financial's CEO, Michael Carpenter, has stated that he will not pursue the aforementioned initial public offering for Ally Financial "until [these] legacy mortgage issues are resolved." *Id.* Nevertheless, a bondholder group representing holders of approximately $800 million in ResCap debt has expressed its desire to "fight [Ally Financial] tooth and nail" to oppose the bankruptcy, based in part on the belief that "Ally [Financial] can't legally separate itself from ResCap because it has stripped assets from the unit." Bloomberg News, *Paulson, Tepper Said Among Investors Urging Ally to Back ResCap*, Jan. 10, 2012.

77. Indeed, as Ally Financial has pointedly noted in its most recent annual report: "In light of ResCap's liquidity and capital needs combined with volatile conditions in the

marketplace, there is substantial doubt about ResCap's ability to continue as a going concern." Ally Fin. Inc., Annual Report (Form 10-K), at 18 (Feb. 28, 2012).

B. GMACM's Securitizations and Financial Guaranty Insurance Generally

(1) Financial Guaranty Insurance Policies

78. To improve the marketability and ratings of the RMBS Notes issued as part of its securitizations, GMACM from time to time sought credit enhancement for the RMBS Notes from FGIC, a financial guaranty insurer, in the form of financial guaranty insurance policies. Under the terms of a financial guaranty insurance policy like the ones FGIC issued here, the insurer unconditionally and irrevocably guarantees to the trustee for the benefit of the holders of the insured RMBS Notes that, if there is a shortfall in cash available to make required payments on the insured securities, the financial guaranty insurer will pay the amount of the shortfall to the trustee for the benefit of the holders of the insured securities.

79. For a trust that issues RMBS Notes, the primary source of funds is the remittance of payments on the underlying residential mortgage loans. Delinquencies by borrowers in making their mortgage loan payments will, by definition, reduce cash flows to the trust, which will directly impair the ability of the trust to make required payments on the RMBS Notes. Delinquencies, if not cured, will eventually result in losses on the mortgage loans, which reduce the aggregate principal amount of the loan pool held by the trust. In this manner, high levels of mortgage loan delinquencies and defaults can lead to shortfalls in cash available to pay RMBS investors. Such shortfalls result in claims on FGIC's policies.

(2) Securitization Sponsor's Disclosures and Representations and Warranties

80. The risk FGIC assumes when it agrees to issue a policy for RMBS Notes depends upon the credit quality of the underlying mortgage loans, which in turn depends on the

underwriting practices of the loan originators and the characteristics of the loans. If, for instance, GMACM and other loan originators employ substandard underwriting practices, the underlying mortgage loan pool as a whole would be of inferior credit quality. Consequently, the credit risk—the risk of delinquency or default—of the underlying mortgages, and of the mortgage portfolio as a whole, would be materially increased.

81. Accordingly, FGIC generally required securitization sponsors, like GMACM, to provide substantial representations and warranties about the underlying mortgage loans, such as the ratio of the borrower's monthly debt payments to monthly income ("DTI ratio"), the ratio of the mortgage loan principal balance to the value of the mortgaged property at origination—plus, in the case of a junior lien mortgage loan, the principal balance of the senior mortgage loan on the related mortgaged property—("LTV ratio"), and the borrower's credit score ("FICO score"). Even where GMACM did not originate a particular loan, it nonetheless is typically required to make representations about that loan, thereby assuming the risk that those representations might not be accurate. GMACM's representations and warranties, including representations about the standards and procedures used to underwrite the loans, were intended to allow FGIC to assess the credit risk inherent in the mortgage loan pool before deciding to commit to the transaction.

82. GMACM's representations and warranties in its RMBS transactions regarding the characteristics of the loans included in the mortgage loan portfolios, and the underwriting standards used to evaluate those mortgage loans, are particularly vital because each loan pool is comprised of thousands of mortgage loans, each of which was in itself a complex legal transaction. Each loan file typically contains (or at least is supposed to contain) a mortgage application, a credit report, income and employment verifications, an appraisal, the lender's internal documentation and a wide variety of other documentation necessary to support proper

loan underwriting decisions. Moreover, in seeking financial guaranty insurance from FGIC for the HE Transactions, GMACM demanded that FGIC commit to the pricing and other material terms within a very limited time frame. Both GMACM and FGIC understood and intended that FGIC would rely on the information supplied by GMACM as sponsor, as well as GMACM's representations and warranties concerning that information, in assessing the credit risk of the mortgage loan pool.

83. Further, on information and belief, for each of its securitizations, GMACM as sponsor supplied the same data it provided to FGIC to one or several rating agencies in order for those agencies to create expected loan level default and loss estimates. The loan level default and loss estimates were then used by the rating agencies to create cash flow projections and potential loss estimates for the entire transaction. Finally, the rating agencies delivered to the sponsor and to FGIC a private credit assessment for the transaction (sometimes referred to as a "shadow rating") without considering the effect of FGIC's policy. The shadow rating provided an overall evaluation of the likelihood of default on the securities FGIC would be insuring in the securitization. As sponsor, GMACM arranged for the shadow rating to be provided to FGIC knowing that it was an essential condition to FGIC's willingness to issue a financial guaranty insurance policy.

C. The HE Transactions

(1) The GMACM 2006-HE2 Transaction

84. On June 29, 2006, GMACM pooled together and deposited many thousands of fixed rate Home Equity Loans ("HELs") into the 2006-HE2 Trust. The 2006-HE2 Trust served as the Issuer of $626,240,000 aggregate principal amount of 2006-HE2 Notes. Home equity loans are essentially second-lien mortgage loans, which are generally funded entirely at the closing of the loan.

85. The initial conveyance to the 2006-HE2 Trust by RAMP (acting as Depositor) contained over 9,500 HELs with an aggregate principal balance of approximately $480 million. Investors in the GMACM-sponsored 2006-HE2 Transaction were issued four classes of securities (*i.e.*, the 2006-HE2 Notes)—Class A-1 Notes, Class A-2 Notes, Class A-3 Notes, and Class A-4 Notes (formally termed the GMACM Home Equity Loan-Backed Term Notes, Series 2006-HE2)—which were collateralized by the Mortgage Loans transferred to and held by the 2006-HE2 Trust. In addition, approximately $160 million was deposited into a pre-funding account at closing, which was used to acquire approximately 3,500 additional HELs in the 90 days following the closing.

(2) The GMACM 2007-HE2 Transaction

86. Similarly, on June 28, 2007, GMACM pooled together and deposited many thousands of fixed rate HELs into the 2007-HE2 Trust. The 2007-HE2 Trust served as the Issuer of $1,240,884,000 aggregate principal amount of 2007-HE2 Notes.

87. The initial conveyance to the 2007-HE2 Trust by RAMP (acting as Depositor) contained over 17,800 HELs with an aggregate principal balance of approximately $960 million. Investors in the GMACM-sponsored 2007-HE2 Transaction were issued six classes of securities (*i.e.*, the 2007-HE2 Notes)—Class A-1, Class A-2, Class A-3, Class A-4, Class A-5 and Class A-6 (formally termed the GMACM Home Equity Loan-Backed Term Notes, Series 2007-HE2)—which were collateralized by the Mortgage Loans transferred to and held by the 2007-HE2 Trust. In addition, approximately $320 million was deposited into a pre-funding account at the closing, which was used to acquire approximately 5,800 additional HELs in the 90 days following the closing.

(3) The HE Transactions Generally

88. To enhance the ratings and marketability of the HE Notes, GMACM sought financial guaranty insurance policies from FGIC for the purpose of insuring the Transactions for the benefit of the certificate holders. For each of the HE Transactions, FGIC and GMACM executed an Insurance and Indemnity Agreement (respectively, the "2006-HE2 I&I Agreement" and the "2007-HE2 I&I Agreement," and collectively the "I&I Agreements"),[1] under which FGIC agreed to and did issue financial guaranty insurance policies—Policy number 06030080 and Policy number 07030046, respectively—to insure the 2006-HE2 and 2007-HE2 Notes. Each I&I Agreement was signed by FGIC (as the "Insurer" of each Transaction); GMACM (as the "Servicer" and a "Seller" for each Transaction), RAMP (as the "Depositor" for each Transaction); Walnut Grove (a "Seller" for each Transaction); and the respective Indenture Trustee for each Transaction.[2]

89. In each Transaction, Ally Bank (using its then-current name, GMAC Bank) also entered into a Custodial Agreement whereby it agreed to serve as Custodian of the underlying mortgage loan notes on behalf of the respective Trusts (the "2006-HE2 Custodial Agreement" and "2007-HE2 Custodial Agreement," and, together the "Custodial Agreements"). FGIC is an express third party beneficiary of the Custodial Agreements. *See* Custodial Agreements § 5.6.

90. Each I&I Agreement provides that FGIC (the Insurer) is a third-party beneficiary of, and shall have all of the rights provided for in, the "Operative Documents." I&I Agreements § 2.02(k). With respect to the 2006-HE2 and 2007-HE2 Transactions, the "Operative

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[1] JPMorgan initially served as the Indenture Trustee for the 2006-HE2 Transaction, but was succeeded by The Bank of New York Trust Company, N.A. The Bank of New York Trust Company, N.A., also served as the Indenture Trustee for the 2007-HE2 Transaction.

[2] The 2006-HE2 I&I Agreement was executed on June 29, 2006 and the 2007-HE2 I&I Agreement was executed on June 28, 2007.

Documents" are defined to include, among other documents: (i) the relevant HE Notes; (ii) the Mortgage Loan Purchase Agreement, among GMACM, RAMP, Walnut Grove, the relevant HE2 Trust, and the relevant Indenture Trustee (respectively, the "2006-HE2 MLPA" and the "2007-HE2 MLPA," and collectively the "MLPAs"); (iii) the Servicing Agreement among GMACM, the relevant HE2 Trust, and the relevant Indenture Trustee (respectively, the "2006-HE2 Servicing Agreement" and the "2007-HE2 Servicing Agreement," and collectively the "Servicing Agreements"); (iv) the Indenture between the relevant Trust and Indenture Trustee; and (v) the Custodial Agreement among GMACM, the relevant Indenture Trustee, and Ally Bank (then doing business as GMAC Bank).[3] *See* I&I Agreements § 1.01. FGIC is referred to as the "Enhancer" under certain of the Operative Documents.

91. Pursuant to the I&I Agreements, FGIC insured $1,867,124,000 aggregate principal amount of the HE Notes. The Policies improved the marketability of the HE Notes by mitigating risk for potential investors and making the HE Notes eligible to receive a credit rating of triple-A by the rating agencies at closing.

92. GMACM and the Depositor offered the HE Notes for sale pursuant to a prospectus (a "Prospectus," and for each Transaction respectively, the "2006-HE2 Prospectus," and the "2007-HE2 Prospectus"), and a prospectus supplement (a "Prospectus Supplement," and for each Transaction respectively, the "2006-HE2 Prospectus Supplement" and the "2007-HE2 Prospectus Supplement"), each touting the respective Policies and the triple-A initial rating of

[3] The MLPA, Servicing Agreement, Indenture and Custodial Agreement for the 2006-HE2 Transaction were each executed on June 29, 2006. The MLPA, Servicing Agreement, Indenture and Custodial Agreement for the 2007-HE2 Transaction were each executed on June 28, 2007.

the HE Notes, which was made possible by those Policies.[4] The Prospectus and Prospectus Supplement, together with certain preliminary offering documents, each as further supplemented by any subsequent amendment or supplement thereto, and any other offering document that make reference to the Policies, are referred to collectively as the "Offering Documents."

93. Upon the closing of each HE2 Transaction, Ally Securities, an Ally Financial subsidiary, acted as a co- manager and joint-lead manager, respectively, for a syndicate of underwriters that purchased from the respective HE Trust and sold to investors the related HE Notes, and FGIC, for its part, issued the related Policy in accordance with the terms of each I&I Agreement.

D. GMACM Fraudulently Induces FGIC to Insure the HE Notes with Substantial Assistance from Ally Financial and Ally Bank

(1) GMACM's Fraudulent Inducement of FGIC

94. FGIC's participation in the HE Transactions was an essential component of the HE Transactions and enhanced GMACM's ability to market the securitizations effectively. The Policies allowed GMACM to sell the HE Notes with an initial triple-A credit rating, making them more attractive to a broader pool of potential investors.

95. In order to induce FGIC to write financial guaranty insurance for the HE Transactions, GMACM provided to FGIC, directly or indirectly, a variety of information, and promised to—and did—provide FGIC with a variety of representations, warranties, and covenants.

96. *First*, GMACM provided to FGIC initial and final 2006-HE2 and 2007-HE2 Prospectus Supplements (collectively, the "Prospectus Supplements") which summarized, among

[4] The 2006-HE2 Prospectus is dated as of April 7, 2006; the 2007-HE2 Prospectus is dated as of April 17, 2007. The 2007-HE2 Prospectus Supplement is dated as of June 27, 2006; the 2007-HE2 Prospectus Supplement is dated as of June 28, 2007.

other material information, the credit quality and characteristics of the Mortgage Loans, and GMACM's loan underwriting guidelines and loan origination criteria.

97. *Second*, FGIC received a document (generally referred to as a "loan tape" or "magnetic tape") detailing material characteristics of individual borrowers and loans expected to be included in the HE Transactions, together with representations regarding material statistics about the initial Loan Pool as a whole.

98. *Third*, GMACM provided to FGIC credit ratings for the HE Notes determined on the basis of information concerning the characteristics of the Mortgage Loans supplied to the rating agencies by GMACM, but without considering the effect of the Policies. These ratings, which GMACM procured from the credit rating agencies, are known as "shadow ratings."

99. *Fourth*, as discussed in detail in Section E below, GMACM provided to FGIC representations, warranties, and affirmative covenants in the Operative Documents and the I&I Agreements regarding the Mortgage Loans specifically and the Loan Pool generally.

100. ***Prospectus Supplement and Other Offering Documents.*** In determining whether to insure the HE Notes, FGIC relied in part upon representations and warranties regarding GMACM's loan underwriting standards made by GMACM in the Prospectuses and Prospectus Supplements. The 2006-HE2 Prospectus, as supplemented by the 2006-HE2 Prospectus Supplement, was filed with the SEC and became effective on June 29, 2006. A Preliminary Prospectus Supplement was transmitted to, among others, Dana Skelton of FGIC, on or about June 21, 2006, in an email sent by Jeffrey Wittenberg, on behalf of GMACM. The Final 2006-HE2 Prospectus Supplement was transmitted to, among others, Dana Skelton of FGIC, on or about June 28, 2006, in an email sent by Jeffrey Wittenberg, on behalf of GMACM.

101. The 2007-HE2 Prospectus, as supplemented by the 2007-HE2 Prospectus Supplement, was filed with the SEC and became effective on June 28, 2007. A Preliminary Prospectus Supplement was transmitted to, among others, Dana Skelton of FGIC, on or about June 25, 2007, in an email sent by Dennis Bent on behalf of GMACM. The Final 2007-HE2 Prospectus Supplement was transmitted to, among others, Dana Skelton of FGIC, on or about June 28, 2007, in an email sent by Duane Beasley, on behalf of GMACM.

102. In the 2006-HE2 and 2007-HE2 Offering Documents, GMACM represented that, based on the data provided in the borrower's application and certain other applicable verifications, "a determination will have been generally made by the original lender that the borrower's monthly income, if required to be stated, would be sufficient to enable the borrower to meet its monthly obligations on the loan and other expenses related to the property." 2006-HE2 Prospectus at 23; 2007-HE2 Prospectus at 30.

103. Further, in the Prospectus Supplements, GMACM also represented to FGIC that "[a]ll of the mortgage loans were underwritten generally in accordance with [GMACM's] underwriting standards." 2006-HE2 Prospectus Supplement at S-30; 2007-HE2 Prospectus Supplement at S-33.

104. The Prospectus Supplements expressly state that GMACM's "underwriting standards with respect to the mortgage loans generally will conform to those published in the [GMACM] underwriting guidelines, including the provisions of the [GMACM] underwriting guidelines applicable to the GMAC Mortgage Home Equity Program." 2006-HE2 Prospectus Supplement at S-30; 2007-HE2 Prospectus Supplement at S-33.

105. GMACM publishes its loan underwriting standards in a document referred to in the Prospectus Supplements as "the GMAC Mortgage Corporation underwriting guidelines" or

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the "GMAC Mortgage, LLC underwriting guidelines" (and referred to herein as the "Underwriting Guidelines"). 2006-HE2 Prospectus Supplement at S-30; 2007-HE2 Prospectus Supplement at S-33. In general, the Underwriting Guidelines specify documentation requirements, and substantive criteria for key credit-related characteristics, that borrowers must satisfy in order to qualify for a particular mortgage loan. Depending upon the particular type of loan, these requirements and criteria may include asset verification, income verification, employment verification, bank statements, payment histories and/or evidence of closing funds, among other things. The substantive criteria for eligibility address material characteristics of the proposed loan, such as DTI ratios, Combined Loan-to-Value ("CLTV") ratios (a ratio comparing the aggregate principal balance of first and second mortgages on a covered property to the value of the property), and occupancy status.

106. The Prospectus Supplements set forth, among other information, the following important characteristics of the initial Loan Pools: the ranges of and weighted average FICO scores, the ranges of and weighted average CLTV ratios, the ranges of and weighted average outstanding principal balances of the loans, the DTI ratios of the borrowers, the geographic distribution of the loans, and the occupancy status of the borrowers (*i.e.*, whether the property securing a mortgage is: (i) the borrower's primary residence; (ii) a second home; or (iii) an investment property). *See* 2006-HE2 Prospectus Supplement at A-I-1 to A-I-7; 2007-HE2 Prospectus Supplement at A-I-1 to A-I-7.

107. In particular, GMACM represented in the 2006-HE2 and 2007-HE2 Prospectus Supplements that the loans had been originated with a maximum DTI ratio of 80%—with less than 1% of the Mortgage Loans originated with a DTI ratio over 60%—and a maximum CLTV ratio of 100%. *See* 2006-HE2 Prospectus Supplement at A-I-3, A-I-6; 2007-HE2 Prospectus

Supplement at A-I-3, A-I-6. GMACM also represented that for each Mortgage Loan it had generally made a determination based upon all applicable employment, credit and property information regarding whether the prospective borrower had sufficient monthly income available to meet the borrower's monthly obligations. *See* 2006-HE2 Prospectus at 23; 2007 HE2 Prospectus at 30.

108. GMACM also represented in the 2006-HE2 Offering Documents that, with respect to occupancy status, 98.79% of the Mortgage Loans would be secured by the borrower's primary residence. 2006-HE2 Prospectus Supplement at A-I-4. GMACM further represented in the 2007-HE2 Offering Documents that, with respect to occupancy status, 95.41% of the Mortgage Loans would be secured by the borrower's primary residence. 2007-HE2 Prospectus Supplement at A-I-4.

109. ***Loan Tapes.*** The loan tapes set forth, for each Mortgage Loan in the initial Loan Pool, key characteristics such as the borrower's FICO score, DTI ratio, and the CLTV ratio for the loan. GMACM also disclosed in the 2006-HE2 and 2007-HE2 Prospectus Supplements—with respect to each Loan Pool as a whole—aggregate characteristics also relevant to the assessment of the credit risk of the pool, including weighted averages of FICO scores, DTI ratios and CLTV ratios.

110. ***Shadow Rating Letters***. GMACM, on information and belief, provided Moody's and S&P with, at a minimum, the same mortgage loan tapes that were provided to FGIC. As requested by GMACM, Moody's and S&P provided the shadow ratings on the respective closing dates of the HE Transactions. In its letters to FGIC describing the shadow ratings for each of the HE Transactions, Moody's noted that it reviewed the documentation provided by GMACM and that the rating was "based primarily on the credit quality of the loans backing the transaction."

Similarly, in its letters to FGIC, S&P noted that it too relied on the information provided to it by GMACM and that each shadow rating "relies on the issuer . . . for the accuracy and completeness of the information submitted in connection with the [shadow rating]."

111. Based on the information supplied by GMACM, Moody's assessed the credit quality of the initial 2006-HE2 and 2007-HE2 Loan Pools and assigned shadow ratings of Baa1 and Baa2, respectively, to the 2006-HE2 and 2007-HE2 Notes. S&P assigned the 2006-HE2 and 2007-HE2 Notes shadow ratings of BBB- and BBB, respectively.

112. These shadow ratings, which were based, in part, on GMACM's representations in respect of the characteristics of the Loan Pools, met FGIC's minimum requirements and were required by FGIC as an essential condition to its willingness to participate in HE Transactions and issue the Policies.

(2) GMACM's Fraudulent Inducement of FGIC is Carried Out with Substantial Assistance from Ally Bank

113. Ally Bank provided substantial assistance to its affiliate GMACM in fraudulently procuring the Policies from FGIC. As it originated or acquired approximately 75% of the initial Mortgage Loans, Ally Bank was well aware of the true characteristics of the majority of the Loan Pool. Moreover, as a result of its affiliate status with GMACM, and its role as Custodian for the HE Transactions—for which it received substantial fees—Ally Bank was aware of the representations and warranties GMACM made to FGIC regarding the nature of GMACM's business practices and the characteristics of the Mortgage Loans (including the many thousands of Mortgages Loans that were originated by Ally Bank).

114. With full knowledge that GMACM had not complied—and would not comply—with the representations and warranties it made to FGIC, and direct knowledge of the many thousands of loans it had originated and sold to GMACM, which formed a substantial part of the

collateral for the HE Transactions, Ally Bank represented to FGIC that, as Custodian, it would inform FGIC if it discovered any non-compliant Mortgage Loans or non-compliance with GMACM's obligations under the Operative Documents. By offering FGIC this false comfort, despite knowing that GMACM was fraudulently inducing FGIC to provide financial guaranty insurance for the HE Transactions, Ally Bank provided material assistance to GMACM's fraud.

(3) GMACM's Fraudulent Inducement of FGIC is Carried Out with Substantial Assistance from Ally Financial

115. Ally Financial provided substantial assistance to its subsidiaries GMACM and Ally Bank in fraudulently inducing FGIC to participate in the HE Transactions and, ultimately, issue the Policies. Ally Financial knew that the Mortgage Loans underlying the HE Transactions were of a substantially poorer quality than was represented to FGIC and other participants in the Transaction, including investors. Ally Financial further knew that the Mortgage Loans were not underwritten to the standards represented in the Offering Documents and warranted in the Operative Documents. Moreover, on information and belief, as a result of its dominance over ResCap, Ally Bank, and its other subsidiaries, Ally Financial knew that the representations and warranties GMACM made to FGIC prior to and at the closing, upon which FGIC reasonably relied, were false.

116. Ally Financial, at the direction of its board of directors, took a number of actions in 2005 to engender investor confidence in, and otherwise finance and support, its mortgage securitization business, which was carried out by its subsidiaries. Ally Financial substantially restructured its subsidiaries in 2005. ResCap, for example, did not conduct any operations whatsoever until GMAC Residential Holding Corp. and GMAC-RFC Holding Corp.—two of Ally Financial's wholly-owned subsidiaries—were transferred to it in March 2005. Those two subsidiaries represented substantially all of Ally Financial's mortgage securitization business.

117. Ally Financial, at the direction of its board of directors, also provided ResCap with liquidity and capital.

118. Further, in Ally Financial's 8-K, filed on June 9, 2005, it disclosed that ResCap would enter into an operating agreement with Ally Financial, under which Ally Financial would agree to "indemnify, defend and hold [ResCap] harmless from and against any losses [ResCap] suffer[s] related to the businesses and liabilities of [Ally Financial] and its subsidiaries."

119. On information and belief, Ally Financial's restructuring and financial support of its subsidiaries was undertaken at the direction of the Ally Financial board of directors in order to improve and maintain the investment grade rating and profitability of Ally Financial's mortgage securitization business. This restructuring then enabled Ally Financial to present itself to its subsidiaries' securitization transaction partners—including FGIC—as a stable corporate parent supporting and overseeing the business of its subsidiaries, which in turn made those subsidiaries more attractive as counterparties to market participants, such as FGIC.

120. Ally Financial's corporate restructuring also allowed GMACM to explicitly represent and warrant to FGIC in the I&I Agreements that GMACM "is solvent and will not be rendered insolvent by the Transaction. . . . [GMACM] shall not be left with an unreasonably small amount of capital with which to engage in the ordinary course of its business . . . ." I&I Agreements § 2.01(m). This statement—on which FGIC materially relied—could not have been made absent Ally Financial's decision to prop up its subsidiary GMACM.

121. Additionally, Ally Financial was aware that the true characteristics of the Mortgage Loans in the HE Transactions—and other securitization transactions—were far worse than was represented to FGIC and were not underwritten to the standards that were represented and warranted to FGIC. This is true in that Ally Financial's subsidiaries were, in many cases, the

acquirers, sellers, and servicers of those very loans. Indeed, the driving factor in the separation of Ally Financial from General Motors Corporation ("GM") and the creation, in particular, of ResCap, was to create an entity, the sole focus of which was the home mortgage business.

122. Moreover, as a result of its domination and control over ResCap, GMACM, and Ally Bank, as well as the shared officers and directors among and between Ally Financial and its subsidiaries, Ally Financial was aware of GMACM's representations and warranties to FGIC—and that they were untrue when stated—as well as the substantial assistance Ally Bank was rendering GMACM in aid of its fraudulent inducement of FGIC. For example, Eric A. Feldstein was Ally Financial's CEO and Chairman of its board of directors and also served as Chairman of ResCap's board of directors. Furthermore, Sanjiv Khattri has served as Executive Vice President and CFO of Ally Financial, while also serving as a director and CFO of ResCap. Numerous other individuals served as Directors and Officers of both Ally Financial and ResCap, with many serving in roles directly related to the mortgage operations of both companies. ResCap and its own subsidiaries, including GMACM, shared numerous directors and senior management as well. Similarly, William F. Muir, Ally Financial's President, has served in that capacity since at least 2004 (first at GMAC and then at Ally Financial) while also serving as President and Chairman of the Board of IB Finance Holding Company, LLC—the direct parent of Ally Bank—and as a director of Ally Bank.

123. David C. Walker is another example of the many employees who had overlapping responsibilities at Ally Financial and its subsidiaries, including GMACM and RAMP. Walker joined Ally Financial in 1985 and has served as Vice President of GMAC Group and CFO of GMAC Mortgage Group. Walker has also served as a director at ResCap, GMACM, RFC, and RAMP, among other ResCap subsidiaries. In the 2006-HE2 Transaction, acting as a director of

RAMP, Walker was a signatory to RAMP's December 20, 2005 "Unanimous Written Consent of Directors in Lieu of Meeting of Board of Directors," which was included among the closing documents of the 2006-HE2 Transaction.

124. Similarly, as of April 13, 2006, David Applegate served as Director, President and CEO of GMAC Mortgage LLC, while David M. Bricker served as Director, Senior Vice President and CFO of GMAC Mortgage, LLC. In the 2007-HE2 Transaction, acting as directors of RAMP, both Bricker and Applegate were signatories to RAMP's January 25, 2007, "Unanimous Written Consent of Directors in Lieu of Meeting of Board of Directors," which was included among the closing documents of the 2007-HE2 Transaction.

125. As a result of the overlapping personnel, intertwined business operations, and the free flow of information among Ally Financial, ResCap, Ally Bank, and GMACM, it is more than reasonable to conclude that information regarding the representations and warranties being made to FGIC by GMACM was shared among and between GMACM and its parent ResCap, ResCap and its parent Ally Financial, and Ally Bank and its parent and affiliates. Indeed, at least one Ally Financial employee who was involved in the 2006-HE2 Transaction appeared on the Transactions' working group list and received all distributions that were sent to the group, including all drafts, final versions, and communications concerning the Operative and Offering Documents.

126. Ally Financial, by (1) representing that its mortgage loan practices were sound and that its securitization transactions were supported by mortgage loans that met the criteria to which they were purportedly underwritten, (2) providing financial, managerial, and strategic assistance to its subsidiaries, and (3) modifying its corporate structure to control and direct its subsidiaries, provided substantial assistance to GMACM in fraudulently inducing FGIC to

participate in the Transactions and issue the Policies. Further, the issuance of the Policies, which made the HE Transactions possible, inured to the significant financial benefit of Ally Financial and its subsidiaries.

E. GMACM's Representations, Warranties and Affirmative Covenants

127. In connection with the HE Transactions, GMACM, at the direction of Ally Financial, either directly or indirectly through ResCap, gave numerous representations, warranties and affirmative covenants to FGIC. These representations and warranties were material and concerned, among other things, the way GMACM conducted its loan origination, selection and evaluation processes, the characteristics of the Mortgage Loans and of the initial and complete Loan Pools, and the accuracy and completeness of the information supplied to FGIC. These and other characteristics of the Mortgage Loans included in each of the initial Loan Pools were detailed in schedules attached to the applicable Servicing Agreement, and provided to FGIC by GMACM in the form of loan tapes (collectively, for each Transaction, the "Mortgage Loan Schedules.") Moreover, these same representations and warranties were restated by GMACM when it transferred additional Mortgage Loans to the HE Trusts after the closing of each Transaction (as was permitted for a short time following closing).

128. GMACM further promised to provide FGIC with a variety of information, including access to GMACM's books and records and to GMACM's Chief Financial Officer and its independent accountants.

129. GMACM's representations and warranties, and particularly GMACM's representation that the information supplied to FGIC was not materially inaccurate or misleading, induced FGIC to enter into the HE Transactions and to issue the Policies on the agreed terms. Further, the I&I Agreements' incorporation and restatement of the representations and warranties in the Operative Documents was intended to allow FGIC to rely upon each and

every one of the representations and warranties that GMACM made in connection with the HE Transactions.

130. FGIC, for its part, reasonably relied on the information available to it regarding the underlying Mortgage Loans and the representations and warranties provided by GMACM. Since FGIC had neither the right under the applicable Operative Documents, nor the practical ability, to review the tens of thousands of underlying Mortgage Loan files in the days available to it prior to the closing of the HE Transactions, GMACM knew that FGIC had no choice but to rely on GMACM's representations regarding the underlying loans in determining whether to issue the Policies. Further, FGIC had no reason to believe that those representations were not true and accurate.

131. Indeed, GMACM included more than 27,000 individual Mortgage Loans in the HE Transactions at their closing dates, and additional Mortgage Loans post-closing. Typically, each Mortgage Loan has its own voluminous file containing, among other items, mortgage applications, credit reports, income and employment verifications, the lender's internal documentation and other forms of documentation necessary to support each underwriting decision. Unlike GMACM, FGIC was under no contractual duty whatsoever to review the tens of thousands of initial Mortgage Loans or the Mortgage Loans subsequently transferred after closing. Instead, FGIC, as contemplated by the many representations, warranties, and affirmative covenants by GMACM regarding its loan origination, selection, and evaluation practices, and the credit quality of the Mortgage Loans, reasonably relied on GMACM to conduct its underwriting processes according to the promised standards and FGIC had no basis to conclude that GMACM's representations and warranties were false. Thus, FGIC reasonably believed that truthful and accurate information had been provided and that it would not face

additional, hidden risk by virtue of material omissions or positive misrepresentations having been made.

132. Based on the information received by FGIC and the representations and warranties given by GMACM, FGIC entered into the I&I Agreements and agreed to issue the Policies to the respective Indenture Trustees for the benefit of the holders of the HE Notes. In return for doing so, FGIC received a modest annual premium, based on a small, fixed percentage of the aggregate principal balance of the HE Notes. Specifically, FGIC received .13% and .125% per annum of the aggregate balance of the 2006-HE2 Notes and 2007-HE2 Notes, respectively, for serving as insurer, figures commensurate with the risk that FGIC believed it was accepting, based on the representations, warranties and affirmative covenants provided by GMACM.

133. As discussed below, GMACM's information, representations and warranties were materially false when disclosed and/or provided by GMACM. GMACM knew that this information, and its representations and warranties, were materially false when made. GMACM also knew that this information and the representations and warranties were essential to FGIC's decision to issue the Policies. Indeed, GMACM intentionally made these material misrepresentations to induce FGIC to enter into the I&I Agreements and issue the Policies. The issuance by FGIC of the Policies—induced by GMACM's fraudulent misrepresentations and substantial assistance by Ally Financial—made the HE Notes eligible to receive an initial triple-A credit rating, thus greatly improving their marketability to potential investors.

(1) Representations, Warranties and Affirmative Covenants Relating to the Operative and Offering Documents

134. Under Section 2.01 of the I&I Agreements, GMACM made the following representations and warranties, among others (emphasis added in each case):

♦ *Accuracy of Information.* **Neither the Operative Documents to which it is a party nor other information relating to the Mortgage Loans**, the operations of GMACM. . . or the financial condition of GMACM . . . furnished to [FGIC] . . . by GMACM . . . including the Offering Documents . . . **contains any statement of a material fact which was untrue or misleading in any material respect when made** . . . GMACM . . . has no knowledge of any circumstances that could reasonably be expected to cause a Material Adverse Change with respect to GMACM . . . Since the furnishing of the Documents, there has been no change nor any development or event involving a prospective change known to GMACM . . . that would render any of the Documents untrue or misleading in any material respect.

♦ *Compliance with Securities Laws.* The offering and sale of the Securities complies in all material respects with all requirements of law, including the registration requirements of the Securities Act and any other applicable securities laws. **The Offering Documents do not contain any untrue statement of a material fact and do not omit to state material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading** . . . .

♦ *Operative Documents.* **Each of the representations and warranties of GMACM . . . contained in the applicable Operative Documents and the Underwriting Agreement is true and correct in all material respects** [and] GMACM . . . hereby makes each such representation and warranty to, and for the benefit of, [FGIC] as if the same were set forth in full herein . . . .

♦ *Solvency; Fraudulent Conveyance.* [GMACM] . . . is solvent and will not be rendered insolvent by the Transaction and . . . **GMACM . . . shall not be left with an unreasonably small amount of capital with which to engage in the ordinary course of its business**, and . . . GMACM . . . does not intend to incur, or believe that it has incurred, debts beyond its ability to pay as they mature . . . GMACM . . . is not transferring the Mortgage Loans . . . with any intent to hinder, delay or defraud . . . creditors.

135. *First*, in the I&I Agreements, GMACM represented and warranted to FGIC that "[n]either the Operative Documents to which it is a party nor other information relating to the Mortgage Loans. . . including the Offering Documents . . . contains any statement of a material fact which was untrue or misleading in any material respect when made." I&I Agreements § 2.01(j). Through these Operative and Offering Documents, GMACM communicated several material facts about the characteristics of the mortgage loans sold to the HE Trusts.

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136. *Second*, in the I&I Agreements, GMACM represented and warranted that "[t]he Offering Documents do not contain any untrue statement of a material fact and do not omit to state material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading . . . ." *Id.* § 2.01(k). As discussed above, in the Prospectus Supplements, GMACM represented that all of the mortgage loans sold to the HE Trusts had been underwritten generally in accordance with GMACM's underwriting standards, including the GMAC Mortgage Home Equity Program. 2006-HE2 Prospectus Supplement at S-30; 2007-HE2 Prospectus Supplement at S-33.

137. *Third*, the I&I Agreements incorporated by reference, for the benefit of FGIC, the representations and warranties contained in the "Operative Documents," as that term was defined in the I&I Agreements: "[e]ach of the representations and warranties . . . contained in the applicable Operative Documents . . . is true and correct in all material respects[.]" *See* I&I Agreements §§ 1.01, 2.01(l). The incorporation by reference of the Operative Documents into the I&I Agreements was intended to allow FGIC to rely on any representation and warranty that GMACM made to other entities, such as investors or the respective Indenture Trustees, in connection with the HE Transactions. Indeed, the I&I Agreements expressly identify FGIC as a third-party beneficiary with respect to the related Operative Documents. I&I Agreements § 2.02(k).

138. *Fourth*, GMACM also provided information to FGIC concerning Mortgage Loans in the HE Transactions. *See* I&I Agreements § 2.02(c)(iii). This information included loan tapes that set forth statistics about the respective Loan Pools. The loan tapes purported to describe key characteristics relevant to the assessment of risk, including DTI ratios, CLTV ratios, occupancy status, and FICO scores. *See* MLPAs § 2.1(d),(e). On information and belief, the loan tapes

FGIC received at closing of each of the Transactions contain the same information as is contained in the Mortgage Loan Schedules referred to in the related MLPAs.

139. In turn, in the MLPAs, GMACM represented that all the information in those Mortgage Loan Schedules "is true and correct in all material respects as of the date or dates respecting which such information is furnished." MLPAs § 3.1(b)(i).

140. As a result of incorporating into the I&I Agreements the representations and warranties in the related Operative Documents, GMACM incorporated representations and warranties regarding the underwriting of the Mortgage Loans included in the HE Transactions. These representations and warranties set forth the standards governing each Mortgage Loan, including the representation that the Mortgage Loans had been underwritten in compliance with GMACM's underwriting guidelines. *See* MLPAs § 3.1(b)(xxxvi).

141. In particular, in the MLPAs, GMACM represents and warrants, as to each Mortgage Loan that:

- The information set forth in the Mortgage Loan Schedule with respect to each Mortgage Loan or the Mortgage Loans is true and correct in all material respects as of the date or dates respecting which such information is initially furnished;

- As of the respective Cut-Off Dates (June 1, 2006, for the 2006-HE2 Transaction, and June 1, 2007, for the 2007-HE2 Transaction) or any Subsequent Cut-Off Date (the date specified in the agreement by which any Subsequent Mortgage Loan was transferred to the respective Trust), no Mortgage Loan was 30 days or more delinquent in payment of principal or interest. Additionally, with respect to the 2007-HE2 Transaction, no more than 1.00% of the Subsequent Mortgage Loans had been 30 or more days delinquent in the twelve months preceding the sale of the Subsequent Mortgage Loans to 2007-HE2 Trust;

- With respect to the GMACM Initial Mortgage Loans or, as applicable, any Subsequent Mortgage Loans sold by GMACM, the related Mortgage File contains or will contain, in accordance with the definition of "Mortgage File" in Appendix A to the related Indenture, each of the documents and instruments specified to be included therein;

- As of the Cut-Off Date or Subsequent Cut-Off Date, the CLTV for each Mortgage Loan was not in excess of 100.00%;

- GMACM used no selection procedures that identified the Mortgage Loans as being less desirable or valuable than other comparable mortgage loans originated or acquired by GMACM under the GMACM Home Equity Program.

142. Additionally, the 2007-HE2 MLPA further represents and warrants that "[n]o fraud or misrepresentation of a material fact with respect to the origination of a Mortgage Loan has taken place on the part of GMACM and to the best of GMACM's knowledge, no fraud or misrepresentation of a material fact with respect to the origination of a Mortgage Loan has taken place on the part of any third party, including without limitation the related mortgagor, connected with the origination of a Mortgage Loan." 2007-HE2 MLPA § 3.1(xxxvii).

143. Moreover, in the I&I Agreements—which expressly identify FGIC as a third-party beneficiary with respect to the related Operative Documents—GMACM specifically covenants that it will "comply in all material respects with the terms and conditions of and perform its obligations under the Operative Documents to which it is a party . . . ." I&I Agreements § 2.02(a).

(2) Representations, Warranties and Affirmative Covenants Regarding Access to Information and Servicing

144. The I&I Agreements also incorporate the representations and warranties that GMACM made in the Servicing Agreements in its capacity as Servicer. *See* I&I Agreements § 2.02(l). Under the I&I Agreements, GMACM covenanted that "[a]ll Mortgage Loans will be serviced in all material respects in compliance with the Servicing Agreement." I&I Agreements § 2.02(l). In the Servicing Agreements GMACM covenanted, represented, and warranted that it would service the Mortgage Loans in the HE Transactions in a manner consistent with its own servicing guidelines. *See* Servicing Agreements § 3.01(a).

145. Additionally, the Servicing Agreements provide that, "documents contained in the Mortgage File . . . shall be held by the Servicer in trust as agent for the Indenture Trustee on behalf of the Noteholders." Servicing Agreements § 3.01(c). As such, the information and documents regarding the Mortgage Loans are not the property of or otherwise owned by GMACM, but rather such files are to be held by the servicer of the Transactions—whether that party be GMACM or a third party. Moreover, through the Servicing Agreements, GMACM expressly covenanted that, in the event GMACM's servicing duties are terminated and transferred to another party, GMACM "agrees to cooperate with the Issuer, the Enhancer [*i.e.*, FGIC] and Indenture Trustee, as the case may be, in effecting the termination of the responsibilities and rights of the Servicer . . . ." *Id.* at § 7.01(a). FGIC is an express third-party beneficiary of the Servicing Agreements. *See id.* at § 8.05.

146. The I&I Agreements further afford FGIC the express right "to conduct an ongoing review of GMACM's practices as Servicer through reviews of the Mortgage Loans, reappraisals of Mortgaged Properties and reviews of servicing practices." I&I Agreements § 2.02(p). FGIC also has the express right to "inspect the books and records of GMACM . . . [and to] discuss the affairs, finances and accounts of GMACM with the Chief Financial Officer of GMACM; and . . . with GMACM's consent, which consent shall not be unreasonably withheld or delayed, to discuss the affairs, finances and accounts of GMACM with GMACM's independent accountants[.]" I&I Agreements § 2.02(e)(i)-(iii).

147. The I&I Agreements further provide that GMACM shall furnish to FGIC, promptly upon request, "such data as FGIC may reasonably request." I&I Agreements § 2.02(c)(v).

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F. GMACM's Breaches of Its Representations, Warranties and Affirmative Covenants

148. As discussed above, FGIC relied on material representations and warranties made by GMACM regarding the manner in which the Mortgage Loans were originated, selected, and evaluated, the characteristics of those loans, and the accuracy and completeness of information GMACM supplied to FGIC. Based on those representations and warranties, FGIC agreed to issue the Policies. In fact, as demonstrated by the extreme levels of delinquencies and losses detailed below, the risk that FGIC assumed when it issued the Policies was many times greater than the risk disclosed by GMACM's representations and warranties. GMACM breached its representations and warranties to FGIC, and FGIC has been damaged as a result of those breaches.

149. The HE Transactions have performed poorly, and delinquencies and defaults for Mortgage Loans in the HE Transactions have been substantial. For the 2006-HE2 Transaction, as of January 31, 2012, approximately 20% of the balance of the entire Loan Pool had been liquidated, modified, or was severely delinquent. And for the 2007-HE2 Transaction, as of January 31, 2012, approximately 26% of the balance of the entire Loan Pool had been liquidated, modified or was severely delinquent. As discussed above, by making these extensive representations and warranties to FGIC, and thereby inducing FGIC to issue the Policies, which cover, *inter alia*, shortfalls in amounts paid to noteholders arising from liquidated mortgage loans, GMACM assumed and allocated to itself all risk associated with the Mortgage Loans failing to comply with GMACM's representations and warranties.

150. The poor performance of the Mortgage Loans has reduced the cash flow to the HE Trusts, which has caused, and will continue to cause, substantial claims to be presented to FGIC under the Policies to cover these shortfalls. As of February 2012, more than $47 million and

$121 million in claims had been presented to FGIC in connection with the 2006-HE2 and 2007-HE2 Transactions, respectively. FGIC expects tens of millions of dollars more in claims to be presented to it under the HE Transactions in the future.

151. As an increasingly high percentage of the Mortgage Loans enter delinquency and default, FGIC has uncovered a wealth of material breaches of GMACM's representations and warranties regarding the characteristics of the loans and the standards to which they were underwritten.

(1) Breaches Identified Through Initial Review

152. When FGIC became concerned about the high delinquencies and default rates in the HE Transactions, FGIC requested that GMACM provide it with certain Mortgage Loan files underlying the HE Transactions.

153. FGIC selected for review a number of non-performing (*i.e.*, non-current or charged-off) loans that had resulted in losses to the 2006-HE2 and 2007-HE2 Trusts. To perform this review, FGIC hired an independent outside consultant with particular skill, experience, and expertise in the review, evaluation, and re-underwriting of mortgage loans.

154. That review revealed that GMACM had breached one or more material representations and warranties with respect to approximately 72% of the 2006-HE2 Mortgage Loans reviewed, and approximately 82% of the 2007-HE2 Mortgage Loans reviewed.

(2) Breaches Identified Through Additional Review

155. In 2010, as the HE Transactions continued to perform poorly, FGIC again retained a professional mortgage loan review team to identify, review, and evaluate a statistically significant sample of mortgage loans in each of the HE Transactions.

156. With respect to 2006-HE2, FGIC's independent loan consultant reviewed 100 loan files received by FGIC. That review revealed that GMACM had breached one or more material representations and warranties with respect to 97, or an astounding 97%, of these loans.

157. A small sample of these material breaches and underwriting violations are listed below:

- Loan Number 8253462462: the Mortgage Loan Schedule reported a DTI ratio of 32.4%. However, the borrowers had several outstanding mortgages that were not accounted for, resulting in an actual DTI ratio of 115%. In addition, the loan file was missing the required verbal verifications of employment, the hazard insurance policy, the preliminary and final title options, and the first lien mortgage note.

- Loan Number 8655918345: the Mortgage Loan Schedule reported a CLTV ratio of 88.4% based on an appraised value of $165,000. However, because the borrowers had owned the subject property for less than twelve months, the purchase price of $124,000 should have been used instead of the appraised value. The use of the correct value results in an actual CLTV ratio of 119.2%, higher than allowed by <u>any</u> program guidelines. In addition, the loan file was missing required verification of mortgage and the preliminary and final title options.

- Loan Number 8656035576: the Mortgage Loan Schedule reported a CLTV ratio of 94.90% based on an appraised value of $200,000. However, because the borrower had owned the subject property for less than twelve months, the purchase price of $174,000 should have been used instead of the appraised value. The use of the correct value results in an actual CLTV ratio of 108.60%, higher than allowed by <u>any</u> program guidelines. In addition, the loan file was missing required preliminary and final title options and the first lien note.

158. Similarly, with respect to the 2007-HE2 Transaction, FGIC's independent loan consultant reviewed 154 loan files received by FGIC. That review revealed that GMACM had breached one or more material representations with respect to 139, or approximately 90%, of these loans.

159. A small sample of these material breaches and underwriting violations are listed below:

- Loan Number 7306296823: the Mortgage Loan Schedule represented that the subject loan was for a first mortgage debt consolidation refinance of an owner occupied

property with a CLTV ratio of 9.93%; however, the Hud-1 Settlement Statements contained in the loan file indicated the borrower has a first ($216,000) and second ($27,000.00) mortgage loan on the subject property which appraised for $272,000, raising the actual CLTV ratio to 89.34%, which exceeds the maximum CLTV ratio allowed under the GMAC Underwriting Guidelines applicable to the particular type of loan. In addition, the Mortgage Loan File did not contain a verification of the mortgage or a credit report supplement indicating the mortgage payment was made on time.

- Loan Number 8255124946: the loan approval stipulated that a verbal verification of employment be obtained; in fact, the borrower was not employed at the time the subject loan was made. If the required verbal verification of employment had been completed prior to the loan closing, the subject loan would not have been approved.

- Loan Number 8656670831: the Mortgage Loan Schedule indicated the appraised value as $123,000; however, the purchase price of $65,000 should have been used since the borrower had not owned the property for twelve months. Based on the correct loan application information, the actual CLTV ratio should have been 141.0% rather than 74.5% as listed, which exceeds the maximum CLTV ratio allowed under the program guidelines.

160. These examples of underwriting violations are but a small smattering of the extensive defects among the Mortgage Loans and evidence significant breaches of the MLPAs. *See* MLPAs § 3.1. And it is reasonable to conclude—based on what is now known by FGIC and as a result of what is being wrongly withheld from FGIC—that a substantial majority of the approximately 36,790 Mortgage Loans (27,400 initial Mortgage Loans and 9,390 Subsequent Mortgage Loans, with a combined principal balance as of their respective Cut-Off Dates of over $1.94 billion) held by the HE Trusts evidence similar breaches of GMACM's representations and warranties.

161. Moreover, with respect to the 2007-HE2 Transaction, FGIC has discovered that a portion of the underlying Mortgage Loans were procured through borrower fraud at the time of origination. For example, a review of the Mortgage Loans has revealed that, in certain instances, borrowers claimed to have been employed in different positions and/or earning significantly more income than was in fact the case. Nevertheless, in spite of numerous such red flags in Loan

Files indicating that certain borrowers' income representations were fraudulent, the loans closed, resulting in, among other things, actual DTI ratios that were higher than reported. Given the frequency with which Mortgage Loans contained red flags and/or were missing critical documentation, GMACM must have been—or at least now is—aware that at least some of the Mortgage Loans were procured through fraud. Accordingly, GMACM has breached the representation and warranty in the 2007-HE2 MLPA that, to the best of GMACM's knowledge, no fraud or misrepresentation of material fact with respect to the origination of a Mortgage Loan had taken place.

162. Additionally, since, as noted, GMACM continues to wrongfully withhold material Mortgage Loan information from FGIC, FGIC is unable to determine whether more examples of such fraud in the origination have taken place, and thus FGIC reserves its right to bring further claims with respect to this breach.

163. Following the discovery of these high defect rates and pursuant to the respective I&I Agreements and the MLPAs, FGIC demanded that GMACM repurchase the non-compliant Mortgage Loans discovered during its repurchase review. GMACM has expressly refused to repurchase a substantial number of non-conforming Mortgage Loans. This failure constitutes a material breach of the I&I Agreements and Operative Documents incorporated therein.

164. Moreover, on information and belief, GMACM is and has been aware that many of the Mortgage Loans, whether acquired at the closing or thereafter, were nonconforming and, thus, in breach of its own representations and warranties. Despite this knowledge, GMACM has failed to repurchase the nonconforming loans with conforming loans, as is required under the Operative Documents.

165. With respect to the 2006-HE2 Transaction, FGIC ultimately obtained access to 168 mortgage loan files (68 files FGIC obtained in 2009, as well as 100 files received from GMACM in 2011), which FGIC's independent consultant reviewed to evaluate and re-underwrite the mortgage loans. These reviews revealed that GMACM breached one or more material representations with respect to 146—approximately 87%—of the Mortgage Loans reviewed.

166. Moreover, despite its express obligations under the 2006-HE2 MLPA and the 2006-HE2 I&I Agreement, GMACM continues to refuse to repurchase or cure certain of the non-compliant and defective loans that FGIC has asked GMACM to repurchase.

167. With respect to the 2007-HE2 Transaction, FGIC ultimately obtained access to 509 mortgage loan files (357 files FGIC obtained in 2009, as well as 152 files received from GMACM in 2011), which FGIC's independent consultant reviewed to evaluate and re-underwrite the mortgage loans. These reviews revealed that GMACM breached one or more material representations with respect to 430 of 509—approximately 84%—of the Mortgage Loans reviewed.

168. Moreover, despite its express obligations under the 2007-HE2 MLPA and the 2007-HE2 I&I Agreement, GMACM continues to refuse to repurchase or cure certain of the non-compliant and defective loans that FGIC has asked GMACM to repurchase.

(3) Breaches Uncovered Using Loan Pool Data

169. FGIC also commissioned its independent loan consultant to test the accuracy of GMACM's representations and warranties relating to the Mortgage Loans in the 2007-HE2 Transaction regarding occupancy status and CLTV ratios. The consultant extracted information and data relating to over 11,000 Mortgage Loans.

a. Breaches of Owner-Occupancy Representation and Warranty

170. GMACM represented in the 2007-HE2 Offering Documents that 95.41% of the aggregate principal amount of the Mortgage Loans in the 2007-HE2 Transaction would be secured by the borrower's primary residence. *See* 2007-HE2 Prospectus Supplement at A-I-4.

171. Based on the information provided, FGIC determined that only 91.7% of the aggregate principal amount of the Mortgage Loans were secured by the owner's primary residence.

172. The Prospectus Supplement therefore materially overstated the percentage of Mortgage Loans in their respective pools that were owner-occupied as a primary residence. As such, GMACM breached its representation and warranty that the information in the Prospectus Supplement did not contain any untrue statements of material fact.

173. Moreover, FGIC has determined that, as of February 2012, fully 26.8%, by aggregate principal amount, of the 2007-HE2 Mortgage Loans that were *not* secured by the owner's primary residence, were non-performing (*i.e.*, were delinquent for more than 60 days, in foreclosure, liquidated, or have posted a loss). This non-performance rate was significantly greater than the non-performance rate of Mortgage Loans that were secured by the owner's primary residence.

b. Breaches of CLTV Ratio Representation and Warranty

174. The 2007-HE2 Prospectus Supplement also provided information relating to the CLTV ratios of the underlying Mortgage Loans in the 2007-HE2 Transaction.

175. The 2007-HE2 Prospectus Supplement provided that the Mortgage Loans had been originated with a maximum CLTV ratio of 100%. *See* 2007-HE2 Prospectus Supplement at A-I-3. CLTV information provided in the Prospectus Supplement included (1) the number and aggregate value of the Mortgage Loans with CLTV ratios in a given percentage band (*e.g.*, the

number of Mortgage Loans with CLTV ratios of between 80% and 85%, between 85% and 90%, and so on), and (2) the average weighted CLTV ratio for the entire Loan Pool. *Id.* The Prospectus Supplement reported that *none* of Mortgage Loans had a CLTV ratio over 100 percent. *Id.*

176. Using an industry standard automated valuation model to calculate the value of the underlying property at the time the Mortgage Loan was originated, FGIC determined that 12.1% of the aggregate principal amount of the Mortgage Loans—as opposed to *none* of the loans, as reported in the 2007-HE2 Prospectus Supplement—had an original CLTV ratio above 100%, and 29.8% of the aggregate principal amount of the Mortgage Loans—as opposed to fewer than 21.9%, as reported in the 2007-HE2 Prospectus Supplement—had an original CLTV ratio above 95%.

177. In addition, GMACM represented in the 2007-HE2 Prospectus Supplement that for the entire Loan Pool, the weighted average CLTV ratio of the Mortgage Loans at origination was 80.52%. FGIC determined that the actual weighted average CLTV ratio of the Mortgage Loans at origination was approximately 84.06%. Thus, GMACM breached its representation and warranty that the information in the Prospectus Supplement did not contain any untrue statements of material fact.

178. Moreover, FGIC has determined that the rate of Mortgage Loan non-performance (*i.e.*, loans that, as of February 2012, were delinquent for more than 60 days, in foreclosure, liquidated, or have posted a loss) in the 2007-HE2 Transaction for loans for which the automated valuation model indicated a CLTV ratio greater than 100% was over 22.3% of the aggregate principal amount of such loans.

179. The pervasive and overwhelming defects in the Mortgage Loan files reviewed to date indicate clear breaches of GMACM's contractual representations, warranties and affirmative covenants relating to, among other things, the characteristics of the Mortgage Loans and the initial and final Loan Pool, including the guidelines to which the Mortgage Loans were underwritten. Specifically, GMACM breached representations and warranties stating, as of the respective closing dates for the HE Transactions, that:

- neither the Operative Documents nor any information related to the Mortgage Loans contain any untrue or misleading statement of material fact;
- the Offering Documents (*i.e.* the Prospectus and Prospectus Supplement) contain no untrue or misleading statement of material fact;
- each representation and warranty of GMACM in the Operative Documents (including each representation and warranty in the MLPAs) is true and correct in all material respects;
- the information set forth in the Mortgage Loan Schedule is true and correct in all material respects;
- no Mortgage Loan was 30 days or more delinquent as of the date the loan was transferred to the HE Trusts;
- each Mortgage File contains all required documents and instruments;
- the CLTV of each Mortgage Loan did not exceed 100%; and
- GMACM selected the Mortgage Loans in accordance with its underwriting guidelines (*i.e.* the Home Equity Loan Program).
- with respect to the 2007-HE2 Transaction, that no fraud or misrepresentation of a material fact with respect to the origination of a Mortgage Loan had taken place on the part of GMACM, or, to the best of GMACM's knowledge, any third party.

180. Many of these representations were repeated in connection with the subsequent transfer of additional Mortgage Loans, and were also breached with respect to those additional Mortgage Loans.

181. Moreover, the true scope of the material underwriting failures is unknown given GMACM's refusal to provide FGIC with pertinent—and contractually required—information. This refusal in itself constitutes a breach of GMACM's affirmative covenant to comply with FGIC's reasonable requests regarding access to information concerning the Mortgage Loans.

(4) GMACM's Denial of Loan File Requests

182. As the HE Transactions continued to perform poorly, on December 9, 2010, FGIC wrote to Jeff Blaschko, a GMACM/ResCap employee, via e-mail demanding that GMACM provide additional Mortgage Loan files to FGIC, including origination files, servicing notes, and custodian files, for a random sample of 143 2006-HE2 and 280 2007-HE2 Mortgage Loans. Having received no response from GMACM to its earlier requests, FGIC sent a follow-up e-mail on February 3, 2011, regarding the status of its December 9, 2010 request for files. FGIC's demands for information were received by ResCap, which informed FGIC that ResCap could not respond to the requests until the matter was discussed internally at ResCap and a response was authorized by those with decision-making authority. On information and belief, the request required authorization from officers at Ally Financial, and GMACM/ResCap's response was directed by officers at Ally Financial.

183. On February 14, 2011, FGIC sent further follow-up letters requesting loan files.

184. In finally responding to FGIC's request for information, GMACM refused to provide any loan files or other information relating to current or pre-paid loans ("Performing Loans"). Instead, it only provided FGIC with a small sampling (254 of 423) of the requested loan files, consisting largely of non-performing loans, and chose to conceal the Performing Loan files from FGIC.

185. Pursuant to the Servicing Agreements and the I&I Agreements, FGIC is entitled to reasonable access to the documentation regarding all of the Mortgage Loans. Section 2.02(p)

of the I&I Agreements provides that FGIC "shall have the right, so long as any of the [HE] Notes remains outstanding, to conduct an ongoing review of GMACM's practices as Servicer through reviews of the Mortgage Loans . . . ." Notably, there is no limitation in the I&I Agreements as to the nature of the Mortgage Loans files that are subject to review. Further, Section 2.02(c)(v)(B) of the I&I Agreements states that "promptly upon request," GMACM must provide to FGIC "such other data as [FGIC] may reasonably request. . . ."

186. On April 26, 2011, having still received none of the remaining performing Mortgage Loan files it requested, FGIC sent a further letter requesting the remaining loan files. To date, GMACM has not responded.

187. By producing only non-performing Mortgage Loan files, in contravention of the I&I Agreements, GMACM has arbitrarily and unreasonably imposed limitations on FGIC's contractual rights to reasonable access to Mortgage Loan files in contravention of the Operative Documents.

(5) GMACM's Denial of Servicing Notes

188. On December 9, 2010, FGIC demanded, pursuant to Section 2.02(c)(v) of the I&I Agreements, that GMACM furnish or cause to furnish the servicing notes for the Mortgage Loans.

189. GMACM, without justification or explanation, and in breach of its obligations in the I&I Agreements, has failed to respond to requests for servicing notes.

(6) GMACM's Denial of FGIC's Access To Books and Records, Chief Financial Officer, and GMACM's Independent Accountants

190. On January 19, 2012 (with respect to the 2007-HE2 Transaction) and January 20, 2012 (with respect to the 2006-HE2 Transaction), in accordance with its express rights under Sections 2.02(e)(i)-(iii) of the I&I Agreements, FGIC requested to (i) inspect the books and

records of GMACM; (ii) discuss the affairs, finances and accounts of GMACM with the Chief Financial Officer of GMACM; and (iii) discuss the affairs, finances and accounts of GMACM with GMACM's independent accountants.

191. To date, GMACM has failed to respond to these requests, in violation of the I&I Agreements.

(7) GMACM's Continued Frustration of FGIC's Right to Access Information Regarding the 2007-HE2 Mortgage Loans

192. On March 1, 2012, servicing duties for the 2007-HE2 Transaction were transferred from GMACM to a third-party servicer. Following the transfer, FGIC again sought information regarding the Mortgage Loan files, this time from the successor (and current) servicer of the 2007-HE2 Transaction.

193. FGIC has been made aware that the current servicer of the Transaction is unable to provide the information FGIC has sought due to GMACM's refusal to provide its successor with certain Mortgage Loan files and other crucial information. GMACM's refusal to turn over information in its possession to, and otherwise cooperate with, its successor servicer is a clear violation of the Servicing Agreement that GMACM entered into as the then-Servicer of the 2007-HE2 Transaction and to which FGIC is a third-party beneficiary, as well as a breach by GMACM of its obligations under the 2007-HE2 I&I Agreement to comply with the terms of the Operative Documents. *See* 2007-HE2 Servicing Agreement §§ 3.01(c), 7.01(a), 8.05; 2007-HE2 I&I Agreement § 2.02.

194. Additionally, GMACM has an independent obligation under the 2007-HE2 I&I Agreement to provide FGIC such information as FGIC may reasonably request. *See* 2007-HE2 I&I Agreement § 2.02(c)(v). As such, through its obstinate refusal to provide either FGIC or the

successor servicer with material information—admittedly within its possession—regarding the Mortgage Loans, GMACM has further breached its obligations to FGIC.

195. Moreover, on information and belief, the Mortgage Loan information that GMACM refuses to provide either to FGIC or the successor servicer will evidence further material breaches of representations and warranties made by GMACM. Accordingly, FGIC reserves its rights to assert additional causes of action regarding GMACM's breaches of its representations and warranties.

G. Ally Bank's Breaches of The Custodial Agreement

196. Under the Custodial Agreements, to which FGIC is an express third party beneficiary, *see* Custodial Agreements § 5.6, and through which Ally Bank received substantial fees, Ally Bank undertook several obligations to FGIC concerning the manner in which Ally Bank would ensure that the Mortgage Loans contained complete and accurate information and that GMACM was in compliance with its representations and warranties regarding the origination, selection, and characteristics of those loans.

197. Ally Bank agreed that it would hold the Mortgage Notes relating to the Initial Mortgage Loans and any Subsequent Mortgage Loans, and that it would review the Mortgage Notes and deliver to FGIC a certification of "the completeness of the receipt of the Mortgage Notes." *Id.* §§ 2.1, 2.2.

198. Ally Bank further agreed to notify FGIC of breaches of the MLPAs by GMACM, by providing that: "Upon discovery by the Custodian of a breach of any representation or warranty made by [GMACM] in the Purchase Agreement . . .with respect to a Mortgage Loan . . . the Custodian shall give prompt written notice to [FGIC]." Custodial Agreements § 2.3.

199. On information and belief, in some instances the Mortgage Note was not included in the loan file. The lack of a Mortgage Note within a particular file constitutes a breach of the

representations and warranties given by GMACM in the MLPAs. Ally Bank should have been aware of the fact that Mortgage Notes were missing from certain Mortgage Loan files, and that this was a breach of the MLPAs' representations and warranties. Consequently, it should have notified FGIC pursuant to its own obligations under the Custodial Agreements. *See id.* §§ 2.1-2.3. Ally Bank has, however, failed to provide FGIC with any notices regarding defects in any Mortgage Loan file, and has further provided inaccurate and/or incomplete certifications regarding the Mortgage Loans, thereby breaching the Custodial Agreements to which FGIC is an express third party beneficiary.

200. Moreover, Ally Bank had an obligation to notify FGIC of any breach by GMACM of the MLPAs' representations and warranties that it discovered, not just those pertaining to the Mortgage Note. Since Ally Bank originated or acquired approximately 75% of the Mortgage Loans in the HE Transactions—which have suffered astounding defect rates—it must have been keenly aware of the breadth and scope of the underwriting failures with respect to those loans. Ally Bank, thus, must have known that GMACM was in breach of the representations and warranties in the MLPAs, and its failure to so notify FGIC was a further breach of the Custodial Agreements.

H. GMACM's Fraud

201. The material breaches of GMACM's representations and warranties, including the extensive underwriting failures by GMACM, and the poor credit quality of almost all of the Mortgage Loans, demonstrate the knowing and wanton disregard of the material representations and warranties and affirmative covenants GMACM made to FGIC to induce its participation in the Transactions. The extraordinarily high defect and default rate among the Mortgage Loans demonstrates not merely that GMACM breached its representations and warranties as a contractual matter, but that it did not—and never intended to—comply with them, despite

representing to FGIC that, if FGIC issued the Policies, it (GMACM) would make the representations and warranties set forth in the Operative Documents, and that those representations and warranties would be true. Because GMACM refuses to provide all of the requested Mortgage Loan files in violation of its contractual obligation to do so, however, the full extent and scope of the fraud has yet to be revealed.

202. All of the Mortgage Loans underlying the HE Transactions were originated or acquired by GMACM and its affiliate Ally Bank. As such, GMACM had the access and ability to evaluate the Mortgage Loan files and to determine if the loans were in substantial compliance with the applicable GMACM underwriting guidelines and if the loans breached other representations and warranties made by GMACM.

203. To induce FGIC to enter into the HE Transactions, GMACM provided FGIC with a loan tape for each of the Transactions, which contained false and misleading information regarding, among other things, the CLTV and DTI ratios, occupancy status, and FICO scores of the borrowers.

204. In addition, GMACM made critical misrepresentations to FGIC with respect to the credit rating agencies' assessment of the loans that were to comprise the HE Trusts. GMACM was well aware that FGIC would not agree to insure the HE Notes unless the shadow ratings assigned satisfied FGIC's minimum requirements. To this end, upon information and belief, GMACM provided Moody's and S&P with the same false information regarding the credit quality of the underlying Mortgage Loans that it also provided to FGIC. Based on this faulty information, Moody's and S&P assigned shadow ratings regarding the credit quality of the 2006-HE2 and 2007-HE2 Notes that met FGIC's minimum requirements—Baa1 and BBB-, respectively, for the 2006-HE2 Notes, and Baa2 and BBB, respectively, for the 2007-HE2 Notes.

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In this way, GMACM made both direct and indirect misrepresentations to FGIC—first, by providing faulty information to the rating agencies to provide a risk assessment that GMACM would pass on to FGIC, and second, by causing shadow ratings of the HE Notes to be delivered to FGIC without disclosing to FGIC that those ratings were based on incomplete and inaccurate loan-level data.

205. GMACM was well aware that FGIC would rely on the shadow ratings—prepared with information supplied by GMACM—as the I&I Agreements specifically contemplated as a condition to issuance of the Policies that FGIC "shall have received confirmation that the Notes insured by the Policy are rated" by S&P and Moody's at a specified minimum level "without regard to the Policy." I&I Agreements § 3.01(k).

206. As noted, the issuance of the Policies enabled the HE Notes to receive triple-A ratings from the rating agencies. Moreover, the receipt of a triple-A ratings for the HE Notes, which depended on the issuance of the Policies, which in turn depended on the shadow ratings formulated using (inaccurate) information supplied by GMACM, was a critical component of each of the HE Transactions. As GMACM expressly noted in the Prospectus Supplements: "It is a condition to the issuance of the notes that they be rated 'Aaa' by Moody's . . . and 'AAA' by Standard & Poor's[.]" 2006-HE2 Prospectus Supplement at S-90; 2007-HE2 Prospectus Supplement at S-104.

207. Had the information provided to the ratings agencies by GMACM been accurate and truthful, Moody's and S&P would almost certainly have assigned very different (and lower) shadow ratings to the HE Transactions, and FGIC in turn would not have issued the Policies on the agreed terms, or would have refused to issue the Policies altogether.

208. GMACM also made material misrepresentations to FGIC, on which FGIC relied, about the characteristics of the Mortgage Loans, including the guidelines under and standards to which the Mortgage Loans were underwritten.

209. For example, in the 2006-HE2 Prospectus Supplement (and in the I&I Agreements by incorporation) GMACM assured FGIC that the Mortgage Loans "were originated generally in accordance with the underwriting standards of GMAC Mortgage Corporation." 2006-HE2 Prospectus Supplement at S-30. Similarly, in the 2007-HE2 Prospectus Supplement (and in the I&I Agreements by incorporation), GMACM also represented to FGIC that "[t]he mortgage loans were selected for inclusion in the mortgage pool from among mortgage loans originated or purchased in connection with [GMACM's] Underwriting Standards . . . based on [GMACM's] assessment of investor preferences and rating agency criteria." 2007 HE2 Prospectus Supplement at S-30. GMACM provided FGIC with GMACM's Underwriting Guidelines themselves, which contained extensive underwriting standards and requirements.

210. In fact, as confirmed by the overwhelming defect rates described above regarding the Loan Pools, all of which are due to Mortgage Loans that are inconsistent with GMACM's own underwriting guidelines, GMACM was well aware at the closing of the HE Transactions that those representations were false. In other words, at the time of the closing of the HE Transactions, GMACM either (1) knew or should have known that its representations were materially false because GMACM had not, among other things, determined if the Mortgage Loans were originated "generally in accordance" with its own underwriting guidelines, or (2) had reviewed whether the Mortgage Loans were originated "generally in accordance" with the its underwriting guidelines, had determined that they were not, but nonetheless materially

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misrepresented to FGIC that the Mortgage Loans were originated "generally in accordance" with those guidelines.

211. Moreover, GMACM represented to FGIC that, in the case of each loan within the Loan Pools, an underwriter had made an assessment that the borrower had the ability to repay his or her loan, after receiving and reviewing all applicable employment, credit, and property information. In fact, GMACM was not verifying the ability of borrowers to repay their loans in compliance with its own underwriting guidelines accurately or at all. As a result, GMACM misrepresented facts that were uniquely within its knowledge.

212. Moreover, the MLPAs (and the I&I Agreements by incorporation) contained other false and misleading representations about the Mortgage Loans. In particular, GMACM misrepresented that, as of the closing: (i) the information set forth in the Mortgage Loan Schedule is true and correct in all material respects; (ii) no Mortgage Loan was 30 days or more delinquent as of the applicable Cut-Off Date; (iii) each Mortgage File contains all required documents and instruments; (iv) the CLTV of each Mortgage Loan did not exceed 100%; and (v) GMACM selected the Mortgage Loans in accordance with its underwriting guidelines (*i.e.* the Home Equity Loan Program). The true information regarding these loans—as known by GMACM—simply could not substantiate GMACM's assurances. In short, no amount of GMACM promising that the loans met certain standards, despite knowing otherwise, actually made those promises true.

213. GMACM knew that its representations were materially false and that these false representations were essential to FGIC's decision to issue the Policies on the terms to which FGIC agreed. GMACM intentionally made these material misrepresentations to induce FGIC to enter into the I&I Agreements and to issue the Policies.

214. GMACM knew when making the representations and warranties regarding the Mortgage Loans to FGIC prior to FGIC agreeing to issue the Policies that GMACM never intended to honor those representations and warranties, as is evidenced, *inter alia*, by the extraordinary breadth and depth of the problems FGIC has uncovered with respect to the underwriting and characteristics of those loans, and the poor performance of the HE Trusts. In short, in order to induce FGIC to issue the Policies, GMACM represented to FGIC that, if FGIC issued the Policies, GMACM would comply with its contractual representations and warranties, despite knowing that it had not complied—and would not comply—with those very same obligations.

215. GMACM's repeated fraudulent acts have exposed it to investigations by the DOJ and the SEC, including the receipt of a subpoena served in connection with GMACM's suspected fraudulent origination and underwriting practices, as well as to a multitude of suits and the potential for more litigation to come.

216. Consistent with this pattern of behavior, GMACM defrauded FGIC into issuing the Policies, through its knowing misrepresentations.

I. Ally Bank Aids and Abets GMACM's Fraud

217. Ally Bank provided substantial assistance to GMACM in fraudulently inducing FGIC to issue the Policies. In its role as Custodian—for which it received substantial fees—Ally Bank undertook to provide "prompt written notice" to FGIC of any breaches of the representations and warranties in the MLPAs that it discovered. The MLPAs, *see supra* at ¶ 141, contained several representations and warranties regarding the characteristics of the underlying Mortgage Loans as well as loans subsequently transferred to the HE Trusts.

218. Furthermore, as an originator or acquirer of approximately 75% of the Mortgage Loans, Ally Bank was well aware of the true nature of the Loan Pool. As a result of being a key

part of the HE Transactions and its affiliate status with GMACM, Ally Bank surely must have been aware of the representations and warranties GMACM routinely made to financial guaranty insurers—and did make here to FGIC—regarding the nature of GMACM's business practices and the quality of the mortgage loans that collateralized its many RMBS transactions, including the HE Transactions.

219. Against this backdrop, Ally Bank represented to FGIC that, if the HE Transactions were consummated, it (Ally Bank) would hold and monitor certain key information and documentation regarding the Mortgage Loans, and would provide notice to FGIC of any breaches by GMACM of which it was aware with respect to GMACM's representations and warranties to FGIC. As must have been known to Ally Bank, those representations and warranties made by GMACM directly concerned the Mortgage Loans, including the 75% of them that Ally Bank itself had originated or acquired. Ally Bank made these representations to FGIC with full knowledge that GMACM had not complied—and would not comply—with its relevant representations and warranties, and, accordingly, that they were false. By representing to FGIC that it would (a) hold and certify the accuracy of certain key information and documentation regarding the Mortgage Loans, the majority of which it had originated or acquired itself, and (b) inform FGIC of any failure by GMACM to comply with its obligations, Ally Bank materially aided GMACM's fraudulent inducement of FGIC to issue the Policies. The issuance of the Policies, which made the HE Transactions possible, inured to the significant financial benefit of Ally Bank, given that it collected substantial fees as Custodian and also perpetuated the market for its loan origination and sales business.

J. Ally Financial Aids and Abets GMACM's Fraud

220. Ally Financial provided substantial assistance to GMACM in fraudulently inducing FGIC to issue the Policies. As the ultimate parent of an intertwined corporate

enterprise, the subsidiaries of which were substantially involved in every aspect of Ally Financial's securitization business, Ally Financial was well aware of the true nature of the Mortgage Loans. Moreover, as discussed above, Ally Financial was aware of the representations and warranties GMACM made regarding the nature of GMACM's business practices and the quality of the Mortgage Loans and that such representations and warranties were false.

K. GMACM's Breach of Obligations as Servicer

221. GMACM, as Servicer, failed in numerous material respects to properly perform its duties to service and administer the Mortgage Loans in accordance with the provisions of the relevant Operative Documents for the HE Transactions, including, but not limited to, its obligations to follow proper servicing procedures.

222. GMACM had responsibility for the servicing of the Mortgage Loans and thereby undertook certain related contractual obligations under the I&I Agreements and the Servicing Agreements with respect to the HE Transactions. Under the I&I Agreements, GMACM covenanted that "[a]ll Mortgage Loans will be serviced in all material respects in compliance with the Servicing Agreement." I&I Agreements § 2.02(l). Under the Servicing Agreements, GMACM is liable to FGIC for the servicing and administering of the Mortgage Loans, and in doing so is required to "follow such collection procedures as shall be normal and usual in its general mortgage servicing activities and consistent with the procedures the Servicer employs in servicing all other Mortgage Loans in the servicing portfolio with characteristics similar to those of the Mortgage Loans." Servicing Agreements §§ 3.02(a), 6.01.

223. During 2007, the servicing operations of GMACM were integrated into ResCap. Following the integration, on information and belief, GMACM breached these obligations by, among other things, being deficient in its borrower contact, collections, and loss mitigation standards, and by failing to honor FGIC's contractual rights to information. In particular, an

onsite review of the Ally Financial servicing arm's headquarters, including those of GMACM, on March 25, 2009 by FGIC and a third party firm, and subsequent analysis, revealed *inter alia*: (i) inadequate call center staffing—staffing unable to handle increased incoming and outgoing call volumes; (ii) call center staffing turnovers as high as 40% in a single year; (iii) a calling campaign that does not attempt to contact borrowers through other means when GMACM does not have a viable number or the borrower is continuously unresponsive to messages left; (iv) a lack of effort to hire personnel to visit the mortgaged property to discuss loss mitigation strategies with borrowers in default; and (v) severely infrequent use of alternative loss mitigation strategies as compared to the industry. GMACM, as servicer, also had an obligation to notify FGIC of any material breaches of representations and warranties, and to cause GMACM, as seller, to repurchase the affected Mortgage Loans.

224. On information and belief, GMACM has failed to remedy any of its deficient servicing practices.

225. In addition, GMACM disclosed to FGIC for the first time in March 2009 that it classified loans into one of three categories or "Risk Tiers" under a servicing protocol ("Risk Protocol"). Such an approach was, upon information and belief, part of the further cost-cutting measures implemented under the direction of Ally Financial when all of the servicing operations were integrated.

226. FGIC was damaged by the use of the Risk Protocol following the Ally-directed integration. Under the Risk Protocol, the timing and frequency of calls made with respect to a loan are determined in accordance with the loan's assigned category or Risk Tier. GMACM disclosed to FGIC that all of the mortgage loans in FGIC-insured, GMACM-serviced transactions (over 90,000 mortgage loans), including all of the Mortgage Loans in the HE

Transactions, were placed in the lowest category of risk. For such mortgage loans, regardless whether they were (i) first- or second- lien, (ii) underwritten under less stringent guidelines, or (iii) originated by non-GMAC entities—all of which are factors that require more attentive servicing—delinquent borrowers were called at a later stage of delinquency and less frequently than loans in higher risk categories. As the purchaser of the Mortgage Loans, however, GMACM clearly knew that such Mortgage Loans, by their very nature, required particularized servicing before the implementation of the Risk Protocol. The Mortgage Loans were therefore knowingly miscategorized and neglected, and intentionally received much less care than if they had been properly categorized and appropriately serviced. Consequently, the failure by GMACM to ensure that the Mortgage Loans were serviced and administered in accordance with "procedures as shall be normal and usual in its general mortgage servicing activities" constitutes a breach of the Servicing Agreements and the I&I Agreements. *See* Servicing Agreements § 3.02(a); I&I Agreements § 2.02(l).

227. On July 8, 2009, FGIC requested: (1) additional information concerning the various Risk Tiers generally, and (2) documentation in order to assess whether or not FGIC was being harmed as a result of being placed in the lower risk tier. To date, GMACM has failed to provide such information in breach of Section 2.02(c)(v) of the I&I Agreement.

L. Ally Financial's Domination and Control of its Subsidiaries Results in an Integrated, Single Corporate Enterprise

228. As discussed in greater detail below, Ally Financial is the ultimate parent of all of the other Defendants to this action. Ally Financial owns ResCap, which owns GMACM and RFC. Ally Financial—as the ultimate parent of ResCap, GMACM, Ally Bank, and RFC—has the practical ability, which it has repeatedly and admittedly exercised, to direct and control the actions of its subsidiaries, including ResCap, GMACM, Ally Bank, and RFC.

229. As also discussed below, Ally Financial has exercised such domination and control over its subsidiaries, including ResCap, GMACM, Ally Bank, and RFC. Ally Financial exercised its direction and control in connection with the HE Transactions. At times, Ally Financial performed such direction and control by using ResCap as an instrument to effect its goals.

230. As mentioned above, Ally Financial has recently admitted to the Federal Reserve Board and FDIC that it "indirectly owns and controls . . . numerous direct and indirect nonbank subsidiaries, including Residential Capital, LLC . . . ('ResCap'), and its direct and indirect subsidiaries." *See In re Ally Fin. Inc.*, FRB Docket Nos. 11020-B-HC & 11020-B-DEO, FDIC-11-123b (April 13, 2011) (emphasis added).

231. As further discussed below, Ally Financial's public statements and actions at or around the time of the Transactions' close until present, also demonstrate that Ally Financial: (i) owns a majority of its subsidiaries' stock; (ii) shares resources, management and employees with its subsidiaries; (iii) considers its mortgage businesses to be "units" of its business; and (iv) has a business relationship with its subsidiaries designed to benefit itself at the expense of its subsidiaries.

(1) Evidence of Ally Financial's Domination of GMACM Directly and Indirectly Through its Control of ResCap

232. From its inception as the ultimate parent company, Ally Financial focused on controlling the management of its subsidiaries to the point that it treated ResCap as an extension of itself, rather than a subsidiary whose dealings were at arm's length.

233. ResCap, for example, did not conduct any operations whatsoever until GMAC Residential Holding Corp. and GMAC-RFC Holding Corp.—two of Ally Financial's wholly-

owned subsidiaries—were transferred to it in March 2005. Those two subsidiaries represented substantially all of Ally Financial's mortgage securitization business.

234. Ally Financial, at the direction of its board of directors, also provided ResCap with liquidity and capital.

235. Further, in Ally Financial's 8-K, filed on June 9, 2005, it disclosed that ResCap would enter into an operating agreement with Ally Financial, under which Ally Financial would agree to "indemnify, defend and hold [ResCap] harmless from and against any losses [ResCap] suffer[s] related to the businesses and liabilities of [Ally Financial] and its subsidiaries." Proposed Operating Agreement, Ex. 99.1 to Form 8-K, dated June 8, 2005 (hereinafter "2005 Operating Agreement").

236. On information and belief, Ally Financial's restructuring and financial support of its subsidiaries was undertaken at the direction of the Ally Financial board of directors in order to improve and maintain the investment grade rating and profitability of Ally Financial's mortgage securitization business. This restructuring then enabled Ally Financial to present itself to its subsidiaries' securitization transaction partners—including FGIC—as a stable corporate parent supporting and overseeing the business of its subsidiaries, which in turn made those subsidiaries more attractive as counterparties to market participants, such as FGIC.

237. On December 1, 2006, Ally Financial, had its inaugural conference call with investors, at which time Rick Buxton, the then head of Ally Financial's Investor Relations, "welcome[d everyone] to the beginning of a new era [of Ally Financial] as an independent global financial services company." On the same investor call, Eric Feldstein, Ally Financial's then CEO, demonstrated how Ally Financial was going to take initial steps to actively control its subsidiaries. For instance, Feldstein declared that one of Ally Financial's first acts as controlling

parent was "to integrate certain of GMAC mortgage operations . . . with RFC operations . . . to drive some cost efficiencies." *Id.*

238. At all times since Ally Financial caused ResCap to be incorporated, it has owned 100% of ResCap.[5] Since incorporation, the ownership of ResCap has not changed—Ally Financial still "owns 100% of ResCap . . . ." Ally Financial Earnings Call dated Nov. 2011, statement by Michael Carpenter, Ally Financial's CEO.

239. Ally Financial has continued to exert its domination and control over ResCap via shared resources, management and employees. For example, Ally Financial and ResCap shared at least three common board members, including two individuals who were active participants with respect to the intertwined relationship between Ally Financial and ResCap: (1) ResCap's chairman and Ally Financial's CEO, Eric Feldstein; and (2) Ally Financial's CFO and a director of ResCap, Sanjiv Khattri. In fact, the 2005 Operating Agreement, between ResCap and Ally Financial, which Ally Financial filed with the SEC, and which upon information and belief is still currently in effect, "*require[s]* that [ResCap's] board of directors include at least two independent directors, *to be selected by GMAC*." Proposed Operating Agreement, Ex. 99.1 to Form 8-K, dated June 8, 2005 (emphasis added).

240. Moreover, on April 26, 2007, "ResCap Investor Relations" announced the release of Ally Financial's 2007 first quarter financial results to investors in an email bearing the

[5] GM had created a shell company, GMAC Mortgage Group Inc., which was the direct parent of ResCap. However, there is no indication that this company conducted any business independent from Ally Financial. In fact, Ally Financial's first Annual Report as an independent entity, which was filed with the SEC on March 3, 2007, included a corporate hierarchy chart that evidenced Ally Financial's corporate structure. There was a direct line from Ally Financial to ResCap. *See* Ally Fin. Form 10-K, at 2 (March 3, 2007). In addition, there is no indication that Ally Financial ever discusses ResCap as an "indirect subsidiary." To the contrary, as discussed, below, Ally has publicly stated on numerous occasions that it is the owner of ResCap.

ResCap logo. That announcement stated that Ally Financial's financial results were found on both Ally Financial's and ResCap's websites.

241. Moreover, David C. Walker, as discussed above, has served as Vice President of GMAC Group and CFO of GMAC Mortgage Group, and as of September 29, 2005, was a director at ResCap, GMACM, RFC, and RAMP, among other Ally Financial subsidiaries.

242. Similarly, as noted above, William F. Muir, Ally Financial's President, has also served as President and Chairman of the Board of IB Finance Holding Company, LLC—the direct parent of Ally Bank—and as a director of Ally Bank.

243. Ally Financial's domination and control of its subsidiaries, and in particular its use of ResCap to effectuate that control, is further evidenced by John Ruckdaschel, who, according to publicly available information, has served as in-house counsel at Ally Financial since October 2006. According to an e-mail sent from ResCap to FGIC, Ruckdaschel has served as "internal legal counsel for all [] securitizations" since at least May 2008. Although purportedly an Ally Financial employee, Ruckdaschel also sent and received e-mail using a ResCap e-mail address. Further, an employee of ResCap specifically instructed FGIC that all "official letters" regarding several Ally Financial subsidiaries—including GMACM, RFC, RAMP and others—should be sent not to the relevant (and supposedly independent) subsidiary, but rather to Ruckdaschel, Ally Financial's internal counsel. Additionally, Ruckdaschel—using his Ally Financial e-mail address—received correspondence relating to the Operative Documents at issue in the HE Transactions.

244. As further evidence of Ally Financial's domination over ResCap, the 2005 Operating Agreement also indicates that Ally Financial has expressly "restrict[ed] ResCap's

ability to declare dividends or prepay subordinated indebtedness owed to [Ally Financial] or its other affiliates." *See id.*

245. Conversely, Ally Financial has also agreed to directly pay the losses or expenses of ResCap. In the same 2005 Operating Agreement, Ally Financial stated that it would stand behind ResCap and "indemnify, defend and hold [ResCap] harmless from and against any losses [ResCap] suffer[s] related to the businesses and liabilities of [Ally Financial] and its subsidiaries." *Id.*

246. Ally Financial has continued to make additional public statements that further demonstrate its willingness to support and fund ResCap. For instance, in May 2007, during an investor earnings call, Sanjiv Khattri, the Executive Vice President and Chief Financial Officer of Ally Financial, repeatedly made statements that Ally Financial's board of directors "will take whatever reasonable efforts that need to be done to maintain [ResCap's] earnings." Ally Financial's Q1 2007 Earnings Call at 24 (May 2, 2007). Khattri pointed to the fact that "the [Ally Financial] Board . . . and [Ally Financial] did not hesitate to inject a billion dollars of equity when it was appropriate . . . ." Ally Financial's Q2 2007 Earnings Call at 9 (July 30, 2007). Khattri unequivocally stated that "[a]ll I can assure you [is] that if you look at the strategic plan of [Ally Financial], a strong ResCap with an investment grade rating is a key part of our plan and a key part of <u>our value creation</u>." *Id.* (emphasis added). Thus, Ally Financial's senior management assured the market that Ally Financial was supporting ResCap for the purposes of Ally Financial's own "value creation."

247. The financial support Ally Financial gave to ResCap began as far back as May 2005 and has persisted over many years. Upon information and belief, Ally Financial continued to prop up ResCap, an undercapitalized entity, by channeling capital and liquidity into ResCap

even as its condition continued to deteriorate as the housing market crashed. In addition to the direct financial support Ally Financial contributed to ResCap, it was also instrumental in obtaining outside investments that flowed directly to its mortgage subsidiaries. In 2008, Ally Financial announced to the market that it renewed a funding facility with Citibank, which provided "funding of up to $13.8 billion." Ally Fin. Inc., Form 8-K (Sept. 19, 2008). A portion of such funding was specifically earmarked for "mortgage assets across the [Ally Financial] and [ResCap] businesses." *Id.*

248. Indeed, Ally Financial's 2011 annual report states that "ResCap remains heavily dependent on [Ally Financial] and its affiliates for funding and capital support." Ally. Fin. Inc., Annual Report (Form 10-K), at 128 (Feb. 28, 2012).

249. Additionally, Annual Reports prepared by Ally Financial further note its pursuit of strategic alternatives with ResCap, and highlight the extent to which Ally Financial manipulated its control over its subsidiaries to enhance its own financial health. According to Ally Financial: "On December 31, 2009, we announced that due to our ongoing strategic review of how to best deploy GMAC's current and future liquidity, we decided to pursue strategic alternatives with respect to ResCap and committed to a plan . . . related to management's intent to sell certain ResCap related assets and businesses. . . . In order to maximize value, we will consider a variety of options including one or more sales, spin-offs, or other potential transactions . . . [that we believe] should minimize the impact of any significant future losses related to ResCap's legacy mortgage business . . . ." Ally Fin. Inc., Annual Report (Form 10-K), at 3-4 (Feb. 26, 2010).

250. There is also substantial evidence that billions of dollars of TARP funds meant to stabilize Ally Financial were given to ResCap by Ally Financial. See TARP Report dated March

10, 2010, at 41, 44 (hereinafter "TARP Report"). Upon information and belief, the TARP funds were commingled among a variety of entities within Ally Financial's mortgage family, including ResCap.

251. Further, Ally Financial has established a "Mortgage Repurchase Reserve" to account for the potentially significant liabilities stemming from repurchase demands made on its mortgage-related subsidiary business units. The balance of the Mortgage Repurchase Reserve was $825 million as of the fourth quarter of 2011. *See* Ally Financial's 4Q 2011 Earnings Presentation at 16. Although these repurchase demands are generally made on Ally Financial's subsidiaries—such as GMACM—in discussing the reserve on an earnings call, Ally Financial CFO Jim Mackey made clear that it was Ally Financial that was recording "repurchase expense[s]" related to mortgages, as he stated that Ally Financial "had lower mortgage repurchase expense of $44 million." Ally Financial's Q4 2011 Earnings Call at 4 (Feb. 2, 2012).

252. Similarly, in discussing Ally Financial's Mortgage Repurchase Reserve on Ally Financial's third quarter 2011 earnings call, Mackey further described losses attributable mortgage loan repurchases as belonging to Ally Financial, when he stated: "Our mortgage repurchase reserve is [as it then stood] $829 million . . . . Our loss experience improved during the quarter due to the fact that we had fewer mortgage insurance rescission payments that we experienced last quarter and that did not repeat this quarter." Ally Financial's Q3 2011 Earnings Call at 6 (Nov. 2, 2011) (emphases added). On the same call, Ally Financial CEO Carpenter explained that "we have routinely repurchased problem loans voluntarily and by contract . . . ." *Id.* at 8 (emphasis added).

253. Additionally, as discussed above, Ally Financial recorded a $230 million charge in the fourth quarter of 2011, $212 million of which was recorded at its controlled subsidiary,

ResCap. As a result of the penalties assessed against ResCap by government regulators, and the fact that ResCap failed to maintain sufficient tangible net worth to comply with the requirements of the terms of certain credit facilities, Ally Financial propped up its subsidiary ResCap with a $197 million capital contribution in the form of intercompany debt forgiveness. See Ally Fin. Inc., Form 10-K, at 31-32 (Feb. 28, 2012).

(2) Ally Financial Has Disregarded Corporate Formalities and Treated Its Businesses as a Single Enterprise

254. Ally Financial describes its subsidiaries as its own business units rather than separate and distinct entities. For example, Ally Financial declares, in a section of its website specifically intended to inform investors, that GMACM is a "business unit" of Ally Financial, rather than an indirect subsidiary owned by ResCap. *See* Ally Financial Website, Ally Home > About Ally > Investor Relations, *available at* http://www.ally.com/about/investor/ (last visited Dec. 9, 2011).

255. In line with Ally Financial's current classification of its mortgage businesses as "units" of Ally Financial, it has consistently been involved in the day-to-day operations of its subsidiaries. For example, at least one individual, who was identified at various times as being a GM and/or Ally Financial employee, was on the working group list for transactions involving ResCap subsidiaries that FGIC insured, including these Transactions. He was included on communications surrounding the deal document drafting processes from commencement to close. Such communications sent to him concerned both the negotiation of the various Operative and Offering Documents, as well as the final executed versions of the Operative and Offering Documents, including the fraudulent representations, warranties, and affirmative covenants that are at issue in this action.

256. The origination and securitization of mortgage loans by ResCap and its subsidiaries have long been integral parts of Ally Financial's core business. In its 2006 Annual Report, Ally Financial (then reporting as GMAC LLC) stated that "[w]e are a leading real estate finance company focused primarily on the residential real estate market. Our business activities include the origination, purchase, servicing, sale and securitization of residential mortgage loans." GMAC LLC, Annual Report (Form 10-K), at 3 (Mar. 13, 2007) (emphasis added). Ally Financial further stated that "we utilize asset and mortgage securitizations and sales as a critical component of our diversified funding strategy." *Id.* at 5 (emphasis added).

257. Ally Financial continued to publicly report on its own business and that of its subsidiaries in later filings on an integrated basis: "We engage in the origination, purchase, servicing, sale, and securitization of consumer (i.e., residential) mortgage loans and mortgage-related products. Mortgage operations include the Residential Capital, LLC (ResCap) legal entity, [and] the mortgage operations of Ally Bank . . . ." Ally Fin. Inc., Annual Report (Form 10-K), at 3 (Feb. 26, 2010). More recently, continuing to discuss its various mortgage operations as a single enterprise, Ally Financial stated that "[o]ur Origination and Servicing operations is one of the leading originators of conforming and government-insured residential mortgage loans in the United States. We are one of the largest residential mortgage loan servicers in the United States and we provide collateralized lines of credit to other mortgage originators." Ally Fin. Inc., Annual Report (Form 10-K), at 4 (Feb. 28, 2012).

258. Moreover, as discussed above, Ally Financial—at least in the view of certain of ResCap's bondholders—is believed to have stripped assets from its subsidiary.

259. In addition to the dominance and control Ally Financial exerted over its mortgage units, ResCap also viewed GMACM and RFC as part of its own business. For example, in its

investor presentation from 2007, ResCap declares that GMACM and RFC "are owned and *operated* by GMAC Residential Capital Company, LLC [ResCap]." It further states that ResCap "is part of the [Ally Financial] family of companies." As discussed above, Ally Financial exerted its dominance and control over ResCap. Upon information and belief, when Ally Financial was not directly controlling GMACM and RFC, it was using ResCap as an instrument to do so.

260. Ally Financial is currently using its subsidiaries' resources as its own in order to earn favorable ratings by credit rating agencies. For instance, a report put out by Moody's in November 2011 rated Ally Financial as an "above average" originator of mortgage loans. It is evident from that report that Ally Financial obtained such a rating by providing information related to its mortgage units, including GMACM and Ally Bank. Ally Financial itself is not engaged in the origination business. Instead, it is using its mortgage units as instruments to obtain favorable ratings.

261. Such disregard for the corporate form has persisted over time. For instance, Fitch Ratings in 2007 publicly reported that "operations of [Ally Financial]'s residential mortgage servicing businesses—which include [GMACM, RFC], and HomeComings Financial Network—have been integrated into" ResCap. Moreover, Moody's reported that in 2007, "ResCap combined all servicing operations under one servicing entity . . . under common management [and] common systems . . . ." There is no indication that either RFC or GMACM has ceased operations or been sold to other entities or investors. Thus, upon information and belief, ResCap has conflated various businesses that currently have extensive third-party contractual relationships, such as the one GMACM has with respect to the HE Transactions as Servicer.

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262. Even the employees of Ally Financial's subsidiaries think of themselves as employees of Ally Financial rather than separate entities since there appears to be no difference. For example, Thomas F. Marano, served as an officer of Ally Financial as well as Chairman and CEO of ResCap. His responsibilities include overseeing the mortgage lending and servicing in ResCap. In testimony before the House Financial Services Subcommittee on November 18, 2011, Marano stated that "Ally [Financial]'s mortgage business is conducted through GMAC Mortgage." Upon information and belief, Marano—in his dual role as an officer of Ally Financial as well as Chairman and CEO of ResCap—directed and controlled the actions of GMACM and RFC.

263. In another example, Larry Hipp, a member of ResCap's Risk Analyst/Investor Repurchase Department, communicated with FGIC regarding rescission requests using an Ally Financial email address, but in those very same emails, lists his ResCap contact information, including a ResCap email address. In addition, Ally Financial/ResCap used to send FGIC secure communications bearing a "GMAC ResCap" header, but those secure communications now have an Ally Financial header.

264. A further example is supplied by Jeffrey Stephan, a loan officer of GMACM who was implicated in the robo-signing issues associated with servicing mortgage loans. He was asked the following questions at his deposition:

> Q: Could you please state your name for the record.
> A: My name is Jeffrey Stephan.
> Q: Okay. And who do you work for?
> A: GMAC, LLC [Ally Financial].
> Q: And is there a difference between GMAC, LLC and GMAC Mortgage, LLC?
> A: GMAC, LLC – I'm trying to think of the word to use – the most recent name.
> Q: Okay.
> A: It's GMCA [sic] Mortgage Corporation.

Q: Okay.
A: I'm not sure how you would word that.
Q. Okay. So are they -- does GMAC, LLC -- now has that basically taken over these other entities --
A. Yes.
Q. -- that formerly existed?
A. Yes.
Q. So these entities no longer currently exist?
A. Right.
Q. Okay. And how long then have you been employed by GMAC, LLC?
A. Five years.

Jeffrey Stephan Deposition, *GMAC Mortgage, LLC v. Neu*, 4:25-5:22, Dec. 10, 2009, Case No. 50 2008 CA 040805, (15th Cir. Ct., Palm Beach, Fl.).

M. FGIC's Contractual Remedies Under The I&I Agreements

265. The I&I Agreements provide FGIC with broad remedies for GMACM's breaches of its representations and warranties. The breadth of these remedies provided further material inducement for FGIC to issue the Policies. Specifically, Section 5.02(b) of the I&I Agreements provides:

> Unless otherwise expressly provided, no remedy herein conferred or reserved is intended to be exclusive of any other available remedy, but each remedy shall be cumulative and shall be in addition to other remedies given under this Insurance Agreement, the Indenture or existing at law or in equity.

266. Moreover, the I&I Agreements provide that, upon an "Event of Default"—which is defined to include when "[a]ny representation or warranty" made by GMACM in the I&I Agreements or the Operative Documents is materially untrue or incomplete—FGIC can "take whatever action at law or in equity as may appear necessary or desirable in its judgment to collect the amounts, if any, then due under this [I&I Agreement] or any other Operative Document or to enforce performance and observance of any obligation, agreement or covenant of GMACM[.]" I&I Agreements §§ 5.01(a), 5.02(a)(vi).

267. In addition, GMACM agreed:

> to pay, and to protect, indemnify and save harmless [FGIC] . . . from and against, any and all claims, losses, liabilities (including penalties), actions, suits, judgments, demands, damages costs or expenses (including reasonable fees and expenses of attorneys . . .) of any nature arising out of or relating to the breach by GMACM of any of the representations or warranties contained in Section 2.01 [of the I&I Agreement] or arising out of or relating to the Transaction contemplated by the Operative Documents . . . .

I&I Agreements § 3.04(a).

268. Moreover, consistent with its obligation to select Mortgage Loans that met its published criteria, GMACM agreed to repurchase or substitute Mortgage Loans that did not conform to GMACM's representations and warranties, and to indemnify FGIC for claims and losses arising from GMACM's breach of any representation or warranty. *See* I&I Agreements § 3.03(b), 3.04(a).

FIRST CAUSE OF ACTION

(As Against Ally Financial, ResCap, GMACM: Material Breach of the 2006-HE2 I&I Agreement – Declaratory Relief Regarding GMACM's Indemnification Obligations)

269. FGIC re-alleges and incorporates by reference paragraphs 1 through 268 of this Complaint.

270. The 2006-HE2 I&I Agreement is a valid and binding agreement between the parties.

271. FGIC has performed its obligations under the 2006-HE2 I&I Agreement.

272. GMACM's representations and warranties were material to FGIC's decision to insure the 2006-HE2 Notes and to issue the 2006-HE2 Policy.

273. GMACM's pervasive and material breaches of its representations and warranties, from the very inception of the Transaction and in the years since, constitute a material breach of the 2006-HE2 I&I Agreement that has deprived FGIC of the purpose of the parties' bargain.

274. Pursuant to Section 3.04(a) of the 2006-HE2 I&I Agreement, GMACM must indemnify FGIC for any and all claims, losses, liabilities, demands, damages, costs or expenses of any nature arising out of or relating to the breach by GMACM of any of the representations or warranties contained in Section 2.01 of the 2006-HE2 I&I Agreement or arising out of or related to the transactions contemplated by the related Operative Documents by reason of, among other things: (i) the breach by GMACM of any representation, warranty, or covenant under any of the related Operative Documents; or (ii) any untrue statement or alleged untrue statement of a material fact contained in the related Offering Documents or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

275. As explained above, GMACM has breached numerous representations, warranties, and covenants in the 2006-HE2 Offering and Operative Documents. These breaches have caused FGIC to pay claims and to incur losses, costs, and expenses; and it will continue to do so.

276. Ally Financial, acting directly and/or indirectly through ResCap, directed GMACM's actions as set forth in this cause of action.

277. FGIC therefore seeks a declaration that Ally Financial, ResCap, and GMACM must jointly and severally indemnify and reimburse FGIC for all sums arising out of the 2006-HE2 Transaction for which FGIC has or will become liable, and that FGIC is entitled to immediate indemnity: (i) for all sums it has paid to date under the 2006-HE2 Policy and to the payment of all future amounts that may fall due or claims that may be presented for payment by FGIC under the 2006-HE2 Policy as and when such sums fall due or claims are presented; or, alternatively, (ii) for all loss resulting from any breaches of the representations, warranties, and covenants of the 2006-HE2 I&I Agreement or any of the related Operative Documents; or,

alternatively, (iii) in an amount to be determined at trial; and an order giving effect to such indemnification.

278. In addition, FGIC seeks a declaration that GMACM must indemnify FGIC for all sums arising out of the 2006-HE2 Transaction for which FGIC has or will become liable, and that FGIC is entitled to immediate indemnity: (i) for all sums it has paid to date under the 2006-HE2 Policy and to the payment of all future amounts that may fall due or claims that may be presented for payment by FGIC under the 2006-HE2 Policy as and when such sums fall due or claims are presented; or, alternatively, (ii) for all loss resulting from any breaches of the representations, warranties, and covenants of the 2006-HE2 I&I Agreement or any of the related Operative Documents; or, alternatively, (iii) in an amount to be determined at trial; and an order giving effect to such indemnification.

SECOND CAUSE OF ACTION

(As Against Ally Financial, ResCap, GMACM: Material Breach of the 2007-HE2 I&I Agreement – Declaratory Relief Regarding GMACM's Indemnification Obligations)

279. FGIC re-alleges and incorporates by reference paragraphs 1 through 278 of this Complaint.

280. The 2007-HE2 I&I Agreement is a valid and binding agreement between the parties.

281. FGIC has performed its obligations under the 2007-HE2 I&I Agreement.

282. GMACM's representations and warranties were material to FGIC's decision to insure the 2007-HE2 Notes and to issue the 2007-HE2 Policy.

283. GMACM's pervasive and material breaches of its representations and warranties, from the very inception of the Transaction and in the years since, constitute a material breach of the 2007-HE2 I&I Agreement that has deprived FGIC of the purpose of the parties' bargain.

284. Pursuant to Section 3.04(a) of the 2007-HE2 I&I Agreement, GMACM must indemnify FGIC for any and all claims, losses, liabilities, demands, damages, costs or expenses of any nature arising out of or relating to the breach by GMACM of any of the representations or warranties contained in Section 2.01 of the 2007-HE2 I&I Agreement or arising out of or related to the transactions contemplated by the related Operative Documents by reason of, among other things: (i) the breach by GMACM of any representation, warranty, or covenant under any of the related Operative Documents; or (ii) any untrue statement or alleged untrue statement of a material fact contained in the related Offering Documents or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

285. As explained above, GMACM has breached numerous representations, warranties, and covenants in the 2007-HE2 Offering and Operative Documents. These breaches have caused FGIC to pay claims and to incur losses, costs, and expenses; and it will continue to do so.

286. Ally Financial, acting directly and/or indirectly through ResCap, directed GMACM's actions as set forth in this cause of action.

287. FGIC therefore seeks a declaration that Ally Financial, ResCap, and GMACM must jointly and severally indemnify and reimburse FGIC for all sums arising out of the 2007-HE2 Transaction for which FGIC has or will become liable, and that FGIC is entitled to immediate indemnity: (i) for all sums it has paid to date under the 2007-HE2 Policy and to the payment of all future amounts that may fall due or claims that may be presented for payment by FGIC under the 2007-HE2 Policy as and when such sums fall due or claims are presented; or, alternatively, (ii) for all loss resulting from any breaches of the representations, warranties, and covenants of the 2007-HE2 I&I Agreement or any of the related Operative Documents; or,

alternatively, (iii) in an amount to be determined at trial; and an order giving effect to such indemnification.

288. In addition, FGIC seeks a declaration that GMACM must indemnify FGIC for all sums arising out of the 2007-HE2 Transaction for which FGIC has or will become liable, and that FGIC is entitled to immediate indemnity: (i) for all sums it has paid to date under the 2007-HE2 Policy and to the payment of all future amounts that may fall due or claims that may be presented for payment by FGIC under the 2007-HE2 Policy as and when such sums fall due or claims are presented; or, alternatively, (ii) for all loss resulting from any breaches of the representations, warranties, and covenants of the 2007-HE2 I&I Agreement or any of the related Operative Documents; or, alternatively, (iii) in an amount to be determined at trial; and an order giving effect to such indemnification.

THIRD CAUSE OF ACTION

(As Against Ally Financial, ResCap, GMACM: Fraudulent Inducement — 2006-HE2 I&I Agreement)

289. FGIC re-alleges and incorporates by reference paragraphs 1 through 288 of this Complaint.

290. GMACM induced FGIC to enter into the 2006-HE2 I&I Agreement and to issue the 2006-HE2 Policy by making false representations and warranties about its business practices and the Mortgage Loans, and by agreeing to broad remedies (including indemnification) for any breach of those representations and warranties.

291. As explained above, GMACM knowingly made materially false statements to FGIC, and/or omitted material facts from its statements to FGIC, with the intent to induce reliance by FGIC.

292. GMACM intended for FGIC to rely on GMACM's material false statements and/or omissions. FGIC had no reason to believe that GMACM's representations were false, and reasonably and justifiably relied on GMACM's material false statements and/or omissions regarding information uniquely in the possession of GMACM when it decided to enter into the 2006-HE2 I&I Agreement and to issue the Policy for the 2006-HE2 Notes.

293. As a result of GMACM's material false statements and omissions, FGIC entered into the 2006-HE2 I&I Agreement, issued the 2006-HE2 Policy, and thereby agreed to insure Notes backed by a pool of Mortgage Loans that was, in actuality, materially different from the Loan Pool that GMACM represented would collateralize the 2006-HE2 Transaction.

294. Ally Financial, acting directly and/or indirectly through ResCap, directed GMACM's actions as set forth in this cause of action.

295. As a result of GMACM's material false statements and material omissions from its statements, FGIC has been damaged and will continue to be damaged in an amount to be determined at trial.

296. GMACM, ResCap and Ally Financial are jointly and severally liable for such damages.

297. Alternatively, GMACM is liable for such damages.

FOURTH CAUSE OF ACTION

(As Against Ally Financial, ResCap, GMACM: Fraudulent Inducement— 2007-HE2 I&I Agreement)

298. FGIC re-alleges and incorporates by reference paragraphs 1 through 297 of this Complaint.

299. GMACM induced FGIC to enter into the 2007-HE2 I&I Agreement and to issue the 2007-HE2 Policy by making false representations and warranties about its business practices

and the Mortgage Loans, and by agreeing to broad remedies (including indemnification) for any breach of those representations and warranties.

300. As explained above, GMACM knowingly made materially false statements to FGIC, and/or omitted material facts from its statements to FGIC, with the intent to induce reliance by FGIC.

301. GMACM intended for FGIC to rely on GMACM's material false statements and/or omissions. FGIC had no reason to believe that GMACM's representations were false, and reasonably and justifiably relied on GMACM's material false statements and/or omissions regarding information uniquely in the possession of GMACM when it decided to enter into the 2007-HE2 I&I Agreement and to issue the Policy for the 2007-HE2 Notes.

302. As a result of GMACM's material false statements and omissions, FGIC entered into the 2007-HE2 I&I Agreement, issued the 2007-HE2 Policy, and thereby agreed to insure Notes backed by a pool of Mortgage Loans that was, in actuality, materially different from the Loan Pool that GMACM represented would collateralize the 2007-HE2 Transaction.

303. Ally Financial, acting directly and/or indirectly through ResCap, directed GMACM's actions as set forth in this cause of action.

304. As a result of GMACM's material false statements and material omissions from its statements, FGIC has been damaged and will continue to be damaged in an amount to be determined at trial.

305. GMACM, ResCap and Ally Financial are jointly and severally liable for such damages.

306. Alternatively, GMACM is liable for such damages.

FIFTH CAUSE OF ACTION

**(As Against Ally Financial and Ally Bank:
Aiding and Abetting Fraudulent Inducement — 2006-HE2 I&I Agreement)**

307. FGIC re-alleges and incorporates by reference paragraphs 1 through 306 of this Complaint.

308. As explained above, Ally Financial provided substantial assistance to its subsidiary GMACM in fraudulently inducing FGIC to enter the 2006-HE2 I&I Agreement and issue the 2006-HE2 Policy.

309. GMACM could not have perpetrated its fraudulent scheme against FGIC without the substantial assistance of Ally Financial.

310. Ally Financial knew that GMACM fraudulently induced FGIC to issue the Policy for the 2006-HE2 Transaction.

311. Ally Financial's statements materially aided GMACM's fraudulent inducement.

312. As a result of Ally Financial's aiding and abetting GMACM's fraud, FGIC has been damaged and will continue to be damaged in an amount to be determined at trial.

313. Moreover, as explained above, Ally Bank provided substantial assistance to its affiliate GMACM in fraudulently inducing FGIC to issue the 2006-HE2 Policy.

314. Ally Bank originated or acquired nearly 85% of the Mortgage Loans (amounting to over $406 million in loans), which form a substantial part of the collateral for the 2006-HE2 Transaction. Ally Bank was therefore aware of the characteristics of the Loan Pool. Ally Bank was also an affiliate of GMACM, received a copy of the 2006-HE2 MLPA, and served as Custodian of the 2006-HE2 Transaction, for which it received substantial fees. As such, Ally Bank was aware of the material misrepresentations GMACM had made to FGIC to fraudulently induce FGIC to issue the 2006-HE2 Policy. Ally Bank further represented to FGIC that it would

undertake duties to monitor and certify the accuracy and completeness of the Mortgage Loan files, as well as inform FGIC of failures by GMACM to comply with its obligations under the 2006-HE2 Operative Documents. Ally Bank made these representations to FGIC despite its knowledge that GMACM had not complied—and would not comply—with its representations and warranties.

315. Ally Bank's representations to FGIC materially aided GMACM's fraudulent inducement of FGIC to issue the 2006-HE2 Policy.

316. As a result of Ally Bank's aiding and abetting of GMACM's fraud, FGIC has been damaged and will continue to be damaged in an amount to be determined at trial.

SIXTH CAUSE OF ACTION

**(As Against Ally Financial and Ally Bank:
Aiding and Abetting Fraudulent Inducement — 2007-HE2 I&I Agreement)**

317. FGIC re-alleges and incorporates by reference paragraphs 1 through 316 of this Complaint.

318. As explained above, Ally Financial provided substantial assistance to its subsidiary GMACM in fraudulently inducing FGIC to enter the 2007-HE2 I&I Agreement and issue the 2007-HE2 Policy.

319. GMACM could not have perpetrated its fraudulent scheme against FGIC without the substantial assistance of Ally Financial.

320. Ally Financial knew that GMACM fraudulently induced FGIC to issue the Policy for the 2007-HE2 Transaction.

321. Ally Financial's statements materially aided GMACM's fraudulent inducement.

322. As a result of Ally Financial's aiding and abetting GMACM's fraud, FGIC has been damaged and will continue to be damaged in an amount to be determined at trial.

323. Moreover, as explained above, Ally Bank provided substantial assistance to its affiliate GMACM in fraudulently inducing FGIC to issue the 2007-HE2 Policy.

324. Ally Bank originated or acquired approximately 71% of the Mortgage Loans (amounting to over $686 million in loans), which form a substantial part of the collateral for the 2007-HE2 Transaction. Ally Bank was therefore aware of the characteristics of the Loan Pool. Ally Bank was also an affiliate of GMACM, received a copy of the 2007-HE2 MLPA, and served as Custodian of the 2007-HE2 Transaction, for which it received substantial fees. As such, Ally Bank was aware of the material misrepresentations GMACM had made to FGIC to fraudulently induce FGIC to issue the 2007-HE2 Policy. Ally Bank further represented to FGIC that it would undertake duties to monitor and certify the accuracy and completeness of the Mortgage Loan files, as well as inform FGIC of failures by GMACM to comply with its obligations under the 2007-HE2 Operative Documents. Ally Bank made these representations to FGIC despite its knowledge that GMACM had not complied—and would not comply—with its representations and warranties.

325. Ally Bank's representations to FGIC materially aided GMACM's fraudulent inducement of FGIC to issue the 2007-HE2 Policy.

326. As a result of Ally Bank's aiding and abetting of GMACM's fraud, FGIC has been damaged and will continue to be damaged in an amount to be determined at trial.

SEVENTH CAUSE OF ACTION

(As Against Ally Financial, ResCap, and GMACM: Breach of Contract 2006-HE2 Transaction—Representations, Warranties, and Affirmative Covenants)

327. FGIC re-alleges and incorporates by reference paragraphs 1 through 326 of this Complaint.

328. The 2006-HE2 I&I Agreement is a valid and binding agreement between the parties.

329. FGIC has performed its obligations under the 2006-HE2 I&I Agreement.

330. As explained above, GMACM has materially breached its representations and warranties and affirmative covenants under Sections 2.01 and 2.02 of the 2006-HE2 I&I Agreement.

331. Ally Financial, acting directly and/or indirectly through ResCap, directed GMACM's actions as set forth in this cause of action.

332. As a result of these breaches of contract, FGIC has been damaged and will continue to be damaged in an amount to be determined at trial.

333. GMACM, ResCap and Ally Financial are jointly and severally liable for such damages.

334. Alternatively, GMACM is liable for such damages.

EIGHTH CAUSE OF ACTION

(As Against Ally Financial, ResCap, and GMACM: Breach of Contract 2007-HE2 Transaction—Representations, Warranties, and Affirmative Covenants)

335. FGIC re-alleges and incorporates by reference paragraphs 1 through 334 of this Complaint.

336. The 2007-HE2 I&I Agreement is a valid and binding agreement between the parties.

337. FGIC has performed its obligations under the 2007-HE2 I&I Agreement.

338. As explained above, GMACM has materially breached its representations and warranties and affirmative covenants under Sections 2.01 and 2.02 of the 2007-HE2 I&I Agreement.

339. Ally Financial, acting directly and/or indirectly through ResCap, directed GMACM's actions as set forth in this cause of action.

340. As a result of these breaches of contract, FGIC has been damaged and will continue to be damaged in an amount to be determined at trial.

341. GMACM, ResCap and Ally Financial are jointly and severally liable for such damages.

342. Alternatively, GMACM is liable for such damages.

NINTH CAUSE OF ACTION

(As Against Ally Bank: Breach of the 2006-HE2 Custodial Agreement)

343. FGIC re-alleges and incorporates by reference paragraphs 1 through 342 of this Complaint.

344. The 2006-HE2 Custodial Agreement is a valid and binding agreement between the parties thereto.

345. FGIC is an express third party beneficiary of the 2006-HE2 Custodial Agreement.

346. As explained above, Ally Bank has materially breached its obligations under Sections 2.1, 2.2, and 2.3 of the 2006-HE2 Custodial Agreement.

347. Ally Financial, acting directly and/or indirectly through ResCap, directed Ally Bank's actions as set forth in this cause of action.

348. As a result of these breaches of contract, FGIC has been damaged and will continue to be damaged in an amount to be determined at trial.

TENTH CAUSE OF ACTION

(As Against Ally Bank: Breach of the 2007-HE2 Custodial Agreement)

349. FGIC re-alleges and incorporates by reference paragraphs 1 through 348 of this Complaint.

350. The 2007-HE2 Custodial Agreement is a valid and binding agreement between the parties thereto.

351. FGIC is an express third party beneficiary of the 2007-HE2 Custodial Agreement.

352. As explained above, Ally Bank has materially breached its obligations under Sections 2.1, 2.2, and 2.3 of the 2007-HE2 Custodial Agreement.

353. Ally Financial, acting directly and/or indirectly through ResCap, directed Ally Bank's actions as set forth in this cause of action.

354. As a result of these breaches of contract, FGIC has been damaged and will continue to be damaged in an amount to be determined at trial.

ELEVENTH CAUSE OF ACTION

(As Against Ally Financial, ResCap, and GMACM: Breach of Repurchase Obligation)

355. FGIC re-alleges and incorporates by reference paragraphs 1 through 354 of this Complaint.

356. The I&I Agreements are valid and binding agreements between the parties.

357. FGIC has performed its obligations under the I&I Agreements.

358. Pursuant to the terms of the I&I Agreements, and the provisions of the MLPAs incorporated therein, FGIC has demanded that GMACM repurchase non-complying Mortgage Loans. GMACM has refused to repurchase numerous such Mortgage Loans.

359. GMACM has breached the I&I Agreements, and the provisions of the MLPAs incorporated therein, by failing to repurchase any and all Mortgage Loans that violated GMACM's representations and warranties that FGIC has noticed to GMACM.

360. Ally Financial, acting directly and/or indirectly through ResCap, directed GMACM's actions as set forth in this cause of action.

361. As a result of these breaches of contract, FGIC has been damaged and will continue to be damaged in an amount to be determined at trial.

362. GMACM, ResCap and Ally Financial are jointly and severally liable for such damages.

363. Alternatively, GMACM is liable for such damages.

TWELFTH CAUSE OF ACTION

(As Against Ally Financial, ResCap, and GMACM: Breach of Contract – Declaratory Relief Regarding Access to Information)

364. FGIC re-alleges and incorporates by reference paragraphs 1 through 363 of this Complaint.

365. The I&I Agreements are valid and binding agreement between the parties.

366. FGIC has performed its obligations under the I&I Agreements.

367. Pursuant to Sections 2.02(e)(i)-(iii) of the I&I Agreements, GMACM agreed to furnish or cause to be furnished to FGIC financial statements, accountants' reports, and other information. Such other information includes, but is not limited to, data relating to the Mortgage Loans, the servicing of the Mortgage Loans, and the HE Transactions. FGIC further has the right to conduct reviews of GMACM's practices as Servicer through reviews of the Mortgage Loans pursuant to Section 2.02(p) of the I&I Agreements.

368. As discussed above, pursuant to the I&I Agreements, FGIC made numerous reasonable written requests that GMACM furnish or cause to be furnished data relating to the Mortgage Loans, and the servicing of those loans, in order for FGIC to determine the veracity of representations and warranties made by GMACM, and others, concerning the Mortgage Loans.

369. GMACM has refused to provide more than a fraction of the data concerning the Mortgage Loans sought by FGIC.

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370. GMACM has failed to comply with its contractual obligations and breached the I&I Agreements by failing to provide data relating to the Mortgage Loans after receiving reasonable requests for such data from FGIC.

371. Pursuant to Sections 2.02(e)(i)-(iii) of the I&I Agreements, GMACM agreed to permit FGIC, upon its reasonable request, to (i) inspect the books and records of GMACM; (ii) discuss the affairs, finances and accounts of GMACM with GMACM's Chief Financial Officer; and (iii) discuss the affairs, finances and accounts of GMACM with GMACM's independent accountants.

372. On January 20, 2012, FGIC made a reasonable written request that GMACM permit FGIC or its authorized agent to conduct an inspection of the books and records of GMACM, as well as permit FGIC to (i) discuss the affairs, finances and accounts of GMACM with the Chief Financial Officer of GMACM, and (ii) with GMACM's consent, which consent shall not be unreasonably withheld or delayed, discuss the affairs, finances, and accounts of GMACM with GMACM's independent accountants.

373. GMACM has failed to make available such persons or to produce such information.

374. GMACM has failed to comply with its contractual obligations and breached the I&I Agreements by failing to make available the persons requested or to provide the information requested pursuant to the I&I Agreements, Sections 2.02(e)(i)-(iii).

375. Pursuant to Section 2.02(c)(v) of the I&I Agreements, GMACM agreed to furnish or cause to furnish to FGIC "all reports provided . . . pursuant to the Servicing Agreement[.]"

376. FGIC made a reasonable request for servicing notes on December 9, 2010.

377. GMACM has failed to comply with its contractual obligations and breached the I&I Agreements by failing to cause the Servicing Reports to be delivered to FGIC after receiving reasonable requests from FGIC.

378. Further, pursuant to Section 7.01(a) of the 2007-HE2 Servicing Agreement, to which FGIC is an express third-party beneficiary and the provisions of which are incorporated by reference into the 2007-HE2 I&I Agreement, GMACM agreed to provide information regarding the Mortgage Loans to, and otherwise cooperate with, the successor servicer of the 2007-HE2 Transaction.

379. GMACM has failed to comply with its contractual obligations and breached the 2007-HE2 I&I Agreement and 2007-HE2 Servicing Agreement by failing to make available to FGIC and/or the successor servicer Mortgage Loan files and other related material information.

380. Ally Financial, acting directly and/or indirectly through ResCap, directed GMACM's actions as set forth in this cause of action.

381. Accordingly, FGIC seeks a declaration that GMACM must comply with Sections 2.02(c)(v), 2.02(e)(i)-(iii), and 2.02(p) of the I&I Agreements, and Section 7.01(a) of the 2007-HE2 Servicing Agreement, and an order requiring GMACM to promptly remedy those breaches and therefore comply with FGIC's and/or the successor servicer's requests and notices to GMACM pursuant to the relevant provisions, as detailed above.

THIRTEENTH CAUSE OF ACTION

(As Against Ally Financial, ResCap, and GMACM: Breach of Servicer Obligations)

382. FGIC re-alleges and incorporates by reference paragraphs 1 through 381 of this Complaint.

383. The I&I Agreements are valid and binding agreements between the parties.

384. FGIC has performed its obligations under the I&I Agreements.

385. Moreover, as explained above, GMACM has breached its affirmative covenant under the I&I Agreements to service all Mortgage Loans in all material respects in compliance with the Servicing Agreements.

386. GMACM's breaches of the I&I Agreements have caused substantial harm and damages to FGIC, in an amount to be proved at trial, but at a minimum including substantially higher claims on Policies and other losses and expenses.

387. Ally Financial, acting directly and/or indirectly through ResCap, directed GMACM's actions as set forth in this cause of action.

388. As a result of this breach of contract, FGIC has been damaged and will continue to be damaged in an amount to be determined at trial.

389. GMACM, ResCap and Ally Financial are jointly and severally liable for such damages.

390. Alternatively, GMACM is liable for such damages.

FOURTEENTH CAUSE OF ACTION

(As Against Ally Financial, ResCap, and GMACM: Declaratory Relief)

391. FGIC re-alleges and incorporates by reference paragraphs 1 through 390 of this Complaint.

392. As discussed above, Ally Financial, acting directly and/or indirectly through ResCap, directed GMACM's actions as set forth in this complaint.

393. For the reasons set forth in paragraphs 228 through 264, among others, Ally Financial, ResCap, and GMACM were and continue to be alter egos of each other.

394. FGIC has been damaged as a result of the actions of Ally Financial, ResCap, and GMACM.

395. FGIC therefore seeks a declaration that Ally Financial, ResCap, and GMACM were and continue to be alter egos of each other, and therefore are jointly and severally liable for each other's liabilities.

FIFTEENTH CAUSE OF ACTION

(As Against GMACM: Attorneys' Fees and Costs)

396. FGIC re-alleges and incorporates by reference paragraphs 1 through 395 of this Complaint.

397. The I&I Agreements are valid and binding agreement between the parties.

398. FGIC has performed its obligations under the I&I Agreements.

399. Pursuant to Section 3.03(c) of the I&I Agreements, GMACM agreed to reimburse FGIC for any and all costs or expenses "including reasonable attorneys' . . . fees and expenses" in connection with the enforcement, defense or preservation of any rights in respect of any of the Operative Documents. Further, pursuant to Section 3.04(a) of the I&I Agreements, GMACM agreed to pay FGIC any and all costs or expenses "including reasonable fees and expenses of attorneys" arising out of or relating to the breach by GMACM of any of the representations or warranties contained in Section 2.01 of the I&I Agreements or arising out of or relating to the HE Transactions.

400. FGIC has incurred and will continue to incur substantial costs and expenses, including but not limited to attorneys' fees in filing and prosecuting this lawsuit, arising out of GMACM's failure to provide Mortgage Loan files, Servicing Reports, and financial information and its breach of the representations and warranties contained in Section 2.01 of the I&I Agreements and other representations, warranties, and its covenants within the Operative Documents, such as Section 2.02 of the I&I Agreements.

PRAYER FOR RELIEF

WHEREFORE, plaintiff Financial Guaranty Insurance Company demands judgment in its favor and against defendant GMAC Mortgage Company, LLC, with respect to (1), (2), and (4) through (14) below, and in its favor and against Residential Capital, LLC, with respect to (1), (2), (4) through (11), (13) and (14), below, and in its favor and against Ally Bank, with respect to (3), (7), (13), and (14) below, and in its favor and against Ally Financial, Inc., with respect to (1) through (11), (13) and (14) below and the following relief:

(1) A declaration that, pursuant to GMACM's obligations under the I&I Agreements, GMACM must solely and/or Ally Financial, ResCap, and GMACM must jointly and severally reimburse and indemnify FGIC for all sums arising out of the HE Transactions for which FGIC has or will become liable, and that FGIC is entitled to immediate reimbursement: (i) for all sums it has paid to date under the Policies and to the payment of all future amounts that may fall due or claims that may be presented for payment by FGIC under the Policies as and when such sums fall due or such claims are presented; or, alternatively, (ii) for all loss resulting from any breaches of the representations, warranties, and covenants of the I&I Agreements or any of the related Operative Documents; or, alternatively, (iii) in an amount to be determined at trial; and (iv) an order giving effect to that declaration;

(2) Further or alternatively, an award of all legal, rescissory, equitable and punitive damages, to be proven at trial, for GMACM's fraudulent inducement of FGIC to enter into the HE Transactions and to issue the Policies;

(3) Further or alternatively, an award of all legal, rescissory, equitable, and punitive damages, to be proven at trial, for Ally Financial's and Ally Bank's aiding and abetting of GMACM's fraudulent inducement of FGIC to enter into the HE Transactions and to issue the Policies;

(4) Further or alternatively, an award of all legal, rescissory, and equitable damages, to be proven at trial, for GMACM's material breaches of the HE Transactions;

(5) Further or alternatively, an award of compensatory, consequential and/or equitable damages, and any other damages to be proven at trial, for GMACM's pervasive and material breaches of its representations, warranties, and affirmative covenants, which constitute material breaches of the I&I Agreements and frustration of the parties' bargain;

(6) Further or alternatively, a declaration that GMACM must repurchase all Mortgage Loans that are in breach of GMACM's representations and warranties in the HE Transactions, and an order giving effect to that declaration;

(7) Further or alternatively, an award of compensatory, consequential and/or equitable damages, and any other damages to be proven at trial, for Ally Bank's material breaches of its obligations under the Custodial Agreements;

(8) Further or alternatively, a declaration that GMACM must provide full access to all Mortgage Loan files requested or that will be requested by FGIC in the HE Transactions, and that GMACM must comply with its obligations to provide FGIC and/or the successor servicer information pertaining to the Mortgage Loan files in the 2007-HE2 Transaction; and an order giving effect to that declaration;

(9) Further or alternatively, a declaration that GMACM must allow FGIC to inspect the books and records of GMACM, to discuss the affairs, finances and accounts of GMACM with the Chief Financial Officer of GMACM, and to discuss the affairs, finances and accounts of GMACM with GMACM's independent accountants, and an order giving effect to that declaration;

(10) Further or alternatively, a declaration that GMACM must cause to be provided servicing notes for the HE Transaction when requested by FGIC;

(11) Further or alternatively, a declaration that Ally Financial, ResCap, and GMACM are alter egos of each other;

(12) An award of FGIC's attorneys' fees, and other costs and expenses incurred in enforcing, defending, or preserving its rights under the I&I Agreements and other Operative Documents, as defined in the I&I Agreements;

(13) An award of prejudgment interest at the statutory rate; and

(14) Any other and further relief that the Court deems just and proper.

JURY DEMAND

FGIC demands a trial by jury for all issues so triable as a matter of right.

Dated: March 12, 2012

JONES DAY

Jayant W. Tambe
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222 East 41st Street
New York, New York 10017
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Attorneys for Plaintiff
Financial Guaranty Insurance Company

Exhibit 61

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

MBIA INSURANCE CORPORATION, Plaintiff, -against- GMAC MORTGAGE, LLC (F/K/A GMAC MORTGAGE CORPORATION), Defendant.	Index No. 10600837 Date of Filing: 4/1/10 **SUMMONS**

NEW YORK COUNTY CLERK'S OFFICE
APR 01 2010
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TO THE ABOVE-NAMED DEFENDANT:

YOU ARE HEREBY SUMMONED and required to serve upon Plaintiff's attorneys an answer to the complaint in this action within twenty (20) days after the service of this summons, exclusive of the day of service, or within thirty (30) days after service is complete if this summons was not personally delivered to you within the State of New York. In case of your failure to answer, judgment will be taken against you by default for the relief demanded in the complaint.

The bases for venue are CPLR §§ 501 and 503, because the Defendant agreed that the Courts within the County and State of New York are an appropriate venue and substantial acts giving rise to the Plaintiff's claims occurred in New York County.

DATED: New York, New York
April 1, 2010

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SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK CITY

MBIA INSURANCE CORPORATION, Plaintiff, -against- GMAC MORTGAGE, LLC (f/k/a GMAC MORTGAGE CORPORATION), Defendant.	Index No. 10600837 **COMPLAINT**

Plaintiff MBIA Insurance Corporation ("MBIA"), by its attorneys, Quinn Emanuel Urquhart & Sullivan, LLP, for its Complaint herein against GMAC Mortgage, LLC (formerly known as GMAC Mortgage Corporation) ("GMAC Mortgage" or "Defendant") alleges as follows:

NATURE OF THE ACTION

1. This action arises out of the fraudulent acts and breaches of contract of GMAC Mortgage in connection with three publicly offered securitizations of residential mortgages. All of the mortgage loans underlying the securitizations were originated or acquired by GMAC Mortgage, a subsidiary of lending giant GMAC Inc. This Complaint alleges that, in its dealings with MBIA, GMAC Mortgage affirmatively misrepresented the quality of tens of thousands of mortgage loans, with a total original principal balance of more than $4 billion, as a means of unfairly shifting to investors and MBIA risks that GMAC Mortgage should have borne itself.

2. In particular, GMAC Mortgage pooled and conveyed mortgage loans into trusts, which in turn issued residential mortgage-backed securities ("RMBS") to investors in three offerings, in 2004, 2006, and 2007. The three mortgage loan securitization transactions at issue are: GMAC Mortgage Corporation Home Equity Loan Trust 2004-HE4 (the "2004

Transaction"), GMAC Mortgage Corporation Home Equity Loan Trust 2006-HE4 (the "2006 Transaction"), and GMAC Mortgage Corporation Home Equity Loan Trust 2007-HE1 (the "2007 Transaction") (collectively, the "Transactions"). In each of the Transactions, the loans at issue were collateralized by second mortgages and were represented to be prime because of the purportedly creditworthy nature of the borrowers and loans.

3. To make the securities more marketable in each of the three offerings, GMAC Mortgage sought a financial guaranty insurer to guarantee the trusts' payments to investors in the event that cash flows to the trusts were impaired by the failure of mortgage borrowers to make payments of principal and interest. To secure MBIA's agreement to provide this insurance, GMAC Mortgage made a comprehensive set of representations about the securitizations. These representations included loan-level representations about key attributes of individual loans and transaction-level representations about the characteristics of the pools of loans that were securitized.

4. While GMAC Mortgage was soliciting MBIA to provide financial guaranty insurance, and before each Transaction closed, GMAC Mortgage provided to MBIA: (1) loan "tapes" that included data about each borrower and loan, including measurements of each borrower's creditworthiness; (2) schedules that set forth key statistics about the loan pools, including averages of measures contained in the loan tapes; and (3) initial and final Prospectus Supplements that represented that all of the loans in the pools had been originated in compliance with GMAC Mortgage's Underwriting Guidelines, which supposedly had been developed to ensure that borrowers were creditworthy and that the mortgage loans would be repaid. Using the same loan tapes it provided to MBIA, and summary data conveying key characteristics of the loan pool, GMAC Mortgage also procured from rating agencies "shadow ratings"—credit ratings

the Transactions would carry without financial guaranty insurance. GMAC Mortgage knew that MBIA would rely on these shadow ratings, as well as the loan tapes, schedules, and initial and final Prospectus Supplements, in determining whether to insure the Transactions.

5. As part of the Transactions, GMAC Mortgage also made to MBIA, and for MBIA's benefit, extensive contractual representations and warranties. GMAC Mortgage represented and warranted, among other things, that: (1) all of the information it provided to MBIA about the mortgage loans was accurate and not misleading; (2) all of the mortgage loans in the pools were underwritten in accordance with GMAC Mortgage's underwriting standards; and (3) in the case of each loan, after receiving all applicable employment, credit, and property information, a determination had been made that the borrower was able to meet his or her monthly payments, including loan payments.

6. In reality, however, GMAC Mortgage originated and sold loans into the trusts that contradicted the pre-closing representations it made to MBIA and blatantly violated its contractual representations and warranties. In 2009, faced with mounting claims payments caused by delinquent and so-called "charged-off" loans—loans deemed uncollectible and thus written down to zero—MBIA began examining loan files and documentation associated with thousands of loans. The results of this review made clear that GMAC Mortgage had wholly abandoned its own underwriting policies and instead routinely approved loans to borrowers who failed to meet basic risk criteria. At least 89% of the 4,104 delinquent or charged-off loans reviewed by MBIA were not originated in material compliance with GMAC Mortgage's

Underwriting Guidelines or the contractual representations and warranties made by GMAC Mortgage.[1]

7. MBIA's review demonstrated that GMAC Mortgage had misrepresented the quality of the mortgage loans consistently from its first contacts with MBIA. Loan tapes and schedules—including those attached to GMAC Mortgage's first solicitations of bids from MBIA—contained false data about borrowers, loans, and the characteristics of the loan pools. GMAC Mortgage had used the same false loan tapes and other false pool-level information derived from the false data on the loan tapes to procure from the rating agencies inflated shadow ratings, which it then furnished to MBIA. GMAC Mortgage was able to carry out its fraudulent scheme by virtue of its unique and superior knowledge about the mortgage loans, its false representations about the quality of those loans, and the trust that MBIA placed in GMAC Mortgage. The relationship of trust and confidence existed between MBIA and GMAC Mortgage as a result of MBIA having provided insurance in at least eight prior GMAC Mortgage-sponsored securitizations of RMBS, beginning in 1999.

8. GMAC Mortgage succeeded in concealing from MBIA the loans' hidden risks, and as a result MBIA has suffered tremendous harm. In agreeing to provide financial guaranty insurance, MBIA assumed only the risk that loans conforming to GMAC Mortgage's Underwriting Guidelines would not perform as expected. It did not, however, assume the risk that GMAC Mortgage would flagrantly ignore prudent underwriting standards and stock the securitizations with non-compliant loans. As of December 31, 2009, MBIA had received

[1] As discussed below, although GMAC Mortgage has repeatedly and unreasonably denied MBIA access to complete versions of the GMAC Mortgage Underwriting Guidelines, there is little dispute as to the content of the Guidelines relevant to this action. In responses to correspondence in which MBIA sought to enforce contractual remedies, GMAC Mortgage has not challenged MBIA's contentions about the standards set forth in the Guidelines.

premiums of approximately $12.5 million. These premiums were supposed to be commensurate with risks associated with loan pools that conformed to GMAC Mortgage's representations. As of December 31, 2009, MBIA had paid approximately $132 million in claims and remains exposed to millions in further liabilities.

9. GMAC Mortgage has compounded MBIA's losses by breaching an express representation and warranty to cure, repurchase, or replace non-compliant mortgage loans with loans conforming to the representations made by GMAC Mortgage. To date, MBIA has requested that GMAC Mortgage cure, repurchase, or replace approximately 3,669 non-compliant loans. In response, GMAC Mortgage agreed to repurchase or replace only 28 of these loans. In an obvious and improper attempt to prevent MBIA from exercising its contractual rights, GMAC Mortgage has also refused to provide complete versions of GMAC Mortgage Underwriting Guidelines and has failed to provide information that would enable MBIA to gain full knowledge of the historical performance of the loans, including loan-level data dating from the closing of each Transaction to early 2008.

10. GMAC Mortgage's refusal to participate in good faith in the so-called "putback" process leaves MBIA uncompensated for its losses. At a more fundamental level, the repurchase obligation was never intended to provide an adequate remedy where non-compliant loans pervade the pools rather than constitute isolated exceptions. Had GMAC Mortgage told the truth about the risks associated with the mortgage loans, MBIA never would have agreed to insure the securitizations.

11. GMAC Mortgage's deception enabled it to sell pools of mortgage loans it represented to be worth billions of dollars, while transferring the risks embedded in those loan pools to investors and, ultimately, MBIA. Because GMAC Mortgage's fraud, concealment, and

breaches of contract have deprived MBIA of the benefit of its bargain, MBIA is entitled to recover from GMAC Mortgage, at a very minimum, the value of payments that MBIA has made and will make in the future.

PARTIES

12. Plaintiff MBIA Insurance Corporation is a New York corporation with its principal place of business at 113 King Street, Armonk, New York. MBIA is one of the nation's oldest and largest monoline insurers, and provides financial guaranty insurance and other forms of credit protection, generally on financial obligations, which are sold in the new issue and secondary markets.

13. Defendant GMAC Mortgage, LLC, formerly known as GMAC Mortgage Corporation, is a Delaware limited liability company with its principal place of business in Fort Washington, Pennsylvania. Upon information and belief, the members of GMAC Mortgage, LLC include at least one New York resident. In the period relevant to this action, GMAC Mortgage acquired, originated, and serviced residential mortgage loans. GMAC Mortgage also sponsored securitizations of mortgage loans.

14. GMAC Mortgage is a wholly owned subsidiary of Residential Capital, LLC ("ResCap"), which in turn is a wholly owned subsidiary of GMAC Inc. In September 2008, ResCap announced that it was closing much of its business of acquiring mortgage loans. At or about this time, GMAC Mortgage closed all of its retail locations, locations at which home buyers or owners could obtain mortgages. GMAC Mortgage remains one of the largest residential mortgage servicers in the nation.

JURISDICTION AND VENUE

15. This Court has jurisdiction over this proceeding pursuant to CPLR §§ 301 and 302. GMAC Mortgage is authorized to do business in New York, has appointed an agent for

service of process and has consented to the jurisdiction of the Courts within the State. In addition, GMAC Mortgage expressly consented to the jurisdiction of this Court over all claims arising out of the Transactions. GMAC Mortgage participated in negotiations and other activities within the State which led to the transactions that give rise to the claims in the Complaint, and the transactions themselves occurred within the State. GMAC Mortgage has also regularly transacted business within the State.

16. Venue is proper in this Court pursuant to CPLR §§ 501 and 503. GMAC Mortgage expressly agreed that the Courts within the County and State of New York are an appropriate venue for all actions arising out of the transactions that give rise to the claims in the Complaint. In addition, negotiations and other substantial activities relating to the transactions that give rise to the claims in this Complaint occurred within New York County.

RELEVANT NON-PARTIES

17. GMAC Inc. ("GMAC"), the ultimate parent company of GMAC Mortgage, is a Delaware corporation with its principal place of business in Detroit, Michigan. GMAC specializes in automotive financings, residential mortgage financings and services, and insurance services. GMAC is the indirect parent company of all GMAC and GMAC-affiliated entities relevant to this action.

18. GMAC Bank, formerly an indirect, wholly owned subsidiary of GMAC, was at all times relevant to this Complaint a loan originator. GMAC Bank sold loans it originated to GMAC Mortgage to be securitized. GMAC Bank was renamed Ally Bank in May 2009. Ally Bank is an online bank chartered under Utah law.

19. Walnut Grove Mortgage Loan Trust 2003-A ("Walnut Grove") is a Delaware statutory trust established by an affiliate of GMAC Mortgage. Beginning in 2003, GMAC Mortgage sold to Walnut Grove mortgage loans it had originated or purchased from GMAC

Bank. At the time of each of the three securitizations at issue in this case, Walnut Grove sold mortgage loans to Residential Asset Mortgage Products, Inc. ("RAMP").

20. RAMP, a special purpose vehicle, is an indirect, wholly owned subsidiary of GMAC and a Delaware corporation with its principal place of business in Minnesota. In connection with each securitization at issue in this case, RAMP purchased mortgage loans from GMAC Mortgage and Walnut Grove and deposited those loans into a "GMAC Mortgage Home Equity Loan Trust" arranged by GMAC Mortgage. Each trust then issued securities to underwriters to be sold to investors.

21. GMAC RFC Securities, an entity incorporated in Delaware, is an affiliate of GMAC Mortgage and RAMP and a registered broker-dealer under the Securities Act of 1934. GMAC RFC Securities, also known as Residential Funding Securities, LLC, served as an underwriter of the securities issued in each of the securitizations at issue in this case.

FACTUAL ALLEGATIONS

A. The Securitization of Mortgage Loans

22. Asset-backed securitization is the process by which risk is distributed by pooling cash-producing financial assets, such as mortgage loans, and issuing securities backed by the pool.

23. The most common form of securitization of mortgage loans involves a sponsor—the original owner of the mortgages—and the creation of a trust, to which the sponsor sells a portfolio of mortgage loans. In many instances, the transfer of assets to a trust "is a two-step process: the financial assets are transferred by the sponsor first to an intermediate entity, often a limited purpose entity created by the sponsor . . . and commonly called a depositor, and then the depositor will transfer the assets to the [trust] for the particular asset-backed transactions." SEC

Release "Asset-Backed Securities" (Regulation AB), SEC Release Nos. 33-8518; 34-50905, 70 Fed. Reg. 1,506-1,631 (Jan. 7, 2005).

24. After receiving the portfolio of mortgage loans, the trust will issue debt securities using the pool of loans as collateral. Investors acquire rights to the income flowing from the mortgage pools. This income is generated by homeowners' payments of principal and interest on the mortgage loans held by the trust.

25. A servicer is also necessary to manage the collection of proceeds from the mortgage loans. The servicer is responsible for maximizing homeowners' mortgage loan payments, which the servicer remits to the trust after deducting a monthly servicing fee. The servicer is also responsible for minimizing potential losses to the trust when homeowners fail to make required payments. The servicer's duties include making collection efforts on delinquent loans, initiating foreclosure proceedings, and determining when to charge off a loan by writing down its balance to zero. The servicer reports key information about the loans to the trustee, which administers the trust funds and delivers payments due each month on the investors' notes.

26. To decrease the risk to investors of a shortfall in cash flows to the trust, and to make the securitization more attractive to investors, many securitizations include additional credit "enhancement" in the form of a financial guaranty insurance policy. Under the terms of such a policy, a financial guaranty insurer, in consideration of a premium and subject to the terms and conditions of the policy, will guarantee to investors that in the event there is a shortfall in cash flows to the trust, the insurer will insure certain payments with respect to current interest and ultimate principal to the trustee for the benefit of the investors. In this way, the risk to the investors of a shortfall in the anticipated cash flows to the trust is mitigated, thus increasing the marketability and pricing of the securities.

27. The financial viability of an investment in a securitization, or an insurance policy issued on that investment, is a function of the quality of the underlying mortgage loans. If, for instance, the lender that originated the mortgage loans employed substandard underwriting practices, risk increases. Among the factors that determine the interest rate of a loan are the degree to which the borrower is required to verify his or her income, the borrower's credit score and employment history, and the amount of equity the borrower has in the mortgaged property. For example, a borrower who is not required to verify income and has little or no equity in his or her home typically pays a higher interest rate. Likewise, the value of a pool of mortgage loans depends on the quality of the loans, because a pool in which there is a higher risk of delinquencies and charge-offs is deemed more likely to suffer impaired cash flows. Based on its assessment of the risk of impaired cash flows, an insurer may decide not to provide insurance on a particular transaction, ask that the transaction be structured to provide additional protection against losses, or increase premiums to reflect the risk.

28. Accordingly, the ability of the market, or of a potential financial guaranty insurer, to accurately assess risk depends on the information it has regarding the quality of the underlying mortgage loans and the standards used to originate those loans. Sponsors of securitizations thus make extensive disclosures to investors in publicly filed offering documents and make separate and additional disclosures, representations, and warranties to the providers of financial guaranty insurance.

29. The sponsor possesses unique and special knowledge and expertise regarding the characteristics of the loans and the underwriting. At all times relevant to this Complaint, it was standard in the industry for sponsors to require financial guaranty insurers to submit bids within weeks of a sponsor's initial solicitation, for a securitization that would close only weeks later.

Because of this compressed time frame, it also became the practice in the industry that insurers did not undertake to re-underwrite the thousands or tens of thousands of loans that might be contributed to the pool. Instead, sponsors provided potential insurers with comprehensive representations and warranties about the quality of the underlying loans and the standards under which they had been originated and encouraged reliance on those representations and warranties. Sponsors also bore the risk that their representations and warranties would be proven untrue; they routinely undertook to cure, repurchase, or replace loans that were found before or after closing to fail to conform to its representations and warranties in a manner that materially and adversely affected the insurer's interests.

30. Also because sponsors do not expect potential insurers to undertake a loan-by-loan review, they furnish to potential insurers loan tapes and schedules, or spreadsheets and charts, respectively, that contain data regarding key characteristics of the mortgage loans to be included in the securitization, including borrowers' Fair Isaac Corporation, or "FICO," scores; the appraised value of the mortgaged properties; and statistics such as combined loan-to-value ("CLTV"), the ratio of the sum of the first and second mortgage amounts to the appraised value of the property; and debt-to-income ("DTI"), the ratio of the borrower's monthly debt to income. Underwriters—typically investment banks responsible for selling the mortgage-backed securities—also provide potential insurers with due diligence performed by a third-party accounting or underwriting firm on a sample of the loans in the pool. The due diligence is intended to assess whether the characteristics of the sampled loans, and the underwriting used to originate them, conform to the sponsor's disclosures and representations.

31. Sponsors also provide to rating agencies, as part of the securitization process, loan tapes and pool-level data based on the loan-level information contained in the loan tapes. Rating

agencies use that information to create expected loan-level default and loss estimates. These estimates, in turn, are used to generate cash flow projections for the securitization. On the basis of the expected losses for the proposed securitization, the rating agency will provide a so-called "shadow rating" for the securitization, the credit rating the securitization would carry without financial guaranty insurance. Sponsors cause these shadow ratings to be provided to potential insurers, knowing that the insurers will rely on the shadow ratings when determining whether to insure a securitization.

32. In sum, the ability of the investor or insurer to accurately assess the risks associated with an RMBS securitization depends entirely on the truthfulness of the sponsor's disclosures and representations about the quality of the loan pools and underwriting standards. The investor or insurer takes responsibility for certain risks not within the sponsor's control, such as risks created by changes in interest rates or the economic climate. However, the sponsor alone is responsible for the risks hidden by its own fraudulent misrepresentations.

B. GMAC Mortgage and the Securitization of Mortgage Loans

33. GMAC Mortgage first began acquiring, originating, and servicing residential mortgage loans in 1985 when it purchased other companies in those lines of business. By the mid-2000s, GMAC Mortgage was originating tens of billions of dollars' worth of mortgage loans per year, or consistently over 500,000 mortgage loans annually. It also sponsored publicly offered securitizations of mortgage loans. For each year from 2002 to 2006, the aggregate principal balance of the mortgage loans backing GMAC Mortgage-sponsored securitizations ranged from $5 billion to $7 billion.

34. Second-lien mortgage loans represented a rapidly growing portion of GMAC Mortgage's mortgage loan business during this same period. A second-lien mortgage is

subordinate to the main or first mortgage; if the homeowner/borrower defaults, the holder of the first mortgage must be satisfied first from any proceeds from sale of the collateral or the home. From 2002 to 2006, the value of GMAC Mortgage-sponsored securitizations of second-lien mortgage loans more than doubled, from $2.4 billion to $5.7 billion.

35. Securitization played an important role in GMAC Mortgage's business model. Pooling mortgage loans and selling them into securitizations enabled GMAC Mortgage to reduce the credit risk on its balance sheet and acquire funds with which it could originate new loans to be pooled in future securitizations. GMAC Mortgage also enriched other GMAC affiliates by sponsoring securitizations. GMAC entities participated in each of the key steps in the securitization process, and recorded gains and earned fees at each of those steps. In the Transactions at issue here, for example:

- GMAC Bank gained fees for originating loans and proceeds from selling those loans to GMAC Mortgage;
- GMAC Mortgage, because it originated and aggregated the loans before selling them to RAMP, gained loan origination fees as well as proceeds from selling the loans;
- Walnut Grove purchased a portion of the loans from GMAC Mortgage, and then gained proceeds from selling the loans to RAMP;
- RAMP established the trusts, transferred the loans to the trusts, and charged fees to cover its operating expenses;
- GMAC RFC Securities made fees for underwriting GMAC Mortgage-sponsored securities offerings; and
- GMAC Mortgage gained fees for acting as Servicer for loan pools that were securitized, after it sold the pooled loans to be deposited into the securitizing trust.

36. To promote demand for the lucrative securitizations, GMAC Mortgage touted its experience in acquiring, originating, and servicing the underlying mortgage loans. It represented that the loans it sold into securitizations "were originated generally in accordance with the

underwriting standards of GMAC Mortgage, LLC." GMAC Mortgage assured potential buyers of RMBS that in the case of each loan within the pool, an underwriter had made an assessment, after receiving all applicable employment, credit, and property information, that the borrower had the ability to repay his or her loan.

37. As described below, GMAC Mortgage failed to fulfill these promises in a series of transactions that involved a significant portion of GMAC Mortgage's securitization of prime, second-lien loans from 2004 to 2007. In truth, GMAC Mortgage routinely extended loans to borrowers whose ability and willingness to repay could not be verified and regularly purchased loans that were not originated in compliance with its own purported origination standards. GMAC Mortgage then schemed to off-load billions of dollars worth of debt by misrepresenting facts uniquely within its knowledge.

38. The collapse of the housing market has exposed the hidden risks embedded in the loan pools GMAC Mortgage repeatedly pooled and sold. Today, an extremely high percentage of GMAC Mortgage-originated loans have suffered delinquencies or been charged-off. It is widely known that the mortgage lending practices of GMAC's subsidiaries have led GMAC—now majority-owned by the U.S. Government—to the brink of financial ruin. GMAC recently announced that it is seeking a buyer for all or parts of ResCap, the subsidiary of GMAC that houses GMAC's mortgage operations, including GMAC Mortgage.

39. This suit seeks to prevent GMAC Mortgage, which banked billions of dollars from the sale and servicing of defective loans, and at the time enriched other GMAC entities through its sponsorship of securitizations, from walking away from its responsibility for the harm it has foisted on others.

C. The Transactions

40. The Transactions at issue in this action involve securitizations of pools of second-lien mortgage loans. The 2004 and 2006 Transactions involved pools of mostly home equity lines of credit ("HELOCs"). A HELOC allows a borrower to draw upon a line of credit, collateralized by a mortgage, for a fixed period of time after the origination of the HELOC, in any amount up to limit of the credit line, and at an adjustable interest rate. The 2007 Transaction involved a pool of mostly closed-end mortgages, loans in which the borrower receives the full amount of the loan at origination at a fixed interest rate. Certain of the basic characteristics of each of the Transactions at the time of closing are set forth in the following table:

Transaction	Date of Closing	Number of Loans at Closing	Aggregate Note Balance Issued at Closing	Type of Loans Securitized
2004	10/28/04	23,428	$1,018,000,000	91.82% HELOCs
2006	09/27/06	17,342	$1,159,060,631	94.10% HELOCs
2007	03/29/07	16,638	$1,185,871,000	94.55% Closed-End Seconds
Totals		**57,408**	**$3.363 billion**	

In each Transaction, the aggregate note balance represented the face value of the notes issued at closing, an amount which should not be exceeded by the aggregate principal balance of the mortgage loans backing those notes.

41. The Transactions were structured to permit GMAC Mortgage to add mortgage loans to the pool during specified periods after closing. In each Transaction, the mortgage loan pool was not fully populated at closing. Rather, GMAC Mortgage was permitted to sell loans to the pool for a three-month Pre-Funding Period immediately after closing, in exchange for payments made by the trust, until the aggregate principal balance of the loans in the pool

approached the aggregate note balance. The 2004 and 2006 Transactions also permitted GMAC Mortgage to sell loans during specified periods—called Revolving and Managed Amortization Periods, the latter of which ended five years after closing—on the condition that the aggregate principal balance of the pool at any given time never exceeded the balance at closing.

42. The feature of the so-called "Subsequent Mortgage Loans" thus enabled GMAC Mortgage for a number of years past closing to continue to shift credit risk to investors and to MBIA, in exchange for immediate gains on the loans it sold. In creating the Revolving and Managed Amortization periods, in particular, the parties agreed that as the aggregate loan balance of each pool fell—a characteristic that is usually the result of borrowers paying off their loans—GMAC Mortgage could sell new loans to the pool and MBIA would continue to insure payments to holders of the RMBS for which the pool served as collateral. Critical to MBIA's acceptance of the feature of the "Subsequent Mortgage Loans" were GMAC Mortgage's representations and warranties that any loan added to a pool after closing would conform to the same contractual representations and warranties GMAC Mortgage made about the quality and underwriting of the loans in the pool at closing.

43. The approximate number and dollar amount of loans in each Transaction over the entire life of the transactions are set forth in the following table:

Transaction	**Date of Closing**	**Aggregate Number of Loans in Pool During Life of Transaction**	**Aggregate Principal Balance of Loans in Pool During Life of Transaction**
2004	10/28/04	42,753	$1,662,888,882
2006	09/27/06	30,730	$1,550,141,454
2007	03/29/07	22,132	$1,185,871,165
Totals		**95,615**	**$4.399 billion**

The figure of 30,730 loans in the pool over the life of the 2006 Transaction is, if anything, understated because GMAC Mortgage has failed to provide loan-level data that spans the life of

any of the Transactions, and the number of Subsequent Mortgage Loans for the 2006 Transaction could not be determined using other information.

44. GMAC Mortgage and other wholly owned subsidiaries of GMAC and affiliates of GMAC Mortgage carried out the steps of each Transaction, as described above. Nearly 90% of the mortgage loans in the pools were originated by GMAC Bank and GMAC Mortgage. GMAC Mortgage then conveyed, directly or indirectly, mortgage loans it had originated or acquired from GMAC Bank to RAMP, the special purpose vehicle that acted as the depositor and transferred the loans to the trust created by GMAC Mortgage for each securitization. In each of the Transactions, GMAC RFC Securities was one of the underwriters that marketed the securities issued by the trusts.

45. In addition to its role as the sponsor in each Transaction, GMAC Mortgage was also appointed the Servicer for each of the pools. The Servicing Agreements provided that GMAC Mortgage would collect prorated monthly fees equal to 0.50% per year of the outstanding principal balance of each loan it serviced, in exchange for servicing the loan pool in compliance with its "normal and usual" procedures, which included making reasonable efforts to collect all payments due from borrowers.

D. GMAC Mortgage's Fraudulent Inducement of the Transactions

46. For each Transaction, GMAC Mortgage sought credit enhancement in the form of financial guaranty insurance provided by MBIA. GMAC Mortgage solicited a bid from MBIA a matter of weeks before it planned to close each Transaction. In each case, the insurance GMAC Mortgage obtained from MBIA enabled it to market the RMBS on the basis of an AAA credit rating, rather than the lower credit quality of the collateral and structure of the Transaction alone.

47. In order to induce MBIA to write financial guaranty insurance for the Transactions, GMAC Mortgage provided to MBIA, directly or indirectly, information including: (1) loan tapes detailing attributes of individual borrowers and loans; (2) schedules that set forth statistics about the loan pool; (3) registered initial and final Prospectus Supplements summarizing GMAC Mortgage's Underwriting Guidelines and loan origination criteria; and (4) shadow ratings that GMAC Mortgage represented characterized the credit quality of each loan pool.

48. In connection with each Transaction, GMAC Mortgage sent or caused to be sent to MBIA, by email, bid requests, loan tapes, and schedules. Specifically:

- On October 12, 2004, MBIA received a loan tape and schedule for the 2004 Transaction;
- On September 11, 2006, MBIA received a bid request, loan tape, and schedule for the 2006 Transaction;
- On September 13, 2006, MBIA received a revised loan tape for the 2006 Transaction;
- On March 8, 2007, MBIA received a bid request, loan tape, and schedule for the 2007 Transaction; and
- On March 12, 2007, MBIA received a revised loan tape for the 2007 Transaction.

The loan tapes provided by GMAC Mortgage set forth, on a loan-by-loan basis, such statistics as the borrower's FICO score, DTI, and CLTV. The schedules purported to describe—at the level of the pool as a whole—key characteristics also relevant to the assessment of risk, including weighted averages of FICO scores and DTI and CLTV ratios.

49. Further, GMAC Mortgage provided MBIA with Prospectus Supplements that also would be filed with the SEC on or before the day each Transaction closed. In the Prospectus Supplements, GMAC Mortgage made specific representations describing GMAC Mortgage's

underwriting standards, including the criteria set forth in GMAC Mortgage's Underwriting Guidelines applicable to the GMAC Mortgage Home Equity Program. According to the Prospectus Supplements, the Underwriting Guidelines set forth the types of documentation which borrowers must provide and should be included in the mortgage loan file, under each loan program. This documentation can include the loan application, verifications of income, assets, funds available to the borrower at closing, and mortgage payment histories. The GMAC Mortgage Underwriting Guidelines also require appraisals of the mortgaged property and an underwriter's assessment of whether the applicable thresholds for DTI and CLTV are met.

50. For example, according to the Prospectus Supplements, the Underwriting Guidelines provide that to qualify for a "Standard" program loan—one requiring full documentation—a borrower applying for a loan mortgaged by his primary residence must fill out a detailed application providing pertinent credit information, including tax returns, pay stubs, or a W-2, and must provide authorization for GMAC Mortgage to obtain a credit report. The borrower is also required to provide an appraisal of the subject property, or collateral.

51. The Prospectus Supplements also state that an important variable in evaluating a loan under the GMAC Mortgage Underwriting Guidelines is the level of documentation of a borrower's income and assets. According to the Prospectus Supplements, a borrower can apply for a loan through programs that require significantly less documentation from the borrower than that required under the "Standard" full documentation program. These reduced documentation programs—which typically charge higher interest rates—include the "Stated Income," "Stated Value," and "No Income/No Appraisal" programs, among others. For these loan programs, and unlike the "Standard" full documentation program, GMAC Mortgage does not independently verify a borrower's income (in the case of "Stated Income" loans), the value of the collateral (in

the case of "Stated Value" loans), or either income or collateral value (in the case of "No Income/No Appraisal" loans).

52. Critically, although income is not independently verified in Stated Income loans, such loans remain subject to the requirement that the borrower's income be reasonable in light of three main factors: employment, credit, and assets. For every program, GMAC Mortgage's Underwriting Guidelines, and prevailing mortgage origination industry standards, require an underwriter to determine, after receiving all applicable employment, credit, and property information, whether the borrower is able to meet his or her monthly loan payments and other expenses related to the home, such as taxes, insurance, and debt service on senior liens.

53. Each Prospectus Supplement provided to MBIA expressly states that all mortgage loans contributed to the pools had been underwritten generally in compliance with GMAC Mortgage's underwriting standards.

54. A final, key representation that GMAC Mortgage sent or caused to be sent to MBIA, and upon which MBIA relied in each Transaction, was the shadow rating GMAC Mortgage procured from rating agencies. GMAC Mortgage knew that MBIA would not agree to provide the requested financial guaranty insurance unless each Transaction carried a shadow rating of at least BBB- or the equivalent. GMAC Mortgage approached Moody's Investors Service and Standard & Poor's and provided them with the same loan tapes GMAC Mortgage provided to MBIA, together with pool-level data derived from the loan-level information on the loan tapes. These rating agencies relied on the information furnished by GMAC Mortgage to issue shadow ratings for each Transaction to MBIA. MBIA received shadow ratings from the rating agencies on or about the following dates, among others:

- On September 27, 2006, MBIA received a letter from Standard & Poor's assigning a shadow rating of BBB- for the 2006 Transaction;

- On September 27, 2006, MBIA received a letter from Moody's Investors Service assigning a shadow rating of Baa3 for the 2006 Transaction;
- On March 28, 2007, MBIA received an email from Standard & Poor's assigning a shadow rating of BBB for the 2007 Transaction; and
- On March 29, 2007, MBIA received a facsimile from Moody's Investors Service assigning a shadow rating of Baa3 for the 2007 Transaction.

55. GMAC Mortgage was well aware that MBIA would rely on GMAC Mortgage's representations in deciding whether to enter into the Insurance Agreements. MBIA had no contractual right to review loan origination files before the Transactions closed, nor any meaningful opportunity to do so. In addition, and in accordance with the custom and practice of financial guaranty insurers at the time, MBIA relied on representations and warranties made by the loan originator and/or owner to ensure that risks in the loan pools were known and fully disclosed and that it would not face additional risks hidden in the pools. MBIA relied on the unique and special knowledge and expertise of GMAC Mortgage regarding the mortgage loans, and the standards under which they were originated, in deciding to insure the Transactions.

56. The relationship of trust and confidence GMAC Mortgage and MBIA had forged in the preceding five years also fostered MBIA's reliance on the representations GMAC Mortgage made. The 2004 Transaction was the ninth GMAC Mortgage-sponsored securitization of second-lien mortgage loans for which MBIA had provided insurance since 1999. The eight prior GMAC Mortgage-sponsored securitizations also involved specifically prime HELOC or closed-end second-lien mortgages. MBIA thus had been relying on GMAC Mortgage's unique and special knowledge for many years preceding the first Transaction. Its longstanding relationship with GMAC Mortgage caused MBIA to trust that GMAC Mortgage would conduct itself in good faith.

57. Based on the representations made by GMAC Mortgage to MBIA in the loan tapes, schedules, Prospectus Supplements, and by means of the shadow ratings issued by the rating agencies, and because of the special trust that MBIA placed in GMAC Mortgage, MBIA decided to provide financial guaranty insurance for each Transaction. MBIA insured the trusts' payments to investors, and received in return an annual premium, based on a small, fixed percentage (tenths of one percent) of the aggregate principal balance of each loan pool. The existence of financial guaranty insurance enhanced the ability of GMAC Mortgage and GMAC RFC Securities, among others, to market the securities issued in each Transaction as AAA, the highest possible investment grade.

E. The Contractual Terms

1. The Representations and Warranties

58. In each Transaction, pursuant to insurance agreements it made with GMAC Mortgage, among other entities, on the closing date (the "Insurance Agreements"), MBIA issued a financial guaranty insurance policy (collectively, the "Policies"). These Insurance Agreements are:

- Insurance Agreement among MBIA, GMAC Mortgage, Walnut Grove, Home Equity Loan Trust 2004-HE4, RAMP, Wilmington Trust and Wells Fargo, dated October 1, 2004;
- Insurance Agreement among MBIA, GMAC Mortgage, Walnut Grove, Home Equity Loan Trust 2006-HE4, RAMP, Wilmington Trust and JP Mortgage Chase, dated September 1, 2006; and
- Insurance Agreement among MBIA, GMAC Mortgage, Walnut Grove, Home Equity Loan Trust 2007-HE1, RAMP, Wilmington Trust and The Bank of New York, dated March 1, 2007.

59. Through the provisions of the Insurance Agreements, GMAC Mortgage made representations and warranties to MBIA concerning: (1) the key characteristics of the mortgage loans that backed the securities issued in the Transaction; and (2) the underwriting standards

used by GMAC Mortgage, GMAC Bank, and any other originator whose loans were acquired by GMAC Mortgage and sold into the pools of loans to be securitized.

60. Specifically, the Insurance Agreements incorporated by reference, and for MBIA's benefit, the representations and warranties contained in the "Transaction Documents," as that term was defined in the Insurance Agreements. The incorporation by reference of the Transaction Documents into the Insurance Agreements granted to MBIA the right to rely upon representations and warranties that GMAC Mortgage made to other entities who were parties to the Transactions and also to investors. For each Transaction, "Transaction Documents" was defined to include, among other documents:

- the Mortgage Loan Purchase Agreements that set forth the terms of the sale of the mortgage loans to the relevant trust (the "Purchase Agreements");
- the Servicing Agreements that set forth the terms for servicing the relevant pool of mortgage loans (the "Servicing Agreements"); and
- the offering materials provided to potential investors and filed with the SEC to market the securities issued by the trusts (the "Offering Documents").

MBIA is an express third-party beneficiary of the Purchase Agreements and the Servicing Agreements.

61. GMAC Mortgage made two representations and warranties directly to MBIA in the Insurance Agreements that are particularly relevant to this action.

62. First, GMAC Mortgage represented and warranted that all representations and warranties in each of the Transaction Documents to which it was a party were "true and correct in all material respects," and that it made all of those representations and warranties "to, and for the benefit of, the Insurer as if the same were set forth in full herein [*i.e.*, in the Insurance Agreement itself]." GMAC Mortgage thus re-made for MBIA's benefit the representations and

warranties that it had initially made in, *inter alia*, the Purchase Agreements. These representations and warranties included, but were not limited to, the following:

- **Proper Documentation**: Each mortgage loan file was complete, and all of the required documents and instruments were contained therein.

- **Accurate Loan Information**: Information furnished in Mortgage Loan Schedules provided by GMAC Mortgage was true and correct in all material respects, and as to each loan, as of the date when GMAC Mortgage provided the information.

- **No Offset, Defense or Counterclaim of a Borrower**: To the best of GMAC Mortgage's knowledge, there was no valid offset, defense or counterclaim of any obligor under any loan agreement or mortgage.

- **CLTV Ratio Not in Excess of 100%**: The combined loan-to-value ratio of each mortgage loan—*i.e.*, the ratio of the combined value of the first and second mortgages to the appraised value of the property—was not in excess of 100%, as of the relevant "Cut-Off Date" (defined in the Transaction Documents to be a date a few weeks before the closing of the Transaction or, for a Subsequent Mortgage Loan, the date upon which it may be added to the pool).

- **No Delinquent Loans**: No mortgage loan was 30 days or more delinquent in payment of principal or interest, as of the relevant "Cut-Off Date."

- **No Adverse Selection**: GMAC Mortgage used no selection procedures that identified the mortgage loans as being less desirable or valuable than other comparable mortgage loans originated or acquired by GMAC Mortgage under the GMAC Mortgage Home Equity Program, and the mortgage loans are representative of GMAC Mortgage's portfolio of home equity lines of credit that were originated under the GMAC Mortgage Home Equity Program.

- **Compliance with Applicable Laws**: To the best of GMAC Mortgage's knowledge, the loan agreements and mortgages at the time made complied in all material respects with applicable local, state, and federal laws, including, but not limited to, applicable predatory lending laws.

- **No Material Breach Or Default**: There was no material default, breach, violation or event of acceleration existing under the terms of any Loan Agreement or Mortgage and, to the best of GMAC Mortgage's knowledge, no event which, with notice and expiration of any grace or cure period, would constitute a material default, breach, violation or event of acceleration under the terms of any Loan Agreement or Mortgage, and no such material default, breach, violation or event of acceleration has been waived by GMAC Mortgage involved in originating or servicing the related Mortgage Loan.

63. Second, GMAC Mortgage represented and warranted that any information it furnished or supplied for inclusion in the Transaction Documents, and any information relating to the mortgage loans that it furnished to MBIA, was accurate and not misleading. Specifically, GMAC Mortgage represented and warranted that:

> Neither the information supplied by [GMAC Mortgage] contained in the Transaction Documents to which it is a party nor any other material information relating to the Mortgage Loans . . . furnished to the Insurer by [GMAC Mortgage] . . . contains any statement of material fact made by [GMAC Mortgage] which was untrue or misleading in any material respect as of the date reflected therein.

Through this provision, GMAC Mortgage represented and warranted that the specific information it provided for inclusion in the Prospectus Supplements issued at or around the time that each Transaction closed was accurate and not untrue or misleading in any material respect. These representations and warranties included, but were not limited to, the following:

- **Compliance with Underwriting Guidelines**: All of the mortgage loans were underwritten generally in accordance with GMAC Mortgage's underwriting standards.
- **DTI Ratio Not in Excess of 45%**: Loans were generally originated with a maximum total monthly DTI ratio of 45%.
- **CLTV Ratio Not in Excess of 100%**: Loans were generally originated subject to a maximum CLTV ratio of 100%.
- **Determination Made as to Borrower's Ability To Repay**: Once all applicable employment, credit, and property information was received, a determination was made as to whether the prospective borrower had sufficient monthly income available to meet the borrower's monthly obligations on the proposed mortgage loan and other expenses and other financial obligations.

64. Under the Purchase Agreements and the Servicing Agreements, MBIA is entitled to notify GMAC Mortgage if it learns that any loan fails to conform to the above representations and warranties in a manner that "materially and adversely affects" MBIA's interests. Within 90 days of such notice, GMAC Mortgage is obligated to cure the breach, repurchase the defective

loan, or substitute a conforming loan. Because GMAC Mortgage had complete control over information about the origination of the loans, the Servicing Agreements also obligated GMAC Mortgage to give prompt written notice to MBIA if GMAC Mortgage was aware that any such non-conforming loans were in the pools. In addition, GMAC Mortgage represented and warranted in the Insurance Agreements that it would promptly provide all data reasonably requested by MBIA, and would not "interfere in any material respect with the enforcement of any rights of [MBIA] under or with respect to any of the Transaction Documents."

65. The Insurance Agreements also incorporated the representations and warranties that GMAC Mortgage made in the Servicing Agreements in its capacity as Servicer. In the Servicing Agreements, GMAC Mortgage covenanted, represented, and warranted that it would service the mortgage loans in each of the Transactions in a manner consistent with its own servicing guidelines. It also covenanted, represented, and warranted that it would use all of its "normal and usual" procedures in servicing the mortgage loans, which included making reasonable efforts to collect all payments due from borrowers.

2. MBIA's Remedies

66. The Insurance Agreements entitle MBIA to broad remedies for breaches by GMAC Mortgage of its representations and warranties.

67. As described above at paragraph 64, the Purchase and Servicing Agreements grant MBIA the right to notify GMAC Mortgage of any loan failing to conform to GMAC Mortgage's representations and warranties in a manner that "materially and adversely affects" MBIA's interests, an event that in turn triggers a 90-day period during which GMAC Mortgage is obligated to cure the breach, repurchase the loan, or substitute a conforming loan (the "Putback Procedure").

68. The Insurance Agreements also provide that upon an "Event of Default," MBIA is entitled to "take whatever action at law or in equity as may appear necessary or desirable in its judgment to collect the amounts, if any, then due under the Transaction Documents or to enforce performance and observance of any obligation, agreement or covenant of [GMAC Mortgage]." An "Event of Default" occurs when "any representation or warranty" made by GMAC Mortgage in the Insurance Agreements or the Transaction Documents is materially untrue or incomplete, or when GMAC Mortgage fails to perform any covenant in any material respect.

69. In addition, the Insurance Agreements require GMAC Mortgage to reimburse MBIA for any payments it makes as a result of GMAC Mortgage's failure to comply with its obligations under the Putback Procedure and "any and all charges, fees, costs and expenses that the Insurer may reasonably pay or incur, including, but not limited to, reasonable attorneys' and accountants' fees and expenses, in connection with . . . the enforcement, defense, or preservation of any rights in respect of any of the Transaction Documents." The Insurance Agreements also require GMAC Mortgage to pay and indemnify MBIA for any losses or liabilities "arising out of or relating to," among other things, any breach of a representation or warranty made to MBIA in the Purchase Agreements or the Insurance Agreements.

F. GMAC Mortgage's Misconduct Is Revealed

1. MBIA's Review Demonstrates GMAC Mortgage's Breach of Contract

70. Since closing, the Transactions have performed extremely poorly. Delinquencies and charge-offs for mortgage loans in the loan pools have been much higher than would be expected for loan pools allegedly of the "prime" quality that GMAC Mortgage represented and warranted, even taking into account the downturn in the housing market. By the end of 2009, for example, loans representing over 15% of the initial aggregate pool balance in the 2006

Transaction had defaulted and been charged off. A total of at least $326 million has been lost from the original aggregate pool balances of the three Transactions due to defaulted and charged-off loans.

71. In January 2009, concerned about the high delinquencies and charge-off rates, MBIA asked GMAC Mortgage to provide MBIA and its representatives and agents access to documents relating to the mortgage loans underlying the Transactions.

72. MBIA requested access to documentation that would facilitate a review of the loan files for all mortgage loans that were 60 or more days delinquent and/or charged-off. MBIA requested copies of the relevant loan files and also of the relevant GMAC Mortgage Underwriting Guidelines. It made these requests under the provisions in the Insurance Agreements requiring GMAC Mortgage to comply with MBIA's reasonable requests for data and not to interfere in any material respect with MBIA's attempts to enforce its rights under the Transaction Documents.

73. GMAC Mortgage's response to these basic requests has been wholly unsatisfactory. GMAC Mortgage has repeatedly and unreasonably denied MBIA access to complete versions of the GMAC Mortgage Underwriting Guidelines. Also, in many instances, the loan files provided by GMAC Mortgage were incomplete and MBIA has been forced to make supplemental requests. As a result, to conduct the evaluation that would enable MBIA to enforce rights explicitly granted to it under the Insurance Agreements, MBIA has been compelled to refer to: (1) portions of certain GMAC Mortgage Underwriting Guidelines that GMAC Mortgage has made available to the public; (2) the underwriting guidelines of GMAC Mortgage affiliate Residential Funding Corporation, which is also a major mortgage loan

originator and acquirer; and (3) reasonable and prudent underwriting standards that are customary in the industry.

74. Despite GMAC Mortgage's obstructive conduct, there is little dispute about the content of the Underwriting Guidelines, insofar as those Guidelines relate to this action. GMAC Mortgage's responses to MBIA's requests, pursuant to the Putback Procedure, that GMAC Mortgage cure, repurchase, or substitute loans found not to comply with its representations and warranties are described below in paragraphs 86 and 87. These responses have not challenged MBIA's claims about the standards set forth in GMAC Mortgage's Underwriting Guidelines.

75. To date, MBIA has been able to obtain and review loan files associated with 4,104 delinquent and charged-off loans. The review has uncovered that the overwhelming majority of the delinquent or charged-off loans—at least 89%—were in breach of one or more of GMAC Mortgage's representations and warranties. The aggregate original principal balance of just this modest portion of non-compliant loans is over $246 million.

76. Most of the loans found by MBIA to be non-compliant with GMAC Mortgage's representations and warranties contain multiple breaches of those representations and warranties. As a result of these breaches, the real risk profile of these loans was materially understated. The most prevalent and troubling of the breaches identified by MBIA in the loan pools of the Transactions include the following:

- GMAC Mortgage egregiously and routinely breached its representation and warranty that the mortgage loans were underwritten generally in compliance with GMAC Mortgage's underwriting standards.
- A significant number of mortgage loans were made on the basis of "stated incomes" that were grossly unreasonable or were approved despite DTI or CLTV ratios in excess of the cut-offs stated in GMAC Mortgage's Underwriting Guidelines or the Purchase Agreements or Prospectus Supplements.

- Moreover, contrary to its Underwriting Guidelines, GMAC Mortgage failed in many cases to verify the borrower's employment when required to do so or to verify prior rental or mortgage payment history, approved mortgage loans with ineligible collateral, approved mortgage loans to borrowers with ineligible credit scores, and approved loans without verifying that the borrower had sufficient funds or reserves.

- GMAC Mortgage used its proprietary automated electronic loan underwriting program, known as "Assetwise," to approve loans that did not comply with its Underwriting Guidelines. Assetwise assisted in the underwriting of mortgage loans by automating the process of determining whether a loan met pre-specified underwriting criteria set up in the program. GMAC Mortgage used the program itself and also made the program available to its affiliates. Assetwise, however, failed to analyze proposed mortgage loans using the criteria set forth in GMAC Mortgage's Underwriting Guidelines. As a result, GMAC Mortgage routinely contributed loans to the Transactions that failed to comply with its own underwriting standards.

- GMAC Mortgage routinely breached its representation and warranty that the mortgage loan files were complete and contained all required documents and instruments. The vast majority of mortgage loan files are missing necessary mortgage loan documents, such as disclosures relating to loan transfers and notes establishing the first lien. The absence of these and other necessary documents from the loan files impedes the ability of the trustees for the Transactions to enforce their rights and remedies with respect to delinquent mortgages. The failure to maintain the required loan documentation also impairs proper servicing.

- GMAC Mortgage breached its representation and warranty that all mortgage loans would comply with all local, state and federal laws, by furnishing, among other things, mortgage loans to the pools that violated state predatory lending laws. These laws are designed to protect borrowers from abusive lending practices by, for example, prohibiting the approval of a loan to a borrower who lacks the ability to repay.

77. MBIA's review has demonstrated that notwithstanding its representation and warranty that all loans in the pools had been underwritten generally in compliance with the Underwriting Guidelines, GMAC Mortgage in fact had failed to ensure conformity with those Guidelines. GMAC Mortgage regularly contributed loans to the pools that failed to satisfy representations and warranties setting maximum permissible DTI and CLTV ratios and requiring the maintenance of complete loan files. Most important, GMAC Mortgage routinely breached

the representation and warranty that each mortgage loan had been made to a borrower who was able to repay his or her mortgage loan.

78. The following examples illustrate the types of breaches that pervade the loan pools for the Transactions:

- On January 25, 2006, a loan in the amount of $210,000 was made to a borrower in Vacaville, California on a property with an original appraisal value of $460,000 and a senior loan balance of $368,150. The borrower was employed as a correctional officer by the State of California. The loan was approved based on a DTI that was calculated using the borrower's highest reported monthly income, rather than his average income over a 33-month period, as is required by the Underwriting Guidelines. As a result, the true DTI on the loan was 65.56%, which exceeded the maximum ratio of 50% permitted under the applicable loan program. The CLTV ratio of 125.68% also exceeded the maximum CLTV ratio of 100% permitted under the Guidelines. The loan has been charged-off. (Loan # 8601487693 – 2004 Transaction.)

- On April 20, 2007, a loan in the amount of $40,000 was made to co-borrowers in Vernon, New Jersey on a property with an original appraisal value of $305,000 and a senior loan balance of $244,000. The loan file is incomplete and lacks, among other documents, verbal verification of either borrower's employment, evidence of sufficient closing funds and reserves, an appraisal, a copy of the note from the senior lien, and the borrowers' credit reports. Further, the loan was approved even though the income stated by each borrower was unreasonable. One claimed to earn $4,583 per month as a counter manager at a discount tire store though, for example, salary.com, a website which maintains a national salary database based on job title and zip code, reports that the income at the 90th percentile for such a position is only $2,801 per month. The second borrower claimed to earn $59,592 annually as a sales associate at a home improvement store, but an income verification database showed that the borrower earned only $28,092 in 2006 and $32,977 in 2007. The loan has been charged-off. (Loan # 1000117685 – 2006 Transaction.)

- On December 15, 2006, a loan in the amount of $22,000 was made to a borrower in Medford, Oregon on a property with an original appraisal value of $220,000 and a senior loan balance of $176,000. The loan file is missing many documents that bear upon the borrower's ability to repay and are required to be included in the file, including: verification of down payment funds, a CPA letter, an appraisal, a twelve-month housing history, a copy of the first mortgage, a preliminary title commitment, a credit report, and the final loan application. Moreover, although the borrower, an operator at a drywall company, had declared bankruptcy prior to applying for the loan, the

loan file lacks documentation that the bankruptcy had been discharged for at least three years, as required by the Guidelines. The loan has been charged-off. (Loan # 8254682837 – 2007 Transaction.)

- On January 23, 2007, a loan with a principal balance of $100,000 was made to a borrower in Yuma, Arizona on a property with an original appraisal value of $298,000 and a senior loan balance of $129,035. The borrowers claimed on their loan application that their combined income was $113,520 per year. However, on May 12, 2009, the borrowers jointly filed for bankruptcy under Chapter 7, and their court filings indicated that they earned only $13,085 in 2007 and $17,650 in 2008. Moreover, no record of the borrower's claimed employer can be located on websites commonly used to verify the existence of a business: manta.com or yellowpages.com. The loan has been charged-off. (Loan # 8254730412 – 2007 Transaction.)

79. The gross underwriting deficiencies MBIA identified in its review establish that GMAC Mortgage breached not only its representations and warranties setting criteria for the underwriting of the mortgage loans, but also the representations and warranties in the Insurance Agreements that information about the mortgage loans furnished by GMAC Mortgage—either for inclusion in the Transaction Documents or directly to MBIA—was accurate and not untruthful or misleading in any material respect, as of the date of the information.

2. MBIA's Review Demonstrates GMAC Mortgage's Scheme To Defraud

80. The information that GMAC Mortgage provided to MBIA from its first solicitations of MBIA to provide financial guaranty insurance, was indeed false and misleading, and intentionally so. MBIA's review has made clear that the defects in the loan pools are not isolated or accidental. To the contrary, the incidence of violations of GMAC Mortgage's Underwriting Guidelines is so extraordinarily high—at least 89% of the loan files reviewed by MBIA for delinquent or charged-off loans—that it could not have been result of mere error. GMAC Mortgage induced MBIA to provide insurance for the Transactions based on blatant misrepresentations of the true state of the characteristics of the loans and loan pools.

81. MBIA's review demonstrates that the loan tapes GMAC Mortgage provided to MBIA, as a means of inducing MBIA's participation in the Transactions, are replete with false statistics relating to individual loans. In many instances, DTI and CLTV ratios are falsely understated in the tapes. Schedules provided to MBIA, which also were reproduced in the Offering Documents, contain pool-level statistics about DTI and CLTV ratios that are likewise materially false. The DTI ratios are materially false and misleading because the monthly income has been falsely overstated or monthly debt obligations falsely understated. The CLTV ratios are materially false and misleading because, among other things, the value of the underlying collateral has been falsely overstated.

82. The Prospectus Supplements provided to MBIA also contain representations that are materially false and misleading. They reproduce schedules that purport to describe the loan pool but contain false data about FICO scores, DTI and CLTV. They falsely state that the mortgage loans contributed to the Transactions were underwritten generally in compliance with GMAC Mortgage's underwriting standards and fail to disclose that GMAC Mortgage regularly contributed non-compliant loans to the pools. The Prospectus Supplements represent that loans were generally originated subject to a maximum total monthly DTI ratio of 45% and a maximum CLTV ratio of 100%, when in truth GMAC Mortgage frequently added to the pools loans with DTI and CLTV ratios exceeding these cut-offs.

83. The Prospectus Supplements also falsely state that once all applicable employment, credit, and property information had been received, a determination had been made as to the borrower's ability to meet his or her monthly obligations. MBIA's review of loan files establishes that instead, the loan underwriter routinely failed to collect applicable employment,

credit, and property information and also regularly failed to make determinations that the borrower had the ability to repay his or her mortgage loan.

84. The shadow ratings GMAC Mortgage caused to be provided to MBIA, with knowledge MBIA would rely on them, were also intended to deceive. GMAC Mortgage obtained shadow ratings of the level it knew that MBIA would require—BBB- or the equivalent—by knowingly providing to the rating agencies the same false loan tapes and pool-level data that it provided to MBIA. GMAC Mortgage knew that the rating agencies would rely on the false information, including false data about key characteristics of the mortgage loans and the loan pools, and as a result issue falsely inflated shadow ratings. By supplying false information to Moody's Investors Service and Standard & Poor's, GMAC Mortgage ensured that MBIA would be provided with artificial shadow ratings that concealed from MBIA the true risk in the loan pools.

85. Importantly, GMAC Mortgage knew that MBIA would not only rely on GMAC Mortgage's false representations but would be unable to detect any falsity. MBIA was prevented from discovering the scheme to defraud before being induced to enter the Insurance Agreements because: (1) MBIA had no contractual right or meaningful opportunity to review loan origination files before closing; (2) MBIA followed the industry practice of relying on the sponsor's representations and warranties about the matters within the sponsor's special expertise and unique knowledge, namely the mortgage loans and the Underwriting Guidelines under which they were originated; and (3) MBIA placed trust and confidence in GMAC Mortgage, as a result of a business relationship based upon on MBIA having provided insurance in connection with eight prior GMAC Mortgage-sponsored securitizations in the preceding five years. GMAC Mortgage capitalized on MBIA's inability to discover the falsity of GMAC Mortgage's

representations by passing the risks embedded in the loan pools to unwitting investors and, ultimately, to MBIA.

3. MBIA Is Entitled To Recover All Past and Future Claims Payments, at a Minimum

86. Beginning in May 2009, in an attempt to recoup some of the massive losses that GMAC Mortgage had transferred to it, MBIA initiated the Putback Procedure. MBIA began notifying GMAC Mortgage, in writing and with specificity, of the nature of the contract breaches MBIA had discovered and the factual support for its conclusions. As of today, MBIA has sent 25 letters to GMAC Mortgage, requesting that GMAC Mortgage cure, repurchase, or replace with eligible loans a total of 3,669 mortgage loans that were found not to be in compliance with GMAC Mortgage's representations and warranties. These loans have an aggregate initial principal balance of approximately $244 million.

87. To date, GMAC Mortgage has agreed to repurchase a token 28 of these 3,669 loans. In its responses to MBIA's letters, GMAC Mortgage takes positions that are contrary to the representations it made in the Transaction Documents. As just one example, and as described above in paragraph 78, GMAC Mortgage now claims that loans originated through use of its automated underwriting program are excused from that representation and warranty, despite having represented and warranted that *all* of the mortgage loans were underwritten in general compliance with GMAC Mortgage's underwriting standards.

88. GMAC Mortgage's unreasonable and arbitrary refusal to fulfill its obligations of cure, repurchase, or substitution highlights the inadequacy of the Putback Procedure to redress the harm suffered by MBIA. The Putback Procedure assumes isolated and accidental breaches of loan-level representations and warranties. By contrast, GMAC Mortgage's deliberate contribution of non-compliant loans to the Transactions breached representations and warranties

so fundamental that the very heart of the bargain struck by the parties has been pierced. GMAC Mortgage breached transaction-level representations and warranties, contained in the Insurance Agreements that it would furnish information to MBIA and for inclusion in the Transaction Documents about the mortgage loans that was accurate and not untruthful or misleading in any material respect. GMAC Mortgage's breach of its representation and warranty about the quality of the underwriting used to originate the loans has also been so pervasive and extreme that it has deprived MBIA of any benefit of having entered into the Insurance Agreements.

89. Moreover, GMAC Mortgage's conduct in fraudulently inducing MBIA to provide insurance for the Transactions, based on representations about the loans and loan pools that GMAC Mortgage knew to be untrue, entitles MBIA to be returned to the position it would have been in had it not entered into the Insurance Agreements. MBIA has been, and will continue to be, required to satisfy its obligations under the Insurance Agreements and Policies by making payments to cover shortfalls in cash flows to the trusts. As of December 31, 2009, MBIA had paid approximately $132 million in claims in connection with the Transactions, while receiving approximately $12.5 million in premiums. MBIA is exposed to additional claims because additional loans continue to go delinquent or be charged off every month. To place MBIA in the position it would have occupied absent GMAC Mortgage's fraud and breaches of contract, GMAC Mortgage must pay to MBIA, at a very minimum, all claims payments made to date and all future claims payments under the Policies.

G. GMAC Mortgage's Breaches of Its Servicing Obligations

90. Finally, GMAC Mortgage has compounded the harm it has inflicted on MBIA by breaching its representations and warranties that as Servicer, it would: (1) provide prompt written notice to MBIA if it was aware of loans in the pools that failed to conform with GMAC

Mortgage's representations and warranties in a manner that materially and adversely affected MBIA's interests; and (2) make reasonable efforts to collect all payments due from borrowers and service loans in a manner consistent with its own servicing guidelines.

91. GMAC Mortgage has not provided MBIA with notice of the non-conforming loans MBIA uncovered through its review, although as originator, owner, and servicer of the loans, GMAC Mortgage was well aware that such loans pervaded the pools and materially and adversely affected MBIA's interests.

92. In October 2009, MBIA exercised its right under the Servicing Agreements to terminate GMAC Mortgage as Servicer on all three Transactions. The termination was based on the occurrence of a Servicing Default on the part of GMAC Mortgage, which was triggered when a certain measure of loss of aggregate principal balance exceeded a limit specified in the Servicing Agreements.

93. Since the termination of GMAC Mortgage as Servicer, MBIA has reviewed records relating to the servicing of the loans contributed to the Transactions. While again MBIA has yet to gain access to all relevant records, this review has brought to light that GMAC Mortgage employed wholly deficient servicing practices and made only perfunctory efforts to service the loans properly. In essence, after deliberately and routinely selling non-compliant loans into the pools and fraudulently procuring insurance to protect investors from shortfalls in payments to the trust, GMAC Mortgage walked away from its contractual obligation to make reasonable efforts to collect payments from borrowers to be used as cash flows for the trusts. It collected fees as Servicer, while providing loan servicing so defective that it *increased* the losses inflicted on the trust, investors, and ultimately MBIA by GMAC Mortgage's fraud and breaches of representations and warranties relating to the quality of the loans and loan pools.

94. MBIA's review revealed, most fundamentally, that GMAC Mortgage allocated resources and staff that were entirely inadequate to service and administer the loans in the Transactions effectively. As a result, servicing of the mortgage loans was overly passive. GMAC Mortgage failed to treat borrowers and loans individually, and failed to maintain records sufficient to support reasonable servicing efforts. Delinquent loans advanced to the stage of charge-off without adequate exploration of means of collecting some part of the payments owed.

95. Among the host of unreasonable and substandard practices that have been revealed by MBIA's review are GMAC Mortgage's: (1) failure to initiate and document contact with borrowers, or to follow up after successful initial contact; (2) failure to discuss loss mitigation with borrowers when delinquency was reasonably foreseeable; (3) failure to monitor and record information bearing on loss mitigation, such as the reasons for delinquency or default, the status of the senior lien holder, and the progress of loss mitigation efforts; (4) failure to conduct property inspections as a means of, among other things, locating the borrower or valuing the property; (5) over-reliance on mass offerings of settlements, often with the result that a non-responsive borrower was rewarded with increasingly favorable terms; and (6) failure to monitor foreclosure sale activities.

96. GMAC Mortgage neglected its duties as Servicer in order to further its own interests at the expense of MBIA, among others. GMAC Mortgage's decision to allocate inadequate resources and staff to service the loan pools allowed it to minimize its own operating costs without suffering adverse consequences itself, because GMAC Mortgage no longer bore the risk of losses from delinquencies and charge-offs that it had fraudulently induced MBIA to accept. In the meantime, GMAC Mortgage collected servicing fees equal to 0.50% per annum of the outstanding principal balance of the loan pools, or at least $42 million. It collected late

payment fees and charges that likely were increased through its own inactivity, including its failure to modify loans so as to maximize collections.

97. MBIA has suffered significant harm as a result of GMAC Mortgage's breaches of the Servicing Agreements, and it is entitled to be compensated for the damages inflicted by GMAC Mortgage.

FIRST CAUSE OF ACTION

(Fraud)

98. MBIA repeats and realleges, as if set forth herein, the allegations of all of the preceding paragraphs.

99. GMAC Mortgage intentionally misrepresented existing material facts to induce MBIA to enter into the Insurance Agreements, both in documentation provided to MBIA before each Transaction closed and also at the time of execution of each Insurance Agreement.

100. GMAC Mortgage intentionally misrepresented existing material facts, before closing and while soliciting MBIA's participation in the Transactions, in requests for bids, loan tapes, and loan schedules that GMAC Mortgage either transmitted or caused to be transmitted to MBIA. Among these transmittals of requests for bids, loan tapes, and loan schedules to GMAC Mortgage were:

- a materially false and misleading loan tape for the 2004 Transaction, by email dated October 12, 2004;
- a materially false and misleading schedule for the 2004 Transaction, by email dated October 12, 2004;
- a materially false and misleading bid request, loan tape, and schedule for the 2006 Transaction, by email dated September 11, 2006;
- a materially false and misleading revised loan tape for the 2006 Transaction, by email dated September 13, 2006;

- a materially false and misleading bid request, loan tape, and schedule for the 2007 Transaction, by email dated March 8, 2007; and
- a materially false and misleading revised loan tape for the 2007 Transaction, by email dated March 12, 2007.

101. The materially false and misleading information contained in the loan tapes that GMAC Mortgage provided to MBIA included misrepresentations related to the characteristics of individual mortgage loans and borrowers, including FICO scores, DTI, and CLTV. The loan schedules presented materially false and misleading pool-level data, including weighted averages of FICO scores, DTI, and CLTV. In both loan tapes and schedules, statistics relating to DTI and CLTV were materially understated. In particular, the DTI ratios were materially false and misleading because the monthly income had been falsely overstated or monthly debt obligations falsely understated. The CLTV ratios were materially false and misleading because, among other things, the value of the underlying collateral was falsely overstated.

102. GMAC Mortgage also intentionally misrepresented existing material facts, before closing and while soliciting MBIA's participation in the Transactions, in Prospectus Supplements that it either transmitted or caused to be transmitted to MBIA. Among these transmittals of Prospectus Supplements were:

- a materially false and misleading initial Prospectus Supplement for the 2006 Transaction, by email dated September 19, 2006;
- a materially false and misleading final Prospectus Supplement for the 2006 Transaction, by email dated September 25, 2006;
- a materially false and misleading initial Prospectus Supplement for the 2007 Transaction, by email dated March 21, 2007; and
- a materially false and misleading final Prospectus Supplement for the 2007 Transaction, by email dated March 28, 2007.

103. The materially false and misleading information contained in the initial and final Prospectus Supplements that GMAC Mortgage provided to MBIA included reproductions of the

same schedules that GMAC Mortgage provided to MBIA, containing false data about FICO scores, DTI, and CLTV. The Prospectus Supplements falsely state that the mortgage loans contributed to the Transactions were underwritten generally in compliance with GMAC Mortgage's standards and fail to disclose that GMAC Mortgage regularly contributed non-compliant loans to the pools. The Prospectus Supplements falsely represent that loans were generally originated subject to a maximum total monthly DTI ratio of 45% and a maximum CLTV ratio of 100%, when in truth GMAC Mortgage frequently contributed loans with DTI and CLTV ratios exceeding these cut-offs to the pools. The Prospectus Supplements falsely state that once all applicable employment, credit, and property information had been received, a determination had been made as to the borrower's ability to meet his or her monthly obligations. In truth, GMAC Mortgage routinely failed to collect applicable employment, credit, and property information and also regularly failed to make determinations that the borrower had the ability to repay his or her mortgage loan.

104. MBIA reasonably relied to its detriment on GMAC Mortgage's representations in the bid requests, loan tapes, schedules, and initial and final Prospectus Supplements. As GMAC Mortgage knew, MBIA did not have a contractual right to review loan origination files before closing, nor any meaningful opportunity to do so. GMAC Mortgage also knew that the industry practice was for a financial guaranty insurer to rely upon the representations and warranties of the sponsor regarding the quality of the mortgage loans and the standards under which they were originated, rather than to carry out a loan-by-loan review of thousands or tens of thousands of loan origination files.

105. GMAC Mortgage further intentionally misrepresented existing material facts, while soliciting MBIA's participation in the Transactions, by either transmitting or causing to be

transmitted to MBIA false and misleading shadow ratings upon which MBIA reasonably relied. GMAC Mortgage knew that MBIA would not furnish financial guaranty insurance unless the rating agencies provided credit ratings of BBB- or the equivalent for each Transaction. GMAC Mortgage thus deliberately procured falsely inflated shadow ratings by conveying to Moody's Investors Service and Standard & Poor's the same false and misleading loan tapes that it had transmitted to MBIA, together with false pool-level data derived from the loan-level information in the tapes. GMAC Mortgage well knew that the rating agencies would rely on the false information and data in generating estimates of potential losses and thus issue false and inflated shadow ratings. The rating agencies thus issued to MBIA shadow ratings based on GMAC Mortgage's false representations on the following occasions, among others:

- shadow rating of BBB- for the 2006 Transaction, by letter from Standard & Poor's dated September 27, 2006;
- shadow rating of Baa3 for the 2006 Transaction, by letter from Moody's Investors Service dated September 27, 2006;
- shadow rating of BBB for the 2007 Transaction, by email from Standard & Poor's dated March 28, 2007; and
- shadow rating of Baa3 for the 2007 Transaction, by facsimile from Moody's Investors Service dated March 29, 2007.

106. GMAC Mortgage's false representations in the requests for bids, loan tapes, schedules, initial and final Prospectus Supplements, and shadow ratings, were material—indeed essential—to MBIA's decision to enter into the Insurance Agreements. MBIA never would have agreed to provide any of the Policies had it known that GMAC Mortgage's representations about characteristics of the mortgage loans and mortgage loan pools were false. It would not have entered into the Insurance Agreements had it been aware that GMAC Mortgage had omitted to state that it had routinely contributed loans to the Transactions: (1) that were not originated generally in compliance with GMAC Mortgage's Underwriting Guidelines; (2) that failed to

meet cut-offs set out in the initial and final Prospectus Supplements and Purchase Agreements for DTI and CLTV ratios; and as to which (3) there had been no determination, once all applicable employment, credit, and property information had been received, that the borrower had the ability to repay the loan. Absent a shadow rating of at least BBB- or the equivalent, MBIA would not have agreed to provide the Policies.

107. GMAC Mortgage also intentionally misrepresented existing material facts with respect to and at the time of execution of each Insurance Agreement. Specifically, GMAC Mortgage falsely represented:

- All of the mortgage loans were underwritten generally in accordance with GMAC Mortgage's underwriting standards;
- Under GMAC Mortgage's Underwriting Guidelines, the mortgage loans were generally originated with a maximum total monthly DTI ratio of 45%;
- Under GMAC Mortgage's Underwriting Guidelines, the CLTV ratio of each mortgage loan was generally not in excess of 100%; and
- For each of the mortgage loans in the Transactions, and after all applicable employment, credit, and property information was received, a determination had been made that the borrower was able to meet his or her monthly loan payments and other expenses related to the home, such as taxes, insurance, and debt service on senior liens.

108. These representations—like the misrepresentations GMAC Mortgage made before closing—were materially false. In truth, GMAC Mortgage consistently originated and acquired mortgage loans that failed to comply with its Underwriting Guidelines, and routinely and deliberately contributed such non-compliant loans to the Transactions. These misrepresentations of existing fact conveyed by means of the Insurance Agreements were material—indeed essential—to MBIA's decision to enter into the Insurance Agreements. MBIA never would have agreed to provide any of the Policies had it known that the pools were replete with loans that were not originated in compliance with GMAC Mortgage's Underwriting

Guidelines, that GMAC Mortgage had routinely failed to ensure that loans contributed to the pools satisfied DTI and CLTV cut-offs set forth in the Transaction Documents, or that there had been routine failures to make determinations of a borrower's ability to satisfy his or her monthly obligations, before originating the loans.

109. As a result of knowing misrepresentations it made before and at closing, GMAC Mortgage intended to, and did, defraud MBIA into issuing the Policies for the Transactions. GMAC Mortgage defrauded MBIA so that it could sell mortgage loans it had acquired or originated and also earn fees for servicing those loans after their securitization, while simultaneously passing the risks embedded in the non-compliant loans to MBIA.

110. As a direct result of, and in reliance upon, GMAC Mortgage's misrepresentations, MBIA issued the Policies, requiring MBIA to pay, to its substantial detriment, insurance claims in an amount in excess of $132 million. MBIA is exposed to further liabilities because delinquencies and charge-offs continue to occur in the loan pools.

111. Due to GMAC Mortgage's fraud, MBIA has incurred, and will continue to incur, damages in an amount to be determined at trial. Further, MBIA is entitled to recover punitive damages, because GMAC Mortgage committed its fraudulent acts maliciously, wantonly, and oppressively, and with knowledge that the consequences of its conduct would affect the general public.

SECOND CAUSE OF ACTION

(Negligent Misrepresentation)

112. MBIA repeats and realleges, as if set forth herein, the allegations of all of the preceding paragraphs.

113. In connection with MBIA's issuance of the Policies, GMAC Mortgage had a duty to communicate accurate and complete information to MBIA. This duty arose out of GMAC

Mortgage's special relationship of trust and confidence with MBIA. By late 2004, when MBIA was deciding whether to provide insurance for the 2004 Transaction, MBIA had provided insurance for eight GMAC Mortgage-sponsored securitizations of second-lien mortgage loans since 1999. These prior securitizations also involved specifically prime HELOC or closed-end second-lien mortgages.

114. GMAC Mortgage misrepresented existing material facts with respect to the Transactions. It misrepresented that loans contributed to the pools were generally originated in compliance with GMAC Mortgage's Underwriting Guidelines and that data regarding the mortgage loans, including statistics relating to the borrower's FICO score, DTI, and CLTV, were accurate. It misrepresented that after all applicable employment, credit, and property information was received, a determination had been made that the borrower was able to meet his or her monthly loan payments and other expenses related to the home.

115. GMAC Mortgage possessed clear and reasonable grounds for believing or determining that its representations were materially false and should have known that its representations were materially false. GMAC Mortgage was the originator and/or owner of all loans contributed to the pools and indeed had unique knowledge and expertise about the manner in which the loans had been originated.

116. GMAC Mortgage knew or should have known that MBIA would rely on GMAC Mortgage's materially false representations and that those representations were essential and material to MBIA's decision to issue the Policies. GMAC Mortgage knew that the information it provided to MBIA, including the requests for bids, loan tapes, loan schedules, and initial and final Prospectus Supplements, was critical to MBIA's decision whether to enter into the Insurance Agreements. GMAC Mortgage knew that MBIA was not aware and could not

reasonably have been aware of the falsity of GMAC Mortgage's representations, because GMAC Mortgage's knowledge and expertise were unique and special. GMAC Mortgage had unique and special knowledge and expertise regarding both the underwriting of mortgage loans generally, and the underwriting of the mortgage loans in the loan pools for the Transactions. MBIA is not a mortgage loan originator and did not originate any of the loans contributed to the Transactions. GMAC Mortgage also knew that MBIA followed the industry practice of requiring the sponsor to provide representations and warranties about the mortgage loans and the Underwriting Guidelines under which they were originated.

117. Accordingly, GMAC Mortgage acted either recklessly or negligently in making the materially false representations to MBIA with respect to the underwriting of the mortgage loans GMAC Mortgage contributed to the mortgage loan pools.

118. MBIA reasonably relied to its detriment on GMAC Mortgage's misrepresentations. MBIA had no contractual right to review loan origination files before closing, nor any meaningful opportunity to do so. MBIA reasonably followed the industry standard of relying on a sponsor's representations and warranties regarding the quality of the loans and the standards under which loans were originated, rather than attempting to re-underwrite thousands or tens of thousands of loans before closing. Finally, MBIA placed trust and confidence in GMAC Mortgage, as a result of a business relationship based upon at least eight prior GMAC Mortgage-sponsored securitizations for which MBIA had provided insurance since 1999.

119. Had MBIA known about GMAC Mortgage's significant and substantial misrepresentations, MBIA would not have issued the Policies.

120. As a proximate result of its reasonable reliance on GMAC Mortgage's reckless or negligent misrepresentations, MBIA issued the Policies, requiring MBIA to pay, to its substantial detriment, sizable insurance claims and to remain exposed to future liabilities.

121. As a result of GMAC Mortgage's negligent misrepresentations, MBIA has incurred, and will continue to incur, damages in an amount to be determined at trial.

THIRD CAUSE OF ACTION

(Breach of Contract: Insurance Agreements)

122. MBIA repeats and realleges, as if set forth herein, the allegations of all of the preceding paragraphs.

123. In the Insurance Agreements GMAC Mortgage made extensive representations and warranties concerning the loans that GMAC Mortgage contributed to the pools, the accuracy of the information that it provided for inclusion in the Transaction Documents or to MBIA, and the remedies to which MBIA would be entitled if GMAC Mortgage breached its representations and warranties.

124. GMAC Mortgage's representations and warranties were material to MBIA's decision to insure each of the Transactions. GMAC Mortgage's compliance with its representations and warranties was and is necessary to assure MBIA of the benefit of its bargain.

125. GMAC Mortgage has materially breached the Insurance Agreements. In Section 2.01(j) of the Insurance Agreements, GMAC Mortgage represented and warranted that any information relating to the mortgage loans that it furnished for inclusion in the Transaction Documents, or to MBIA, was accurate and not misleading, as of the dates reflected therein. GMAC Mortgage breached these representations and warranties by: (1) furnishing for inclusion in the Transaction Documents false and misleading statements, including the statement that the mortgage loans contributed to the Transactions were underwritten generally in accordance with

GMAC Mortgage's underwriting standards; and (2) giving MBIA false and misleading information, including requests for bids, loan tapes, schedules, and initial and final Prospectus Supplements that provided materially false statistics relating to DTI and CLTV, among other false information, and shadow ratings that were artificially inflated.

126. GMAC Mortgage breached its representation and warranty, contained in Section 2.01(m) of the Insurance Agreements, that each of the representations and warranties contained in the Transaction Documents to which it is a party is true and correct in all material respects. Specifically, GMAC Mortgage breached numerous representations and warranties it made in the Purchase Agreements, including that each mortgage loan file was complete, that the information in schedules furnished by GMAC Mortgage was true and correct in all material respects, and that the CLTV ratio for each mortgage loan was not in excess of 100%. It breached representations and warranties made in the initial and final Prospectus Supplements that all of the mortgage loans were underwritten generally in accordance with GMAC Mortgage's underwriting standards, that loans were generally originated with a maximum DTI ratio of 45% and CLTV ratio of 100%, and that once all applicable employment, credit, and property information had been received, a determination had been made that the borrower had sufficient monthly income available to meet monthly obligations, including payments on the proposed mortgage loan.

127. These breaches of GMAC Mortgage's transaction-level representations and warranties strike at the heart of the Insurance Agreements. Had MBIA known that GMAC Mortgage had furnished false and misleading information for inclusion in the Transaction Documents or to MBIA, or had routinely contributed loans to the Transactions that had not been originated generally in compliance with GMAC Mortgage's Underwriting Guidelines, MBIA would not have entered into the Insurance Agreements.

128. GMAC Mortgage has also materially breached the Insurance Agreements by: (1) failing to provide MBIA with access to information reasonably requested by MBIA; and (2) failing to honor its covenant not to interfere with MBIA's enforcement of its rights under the Transaction Documents. Specifically, GMAC Mortgage has breached the Insurance Agreements by refusing MBIA's requests for copies of complete versions of the GMAC Mortgage Underwriting Guidelines. It has failed to provide, for each Transaction and despite MBIA's written request, monthly loan-level collateral performance tapes for each month preceding early 2008.

129. GMAC Mortgage's breaches constitute Events of Default under the Insurance Agreements.

130. MBIA has fully complied with its obligations under the Transaction Documents, the Insurance Agreements, and the Policies.

131. MBIA has incurred and will continue to incur damages, including without limitation interest and reasonable attorneys' and accountants' fees and expenses in an amount to be determined at trial.

132. Pursuant to Section 3.04 of the Insurance Agreements, GMAC Mortgage agreed to indemnify MBIA for these liabilities when they arise out of "the breach by [GMAC Mortgage] . . . of any representation or warranty . . . under any of the Transaction Documents to which it is a party."

133. Accordingly, MBIA seeks declaratory judgment that GMAC Mortgage is required: (1) to reimburse MBIA for all claims payments made to date and all future claims payments under the Policies; and (2) to indemnify MBIA for any and all payments made as a

result of GMAC Mortgage's breaches of its representations and warranties in the Insurance Agreements.

FOURTH CAUSE OF ACTION

(Breach of Contract: Servicing Agreement)

134. MBIA repeats and realleges, as if set forth herein, the allegations of all of the preceding paragraphs.

135. In October 2009, MBIA exercised its right under the Servicing Agreements to terminate GMAC Mortgage as Servicer, in all three Transactions. Since that time, GMAC Mortgage has not serviced the mortgage loans underlying the Transactions.

136. In each Transaction, GMAC Mortgage was required to give MBIA prompt, written notice if it became aware that loans failed to conform with its representations and warranties in the Purchase Agreements in a manner that "materially and adversely affects" MBIA's interests.

137. In each Transaction, GMAC Mortgage was required to make reasonable efforts to collect all payments due from borrowers and service loans in a manner consistent with its own servicing guidelines. As Servicer, GMAC Mortgage was required to employ, in its good faith business judgment, all of its "normal and usual" servicing procedures.

138. GMAC Mortgage failed to give notice of loans failing to conform with its representations and warranties in the Purchase Agreements, and materially and adversely affecting MBIA's interests, even though it was fully aware, from the inception of the Transactions, that the pools were replete with non-conforming loans that materially and adversely affected MBIA's interests.

139. GMAC Mortgage also failed to make reasonable efforts to collect all payments due from borrowers. GMAC Mortgage employed wholly deficient servicing practices and made

only perfunctory efforts to collect payments from borrowers. The resources that GMAC Mortgage allocated to servicing the loan pools fell far short of being adequate to fulfill its contractual obligation. As a result of the lack of resources, the servicing of the mortgage loans was overly passive. GMAC Mortgage failed to treat borrowers and loans individually, and failed to maintain records sufficient to support reasonable servicing efforts.

140. The material deficiencies in GMAC Mortgage's servicing included: (1) failure to initiate and document contact with borrowers, or to follow up after successful initial contact; (2) failure to discuss loss mitigation with borrowers when delinquency was reasonably foreseeable; (3) failure to monitor and record information bearing on loss mitigation, such as the reasons for delinquency or default, the status of the senior lien holder, and the progress of loss mitigation efforts; (4) failure to conduct property inspections as a means of, among other things, locating the borrower or valuing the property; (5) over-reliance on mass offerings of settlements, often with the result that a non-responsive borrower was rewarded with increasingly favorable terms; and (6) failure to monitor foreclosure sale activities.

141. GMAC Mortgage's improperly inactive approach resulted in delinquent loans advancing to the stage of charge-off without adequate exploration of means of collecting some part of the payments owed. GMAC Mortgage's failure to devote adequate resources to collection efforts also exploited its role as a collector of funds for the trusts, because GMAC Mortgage made gains at the expense of MBIA and investors. GMAC Mortgage wrongly minimized the expense to itself while disregarding its obligation to seek returns for the trusts, for the benefit of investors.

142. MBIA has fully complied with its obligations under the Transaction Documents and the Insurance Agreements.

143. GMAC Mortgage's breaches of the Servicing Agreements have caused substantial harm and damages to MBIA, in an amount to be proved at trial, but at a minimum including substantially higher claims on Policies and other losses and expenses.

FIFTH CAUSE OF ACTION

(Breach of Contract: Repurchase Obligation)

144. MBIA repeats and realleges, as if set forth herein, the allegations of all of the preceding paragraphs.

145. Pursuant to the Servicing Agreements, if MBIA determines that, with respect to any loan, GMAC Mortgage breached its representations and warranties in the Purchase Agreements in a manner that "materially and adversely affect[ed] the interests of the Securityholders or the Enhancer [*i.e.*, MBIA]," MBIA may notify GMAC Mortgage of the presence of such breach. Upon such notice, GMAC Mortgage has 90 days to: (1) cure the breach; (2) repurchase the mortgage loan; or (3) substitute one or more eligible loans for the mortgage loan. Under the terms of the Putback Procedure, however, substitution is only permitted within a two-year period following the closing date of the Transaction. The Putback Procedure is not an exclusive remedy and does not apply to breaches of the Insurance Agreements.

146. MBIA has provided GMAC with 25 notices of breach by letters dated May 15, 2009; May 19, 2009; May 26, 2009; June 4, 2009; June 10, 2009; June 15, 2009; June 22, 2009; June 30, 2009; July 7, 2009; July 28, 2009; July 29, 2009; August 6, 2009; August 12, 2009; August 18, 2009; August 26, 2009; September 1, 2009; September 9, 2009; September 15, 2009; September 22, 2009; September 30, 2009; October 9, 2009; October 14, 2009; February 16, 2010; February 22, 2010; and March 10, 2010. MBIA notified GMAC of specific deficiencies in 3,669 individual loans in these putback requests, which are hereby incorporated by reference.

These letters notified GMAC Mortgage of loans that were in breach of one or more of GMAC Mortgage's representations and warranties set forth in the Purchase Agreements and that such breaches materially and adversely affected the interests of MBIA.

147. MBIA continues to notify GMAC Mortgage of additional loans that are discovered to be in breach of one or more of GMAC Mortgage's representations and warranties. Additional loans continue to become delinquent or are charged-off every month. On information and belief, such delinquencies and charge-offs will continue through the date of trial in this action and beyond.

148. The mortgage loans identified in MBIA's notices failed to comply with one or more of the representations and warranties made by GMAC Mortgage in the Purchase Agreements. For example, many of the loan files relating to the mortgage loans were incomplete and lacked required documentation and instruments, including mortgage notes, disclosures relating to the sale of the mortgage loans, disclosures relating to the transfer of servicing for the mortgage loans, documents confirming appropriate reserves, and documents relating to the appraisal. Mortgage loans were underwritten in violation of the representation and warranty that the CLTV ratio would not exceed 100%. GMAC Mortgage also approved loans that did not comply with applicable local, state, and federal laws, including applicable predatory lending laws.

149. MBIA has incurred, and will continue to incur, damages in an amount to be determined at trial. For the vast majority of the mortgage loans identified in MBIA's letters, GMAC Mortgage has neither cured the material breaches nor repurchased or substituted eligible mortgage loans as required by the Putback Procedure. By failing either to cure the defective aspects of the non-compliant mortgage loans identified in MBIA's letters or to repurchase or

substitute those non-compliant mortgage loans, GMAC Mortgage has caused MBIA to incur payments for shortfalls in cash flows to investors when, in fact, such shortfalls should properly be paid by GMAC Mortgage. In addition, MBIA expects that because delinquencies and charge-offs continue to occur, it will continue to make payments under the Insurance Agreements due to the true quality of the mortgage loans, which GMAC Mortgage misrepresented to MBIA in obtaining the Policies.

150. MBIA also has incurred, and will continue to incur, significant fees for professional services, including attorneys' fees, to engage in, and enforce GMAC Mortgage's obligations under, the Putback Procedure. Pursuant to Section 3.03 of the Insurance Agreements, GMAC Mortgage agreed to indemnify MBIA for these payments, when made as a result of GMAC Mortgage's failure to comply with the Transaction Documents, including, without limitation, GMAC Mortgage's failure to comply with the Putback Procedure.

151. MBIA has fully complied with its obligations under the Transaction Documents, the Insurance Agreements, and the Policies.

152. Accordingly, MBIA seeks declaratory judgment that GMAC Mortgage is required: (1) to repurchase the mortgage loans identified in MBIA's notices; (2) to repurchase any additional mortgage loans that breach the applicable representations and warranties; and (3) to indemnify MBIA for any and all payments made as a result of GMAC Mortgage's breaches of its representations and warranties, including GMAC Mortgage's failure to comply with the Putback Procedure.

SIXTH CAUSE OF ACTION

(Breach of Contract – Good Faith and Fair Dealing)

153. MBIA repeats and realleges, as if set forth herein, the allegations of all of the preceding paragraphs.

154. Under the Insurance Agreements, the Purchase Agreements, and the Servicing Agreements, GMAC Mortgage is required to comply with the covenant or duty of good faith and fair dealing that is implied in all contracts.

155. The Insurance Agreements and the Transaction Documents incorporated therein are built on the premise that, as GMAC Mortgage affirmatively represented, the mortgage loans had been evaluated consistently with the underwriting standards of GMAC Mortgage. The Insurance and Servicing Agreements are founded on the understanding that GMAC Mortgage, as Servicer, would make reasonable servicing efforts. GMAC Mortgage encouraged trust and reliance on its underwriting and servicing precisely because of its expertise and experience.

156. The implied duty of good faith and fair dealing required application of underwriting and servicing standards consistent with MBIA's understanding and with GMAC Mortgage's awareness of what MBIA had understood about those standards.

157. GMAC Mortgage breached its duty of good faith and fair dealing by knowingly, and in bad faith, deliberately and routinely contributing mortgage loans to the pools that had not been originated in accordance with GMAC Mortgage's underwriting standards.

158. GMAC Mortgage further breached its implied duty of good faith and fair dealing by failing in good faith to employ loan servicing procedures consistent with servicing industry standards, or make efforts to collect all payments due from borrowers.

159. GMAC Mortgage also breached its implied duty of good faith and fair dealing by failing to provide MBIA with access to information reasonably requested by MBIA, such as the complete versions of the GMAC Mortgage Underwriting Guidelines. The Insurance Agreements are based on the premise that GMAC Mortgage will not affirmatively frustrate MBIA's ability to enforce its contractual rights. GMAC Mortgage's bad faith withholding of information relating to the mortgage loans, and the standards under which those loans were underwritten, has impermissibly interfered with MBIA's enforcement of its rights.

160. Had MBIA known of the true risk profile of the loan pools in the Transactions, or that GMAC Mortgage would fail to undertake reasonable servicing efforts or refuse access to information necessary for MBIA to enforce its contractual rights, MBIA would not have issued the Policies. GMAC Mortgage's breach of its implied duty of good faith and fair dealing has deprived MBIA of the benefit of having entered into the Insurance Agreements.

161. MBIA has fully complied with its obligations under the Transaction Documents, the Insurance Agreements, and the Policies.

162. As a result of GMAC Mortgage's breach of the implied covenant of good faith and fair dealing, MBIA has incurred, and will continue to incur, damages including, without limitation, interest and reasonable attorneys' and accountants' fees and expenses. GMAC Mortgage is responsible for all losses incurred by MBIA whether or not such losses relate directly to non-compliant mortgage loans.

PRAYER FOR RELIEF

WHEREFORE MBIA prays for relief as follows:

a. For an award of damages against GMAC Mortgage, in an amount to be proven at trial, but including at a minimum:

i. MBIA's payments on current and future claims under the Policies;

ii. MBIA's compensatory and consequential losses, including lost profits and business opportunities;

iii. Indemnification for MBIA's attorneys' fees, costs, and expenses associated with enforcing its legal rights under the Transaction Documents;

iv. Punitive damages; and

v. Pre-judgment interest at the maximum legal rate.

b. For a declaratory judgment that GMAC Mortgage is required: (1) to repurchase the mortgage loans identified in MBIA's notices; (2) to repurchase any additional mortgage loans that breach the applicable representations and warranties; and (3) to indemnify MBIA for any and all payments made as a result of GMAC Mortgage's failure to comply with the Putback Procedure.

c. For a declaratory judgment that GMAC Mortgage is required to reimburse MBIA for all claims payments made to date and all future claims payments under the Policies, and to indemnify MBIA for any and all payments made as a result of GMAC Mortgage's breaches of the representations and warranties in the Insurance Agreements.

d. Such other and further relief as the Court may deem just and proper.

DATED: New York, New York
April 1, 2010

QUINN EMANUEL URQUHART &
SULLIVAN, LLP

By: _____
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Attorneys for MBIA Insurance Corporation

Index No.

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

MBIA INSURANCE CORPORATION,

Plaintiff,

-against-

GMAC MORTGAGE, LLC (F/K/A GMAC MORTGAGE CORPORATION)

Defendant.

SUMMONS AND COMPLAINT

QUINN EMANUEL URQUHART
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MBIA Insurance Corporation

Exhibit 62

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

MBIA INSURANCE CORPORATION, Plaintiff, -against- RESIDENTIAL FUNDING COMPANY, LLC, Defendant.	Index No. 603552/2008 (Fried, J.) **FIRST AMENDED COMPLAINT**

Plaintiff MBIA Insurance Corporation ("MBIA") for its First Amended Complaint against defendant Residential Funding Company, LLC ("RFC") alleges, on information and belief as to all facts other than as to itself, as follows:

NATURE OF THE ACTION

1. This action arises from defendant RFC's fraudulent inducement of plaintiff MBIA to provide financial guaranty insurance policies (each a "Policy" and, collectively, the "Policies") for five securitization transactions sponsored by RFC and RFC's pervasive breach of contract representations and warranties made to MBIA in connection with those five securitizations.

2. RFC, a Delaware limited liability company with its principal place of business in Minneapolis, Minnesota, is engaged in the business of, among other things, originating and acquiring residential mortgage loans and selling those loans through securitization programs. During 2006 and 2007, RFC sought to sell certain of its residential home equity loans by means of securitization transactions and approached MBIA to provide the Policies for certain of these securitization transactions. These Policies were intended to insure

timely payments of interest and ultimate principal to investors who purchased the securities that were issued through the securitization transactions.

3. Among other representations and warranties, RFC represented to MBIA that the mortgage loans underlying the securitization transactions were of a certain quality and had been underwritten in accordance with RFC's underwriting guidelines and policies. RFC made this representation to assure MBIA that for each individual mortgage loan there was a reasonable expectation that the borrower would be able to repay the mortgage debt.

4. In reality, and contrary to RFC's representations and warranties, the portfolios of mortgage loans that RFC included in the securitization transactions were of a fundamentally different quality and character than RFC represented to MBIA. A material number of mortgage loans included in the mortgage loan pools underlying the securitizations were made to borrowers who could not reasonably have been expected to be able to repay the mortgage loans, and the risks inherent in the portfolios were significantly higher than as represented to MBIA. Moreover, there were fundamental, material and consistent violations of RFC's underwriting guidelines and policies in connection with the underwriting of the mortgage loans that RFC included in the securitization transactions. The undisclosed and misrepresented risks were pervasive throughout the mortgage loan portfolios for the securitization transactions. Had MBIA been aware of the condition of the mortgage loan portfolios and RFC's material disregard of its underwriting guidelines and policies, MBIA would not have issued the Policies for the securitization transactions.

5. MBIA's agreement to issue the Policies with respect to the securitizations was based on representations and warranties from RFC that constituted an intentional scheme to defraud MBIA into providing financial guaranty insurance in connection with the securitization transactions sponsored by RFC. MBIA, as the financial guaranty insurer, has now paid hundreds

of millions of dollars in claims, and is now exposed to significant further liability incurred directly as a result of RFC's pervasive misrepresentations with respect to the mortgage loans.

6. Subsequent to its fraud in inducing MBIA into writing the policies, RFC also has breached its contractual obligations and acted in bad faith by refusing to cure, repurchase or otherwise remedy the material deficiencies in respect of individual mortgage loans. In fact, RFC has stopped responding altogether to MBIA's requests that RFC repurchase such deficient mortgage loans and has repudiated the contractual remedy process, thereby repudiating its obligations under the contracts.

PARTIES

7. Plaintiff MBIA Insurance Corporation is a New York stock insurance corporation with its principal place of business in Armonk, New York.

8. Defendant Residential Funding Company, LLC is a Delaware limited liability company with its principal place of business in Minneapolis, Minnesota. Residential Funding Company, LLC is successor-in-interest to Residential Funding Corporation, a Delaware corporation with its principal place of business in Minneapolis, Minnesota.

JURISDICTION AND VENUE

9. This Court has jurisdiction over this proceeding pursuant to CPLR § 301.

10. RFC is a registered limited liability company within the State of New York, has appointed an agent for service of process and has consented to the jurisdiction of Courts within the State. RFC transacts business within the State. Further, actions that led to the transactions that give rise to the claims in this Complaint occurred within the State.

11. Venue is proper in this Court pursuant to CPLR § 503. RFC has designated New York County as its county of residence in the State of New York. Further, RFC has agreed that courts in the State of New York located in the City and County of New York are

the appropriate venue for all actions arising out of the transactions that give rise to the claims in the Complaint. Moreover, substantial activities relating to the transactions that give rise to the claims in the Complaint occurred within New York County.

FACTUAL ALLEGATIONS

A. RFC

12. RFC is engaged in the acquisition of residential mortgage loans under several loan purchase programs from individual mortgage loan originators or sellers nationwide. RFC, through its affiliates, also originates residential mortgage loans. Further, RFC acts as a servicer for mortgage loans.

13. RFC's practice is to sell, by means of securitization transactions, mortgage loans that it has acquired, as well as mortgage loans it originated through its affiliates. RFC has sponsored securitizations of mortgage loans secured by first liens on one- to four- family residential properties since 1986. In 1995, RFC expanded its business to include second lien mortgage loans. From 2002 through the first quarter of 2007, RFC sponsored securitizations of 1,313,052 first lien mortgage loans with an aggregate principal balance of $243,493,046,962. During the same period, RFC sponsored securitizations of 338,441 second lien mortgage loans with an aggregate principal balance of $14,393,392,561.

14. As of December 4, 2008, RFC was a wholly-owned subsidiary of Residential Capital LLC ("ResCap"), a Delaware limited liability company, which was itself a wholly-owned subsidiary of GMAC LLC ("GMAC"), a Delaware limited liability company registered as a foreign limited liability company in the State of New York.

B. The Securitization Of Residential Mortgage Loans

15. Acquirers and originators of mortgage loans may sponsor securitization transactions to sell mortgage loans and to enable the acquisition or origination of additional

mortgage loans. Securitization is the act of using a financial asset, such as a mortgage loan, as security for another instrument.

16. Securitizations can take various forms. The most common form used for mortgage loans involves the creation of a trust, to which the sponsoring entity sells a portfolio of mortgage loans. The trust will then divide the cash flows from the portfolio of mortgage loans into various pieces or tranches and issue securities, which are sold to investors. Those pieces or tranches underlying the securities have different economic rights to principal and interest, among other things, and have different attributes of repayment risk. As the United States Securities and Exchange Commission ("SEC") has observed, in many instances the transfer of assets to the trust "is a two-step process: the financial assets are transferred by the sponsor first to an intermediate entity, often a limited purpose entity created by the sponsor for a securitization program and commonly called a depositor, and then the depositor will transfer the assets to the [trust] for the particular asset-backed transactions." SEC Release "Asset-Backed Securities" (Regulation AB), SEC Release Nos. 33-8518; 34-50905, 70 Fed. Reg. 1,506-1,631.

17. Because the mortgage loans, and their underlying cash flows, are sold to an entity, such as a trust, in connection with the securitization, the appointment of a servicer is also necessary. The servicer's primary responsibilities are (1) collecting mortgage payments on performing mortgage loans, (2) engaging in loss mitigation efforts to increase collection efforts on delinquent mortgage loans, (3) initiating foreclosure proceedings, (4) charging-off mortgage loans when appropriate, (5) reporting key information about the mortgage loans to the trustee for dissemination to the other transaction participants and (6) transferring collections to the trustee for distribution to the investors. The trustee is responsible for administering the funds of the trust, determining the adequacy of the trust's funds to satisfy the trust's obligations in connection with the securities issued by the trust and making payments to the investors.

18. Mortgage loans may consist of, among others, closed-end second lien mortgage loans ("Closed-End Mortgage Loans") and home equity lines of credit ("Home Equity Loans"). For Closed-End Mortgage Loans, a borrower receives the full borrowed amount of the loan at the time of origination. For Home Equity Loans, a borrower receives the right to draw upon a line of credit, which is collateralized by a mortgage lien, for a period of time after origination of the Home Equity Loan up to the full amount of the Home Equity Loan. The amount of a Home Equity Loan that has been drawn upon as of any date of determination is known as the "Utilization."

19. The financial viability of an investment in a securitization is based on the quality of the underlying mortgage loans. If, for instance, the lender that originated the mortgage loans employed substandard underwriting practices, risk increases. This risk manifests itself through delinquencies on mortgage loan payments eventually leading to defaults on these mortgage loans. After a mortgage loan is in default, if a servicer of a mortgage loan determines that the value of net recoveries to be achieved by foreclosing upon, or comparably converting, the mortgage loan are unlikely to equal or exceed the outstanding principal balance of the delinquent mortgage loan, plus certain costs and expenses related thereto, the servicer will charge-off such delinquent mortgage loan, meaning that the servicer will write down or recognize the outstanding principal balance of such mortgage loan as zero, without a corresponding payment or receipt of principal. These delinquencies, defaults and charge-offs have the potential to result in significant shortfalls of anticipated cash flows to the trust and, consequently, a shortfall in cash flows payable to the investors.

20. To increase marketability, lower interest costs and mitigate the risk to the investors of a potential shortfall in anticipated cash flows to the trust, many securitizations historically have included the purchase of a financial guaranty insurance policy from a financial

guaranty insurer, such as MBIA. Under the terms of such a policy, a financial guaranty insurer, in consideration of a premium and subject to the terms and conditions of the policy, will unconditionally and irrevocably guarantee to the investors that, in the event there is a shortfall in cash flows to the trust, the financial guaranty insurer will insure certain payments with respect to current interest and ultimate principal to the trustee for the benefit of the investors. In this way, the risk to the investors of a shortfall in the anticipated cash flows to the trust is mitigated, thus increasing the marketability and pricing of the securities.

21. To satisfy both the investors and the financial guaranty insurer as to the quality of a particular portfolio of mortgage loans, the sponsor of a securitization typically makes disclosures and representations regarding the quality and character of the underlying mortgage loans and the underwriting standards used to underwrite the mortgage loans. While these disclosures and representations do not entirely remove the risk of delinquency and/or charge-off, they are intended to assure the financial guaranty insurer that risks are known to the insurer and that the financial guaranty insurer does not face additional, hidden risks.

22. A sponsor's disclosures and representations in a residential mortgage-backed securitization are extremely important because of the sponsor's unique and special knowledge and expertise regarding the underwriting of mortgage loans. The sponsor's disclosures and representations regarding the quality and character of the mortgages included in the mortgage loan portfolios and the underwriting standards used to underwrite the mortgage loans are necessary because it is neither practical nor feasible for the financial guaranty insurer to review the many thousands of mortgage loans in the loan portfolios. Individual loan files are typically voluminous, containing mortgage applications, credit reports, income and employment verifications, the lender's internal documentation and many other forms of documentation necessary to support underwriting decisions. In addition, sponsors typically require a bid from a

financial guaranty insurer within a few days of the sponsor's initial solicitation, and the securitization's closing date is often only a few weeks later.

23. Because the review of all the loan files underlying a securitization is impractical and infeasible, a sponsor instead will provide to the financial guaranty insurer and the rating agencies, among others, schedules and data tapes that set forth general financial characteristics of the mortgage loans that will be transferred by the sponsor to the securitization trust. The rating agencies rely upon the data contained in the schedules and data tapes to create expected loan level default and loss assumptions. The loan level default and loss assumptions are then used to create cash flow projections – that is, estimates of potential losses – for the securitizations. The rating agencies then provide shadow ratings for the securitization transactions, which shadow ratings are based on the expected losses for the proposed securitization structure. A financial guaranty insurer must rely on the sponsor's representations and data with respect to the quality of the mortgage loan portfolio underlying the securitizations as well as the integrity of the sponsor's underwriting policies and practices. Further, the financial guaranty insurer must also rely on the shadow ratings provided by the ratings agencies, which are based on the same representations, warranties and data provided to the financial guaranty insurer. In addition, it is infeasible and impractical for a financial guaranty insurer to confirm based on schedules or data tapes whether a sponsor has underwritten the mortgage loans in compliance with its underwriting criteria. The sponsor's unique and special knowledge, and expertise regarding its underwriting practices, cannot be duplicated by the financial guaranty insurer, especially given the short timeframe in which the financial guaranty insurer is required to make an underwriting decision.

C. MBIA's Special Relationship Of Trust And Confidence With RFC

24. MBIA provided financial guaranty insurance policies for certain securitization transactions sponsored by RFC and its affiliates during 2003 and 2004. In late 2005 and early 2006, MBIA and RFC engaged in discussions about furthering their relationship and developing a program pursuant to which MBIA could issue financial guaranty insurance policies for securitization transactions sponsored by RFC. Because a financial guaranty insurer – like MBIA – is reliant on the integrity and veracity of the sponsor of a mortgage-backed securitization – like RFC – MBIA must trust and have confidence in the sponsor as part of its determination whether to issue a financial guaranty insurance policy for an individual securitization transaction. To further this relationship of trust and confidence with RFC, MBIA undertook a due diligence review of RFC, which included a credit and financial analysis of RFC and its affiliates.

25. In August 2005, MBIA visited RFC's offices in Minnesota to inspect RFC's operations and to discuss the development of a program pursuant to which MBIA could compete to issue financial guaranty insurance policies for securitization transactions sponsored by RFC. In June 2006, RFC sent MBIA financial statements for RFC, its affiliate, GMAC Mortgage, LLC ("GMAC Mortgage"), and its parent company, ResCap.

26. MBIA used this and other information provided by RFC to analyze the credit profiles and financial stability of RFC, its parent companies, including ResCap, and its affiliates. MBIA also analyzed the historical performance of securitizations sponsored by RFC and GMAC Mortgage, and evaluated RFC's corporate history, market share, management team, underwriting standards and servicing platform. In addition to publicly available information, MBIA relied on information provided by RFC to conduct its due diligence review and to analyze

whether to further a relationship of trust and confidence with RFC in respect of a program to provide financial guaranty insurance for RFC's securitization transactions.

27. On or about June 30, 2006, MBIA's Executive Credit Committee ("ECC") approved a program pursuant to which MBIA furthered its special relationship of trust and confidence with RFC. In that regard, the ECC authorized MBIA's underwriters to incur up to $8.5 billion of gross exposure to RFC and GMAC Mortgage, with the proviso that each proposed securitization transaction be reviewed and approved in accordance with MBIA's underwriting policies and procedures. The ECC delegated authority to review and approve individual securitization transactions to MBIA's Underwriting Committee. The ECC's approval of this program and its delegation of authority to the Underwriting Committee was based on MBIA's trust and confidence in RFC, which resulted from MBIA's discussions with and analysis of RFC during 2005 and early 2006.

28. Approximately two weeks after the ECC approved this program, RFC solicited MBIA to bid on the first of the five securitization transactions that are the subject of this action. The program was ultimately extended though June 30, 2007. The last of the securitization transactions at issue here closed on May 30, 2007.

D. The RFC Transactions

29. Starting in approximately July 2006 and pursuant to MBIA's Exposure Plan, RFC solicited MBIA to provide financial guaranty insurance policies for five securitizations sponsored by RFC: Home Equity Loan Trust 2006-HSA4 ("2006-HSA4"), Home Equity Loan Trust 2006-HSA5 ("2006-HSA5"), Home Equity Loan Trust 2007-HSA1 ("2007-HSA1"), Home Equity Loan Trust 2007-HSA2 ("2007-HSA2") and Home Equity Loan Trust 2007-HSA3 ("2007-HSA3" and, collectively with 2006-HSA4, 2006-HSA5, 2007-HSA1 and 2007-HSA2, the "RFC Transactions").

30. 2006-HSA4 is a securitization that was issued on or about July 28, 2006. The 2006-HSA4 mortgage loan pool consists of adjustable rate, revolving Home Equity Loans. Approximately 99.05% of the Home Equity Loans in the 2006-HSA4 mortgage loan pool are secured by second liens on one- to four- family residential properties with the remaining approximately 0.95% of the Home Equity Loans secured by first liens. As of July 1, 2006 (the "2006-HSA4 Cut-off Date"), the mortgage loan pool for 2006-HSA4 contained 8,954 Home Equity Loans with an approximate initial principal mortgage loan balance of $402,118,000 as of the 2006-HSA4 Cut-off Date. The weighted average amount of Utilization of the Home Equity Loans as of the 2006-HSA4 Cut-off Date was 77.89% of the available credit limit.

31. 2006-HSA5 is a securitization that was issued on or about September 28, 2006. The 2006-HSA5 mortgage loan pool consists of adjustable rate, revolving Home Equity Loans. Approximately 99.2% of the Home Equity Loans in the 2006-HSA5 mortgage loan pool are secured by second liens on one- to four- family residential properties with the remaining approximately 0.80% of the Home Equity Loans secured by first liens. As of September 1, 2006 (the "2006-HSA5 Cut-off Date"), the mortgage loan pool for 2006-HSA5 contained 5,124 Home Equity Loans with an approximate initial principal mortgage loan balance of $295,648,000 as of the 2006-HSA5 Cut-off Date. The weighted average amount of Utilization of the Home Equity Loans as of the 2006-HSA5 Cut-off Date was 87.98% of the available credit limit.

32. 2007-HSA1 is a securitization that was issued on or about February 27, 2007. The 2007-HSA1 mortgage loan pool consists of adjustable rate, revolving Home Equity Loans. Approximately 98.3% of the home equity loans in the 2007-HSA1 mortgage loan pool are secured by second liens on one- to four- family residential properties with the remaining approximately 1.7% of the Home Equity Loans secured by first liens. As of February 1, 2007 (the "2007-HSA1 Cut-off Date"), the mortgage loan pool for 2007-HSA1 contained 9,484 Home

Equity Loans with an approximate initial mortgage loan principal balance of $546,774,000 as of the 2007-HSA1 Cut-off Date. The weighted average amount of Utilization of the Home Equity Loans as of the 2007-HSA1 Cut-off Date was 85.84% of the available credit limit.

33. 2007-HSA2 is a securitization that was issued on or about April 27, 2007. The 2007-HSA2 mortgage loan pool consists of fixed rate Closed-End Mortgage Loans. Approximately 99.84% of the Closed-End Mortgage Loans in the 2007-HSA2 mortgage loan pool are secured by second liens on one- to four- family residential properties with the remaining approximately 0.16% of the Closed-End Mortgage Loans secured by first liens. As of April 1, 2007 (the "2007-HSA2 Cut-off Date"), the mortgage loan pool for 2007-HSA2 contained 24,092 Closed-End Mortgage Loans with an approximate initial mortgage loan principal balance of $1,300,997,943 as of the 2007-HSA2 Cut-off Date.

34. 2007-HSA3 is a securitization that was issued on or about May 30, 2007. The 2007-HSA3 mortgage loan pool contains two mortgage loan groups. One loan group ("2007-HSA3 Loan Group 1") contains 11,268 fixed rate Closed-End Mortgage Loans with an aggregate initial mortgage loan principal balance of $590,465,000 as of May 1, 2007 (the "2007-HSA3 Cut-off Date"). The other loan group ("2007-HSA3 Loan Group 2") contains 4,146 adjustable rate, revolving Home Equity Loans with an aggregate initial mortgage loan principal balance of $239,848,476 as of the 2007-HSA3 Cut-off Date. Approximately 99.87% of the 2007-HSA3 Loan Group 1 loans and 99.26% of the 2007-HSA3 Loan Group 2 loans are secured by second liens on one- to four- family residential properties with the remaining approximately 0.13% and 0.74% of the respective group mortgage loans secured by first liens. As of the 2007-HSA3 Cut-off Date, the weighted average amount of Utilization of the Home Equity Loans in 2007-HSA3 Loan Group 2 was 86.0% of the available credit limit.

35. RFC is the seller for the RFC Transactions. RFC was also the master servicer for the RFC Transactions and outsourced certain of its servicing functions to affiliated entities, which acted as subservicers. On November 2, 2009, RFC voluntarily relinquished its rights and responsibilities as master servicer and allowed MBIA to appoint a new master servicer. As such, neither RFC nor its subservicer affiliates were involved with the servicing of the mortgage loans after November 2, 2009.

E. RFC's Representations And Warranties

36. In connection with each RFC Transaction, MBIA and RFC entered into an Insurance Agreement pursuant to which MBIA issued a Policy for the RFC Transactions. The Policies increased the marketability of the securities by mitigating the risk to potential investors of any shortfalls in anticipated cash flows, which allowed for better pricing of the securities for RFC. These Insurance Agreements are: (1) an Insurance Agreement among MBIA, RFC, Home Equity Loan Trust 2006-HSA4 and Residential Funding Mortgage Securities II, Inc. ("RFMS II"), dated July 28, 2006 (the "2006-HSA4 Insurance Agreement"); (2) an Insurance Agreement among MBIA, RFC, Home Equity Loan Trust 2006-HSA5 and RFMS II, dated September 28, 2006 (the "2006-HSA5 Insurance Agreement"); (3) an Insurance Agreement among MBIA, RFC, Home Equity Loan Trust 2007-HSA1 and RFMS II, dated February 27, 2007 (the "2007-HSA1 Insurance Agreement"); (4) an Insurance Agreement among MBIA, RFC, Home Equity Loan Trust 2007-HSA2 and RFMS II, dated April 27, 2007 (the "2007-HSA2 Insurance Agreement"); and (5) an Insurance Agreement among MBIA, RFC, Home Equity Loan Trust 2007-HSA3 and RFMS II, dated May 30, 2007 (the "2007-HSA3 Insurance Agreement" and, collectively with the foregoing, the "Insurance Agreements").

37. RFC made numerous representations and warranties to MBIA in connection with each Insurance Agreement. RFC further made numerous representations and

warranties to the rating agencies that contributed to the issuance of incorrect shadow ratings by the rating agencies. These representations and warranties, as well as the shadow ratings, were a material inducement to MBIA to enter into the Policies.

38. Specifically, each Insurance Agreement incorporated by reference, for the benefit of MBIA, the representations and warranties contained in the respective "Transaction Documents," as that term was defined in the Insurance Agreements. The incorporation by reference of the Transaction Documents into the Insurance Agreements was intended to allow MBIA to itself rely upon any representation and warranty that RFC made to any other entities, such as investors, in connection with each of the RFC Transactions. For 2006-HSA4, 2006-HSA5, 2007-HSA1 and 2007-HSA3, the "Transaction Documents" included, among others, the purchase agreements that set forth the terms of the sale of the mortgage loans to the relevant trust in connection with the respective transaction (the "Purchase Agreements"); the servicing agreements that set forth the terms for servicing the mortgage loans in connection with the respective transaction (the "Servicing Agreements"); and offering materials provided to potential investors and filed with the SEC in connection with the respective transaction (the "Offering Documents"). For 2007-HSA2, the "Transaction Documents" included the assignment agreement ("2007-HSA2 Assignment Agreement"), which set forth the terms of the assignment of the mortgage loans to the 2007-HSA2 Trust, the pooling and servicing agreement ("2007-HSA2 PSA"), which set forth the terms for servicing the mortgage loans for 2007-HSA2, and the Offering Documents, among others. MBIA is an express third-party beneficiary of the Purchase Agreements, the Servicing Agreements, the 2007-HSA2 Assignment Agreement and the 2007-HSA2 PSA.

39. RFC also separately represented and warranted in the Insurance Agreements that "[t]he Offering Documents did not, as of the Closing Date, contain any untrue

statement of a material fact or omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading." Further, RFC represented that "[n]either the Transaction Documents . . . nor other material information relating to the [mortgage loans] . . . furnished to the Insurer by the Issuer in writing or in electronic form contains any statement of a material fact by the Issuer which was untrue or misleading in any material respect when made." Moreover, RFC represented and warranted that its financial statements were "complete and correct in all material respects, [] present fairly the financial condition and results of operations of RFC as of the dates and for the periods indicated and [] have been prepared in accordance with generally accepted accounting principles consistently applied . . . ."

40. By incorporating in the Insurance Agreements the representations and warranties in the Transaction Documents, RFC incorporated the following general representations and warranties regarding the underwriting of the mortgage loans contributed to the RFC Transactions, which were stated in the Purchase Agreements, the Servicing Agreements, the 2007-HSA2 Assignment Agreement and the 2007-HSA2 PSA, for the benefit of MBIA:

> **Compliance With Underwriting Guidelines:** All of the mortgage loans were underwritten in substantial compliance with the criteria set forth in the relevant program guide (the "Underwriting Guidelines").
>
> **Accurate Loan Information:** Certain information about the Home Equity Loans or the Closed-End Mortgage Loans was true and correct in all material respects when the information was furnished by RFC to MBIA and others.
>
> **CLTV Ratio:** As of the Cut-off Dates, the combined loan-to-value ratio of each Home Equity Loan or Closed-End Mortgage Loan was not in excess of 100%.

> **Proper Documentation:** Except for a few specifically identified instances, each Home Equity Loan file or Closed-End Mortgage Loan file was complete, and all of the required documents and instruments were contained therein.
>
> **Compliance With Applicable Laws:** The loan agreements and mortgage notes underlying the RFC Transactions complied, when made, in all material respects with local, state and federal laws, including anti-predatory lending laws.
>
> **No High Cost Or Covered Loans:** None of the Home Equity Loans or Closed-End Mortgage Loans were loans that, under applicable state or local law in effect at the time of origination of such loans, were referred to as (1) 'high cost' or 'covered' loans or (2) any other similar designation if the law imposes greater restriction or additional legal liability for residential mortgage loans with high interest rates, points and/or fees.
>
> **No Material Breach Or Default:** There was no material default, breach, violation or event of acceleration existing under the terms of any Mortgage Note or Mortgage and no event which, with notice and expiration of any grace or cure period, would constitute a material default, breach, violation or event of acceleration under the terms of any Mortgage Note or Mortgage, and no such material default, breach, violation or event of acceleration has been waived by the Seller or by any other entity involved in originating or servicing a mortgage loan.

These representations and warranties, among others, set forth the standards governing each mortgage loan contributed to the RFC Transactions, including, significantly, the standard that each mortgage loan had been underwritten in substantial compliance with RFC's Underwriting Guidelines.

41. RFC's Underwriting Guidelines specified criteria that the mortgage loans must meet depending upon the individual loan program and circumstances of each mortgage loan. In general, the Underwriting Guidelines stipulated what documentation was required to be included in the mortgage loan files for each loan product (which may include, depending upon the loan product, verifications of income, assets, closing funds and payment histories, among others) and criteria for eligibility, including tests for debt-to-income ("DTI") and combined loan-

to-value ("CLTV") ratios. The Underwriting Guidelines provided, for example, that for a borrower under a home equity loan program for a primary residence who applies for a loan based on the borrower's declaration of his or her income (a "stated income" loan) and has a Fair, Isaac & Co. ("FICO") credit score of 630, the maximum acceptable DTI would be 45%, the maximum CLTV would be 80%, the maximum loan amount would be $150,000 and a full appraisal of the property would be required.

42. An important variable affecting the applicable criteria for evaluating a loan under the Underwriting Guidelines was the level of documentation of a borrower's income. Under RFC's Underwriting Guidelines, a borrower could apply for a loan by providing "full documentation" or could apply through other reduced documentation programs such as "lite doc," "stated income," or "no doc" programs, among others. The principal difference with respect to these RFC loan programs was that for loan programs other than "full documentation," RFC would not undertake to independently verify a borrower's income, if required to be stated. However, despite differing levels of necessary verification, RFC's Underwriting Guidelines required that for all the loan programs, borrowers must have a history of receiving stable income from employment or other sources and a reasonable expectation that the income will continue for the foreseeable future. Moreover, if a borrower stated his or her income, even if RFC was not required to verify the income, RFC was required to determine that a borrower's stated income was at least reasonable for the borrower's type of employment, line of work and assets. In fact, for stated income loan programs, RFC's Underwriting Guidelines clearly state that "[e]mployment stability is a critical component in evaluating the Borrower's continuing ability to meet obligations" and that "[o]ther factors in the [loan] file, including but not limited to Borrowers employment and position disclosed, geographical location, assets, and liabilities must demonstrate the reasonableness of the income stated."

43. In addition to giving representations and warranties, RFC also provided information to MBIA with respect to the mortgage loans contributed to the RFC Transactions. This information included data tapes and schedules incorporated in the Offering Documents that contained representations regarding CLTV, DTI and FICO score statistics for mortgage loans for each RFC Transaction. RFC also conveyed information to MBIA during MBIA's discussions with RFC regarding the issuance of Policies for the RFC Transactions.

44. Because it was impractical and infeasible for MBIA to review the almost 60,000 mortgage loans contributed to the RFC Transactions, MBIA, like all financial guaranty insurers, required these representations and warranties from RFC to ensure that risks in the RFC Transactions were known and fully disclosed to MBIA and that MBIA would not face additional risks hidden in the mortgage loan pools by RFC. MBIA relied on RFC's representations and warranties and on RFC's unique and special knowledge and expertise regarding the mortgage loans in making its decisions to issue the Policies for the RFC Transactions.

45. RFC provided information to the rating agencies with respect to the mortgage loans contributed to the RFC Transactions. The rating agencies relied on this information to issue shadow ratings for the RFC Transactions. MBIA also relied on the shadow rating in making its decisions to issue the Policies for the RFC Transactions.

46. RFC further covenanted, represented and warranted that it would service the mortgage loans in each of the RFC Transactions in a manner consistent with its servicing guidelines and the Servicing Agreements and would employ, in its good faith business judgment, all its "normal and usual" procedures in servicing the mortgage loans. In return, RFC collected a servicing fee equal to 0.50% per annum of the outstanding principal balance of each serviced loan, payable monthly. In addition, RFC, as the master servicer for all of the RFC Transactions, took as its master servicing fee either a percentage of the principal balance of the underlying

mortgage loans or the interest from certain accounts created in connection with the transaction, depending on the specific structure of the individual RFC Transaction. As of November 2, 2009, RFC had collected approximately $32 million in servicing and master servicing fees in connection with the RFC Transactions.

F. RFC's Pervasive Breaches Of Its Representations And Warranties

47. The RFC Transactions have performed poorly. Delinquencies and defaults for mortgage loans in the RFC Transactions have been substantial, diminishing cash flow to the trusts, which has required and will continue to require MBIA to satisfy its obligations under the Insurance Agreements and the Policies by making payments to cover these shortfalls. As of December 2009, MBIA has paid approximately $871 million in claims in connection with the RFC Transactions.

48. In January 2008, MBIA became concerned about the high delinquencies and default rates in the RFC Transactions. Accordingly, MBIA requested that RFC provide MBIA and its representatives and agents access to certain documents with respect to the mortgage loans underlying the RFC Transactions. Specifically, MBIA requested access to all relevant documentation concerning the mortgage loans that were delinquent as of December 31, 2007, that is, those mortgage loans that became delinquent less than 18 months after the closing dates of the RFC Transactions. Pursuant to the Servicing Agreements and the Insurance Agreements, MBIA is entitled to reasonable access to the documentation regarding the mortgage loans.

49. In May 2008, MBIA requested access to additional mortgage loans for the RFC Transactions pursuant to the Servicing Agreements and the Insurance Agreements. RFC consistently thwarted MBIA's good faith efforts to obtain information regarding these additional mortgage loans by arbitrarily and unreasonably limiting the number of days that RFC would

permit MBIA to review the additional mortgage loan files in RFC's possession, by arbitrarily and unreasonably limiting the space available to MBIA's personnel for review of the additional mortgage loan files and by arbitrarily and unreasonably limiting the number of MBIA personnel allowed to review the additional mortgage loan files, among other actions. RFC established these arbitrary and unreasonable limitations in direct breach of its contractual obligations to provide MBIA with reasonable access to mortgage loan files. Many of the loan files provided by RFC were incomplete, in direct breach of RFC's representation and warranty that the mortgage loan files were complete, thus forcing MBIA to make supplemental requests to RFC regarding the same loan files. Further, despite MBIA's request, RFC arbitrarily and unnecessarily objected to providing MBIA with documents or information reflecting RFC's decisions or actions with respect to the servicing of delinquent or charged-off mortgage loans.

50. MBIA ultimately obtained access to 7,913 mortgage loans that became delinquent before November 30, 2008, which MBIA reviewed for compliance with RFC's representations and warranties to MBIA. Of these 7,913 mortgage loans, at least 7,019 – more than 88% of the mortgage loans that MBIA reviewed – were not originated or acquired in material compliance with RFC's representations and warranties.

51. As of December 25, 2009, a total of 21,237 mortgage loans, representing a staggering 34% of the mortgage loans underlying the RFC Transactions, had been charged-off or were delinquent.

52. MBIA's review uncovered that a significant percentage of the delinquent mortgage loans were in breach of one or more of RFC's representations and warranties with respect to the underwriting of the mortgage loans contributed to the RFC Transactions. The following examples are illustrative of the substantial number of mortgage loans in the RFC

Transactions and their non-compliance with RFC's representations and warranties in connection with the RFC Transactions:

a. On March 8, 2006, a loan with a principal balance of $55,000 was made to a borrower in Perris, California on a property with an original appraisal value of $225,000 and a senior loan balance of $440,000. The borrower stated his income to be $9,800 per month ($117,800 per year) as a dispatcher at a freight company. Further, the borrower could only demonstrate $22,270.80 in liquid assets, the majority of which was in a 401K retirement account. The stated income was unreasonable based on the borrower's employment and not substantiated by the borrower's credit/asset profile. In that regard, the borrower's credit profile indicated a prior bankruptcy filing, an existing loan against the borrower's 401K retirement account and an automobile repossession. (Loan # 10570977 – 2006-HSA4)

b. On November 30, 2006, a loan with a principal balance of $140,000 was made to a borrower in Newton, Massachusetts on a property with an original appraisal value of $740,000 and a senior loan balance of $513,567. The property subject to the loan was a non-owner occupied investment property. The borrower stated his income to be $41,666 per month ($500,000 per year) as the owner of a Wine/Spirits store. Further, the borrower did not demonstrate any liquid assets. The stated income was unreasonable based on the borrower's employment and not substantiated by the borrower's credit/asset profile. Notably, the borrower filed for bankruptcy in 2007 in connection with which the borrower claimed to have earned $0.00 for 2006. Further, the appraisal indicated the property failed to conform to legal standards and the loan file lacked any letter from the local authority regarding rebuilding. RFC Underwriting Guidelines require verification of 6 months of reserves for the monthly Principle, Interest, Taxes and Insurance ("PITI") payments for stated income loans on non-owner occupied investment properties yet there is no indication in the loan files that these reserves were identified or verified. Finally, RFC guidelines limit loans under the non-owner occupied loan program to $100,000, $40,000 less than was loaned. (Loan # 11169067 – 2007-HSA2).

c. On June 9, 2006, a loan with a principal balance of $132,000 was made to a borrower in Agoura Hills, California on a property with an original appraisal value of $660,000 and a senior loan balance of $528,000. This loan was originated as a loan for an owner-occupied property. The borrower owned his prior residence for

only three months, for which he provided a two month payment history. RFC's Underwriting Guidelines, however, require documentation of a minimum of one year mortgage or rental history, and no such documentation is included in the loan file. Moreover, the final loan application states monthly income of $21,700, and the initial application states rental income of $6,750. However, the underwriting transmittal states income of $14,500, and the final loan application states rental income of $3,000. Based on these lower values, the DTI for loan is 67.37% and exceeds the maximum DTI of 50% under RFC's Underwriting Guidelines. Notably, the borrower could only demonstrate $34,469.41 in liquid assets. (Loan # 10776379 – 2006-HSA5).

d. On March 16, 2007, a loan with a principal balance of $40,000 was made to a borrower in Bradenton, Florida on a property with an original appraisal value of $440,000 and a senior loan balance of $328,000. The borrower is retired and receives a fixed income that was stated as $6,450 per month. The borrower's FICO credit score of 688 required the DTI for the loan not to exceed 45%, however, the borrower's DTI was 55.93%. Because the borrower receives a fixed income, the borrower does not meet the residual income requirements for a higher DTI under RFC's Underwriting Guidelines. Further, the loan file lacks any evidence of 2 months of PITI reserves as required by RFC's Underwriting Guidelines. (Loan # 11434381 – 2007-HSA3).

e. On July 24, 2006, a loan with a principal balance of $29,500 was made to a borrower in Flint, Michigan on a property with an original appraisal value of $57,497 and a senior loan balance of $24,676. The borrower stated income of $3,700 per month and had a FICO score of 650. The CLTV for the mortgage loan was 94.2%. Pursuant to RFC's Underwriting Guidelines, the borrower was required to have monthly income of $4,000 and the CLTV for the loan could not exceed 80%. Further, the loan file lacks evidence of a full appraisal for the property as well as evidence of 2 months of PITI reserves, both of which are required by RFC's Underwriting Guidelines. (Loan # 11147061 – 2007-HSA1).

f. On November 12, 2006, a loan with a principal balance of $135,000.00 was made to a borrower in Scottsdale, Arizona on a property with an original appraisal value of $540,000.00 and a senior loan balance of $405,000.00. The borrower stated income of $11,000 per month as a sales manager at a concrete company, however, the borrower could only demonstrate assets of $11,491. The stated income was unreasonable based on the borrower's employment and not substantiated by the borrower's credit/asset profile. Notably, the borrower filed for bankruptcy in 2008 in

connection with which the borrower claimed to have actually earned $43,523 for 2006 and $20,401 for 2007. Additionally, the bank account used to verify the borrower's reserves is actually held in the name of the loan officer that issued the loan. (Loan # 11165457 – 2007-HSA3).

53. The mortgage loans identified above – examples of a much larger universe of non-compliant mortgage loans – all fail to comply with the general representations and warranties regarding the underwriting of the mortgage loans contributed to the RFC Transactions, which were stated in the Purchase Agreements, the Servicing Agreements, the 2007-HSA2 Assignment Agreement and the 2007-HSA2 PSA, for the benefit of MBIA and identified in paragraph 40, *supra*. These mortgage loans are illustrative of the pervasive breaches of RFC's representations to MBIA throughout the portfolios for the RFC Transactions. In that regard:

a. RFC breached its representation and warranty that the mortgage loans were underwritten in substantial compliance with RFC's Underwriting Guidelines. A significant number of mortgage loans have DTI ratios far in excess of RFC's Underwriting Guidelines, have CLTV ratios far in excess of RFC's Underwriting Guidelines and were made on the basis of "stated incomes" that were grossly unreasonable. In certain circumstances, CLTV ratios not only exceeded the permissible ratio pursuant to RFC's Underwriting Guidelines, but they even exceeded 100%, in breach of RFC's explicit representation and warranty in the Purchase Agreements and the 2007-HSA2 Assignment Agreement that the CLTV ratio for each of the mortgage loans was not in excess of 100%. Moreover, contrary to RFC's Underwriting Guidelines, RFC failed, with respect to a significant number of mortgage loans, to verify employment for mortgage loan borrowers where required to do so, failed to verify prior rental or mortgage payment history, approved mortgage loans with ineligible collateral, approved mortgage loans to borrowers with credit scores that are ineligible under the Underwriting Guidelines and closed mortgage loans without verifying that the borrower had sufficient funds or reserves as required by the Underwriting Guidelines.

b. RFC breached its representations and warranties that the mortgage loan files contained all necessary documents and complied with applicable law. Numerous mortgage loan files are missing

necessary mortgage loan documents and are missing certain disclosures, such as disclosures relating to loan transfers, which are necessary under applicable law. The absence of these documents from the loan files may greatly impede the ability of the trustees for the respective RFC Transactions to enforce their rights and remedies with respect to delinquent mortgages.

c. RFC breached its representation and warranty that the RFC Transactions would not contain high cost loans. In fact, RFC even contributed mortgage loans to the mortgage loan pools that violated either, or both, the federal Home Ownership and Equity Protection Act ("HOEPA") and state predatory lending laws. These laws are designed to protect borrowers from abusive lending practices. Among other violations of these laws, the mortgage loan pools include mortgage loans for which the finance charges were materially understated, the annual percentage rate ("APR") was materially understated or exceeded the maximum cap and high cost thresholds were exceeded. Notably, it is standard in the mortgage loan industry to test for HOEPA compliance by means of a simple mathematical calculation. RFC's failure to identify HOEPA violations indicates that RFC failed to perform the calculation, incompetently performed the calculation or performed the calculation but purposely ignored the result.

54. RFC also breached its representation and warranty in the Insurance Agreements that "[t]he Offering Documents did not, as of the Closing Date, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading." In the Offering Documents, RFC made a number of untrue statements of material fact, including that the mortgage loans contributed to the RFC Transactions were underwritten in compliance with RFC's Underwriting Guidelines, that the mortgage loans complied with local, state and federal laws and that the RFC Transactions did not contain high cost loans. These statements are materially false because a significant number of mortgage loans have DTI or CLTV ratios far in excess of RFC's Underwriting Guidelines, were made on the basis of "stated incomes" that were unreasonable or were originated in violation of federal and state predatory lending laws.

55. Moreover, the information RFC provided MBIA in the data tapes and the schedules included in the prospectus was materially false and misleading. RFC provided MBIA data tapes regarding each of the RFC Transactions on numerous occasions. Specifically:

a. On July 12, 2006, Lonnie Proechel of RFC sent a data tape to MBIA by e-mail with respect to mortgage loans included in the mortgage loan pool for 2006-HSA4 that included materially false and misleading information regarding the mortgage loans contributed to the 2006-HSA4 mortgage loan pool.

b. On August 1, 2006, Lonnie Proechel of RFC sent a data tape to MBIA by e-mail with respect to mortgage loans included in the mortgage loan pool for 2006-HSA5 that included materially false and misleading information regarding the mortgage loans contributed to the 2006-HSA5 mortgage loan pool.

c. On January 30, 2007, Jesse J. Roth of RFC sent a data tape to MBIA by e-mail with respect to mortgage loans included in the mortgage loan pool for 2007-HSA1 that included materially false and misleading information regarding the mortgage loans contributed to the 2007-HSA1 mortgage loan pool.

d. On March 1, 2007, Joseph Orning of RFC sent a preliminary data tape to MBIA by e-mail with respect to mortgage loans to be included in the mortgage loan pool for 2007-HSA2 that included materially false and misleading information regarding the mortgage loans contributed to the 2007-HSA2 mortgage loan pool. This preliminary data tape was supplemented with additional data tapes sent by Lonnie Prochel of RFC to MBIA by e-mail on April 4, 2007 that included materially false and misleading information regarding the mortgage loans contributed to the 2007-HSA2 mortgage loan pool.

e. On May 8, 2007, Jeffrey Blaschko of RFC sent data tapes to MBIA by e-mail with respect to mortgage loans included in the mortgage loan pool for 2007-HSA3 that included materially false and misleading information regarding the mortgage loans contributed to the 2007-HSA3 mortgage loan pool.

56. These data tapes and schedules indicated characteristics of the mortgage loans sold to the RFC Transactions; however, the data on these data tapes was materially false and misleading as a result of RFC's breaches of its representations and warranties. For example,

mortgage loan statistics such as DTI and CLTV were materially understated as a result of RFC's failure to underwrite the mortgage loans in compliance with its Underwriting Guidelines. Further, there was no way for MBIA to confirm based on schedules or data tapes whether RFC had underwritten the mortgage loans in compliance with its underwriting criteria. MBIA did not have the special and unique knowledge and expertise that RFC had regarding the mortgage loans.

57. RFC's breaches of its representations and warranties establish that the information conveyed to MBIA, including the schedules in the Offering Documents containing DTI and CLTV statistics for the mortgage loan pools, as well as specific loan information provided to MBIA by RFC, was materially false. Notably, the DTI and CLTV statistics for the mortgage loan pools contained in the Offering Documents are based on "stated incomes" and appraisals that are grossly inflated and unreasonable. Further, RFC's breaches of its representations and warranties establish that the information conveyed to the rating agencies was materially false, causing the rating agencies to issue incorrect shadow ratings for the RFC Transactions.

58. RFC has admitted to MBIA that it was aware that mortgage loans contributed to the mortgage loan pools for the RFC Transactions failed to comply with RFC's Underwriting Guidelines and, thus, were in breach of RFC's contractual representations and warranties. In that regard, RFC underwrote or purchased a significant number of non-compliant mortgage loans by purporting to grant "exceptions" to RFC's Underwriting Guidelines. The Underwriting Guidelines, however, only allowed RFC to make such exceptions in specifically defined and limited circumstances. For example, the Underwriting Guidelines state that certain loans with a DTI exceeding the standards for its individual loan program "may be eligible for purchase as an exception under a non-standard Loan Program or will be slotted to a Loan

Program that accepts higher DTIs regardless of credit grade." Further, RFC's Underwriting Guidelines required that a form – Form 1600 – be completed and approved for any exceptions made to the Underwriting Guidelines in connection with the underwriting or purchase of a mortgage loan.

59. For a significant number of non-compliant mortgage loans, RFC did not identify any specifically defined exception that was permitted under the Underwriting Guidelines. Further, for a significant number of mortgage loans, RFC failed to document the alleged exceptions on a Form 1600, as required by the Underwriting Guidelines. Instead, RFC engaged extensively in three improper underwriting practices that were not permitted under the Underwriting Guidelines. As a result of these practices, RFC deliberately contributed a significant number of non-compliant mortgage loans to the RFC Transactions.

60. The first improper practice engaged in by RFC was called a "negotiated commitment." In a "negotiated commitment," RFC prospectively entered into an agreement with a loan originator whereby RFC agreed that the loan originator could in the future originate mortgage loans that failed to comply with RFC's Underwriting Guidelines and that RFC would still purchase these mortgage loans, notwithstanding the fact that RFC understood that these mortgage loans would not comply with RFC's Underwriting Guidelines.

61. Even though RFC knew that mortgage loans acquired from the loan originators through the "negotiated commitments" did not comply with RFC's Underwriting Guidelines, RFC contributed these non-compliant mortgage loans to the mortgage loan pools underlying the RFC Transactions and falsely represented to MBIA that these mortgage loans, in fact, were underwritten in substantial compliance with RFC's Underwriting Guidelines. Further, RFC wrongfully attempted to justify its conduct by claiming that mortgage loans purchased in connection with "negotiated commitments" were excepted from the Underwriting Guidelines.

To the contrary, the Underwriting Guidelines, the Purchase Agreements, the 2007-HSA2 Assignment Agreement, the Insurance Agreements or the Offering Documents contain no provision permitting RFC to make exceptions to the Underwriting Guidelines on the basis of "negotiated commitments."

62. The second improper practice engaged in by RFC was called a "bulk purchase program." In a "bulk purchase program," RFC entered into a transaction with a loan seller – that is, an entity that owned mortgage loans – whereby RFC agreed to purchase a bulk amount of mortgage loans that had already been originated and were owned by that loan seller. In connection with these "bulk purchases," RFC did not undertake to "re-underwrite" or confirm that the mortgage loans being acquired complied with RFC's Underwriting Guidelines. Instead, RFC agreed with the loan seller that RFC would acquire mortgage loans from that loan seller regardless of whether the mortgage loans complied with RFC's Underwriting Guidelines. In many instances, the mortgage loans, in fact, did not comply with RFC's Underwriting Guidelines.

63. Notwithstanding that RFC knew that mortgage loans acquired through the "bulk purchase programs" did not comply with RFC's Underwriting Guidelines, RFC contributed these non-compliant mortgage loans to the mortgage loan pools underlying the RFC Transactions and falsely represented to MBIA that these mortgage loans, in fact, were underwritten in substantial compliance with RFC's Underwriting Guidelines. Further, RFC wrongfully attempted to justify its conduct by claiming that mortgage loans purchased in connection with "bulk purchase programs" are excepted from the Underwriting Guidelines. The Underwriting Guidelines, the Purchase Agreements, the 2007-HSA2 Assignment Agreement, the Insurance Agreements or the Offering Documents contain no provision permitting RFC to make exceptions on this basis.

64. RFC also underwrote or purchased mortgage loans that failed to comply with the Underwriting Guidelines but were approved for purchase by RFC's proprietary automated electronic loan underwriting program known as "Assetwise." Assetwise was used by loan originators as a tool to assist in the underwriting of mortgage loans that would be acceptable to RFC. Assetwise is a software program in which a loan originator inputs certain characteristics of a proposed mortgage loan. The program then permits the user to determine whether the loan meets the pre-specified underwriting criteria that are set up in the program. MBIA understood, based on the Underwriting Guidelines, that Assetwise was programmed so that the characteristics of proposed mortgage loans would be analyzed to determine whether they complied with the Underwriting Guidelines.

65. RFC used Assetwise to originate mortgage loans through its affiliates. RFC also made Assetwise available to unaffiliated loan originators, which would sell the mortgage loans to RFC.

66. The Assetwise program utilized by RFC, either as an originator or as made available to unaffiliated originators, did not analyze proposed mortgage loans on the basis of the RFC Underwriting Guidelines. Indeed, a significant number of mortgage loans originated or purchased by RFC on the basis of Assetwise did not comply with RFC's Underwriting Guidelines.

67. Moreover, RFC's reliance on Assetwise itself was a violation of the Underwriting Guidelines. RFC's Underwriting Guidelines expressly state that "clients who use the Assetwise electronic services are still bound by the representations and warranties as set forth in the [Underwriting Guidelines]. Additionally, use of Assetwise does not relieve Clients of loan eligibility and underwriting requirements set forth in [the Underwriting Guidelines]." The Underwriting Guidelines further state that "[t]he loan must conform to the [Underwriting

Guidelines] and Loan eligibility requirements. Assetwise provides program eligibility grading and slotting. Clients are responsible to ensure the Loan conforms to [the Underwriting Guidelines]." RFC never stated in the Underwriting Guidelines or in its representations and warranties to MBIA its intention to allow Assetwise to approve mortgage loans that failed to comply with RFC's Underwriting Guidelines.

68. Notwithstanding that RFC knew that numerous mortgage loans underwritten by use of the Assetwise program failed to comply with the Underwriting Guidelines, RFC contributed these non-compliant mortgage loans to the mortgage loan pools underlying the RFC Transactions and falsely represented to MBIA that these mortgage loans in fact were underwritten in substantial compliance with RFC's Underwriting Guidelines. RFC wrongfully attempted to justify its conduct by claiming that loans underwritten by use of the Assetwise program are excepted from the Underwriting Guidelines. The Underwriting Guidelines, the Purchase Agreements, the 2007-HSA2 Assignment Agreement, the Insurance Agreements or the Offering Documents contain no provision permitted RFC to make exceptions on this basis.

69. As a result of its "negotiated commitments," "bulk purchases" and use of Assetwise, RFC deliberately contributed a substantial and material number of loans to the RFC Transactions that failed to comply with its Underwriting Guidelines. RFC's claim that these mortgage loans were issued through "exceptions" to the Underwriting Guidelines or "substantially" complied with the Underwriting Guidelines essentially eliminated any meaningful role that RFC's Underwriting Guidelines would serve in the mortgage loan origination and purchase process for mortgage loans contributed to the RFC Transactions.

70. Through its egregious and pervasive breaches of its representations and warranties, including, without limitation, RFC's representation and warranty that the mortgage

loans were underwritten "in substantial compliance with [the Underwriting Guidelines]," RFC knowingly misled MBIA into issuing the Policies for the RFC Transactions without disclosing their substantial, hidden risks, thereby passing those risks to MBIA. By misleading MBIA into issuing the Policies, RFC was able to sell mortgage loans it held at a higher price to investors in the RFC Transactions for an inflated price and to then earn fees for servicing the mortgage loans underlying the RFC Transactions.

71. Further, through its egregious and pervasive breaches of its representations and warranties, RFC caused the rating agencies to issue incorrect shadow ratings for the RFC Transactions, on which MBIA relied.

72. RFC's pervasive breaches of its representations and warranties materially undermine and distort the fundamental basis upon which MBIA agreed to issue the Policies. The substantial and hidden risks present in the RFC Transactions, which were hidden by RFC's misrepresentations, have caused the mortgage loans in the RFC Transactions to become delinquent and subsequently charged-off at a severe and unexpected rate, thus causing significant shortfalls in cash flows to the trusts and, consequently, causing MBIA to incur losses in honoring its obligations under the Policies issued for the RFC Transactions. Further, RFC's failure to minimize losses on the mortgage loans through its normal and usual mortgage loan servicing procedures has exacerbated shortfalls to the trusts for the RFC Transactions. Consequently, MBIA has incurred, and will continue to incur, significant losses in connection with its obligations under the Policies to insure certain shortfalls in payments to investors in the RFC Transactions, all as a result of RFC's pervasive misrepresentations and misleading conduct.

CAUSES OF ACTION

FIRST CAUSE OF ACTION

(FRAUD)

73. MBIA repeats, re-alleges and incorporates each and every allegation contained in paragraphs 1 through 72.

74. In connection with MBIA's issuance of the Policies, RFC had a duty to communicate accurate and complete information to MBIA.

75. RFC intentionally misrepresented existing material facts with respect to the RFC Transactions.

76. RFC knew that its representations were materially false and that its false representations were essential and material to MBIA's decisions to issue the Policies in connection with the RFC Transactions. MBIA was not aware and could not reasonably have been aware of the falsity of RFC's representations. Accordingly, RFC acted intentionally and purposefully in making the materially false representations to MBIA with respect to the RFC Transactions.

77. Additionally, RFC intentionally and purposely misled MBIA by making representations with respect to the underwriting of the mortgage loans that were contributed to the mortgage loan pools underlying the RFC Transactions that RFC knew were untrue. RFC materially misrepresented to MBIA that the mortgage loans in the RFC Transactions were underwritten in substantial compliance with its Underwriting Guidelines and failed to disclose RFC's consistent violations and manipulations of its Underwriting Guidelines. RFC falsely misled MBIA into believing that RFC's Underwriting Guidelines employed appropriate underwriting standards.

78. To the contrary, RFC underwrote mortgage loans by intentionally and consistently issuing improper "exceptions" to its Underwriting Guidelines, including by issuing purported "exceptions" in connection with RFC's use of "negotiated commitments," "bulk purchase programs" and the use of Assetwise in blatant violation of the Underwriting Guidelines. RFC knew that the purported "exceptions" would cause the mortgage loans to fail to comply with its Underwriting Guidelines, yet knowingly contributed these non-compliant mortgage loans to the mortgage loan pools for the RFC Transactions notwithstanding their failure to comply with the Underwriting Guidelines. RFC knowingly defrauded MBIA by representing to MBIA that the mortgage loans contributed to the RFC Transactions were underwritten in substantial compliance with the Underwriting Guidelines.

79. As a result of its knowing misrepresentations, RFC intended to, and, in fact, did defraud MBIA into issuing the Policies for the RFC Transactions. RFC defrauded MBIA so that it could earn both proceeds on the securitization and sale of the mortgage loans underlying the RFC Transactions and fees for servicing those loans after their securitization while passing the risks inherent in the poorly-underwritten mortgage loans to MBIA.

80. MBIA reasonably relied to its detriment on RFC's misrepresentations. Had MBIA known about RFC's significant and substantial breaches of its representations and warranties, MBIA would not have issued the Policies with respect to the RFC Transactions.

81. As a direct result of, and in reliance upon, RFC's misrepresentations, MBIA issued the Policies, requiring MBIA to pay, to its substantial detriment, sizable insurance claims and to incur even greater future liabilities.

82. As a result of RFC's fraud, MBIA has incurred, and will continue to incur, damages in an amount to be determined at trial.

83. A justiciable controversy exists as to (a) whether RFC fraudulently induced MBIA to issue the Policies in connection with the RFC Transactions and (b) MBIA's entitlement to damages as a result thereof.

SECOND CAUSE OF ACTION

(MATERIAL BREACH OF THE INSURANCE AGREEMENTS)

84. MBIA repeats, re-alleges and incorporates each and every allegation contained in paragraphs 1 through 83.

85. The Insurance Agreements are valid and enforceable contracts between MBIA and RFC that give rise to certain obligations on the part of RFC in connection with the mortgage loans and the RFC Transactions. MBIA has fully complied with its obligations under the Insurance Agreements and the Policies.

86. In the Insurance Agreements, RFC made numerous representations and warranties to MBIA, including the representation that none of the material information that RFC supplied to MBIA regarding the mortgage loans or the "operations of RFC" contained an untrue or misleading statement of material fact. Additionally, the Insurance Agreements incorporate by reference, for the benefit of MBIA, each of RFC's representations and warranties in the Transaction Documents, including the representation that the mortgage loans that RFC contributed to the RFC Transactions were underwritten in substantial compliance with RFC's Underwriting Guidelines.

87. These representations and warranties were material to MBIA's decisions to enter into the Insurance Agreements and to issue the Policies. RFC's compliance with its representations and warranties was and is necessary to assure MBIA the benefit of its bargain.

88. RFC, however, has pervasively and extensively breached its representations and warranties to MBIA. Tens of thousands of the mortgage loans underlying

the RFC Transactions failed to comply with RFC's Underwriting Guidelines. Moreover, a substantial number of mortgage loans breached one or more of RFC's representations and warranties to MBIA. The non-compliant mortgage loans in the mortgage loan pools with multiple breaches of representations and warranties are so pervasive that RFC has deprived MBIA of the benefit of its bargain in connection with the Insurance Agreements and the Policies, taken as a whole.

89. A justiciable controversy exists as to (a) whether RFC has materially breached the Insurance Agreements and (b) MBIA's entitlement to damages as a result thereof.

90. Accordingly, MBIA seeks an award of damages, in amount to be proved at trial, for RFC's material breaches of the Insurance Agreements.

THIRD CAUSE OF ACTION

(BREACH OF CONTRACT: FAILURE TO COMPLY WITH AND REPUDIATION OF THE LOAN BREACH REMEDY PROCEDURE)

91. MBIA repeats, re-alleges and incorporates each and every allegation contained in paragraphs 1 through 90.

92. Pursuant to the Purchase Agreements and the 2007-HSA2 Assignment Agreement, if MBIA determines that RFC breached its representations and warranties in a manner that "materially and adversely affects the interests of [MBIA]," including, without limitation, by contributing a mortgage loan to the RFC Transactions that did not comply with RFC's representations and warranties or with RFC's Underwriting Guidelines, MBIA can give notice to RFC of the presence of the non-compliant mortgage loan, after which RFC will have 90 days to cure the breach. Alternatively, RFC can repurchase the mortgage loan or, if substitution can be completed within two years of the closing date of the RFC Transaction in question, RFC can substitute a performing, compliant mortgage loan for the non-compliant mortgage loan (the

"Loan Breach Remedy Procedure"). The Loan Breach Remedy Procedure is not an exclusive remedy and does not apply to breaches of the Insurance Agreements.

93. The parties established the Loan Breach Remedy Procedure because they recognized the possibility that an isolated and limited number of mortgage loans, among the thousands of mortgage loans underlying the RFC Transactions, may not comply with RFC's representations and warranties or with RFC's Underwriting Guidelines. Because of this possibility with respect to an isolated and limited number of mortgage loans, the parties intended, through the Loan Breach Remedy Procedure, to establish an agreed-upon mechanism whereby MBIA could give notice to RFC of an isolated and limited number of non-compliant mortgage loans and RFC could repurchase such non-compliant mortgage loans without implicating an event of default for the RFC Transactions in their entirety.

94. On several occasions during 2008 and 2009, MBIA sent notices to RFC identifying numerous mortgage loans underlying the RFC Transactions that were in breach of one or more of RFC's representations and warranties, pursuant to Section 3.1(b) of the Purchase Agreements and Section 4 of the 2007-HSA2 Assignment Agreement, and notifying RFC that such breaches materially and adversely affected the interests of MBIA (the "Remedy Notices"). Specifically, MBIA sent the following Remedy Notices to RFC:

Date	**Transaction(s)**	**Number of Loans**
May 22, 2008	HSA4, HSA5	194
May 22, 2008	HSA2	359
May 22, 2008	HSA1, HSA3	139
September 2, 2008	HSA4, HSA5	310
September 5, 2008	HSA2	57

September 17, 2008	HSA1	293
September 25, 2008	HSA3	484
December 30, 2008	HSA4, HSA5	202
December 30, 2008	HSA1	246
December 30, 2008	HSA3	416
January 22, 2009	HSA2	736
	Total	3,436

95. The mortgage loans identified in the Remedy Notices were included in the Remedy Notices because they failed to comply with one or more of RFC's representations and warranties. For example, many of the mortgage loans were underwritten on the basis of "stated incomes" that were clearly unreasonable for the circumstances of the individual borrower or were based on DTI or CLTV ratios that exceeded the Underwriting Guidelines. In addition, the files for the mortgage loans lacked necessary documents including mortgage notes, disclosures relating to the sale of the mortgage loan, disclosures relating to the transfer of servicing for the mortgage loan, documents confirming appropriate reserves and documents necessary for compliance with the Patriot Act.

96. Initially, RFC participated in the Loan Breach Remedy Procedure by responding to the two Remedy Notices that MBIA sent to RFC on May 22, 2008. While MBIA and RFC were able to reach agreements with respect to approximately 24% of the 692 mortgage loans identified in those Remedy Notices, RFC refused to cure, substitute for or repurchase the remaining non-compliant mortgage loans, as required by the Loan Breach Remedy Procedure.

97. RFC refused to cure the material breaches for the vast majority of the non-compliant mortgage loans that MBIA identified in the Remedy Notices that MBIA sent to RFC in September 2008, and on information and belief, RFC does not intend cure any of those

breaches nor will it substitute for or repurchase any of the non-compliant mortgage loans. In addition, RFC has completely ignored and never responded to the Remedy Notices that MBIA sent to RFC in December 2008 and January 2009, which identified more than 1,600 non-complaint mortgage loans with an unpaid principal balance of more than $106 million. As such, RFC, by its conduct, has abandoned its contractual repurchase obligations, and such abandonment constitutes a wrongful repudiation of RFC's obligations under the Loan Breach Remedy Procedure.

98. Moreover, the existing Remedy Notices do not identify all of the mortgage loans that fail to comply with RFC's representations and warranties. For example, RFC obstructed MBIA's right to access certain documents and information concerning the mortgage loans. Pursuant to the Servicing Agreements and the Insurance Agreements, MBIA is contractually entitled to such information, and RFC's refusal to provide it constitutes an independent breach of contract, which prevented MBIA from pursuing appropriate remediation efforts and damaged MBIA in an amount to be proved at trial.

99. Moreover, additional mortgage loans continue to become delinquent and are charged-off every month. For example, in December 2009 alone, 3,762 mortgage loans were delinquent by 60 or more days. On information and belief, such delinquencies and charge-offs will continue through the date of trial in this action and beyond. However, because RFC has abandoned and wrongfully repudiated the Loan Breach Remedy Procedure by its conduct, it would be futile for MBIA to generate and send additional Remedy Notices.

100. As a result of RFC's failure to comply with its obligations under the Loan Remedy Breach Procedure with respect to the mortgage loans identified in the Remedy Notices and RFC's abandonment and wrongful repudiation of the Loan Breach Remedy Procedure in its entirety, MBIA has incurred, and will continue to incur, damages in an amount to be proved at

trial. MBIA has been, and will continue to be, required to make payments to investors as a result of shortfalls in cash flow to the trusts in the RFC Transactions. By failing to cure the defective aspects of the non-compliant mortgage loans identified in the Remedy Notices, to repurchase or substitute for those non-compliant mortgage loans and by abandoning and wrongfully repudiating its obligations under the Loan Breach Remedy Procedure, RFC has caused MBIA to incur payments for certain shortfalls in cash flows to investors when, in fact, such shortfalls should have been properly paid by RFC as a result of RFC's repurchase of or substitution for non-compliant mortgage loans.

101. In addition, MBIA has incurred, and will continue to incur, significant fees for professional services, including attorneys' fees, to engage in, and enforce RFC's obligations under, the Loan Breach Remedy Procedure with RFC. Pursuant to Section 3.03 of the Insurance Agreements, RFC agreed to indemnify MBIA for (i) damages as a result of RFC's failure to comply with the Transaction Documents, including, without limitation, RFC's failure to comply with its obligations under the Loan Breach Remedy Procedure, with interest, and (ii) reasonable attorneys' and accountants' fees and expenses and any other fees and expenses that MBIA reasonably incurs, in connection with the enforcement, defense or preservation of any rights in respect of any of the Transaction Documents.

102. RFC has failed to indemnify MBIA, pursuant to Section 3.03 of the Insurance Agreements, for the damages it has incurred, and will continue to incur, as a result of RFC's failure to comply with its obligations under the Loan Breach Remedy Procedure, including interest, attorneys' and accountants' fees and costs and any other fees and expenses that MBIA reasonably has incurred and continues to incur.

103. MBIA has fully complied with its obligations under the Transaction Documents, the Insurance Agreements and the Policies.

104. A justiciable controversy exists as to (a) RFC's obligation to comply with the Loan Breach Remedy Procedure; (b) RFC's wrongful repudiation of the Loan Breach Remedy Procedure; and (c) MBIA's entitlement to damages as a result of RFC's breaches of its representations and warranties, RFC's failure to comply with the Loan Breach Remedy Procedure and RFC's wrongful repudiation of its obligations under the Loan Breach Remedy Procedure. Accordingly, MBIA seeks a declaratory judgment that (a) RFC is required to comply with its obligations under the Loan Breach Remedy Procedure; (b) RFC has wrongfully repudiated its obligations under the Loan Breach Remedy Procedure; and (c) RFC is required to indemnify MBIA for any and all damages it has incurred, and that MBIA incurs, as a result of RFC's breaches of its representations and warranties, including RFC's failure to comply with and wrongful repudiation of its obligations under the Loan Breach Remedy Procedure.

FOURTH CAUSE OF ACTION

(BREACH OF CONTRACT – SERVICING)

105. MBIA repeats, re-alleges and incorporates each and every allegation contained in paragraphs 1 through 104.

106. RFC was the initial Master Servicer for the RFC Transactions. On November 2, 2009, RFC voluntarily relinquished its rights and responsibilities under the Servicing Agreements and allowed MBIA to appoint a new Master Servicer. As such, RFC is not presently involved with the servicing of the mortgage loans underlying the RFC Transactions.

107. Between the closing date of each of the RFC Transactions and November 2, 2009, RFC was required to service the mortgage loans underlying the RFC Transactions in a manner consistent with RFC's servicing guidelines and the Servicing Agreements. As Master Servicer, RFC was required to employ, in its good faith business judgment, all of its "normal and

usual" servicing procedures. Because RFC was required to use its good faith business judgment, RFC's servicing procedures must have been prudent and must have materially complied with industry standards. RFC also outsourced some of its servicing duties to certain of its affiliates as subservicers – namely, GMAC Mortgage and Homecomings Financial Network, Inc. (later Homecomings Financial, LLC and, collectively, "Homecomings"). As Master Servicer, however, RFC had ultimate responsibility for servicing the mortgage loans underlying the RFC Transactions.

108. In fact, RFC's manner of servicing suffered from a number of material deficiencies and areas of serious concern that, in many instances, amounted to a breach of the Servicing Agreements and an abdication by RFC of its servicing responsibilities. These material deficiencies included, among other things, (a) failing to contact borrowers prior to charging-off loans, (b) failing to charge-off loans that were substantially delinquent, (c) failing to initiate proper skip tracing activities, (d) failing to discuss loss mitigation with borrowers and to obtain borrower financial information to conduct a proper workout analysis, (e) failing to offer properly designed modifications to reduce re-defaults, (f) failing to provide authority to early stage collection offices to offer loss mitigation options, (g) failing to initiate and document contact with borrowers, (h) failing to conduct timely property inspections, instead relying excessively on broker price opinions, (i) failing to monitor loss mitigation deal compliance and (j) failing to properly monitor foreclosure sale activities. In addition, RFC (a) unduly and improperly relied upon automated calling rather than establishing and maintaining human contact with borrowers, (b) serviced the loans in a low cost minimal effort manner with long periods of inaction, (c) serviced the loans in a passive manner that relied upon borrower-initiated contact rather than servicer action, and (d) experienced a significant downturn in servicing capacity and activities, especially during 2008.

109. These numerous and material breaches of the Servicing Agreements and RFC's own servicing guidelines between RFC's appointment as Master Servicer and November 2, 2009 have both accelerated and increased MBIA's losses. Had RFC complied with its contractual obligations and employed more rigorous servicing and remediation procedures, the payments that MBIA has been required to make pursuant to its financial guaranty insurance policies for the RFC Transactions would have been significantly smaller. As such, MBIA has been damaged by RFC's breach of its responsibilities as Master Servicer in an amount to be determined at trial.

110. MBIA has fully complied with its obligations under the Transaction Documents and the financial guarantee insurance policies with respect to the RFC Transactions.

FIFTH CAUSE OF ACTION

(NEGLIGENT MISREPRESENTATION)

111. MBIA repeats, re-alleges and incorporates each and every allegation contained in paragraphs 1 through 110.

112. In connection with MBIA's issuance of the Policies, RFC had a duty to communicate accurate and complete information to MBIA because of MBIA's special relationship of trust and confidence with RFC.

113. MBIA had issued financial guaranty insurance policies for securitization transactions sponsored by RFC and its affiliates during 2003 and 2004. In late 2005 and early 2006, MBIA and RFC engaged in discussions to further their relationship and develop a program pursuant to which MBIA would issue financial guaranty insurance policies for securitization transactions sponsored by RFC. As part of these discussions, MBIA visited RFC's offices and analyzed RFC's credit profile and financial stability based on, among other things, information provided by RFC. After performing this analysis, MBIA authorized its underwriters to incur up

to $8.5 billion of gross exposure to securitization transactions sponsored by RFC and its affiliate, GMAC Mortgage, subject to each proposed securitization transaction being reviewed and approved in accordance with MBIA's underwriting policies and procedures. MBIA's Executive Credit Committee also delegated authority to approve transactions to MBIA's Underwriting Committee based on MBIA's trust and confidence in RFC. The special relationship between MBIA and RFC predated MBIA's contractual relationship with RFC in connection with the RFC Transactions.

114. In addition, MBIA's special relationship with RFC is demonstrated by RFC's unique and special knowledge and expertise regarding both the underwriting of mortgage loans, generally, and the underwriting of the mortgage loans in the loan pools for the RFC Transactions. While MBIA may be viewed in certain contexts as a "sophisticated" party, it is not a mortgage loan originator. Moreover, it did not originate any of the mortgage loans underlying the RFC Transactions and could not reasonably have reviewed those loans before issuing the Policies. MBIA's inability to reasonably review and underwrite the mortgage loans is demonstrated by the fact that MBIA was provided only a few days to bid on the RFC Transactions, which often closed less than a month after RFC's initial invitation to submit a bid. As such, MBIA was entirely reliant on RFC's unique and special knowledge and expertise.

115. RFC misrepresented existing material facts with respect to the RFC Transactions.

116. RFC possessed clear and reasonable grounds for believing or determining that its representations were materially false and should have known that its representations were materially false. Moreover, RFC knew or should have known that MBIA would rely on RFC's materially false representations. Accordingly, RFC acted negligently in making the materially

false representations to MBIA with respect to the underwriting of the mortgage loans contributed to the mortgage loan pools for the RFC Transactions.

117. RFC knew or should have known that RFC's false representations were essential and material to MBIA's decision to issue the Policies in connection with the RFC Transactions. MBIA was not aware and could not reasonably have been aware of the falsity of RFC's representations.

118. MBIA reasonably relied to its detriment on RFC's misrepresentations. Had MBIA known about RFC's significant and substantial breaches of its representations and warranties, MBIA would not have issued the Policies with respect to the RFC Transactions.

119. As a proximate result of its reasonable reliance on RFC's negligent misrepresentations, MBIA issued the Policies, requiring MBIA to pay, to its substantial detriment, sizable insurance claims and to incur even greater future liabilities.

120. As a result of RFC's negligent misrepresentations, MBIA has incurred, and will continue to incur, damages in an amount to be determined at trial.

121. A justiciable controversy exists as to (a) whether RFC made negligent misrepresentations to MBIA with respect to the Policies issued by MBIA in connection with the RFC Transactions and (b) MBIA's entitlement to damages as a result thereof.

SIXTH CAUSE OF ACTION

(BREACH OF CONTRACT – GOOD FAITH AND FAIR DEALING)
(PRESERVED FOR APPEAL)

122. MBIA repeats, re-alleges and incorporates each and every allegation contained in paragraphs 1 through 121.

123. Under the Insurance Agreements, the Purchase Agreements and the 2007-HSA2 Assignment Agreement, RFC is required to comply with the covenant or duty of good faith and fair dealing that is implied in all contracts.

124. By entering into the Insurance Agreements with MBIA, which incorporated by reference the representations and warranties stated in the Purchase Agreements and the 2007-HSA2 Assignment Agreement, RFC agreed to act in good faith with respect to its contribution of mortgage loans to the mortgage loan pools underlying the RFC Transactions.

125. RFC breached its implied covenant or duty of good faith and fair dealing. In that regard, RFC represented and warranted to MBIA that the mortgage loans contributed to the mortgage loan pools underlying the RFC Transactions were underwritten in substantial compliance with RFC's Underwriting Guidelines, among other representations and warranties. However, RFC, in bad faith, knowingly and systematically contributed mortgage loans to the mortgage loan pools underlying the RFC Transactions that RFC knew breached one or more of RFC's representations and warranties. RFC further breached its implied covenant or duty of good faith and fair dealing by failing to employ mortgage loan servicing procedures consistent with mortgage loan servicing industry standards, and otherwise failing to comply with its obligations, pursuant to the Transaction Documents, to service, in good faith, the mortgage loans for the RFC Transactions.

126. RFC's breach of its implied covenant or duty of good faith and fair dealing deprived MBIA of its right to receive the full benefits of the Insurance Agreements by compelling MBIA to make payments on insurance claims that would not have arisen but for RFC's bad faith conduct. Further, RFC, in bad faith, has denied MBIA reasonable access to information necessary to evaluate RFC's actions as servicers for the mortgage loans or to enforce MBIA's contractual rights in connection with the RFC Transactions.

127. Had MBIA known about RFC's significant and substantial breaches of its representations and warranties, MBIA would not have issued the Policies with respect to the RFC Transactions.

128. As a result of RFC's material breach of the implied covenant of good faith and fair dealing, MBIA has incurred, and will continue to incur, damages, including, without limitation, interest and reasonable attorneys' and accountants' fees and expenses. Because MBIA would not have issued the Policies if MBIA had known the true risk profile of the loan portfolios in the RFC Transactions, RFC is responsible for all losses incurred by MBIA whether or not such losses relate directly to non-compliant mortgage loans.

129. MBIA has fully complied with its obligations under the Transaction Documents and the financial guarantee insurance policies with respect to the RFC Transactions.

130. A justiciable controversy exists as to (a) whether RFC breached the covenant or duty of good faith and fair dealing implied in the Transaction Documents in connection with the RFC Transactions and (b) MBIA's entitlement to damages as a result thereof.

SEVENTH CAUSE OF ACTION

(EQUITABLE OR IMPLIED INDEMNIFICATION)
(PRESERVED FOR APPEAL)

131. MBIA repeats, re-alleges and incorporates each and every allegation contained in paragraphs 1 through 130.

132. In connection with the RFC Transactions, RFC made representations and warranties to MBIA and provided information with respect to the mortgage loans contributed to the mortgage loan pools for the RFC Transactions to MBIA. RFC's representations and warranties were materially false. In reliance upon RFC's representations and warranties and

other information with respect to the mortgage loans, MBIA issued the Policies in connection with the RFC Transactions.

133. RFC's breaches of its representations and warranties materially undermined and distorted the fundamental basis upon which MBIA agreed to issue the Policies for the RFC Transactions. Moreover, the substantial and hidden risks present in the RFC Transactions, which were hidden by RFC's representations and warranties and were pervasive to the mortgage loan pools for the RFC Transactions, have caused the mortgage loans in the RFC Transactions to become delinquent and subsequently charged-off at a severe and unexpected rate, thus causing significant shortfalls in cash flows to investors in the RFC Transactions. Further, RFC's failure to minimize losses on the mortgage loans through normal and usual mortgage loan servicing procedures, and as otherwise required pursuant to the Transaction Documents, has exacerbated shortfalls to investors in the RFC Transactions and, accordingly, losses to MBIA.

134. Had MBIA known about RFC's significant and substantial breaches of its representations and warranties, MBIA would not have issued the Policies with respect to the RFC Transactions.

135. As a result of having issued the Policies, MBIA is contractually liable to the trusts, and, in that regard, the investors in the RFC Transactions, to insure the payment of certain cash flows or losses as a result of charge-offs to the investors in the RFC Transactions in the event of shortfalls in the cash flows to the trust for the RFC Transactions.

136. MBIA has paid and will continue to pay all insurance claims made in connection with the RFC Transactions pursuant to the terms of the Policies.

137. MBIA, however, is in whole or in part, discharging a duty which is owed by MBIA to investors in the RFC Transactions pursuant to the Policies but which, as between

MBIA and RFC, should in equity and good conscience be discharged by RFC because the Policies were procured based on RFC's providing MBIA materially false representations and warranties.

138. MBIA has incurred, and will continue to incur, damages in an amount to be determined at trial as a result of discharging a duty which is owed by MBIA to investors in the RFC Transactions but which, as between MBIA and RFC, should in equity and good conscience have been discharged by RFC. Because MBIA would not have issued the insurance policies had it known the true risk profile of the loan portfolios in the RFC Transactions, RFC is responsible for all losses incurred by MBIA whether or not such losses relate directly to non-compliant mortgage loans.

139. A justiciable controversy exists as to (a) whether RFC, in equity and good conscience, is liable for all insurance claims against MBIA and other losses incurred by MBIA with respect to the Policies issued by MBIA in connection with the RFC Transactions and (b) MBIA's entitlement to damages as a result thereof.

EIGHTH CAUSE OF ACTION

(UNJUST ENRICHMENT)
(PRESERVED FOR APPEAL)

140. MBIA repeats, re-alleges and incorporates each and every allegation contained in paragraphs 1 through 139.

141. MBIA has conferred a benefit on RFC by issuing the Policies with the reasonable expectation of receiving the full rights and value negotiated in connection with that benefit.

142. RFC was unjustly enriched at MBIA's expense and equity and good conscience require RFC to compensate MBIA for the unjust benefit conferred on RFC. In that

regard, had MBIA known about RFC's significant and substantial breaches of its representations and warranties, MBIA would not have issued the Policies with respect to the RFC Transactions.

143. If MBIA had not issued the Policies, RFC would have had to follow either of two courses of action:

a. RFC may have sold the securities issued in connection with the RFC Transactions without the Policies. In this scenario, RFC would have received a substantially lower amount from the sale of the securities than it did because the investors in the RFC Transactions would demand a discount in the purchase price of the securities or a higher interest rate on the securities to compensate for the additional, uninsured risk of shortfalls in cash flows; or

b. RFC may not have been able to consummate the RFC Transactions. In this scenario, RFC would not have sold the mortgage loans by means of the RFC Transactions. RFC may have sold the mortgage loans to another purchaser, possibly for a lesser purchase price. If RFC was unable to sell the mortgage loans, <u>all</u> of the losses with respect to the mortgage loans would have been borne by RFC, and <u>only</u> RFC. Further, if the RFC Transactions were not consummated, RFC and its affiliate would not have been entitled to servicing fees for servicing the mortgage loans in connection with the RFC Transactions.

144. By improperly and unjustly inducing MBIA to issue the Policies as a result of its materially false representations and warranties, RFC was able to obtain payments under the Policies for investors in the RFC Transactions in the event of shortfalls of cash flows or losses to the trusts for the RFC Transactions. Consequently, investors in the RFC Transactions were willing to pay more to RFC for securities issued in connection with the RFC Transactions because of the presence of the MBIA insurance policies. Thus, RFC was able to receive a higher payment for the securities issued in connection with the RFC Transactions by causing the risk of liability for insuring certain cash flows for the RFC Transactions to pass to MBIA. Further, RFC earned servicing fees in connection with the servicing of the mortgage loans for the RFC Transactions while passing the risk of shortfalls in cash flows to investors in

the RFC Transactions to MBIA. RFC earned these servicing fees despite failing to utilize good faith business judgment to employ its normal and usual mortgage loan servicing procedures, and otherwise comply with its obligations pursuant to the Transaction Documents, to service the mortgage loans for the RFC Transactions.

145. As a result of RFC's improper and unjust actions, MBIA issued the Policies, requiring MBIA to pay, to its substantial detriment, sizable insurance claims and to incur even greater future liabilities.

146. As a result of RFC's improper and unjust actions, MBIA has incurred, and will continue to incur, damages in an amount to be determined at trial.

147. A justiciable controversy exists as to (a) whether RFC was unjustly enriched with respect to the Policies issued by MBIA in connection with the RFC Transactions and (b) MBIA's entitlement to damages as a result thereof.

RELIEF DEMANDED

WHEREFORE, plaintiff MBIA Insurance Corporation demands judgment against defendant Residential Funding Company, LLC, as follows:

1. With respect to the First Cause of Action, a judgment (a) declaring that RFC fraudulently induced MBIA to issue the Policies in connection with the RFC Transactions and must compensate MBIA for all losses and liabilities incurred by MBIA, and that MBIA incurs, with respect to the Policies issued in connection with the RFC Transactions, including, without limitation, interest, reasonable attorneys' and accountants' fees and expenses and any other fees and expenses that MBIA incurred or reasonably incurs, whether or not such losses and liabilities relate directly to specifically identified non-compliant mortgage loans and (b) awarding damages to MBIA for all losses and liabilities incurred by MBIA, and that MBIA incurs, with respect to the Policies issued in connection with the RFC Transactions, including, without limitation, interest, reasonable attorneys' and accountants' fees and expenses and any

other fees and expenses that MBIA incurred or incurs, whether or not such losses relate directly to specifically identified non-compliant mortgage loans, in an amount to be determined at trial; and

2. With respect to the Second Cause of Action, a judgment (a) declaring that RFC has materially breached the Insurance Agreements and (b) awarding damages to MBIA for all losses and liabilities incurred by MBIA, and that MBIA incurs, whether or not such losses relate directly to specifically identified non-compliant mortgage loans, in an amount to be determined at trial, including interest, reasonable attorneys' and accountants' fees and expenses and any other fees and expenses that MBIA incurred or incurs, in an amount to be determined at trial; and

3. With respect to the Third Cause of Action, a judgment (a) declaring that RFC is required to comply with its obligations under the Loan Breach Remedy Procedure; (b) declaring that RFC has wrongfully repudiated its obligations under the Loan Breach Remedy Procedure; and (c) declaring that RFC is required to indemnify MBIA for any and all damages it has incurred, and that MBIA incurs, as a result of RFC's breaches of its representations and warranties, including RFC's failure to comply with and its wrongful repudiation of its obligations under the Loan Breach Remedy Procedure; and (d) awarding damages to MBIA for all losses and liabilities incurred by MBIA, and that MBIA incurs, with respect to RFC's breaches and ultimate repudiation of the Loan Breach Remedy Procedure, including damages, interest, reasonable attorneys' and accountants' fees and expenses, and any other fees and expenses that MBIA incurred or incurs, in an amount to be determined at trial; and

4. With respect to the Fourth Cause of Action, a judgment (a) declaring that RFC breached the Servicing Agreements when RFC was acting as Master Servicer by failing to property service the mortgage loans underlying the RFC Transactions and (b) awarding damages to MBIA for all losses and liabilities incurred by MBIA, and that MBIA incurs, as a result of RFC's breaches of the Servicing Agreements, including interest, reasonable attorneys' and

accountants' fees and expenses and any other fees and expenses that MBIA incurred or incurs, in an amount to be determined at trial; and

5. With respect to the Fifth Cause of Action, a judgment (a) declaring that RFC made negligent misrepresentations to MBIA with respect to the Policies issued by MBIA in connection with the RFC Transactions and must compensate MBIA for all losses and liabilities incurred by MBIA, and that MBIA incurs, with respect to the Policies issued in connection with the RFC Transactions, including, without limitation, interest, reasonable attorneys' and accountants' fees and expenses and any other fees and expenses that MBIA incurred or reasonably incurs, whether or not such losses relate directly to specifically identified non-compliant mortgage loans and (b) awarding damages to MBIA for all losses and liabilities incurred by MBIA, and that MBIA incurs, with respect to the Policies issued in connection with the RFC Transactions, including, without limitation, interest, reasonable attorneys' and accountants' fees and expenses and any other fees and expenses that MBIA incurred or incurs, whether or not such losses and liabilities relate directly to specifically identified non-compliant mortgage loans, in an amount to be determined at trial; and

6. With respect to the Sixth Cause of Action, a judgment (a) declaring that RFC has breached the covenant or duty of good faith and fair dealing implied in the Transaction Documents in connection with the RFC Transactions and must compensate MBIA for all losses and liabilities incurred by MBIA, and that MBIA incurs, with respect to the Policies issued in connection with the RFC Transactions, including, without limitation, interest, reasonable attorneys' and accountants' fees and expenses and any other fees and expenses that MBIA incurred or incurs, whether or not such losses relate directly to specifically identified non-compliant mortgage loans and (b) awarding damages to MBIA for all losses and liabilities incurred by MBIA, and that MBIA incurs, with respect to the Policies issued in connection with the RFC Transactions, including, without limitation, all losses and liabilities resulting from RFC's failure to properly service the mortgage loans in the RFC Transactions, as well as, interest, reasonable attorneys' and accountants' fees and expenses and any other fees and

expenses that MBIA incurred or incurs, whether or not such losses relate directly to specifically identified non-compliant mortgage loans, in an amount to be determined at trial; and

7. With respect to the Seventh Cause of Action, a judgment (a) declaring that RFC is liable for all insurance claims against MBIA and must compensate MBIA for all losses and liabilities incurred by MBIA, and that MBIA incurs, with respect to the Policies issued in connection with the RFC Transactions, including, without limitation, interest, reasonable attorneys' and accountants' fees and expenses and any other fees and expenses that MBIA incurred or reasonably incurs, whether or not such losses relate directly to specifically identified non-compliant mortgage loans and (b) awarding damages to MBIA for all losses and liabilities incurred by MBIA, and that MBIA incurs, with respect to the Policies issued in connection with the RFC Transactions, including, without limitation, all losses resulting from RFC's failure to properly service the mortgage loans in the RFC Transactions, as well as, interest, reasonable attorneys' and accountants' fees and expenses and any other fees and expenses that MBIA incurred or incurs, whether or not such losses relate directly to specifically identified non-compliant mortgage loans, in an amount to be determined at trial; and

8. With respect to the Eighth Cause of Action, a judgment (a) declaring that RFC has been unjustly enriched with respect to the Policies issued by MBIA in connection with the RFC Transactions and must compensate MBIA for all losses and liabilities incurred by MBIA, and that MBIA incurs, with respect to the Policies issued in connection with the RFC Transactions, including, without limitation, interest, reasonable attorneys' and accountants' fees and expenses and any other fees and expenses that MBIA incurred or incurs, whether or not such losses relate directly to specifically identified non-compliant mortgage loans and (b) awarding damages to MBIA for all losses and liabilities incurred by MBIA, and that MBIA incurs, with respect to the Policies issued in connection with the RFC Transactions, including, without limitation, all losses resulting from RFC's failure to properly service the mortgage loans in the RFC Transactions, as well as, interest, reasonable attorneys' and accountants' fees and expenses and any other fees and expenses that MBIA incurred or incurs, whether or not such losses and

liabilities relate directly to specifically identified non-compliant mortgage loans, in an amount to be determined at trial; and

9. The full amount of MBIA's attorneys' fees and expenses with respect to this action; and

10. Punitive and consequential damages; and

11. For such other and further relief as the Court may deem just and proper.

Dated: March 19, 2010

CADWALADER, WICKERSHAM & TAFT LLP

By: /s/ Howard R. Hawkins, Jr.

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MBIA Insurance Corporation

Exhibit 63

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(D) OF THE

SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED) April 1, 2006

COMMISSION FILE NUMBER OF ISSUING
ENTITY:
333-131213-03

RALI SERIES 2006-QO4 TRUST

(EXACT NAME OF ISSUING ENTITY)

COMMISSION FILE NUMBER OF
DEPOSITOR:
333-131213

RESIDENTIAL ACCREDIT LOANS, INC.

(EXACT NAME OF DEPOSITOR AS SPECIFIED IN ITS CHARTER)

RESIDENTIAL FUNDING CORPORATION

(EXACT NAME OF SPONSOR AS SPECIFIED IN ITS CHARTER)

DELAWARE (STATE OR OTHER JURISDICTION OF INCORPORATION)	None (I.R.S. EMPLOYER IDENTIFICATION NO.)

c/o 8400 Normandale Lake Blvd., Suite 250, Minneapolis, MN 55437
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES) (ZIP CODE)

Registrant's telephone number, including area code (952) 857-7000

(FORMER NAME OR FORMER ADDRESS, IF CHANGED SINCE LAST REPORT)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions .

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12(b) under the Exchange Act (17 CFR 240.14a-12(b))

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

described herein.

REMIC II Regular Interest LT-Y1 Principal Distribution Amount: For any Distribution Date, the excess, if any, of the REMIC II Regular Interest LT-Y1 Principal Reduction Amount for such Distribution Date over the Realized Losses allocated to the REMIC II Regular Interest LT-Y1 on such Distribution Date.

REMIC II Regular Interest LT-Y2: A regular interest in REMIC II that is held as an asset of REMIC III, that has an initial principal balance equal to the related Uncertificated Principal Balance, that bears interest at the related Uncertificated REMIC II Pass-Through Rate, and that has such other terms as are described herein.

REMIC II Regular Interest LT-Y2 Principal Distribution Amount: For any Distribution Date, the excess, if any, of the REMIC II Regular Interest LT-Y2 Principal Reduction Amount for such Distribution Date over the Realized Losses allocated to the REMIC II Regular Interest LT-Y2 on such Distribution Date.

REMIC III: The segregated pool of assets subject hereto, constituting a portion of the primary trust created hereby and to be administered hereunder, with respect to which a separate REMIC election is to be made, consisting of the REMIC II Regular Interests.

REMIC III Regular Interest SB-PO: A separate non-certificated beneficial ownership interests in REMIC III issued hereunder and designated as a Regular Interest in REMIC III. REMIC III Regular Interest SB-PO shall have no entitlement to interest, and shall be entitled to distributions of principal subject to the terms and conditions hereof, in aggregate amount equal to the initial Certificate Principal Balance of the Class SB Certificates as set forth in the Preliminary Statement hereto.

REMIC III Regular Interest SB-IO: A separate non-certificated beneficial ownership interests in REMIC III issued hereunder and designated as a Regular Interest in REMIC III. REMIC III Regular Interest SB-IO shall have no entitlement to principal, and shall be entitled to distributions of interest subject to the terms and conditions hereof, in aggregate amount equal to the interest distributable with respect to the Class SB Certificates pursuant to the terms and conditions hereof.

REMIC III Regular Interests: REMIC III Regular Interests SB-IO and SB-PO, together with the Class A Certificates and Class M Certificates.

Required Overcollateralization Amount: With respect to any Distribution Date (i) prior to the Stepdown Date, an amount equal to 0.80% of the aggregate Cut-off Date Principal Balance; (ii) on or after the Stepdown Date but prior to the Distribution Date in May 2012, provided a Trigger Event is not in effect, the greater of (x) 2.00% of the outstanding aggregate Stated Principal Balance of the Mortgage Loans after giving effect to distributions made on that Distribution Date and (y) the Overcollateralization Floor; (iii) on or after the Stepdown Date and on or after the Distribution Date in May 2012, provided a Trigger Event is not in effect, the greater of (x) 1.60% of the outstanding aggregate Stated Principal Balance of the Mortgage Loans after giving effect to distributions made on that Distribution Date and (y) the Overcollateralization Floor; and (iv) on or after the Stepdown Date if a Trigger Event is in effect, the Required Overcollateralization Amount for the immediately preceding Distribution Date; provided that the Required Overcollateralization Amount may be reduced so long as written confirmation is obtained from each rating agency that the reduction will not reduce the ratings assigned to the Class A Certificates and Class M Certificates (without regard to the Certificate Policy) by that rating agency below the lower of the then-current ratings or the ratings assigned to those certificates as of the closing date by that rating agency.

Reserve Fund: The separate trust account created and maintained by the Trustee pursuant to Section 4.09 hereof.

Senior Certificate: Any one of the Class A Certificates.

Senior Enhancement Percentage: With respect to any Distribution Date, the percentage obtained by dividing (x) the sum of (i) the aggregate Certificate Principal Balance of the Class M Certificates and (ii) the Overcollateralization Amount, in each case prior to the distribution of the Principal Distribution Amount on such Distribution Date, by (y) the aggregated Stated Principal Balance of the Mortgage Loans after giving effect to distributions to be made on that Distribution Date.

Senior Percentage: With respect to each Loan Group and any Distribution Date, the percentage equal to the lesser of (x) the aggregate Certificate Principal Balances of the related Class A Certificates immediately prior to such Distribution Date divided by the aggregate Stated Principal Balance of the Mortgage Loans in such Loan Group immediately prior to such Distribution Date and (y) 100%.

Sixty-Plus Delinquency Percentage: With respect to any Distribution Date on or after the Stepdown Date, the arithmetic average, for each of the three consecutive Distribution Dates ending with such Distribution Date, of the fraction, expressed as a percentage, equal to (x) the aggregate Stated Principal Balance of the Mortgage Loans that are 60 or more days delinquent in payment of principal and interest for the applicable Due Date preceding that Distribution Date, including Mortgage Loans in foreclosure, REO Properties and Mortgage Loans in bankruptcy over (y) the aggregate Stated Principal Balance of all of the Mortgage Loans immediately preceding that Distribution Date.

Stated Principal Balance: With respect to any Mortgage Loan or related REO Property, as of any date of determination, (i) the sum of (a) the Cut-off Date Principal Balance of the Mortgage Loan plus (b) any amount by which the Stated Principal Balance of the Mortgage Loan has been increased pursuant to a Servicing Modification and (c) any amount by which the Stated Principal Balance of the Mortgage Loan has been increased for Deferred Interest pursuant to the terms of the related Mortgage Note on or prior to the Distribution Date, minus (ii) the sum of (a) the principal portion of the Monthly Payments due with respect to such Mortgage Loan or REO Property during each Due Period commencing with the first Due Period after the Cut-off Date and ending with the Due Period relating to the most recent Distribution Date which were received or with respect to which an Advance was made, (b) all Principal Prepayments with respect to such Mortgage Loan or REO Property, and all Insurance Proceeds, Liquidation Proceeds and REO Proceeds, to the extent applied by the Master Servicer as recoveries of principal in accordance with Section 3.14 with respect to such Mortgage Loan or REO Property, in each case which were distributed pursuant to Section 4.02 on any previous Distribution Date, and (c) any Realized Loss incurred with respect to such Mortgage Loan allocated to Certificateholders with respect thereto for any previous Distribution Date.

Exhibit 64

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): January 13, 2006

RESIDENTIAL ASSET SECURITIES CORPORATION,
on behalf of the RASC Series 2005-EMX5 Trust
(Exact name of registrant as specified in its charter)

Delaware	333-122688-15	51-0362653
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

8400 Normandale Lake Boulevard, Suite 250
Minneapolis, Minnesota 55437
(Address of principal executive office) (Zip Code)

(952) 857-7000
(Registrant's telephone number, including area code)

N/A
(Former name or address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

[ ] Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

INFORMATION TO BE INCLUDED IN THE REPORT

SECTION 8 - OTHER EVENTS.

ITEM 8.01. OTHER EVENTS.

REMIC II: The segregated pool of assets subject hereto constituting a portion of the primary trust created hereby and to be administered hereunder, with respect to which a separate REMIC election is to be made, consisting of the REMIC I Regular Interests.

REMIC II Regular Interest SB-PO: A separate non-certificated beneficial ownership interest in REMIC II issued hereunder and designated as a REMIC II Regular Interest. REMIC II Regular Interest SB-PO shall have no entitlement to interest, and shall be entitled to distributions of principal subject to the terms and conditions hereof, in aggregate amount equal to the initial Certificate Principal Balance of the Class SB Certificates as set forth in the Preliminary Statement hereto.

REMIC II Regular Interest SB-IO: A separate non-certificated beneficial ownership interest in REMIC II issued hereunder and designated as a REMIC II Regular Interest. REMIC II Regular Interest SB-IO shall have no entitlement to principal, and shall be entitled to distributions of interest subject to the terms and conditions hereof, in aggregate amount equal to the interest distributable with respect to the Class SB Certificates pursuant to the terms and conditions hereof.

REMIC II Regular Interests: REMIC II Regular Interests SB-IO and SB-PO, together with the regular interests in REMIC II represented by the Class A Certificates exclusive of the rights of such Certificates to payments of Basis Risk Shortfall Amounts and to payments derived from the Yield Maintenance Agreement.

REMIC Administrator: Residential Funding Corporation. If Residential Funding Corporation is found by a court of competent jurisdiction to no longer be able to fulfill its obligations as REMIC Administrator under this Agreement the Master Servicer or Trustee acting as successor Master Servicer shall appoint a successor REMIC Administrator, subject to assumption of the REMIC Administrator obligations under this Agreement.

REMIC Provisions: Provisions of the federal income tax law relating to real estate mortgage investment conduits, which appear at Sections 860A through 860G of Subchapter M of Chapter 1 of the Code, and related provisions, and temporary and final regulations (or, to the extent not inconsistent with such temporary or final regulations, proposed regulations) and published rulings, notices and announcements promulgated thereunder, as the foregoing may be in effect from time to time.

REO Acquisition: The acquisition by the Master Servicer on behalf of the Trustee for the benefit of the Certificateholders of any REO Property pursuant to Section 3.14.

REO Disposition: With respect to any REO Property, a determination by the Master Servicer that it has received substantially all Insurance Proceeds, Liquidation Proceeds, REO Proceeds and other payments and recoveries (including proceeds of a final sale) which the Master Servicer expects to be finally recoverable from the sale or other disposition of the REO Property.

REO Imputed Interest: With respect to any REO Property, for any period, an amount equivalent to interest (at a rate equal to the sum of the Net Mortgage Rate and the Certificate Insurer Premium Modified Rate, that would have been applicable to the related Mortgage Loan had it been outstanding) on the unpaid principal balance of the Mortgage Loan as of the date of acquisition thereof for such period.

REO Proceeds: Proceeds, net of expenses, received in respect of any REO Property (including, without limitation, proceeds from the rental of the related Mortgaged Property) which proceeds are required to be deposited into the Custodial Account only upon the related REO Disposition.

REO Property: A Mortgaged Property acquired by the Master Servicer on behalf of the Trust Fund for the benefit of the Certificateholders and the Certificate Insurer through foreclosure or deed in lieu of foreclosure in connection with a defaulted Mortgage Loan.

Reportable Modified Mortgage Loan: Any Mortgage Loan that (a) has been subject to an interest rate reduction, (b) has been subject to a term extension or (c) has had amounts owing on such Mortgage Loan capitalized by adding such amount to the Stated Principal Balance of such Mortgage Loan; provided, however, that a Mortgage Loan modified in accordance with (a) above for a temporary period shall not be a Reportable Modified Mortgage Loan if such Mortgage Loan has not been delinquent in payments of principal and interest for six months since the date of such modification if that interest rate reduction is not made permanent thereafter.

Repurchase Event: As defined in the Assignment Agreement.

Request for Release: A request for release, the form of which is attached as Exhibit G hereto, or an electronic request in a form acceptable to the Custodian.

Required Insurance Policy: With respect to any Mortgage Loan, any insurance policy which is required to be maintained from time to time under this Agreement, the Program Guide or the related Subservicing Agreement in respect of such Mortgage Loan.

Required Overcollateralization Amount: With respect to any Distribution Date, (a)

Exhibit 65

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) May 30, 2007

RESIDENTIAL FUNDING MORTGAGE SECURITIES II, INC. (as depositor under an Amended and Restated Trust Agreement, dated as of May 30, 2007, and pursuant to which an Indenture was entered into, providing for, inter alia, the issuance of Home Equity Loan-Backed Term Notes, Series 2007-HSA3)

Home Equity Loan 2007-HSA3 Trust
(EXACT NAME OF ISSUING ENTITY AS SPECIFIED IN ITS CHARTER)
Residential Funding Mortgage Securities II, Inc.
(EXACT NAME OF DEPOSITOR AS SPECIFIED IN ITS CHARTER)
Residential Funding Company, LLC
(EXACT NAME OF SPONSOR AS SPECIFIED IN ITS CHARTER)
Residential Funding Mortgage Securities II, Inc.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE	333-140605-02	41-1808858
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

8400 Normandale Lake Blvd., Suite 250, Minneapolis, Minnesota 55437
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code, is (952) 857-7000
N/A
(Former name or address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

[ ] Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

EXECUTION COPY

HOME EQUITY LOAN TRUST 2007-HSA3

Issuer

AND

LASALLE BANK NATIONAL ASSOCIATION

Indenture Trustee

INDENTURE

Dated as of May 30, 2007

HOME EQUITY LOAN-BACKED TERM NOTES

HOME EQUITY LOAN-BACKED VARIABLE FUNDING NOTES

RECONCILIATION AND TIE BETWEEN TRUST INDENTURE
ACT OF 1939 AND INDENTURE PROVISIONS*

Trust Indenture Act Section	Indenture Section
310(a)(1)	6.11
(a)(2)	6.11
(a)(3)	6.10
(a)(4)	Not Applicable
(a)(5)	6.11
(b)	6.08, 6.11
(c)	Not Applicable
311(a)	6.12
(b)	6.12
(c)	Not Applicable
312(a)	7.01, 7.02(a)
(b)	7.02(b)
(c)	7.02(c)
313(a)	7.04
(b)	7.04
(c)	7.03(a)(iii), 7.04
(d)	7.04
314(a)	3.10, 7.03(a)
(b)	3.07
(c)(1)	8.05(c), 10.01(a)
(c)(2)	8.05(c), 10.01(a)
(c)(3)	Not Applicable
(d)(1)	8.05(c), 10.01(b)
(d)(2)	8.05(c), 10.01(b)
(d)(3)	8.05(c), 10.01(b)
(e)	10.01(a)
315(a)	6.01(b)
(b)	6.05
(c)	6.01(a)
(d)	6.01(c)
(d)(1)	6.01(c)
(d)(2)	6.01(c)
(d)(3)	6.01(c)
(e)	5.13
316(a)(1)(A)	5.11
316(a)(1)(B)	5.12
316(a)(2)	Not Applicable
316(b)	5.07
317(a)(1)	5.04
317(a)(2)	5.03(d)
317(b)	3.03(a)
318(a)	10.07

*This reconciliation and tie shall not, for any purpose, be deemed to be part of the within indenture.

Servicer that it has received substantially all Insurance Proceeds, Liquidation Proceeds, REO Proceeds and other payments and recoveries (including proceeds of a final sale) which the Master Servicer expects to be finally recoverable from the sale or other disposition of the REO Property.

REO Proceeds: Proceeds, net of expenses, received in respect of any REO Property (including, without limitation, proceeds from the rental of the related Mortgaged Property) which proceeds are required to be deposited into the Custodial Account only upon the related REO Disposition.

REO Property: A Mortgaged Property acquired by the Master Servicer through foreclosure or deed in lieu of foreclosure in connection with a defaulted Home Equity Loan.

Repurchase Event: With respect to any Home Equity Loan, either (i) a discovery that, as of the Closing Date, the related Mortgage was not a valid lien on the related Mortgaged Property subject only to (A) the lien of any prior mortgage indicated on the Home Equity Loan Schedule, (B) the lien of real property taxes and assessments not yet due and payable, (C) covenants, conditions, and restrictions, rights of way, easements and other matters of public record as of the date of recording of such Mortgage and such other permissible title exceptions as are listed in the Program Guide and (D) other matters to which like properties are commonly subject which do not materially adversely affect the value, use, enjoyment or marketability of the related Mortgaged Property or (ii) with respect to any Home Equity Loan as to which the Seller delivers a Lost Note Affidavit, a subsequent default on such Home Equity Loan if the enforcement thereof or of the related Mortgage is materially and adversely affected by the absence of such original Loan Agreement.

Repurchase Price: With respect to any Home Equity Loan required to be repurchased on any date pursuant to the Purchase Agreement or purchased by the Master Servicer pursuant to the Servicing Agreement, an amount equal to the sum of (i) 100% of the Loan Balance thereof (without reduction for any amounts charged off and (ii) unpaid accrued interest at the Loan Rate (or with respect to the last day of the month in the month of repurchase, the Loan Rate will be the Loan Rate in effect as to the second to last day in such month) on the outstanding principal balance thereof from the Due Date to which interest was last paid by the Mortgagor to the first day of the month following the month of purchase. The Repurchase Price for any Home Equity Loan repurchased pursuant to the penultimate paragraph of Section 3.1 of the Purchase Agreement shall also include the RAHI Premium. No portion of any Repurchase Price shall be included in any Excluded Amount for any Payment Date.

Request for Release: The form attached as Exhibit 4 to the Custodial Agreement or an electronic request in a form acceptable to the Custodian.

Required Insurance Policy: With respect to any Home Equity Loan, any insurance policy which is required to be maintained from time to time under the Servicing Agreement, the Program Guide or the related Subservicing Agreement in respect of such Home Equity Loan.

Responsible Officer: With respect to the Indenture Trustee, any officer of the Indenture Trustee with direct responsibility for the administration of the Indenture and also, with respect to a particular matter, any other officer to whom such matter is referred because of such officer's knowledge of and familiarity with the particular subject.

Reuters Screen LIBOR01: The display designated as page LIBOR01 on the Reuters Screen (or (i) such other page as may replace page LIBOR01 on that service for the purpose of displaying London interbank offered rates of major banks) or (ii) if such service is no longer offered, such other service for displaying LIBOR or comparable rates as may be selected by the Indenture Trustee after consultation with the Master Servicer and the Credit Enhancer.

Revolving Period: The period commencing on the Closing Date and ending on May 31, 2012.

Scheduled Payments: As defined in the applicable Policy.

Securities Act: The Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

Securitization Transaction: Any transaction involving a sale or other transfer of mortgage loans directly or indirectly to an issuing entity in connection with an issuance of publicly offered or privately placed, rated or unrated mortgage-backed securities.

Security: Any of the Certificates or Notes.

Security Balance: With respect to any Payment Date and each Class of Term Notes, the Initial Security Balance thereof prior to such Payment Date reduced by all payments of principal thereon prior to such Payment Date and, in the case of the Class I Notes, Liquidation Loss Amounts allocated thereto prior to such Payment Date. With respect to any Payment Date and the Variable Funding Notes, the Initial Security Balance thereof prior to such Payment Date (i) increased by the Aggregate Additional Balance Differential immediately prior to such Payment Date and (ii) reduced by all payments of principal thereon and Liquidation Loss Amounts allocated thereto prior to such Payment Date. With respect to any Payment Date and the Certificates, the Certificate Principal Balance thereof.

Securityholder or Holder: Any Noteholder or a Certificateholder.

Exhibit 66

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	**Chapter 11 Case No.**
LEHMAN BROTHERS HOLDINGS INC., *et al.*,	:	**08-13555 (JMP)**
Debtors.	:	**(Jointly Administered)**

ORDER PURSUANT TO SECTION 8.4 OF THE MODIFIED THIRD AMENDED JOINT CHAPTER 11 PLAN OF LEHMAN BROTHERS HOLDINGS INC. AND ITS AFFILIATED DEBTORS AND SECTIONS 105(a), 502(c) AND 1142(b) OF THE BANKRUPTCY CODE ESTIMATING THE AMOUNTS OF CLAIMS FILED BY INDENTURE TRUSTEES ON BEHALF OF ISSUERS OF RESIDENTIAL MORTGAGE-BACKED SECURITIES FOR PURPOSES OF ESTABLISHING RESERVES

Upon the motion (the "Motion"), of Lehman Brothers Holdings Inc. ("LBHI"), Structured Assets Securities Corporation ("SASCO") and their affiliated debtors in the above-referenced chapter 11 cases, as debtors and debtors-in-possession (the "Debtors"), pursuant to section 8.4 of the Plan[1] and sections 105(a), 502(c) and 1142(b) of title 11 of the United States Code, to estimate the amount of the claims filed by U.S. Bank National Association, Citibank, N.A., Wilmington Trust Company, Deutsche Bank National Trust Company and Wells Fargo Bank, N.A., each solely in their capacity as a trustee or an indenture trustee for trusts that issued residential mortgage-backed securities (collectively, the "Indenture Trustees"),[2] for the purposes

[1] Capitalized terms used herein but not defined shall have the meanings ascribed to them in the Motion.

[2] LBHI and SASCO have entered into a stipulation and agreement with Bank of America, N.A., dated February 7, 2012, and HSBC Bank USA, N.A. dated February 21, 2012, estimating the amount of the claims filed by Bank of America, N.A. and HSBC Bank USA, N.A. respectively, each in its capacity as indenture trustee for trusts that issued residential mortgage-backed securities, for the purpose of establishing a reserve in connection with the Plan. Accordingly, this Order does not pertain to or bind Bank of America, N.A. and HSBC Bank USA, N.A. with respect to the relief requested in the Motion.

of establishing reserves in connection with the Plan, as more fully set forth in the Motion; and upon consideration of the declaration of Zachary Trumpp in support of the Motion, dated January 12, 2012, ECF No. 24255; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334 and Standing Order M-61 Referring to Bankruptcy Judges for the Southern District of New York Any and All Proceedings Under Title 11, dated July 10, 1984 (Ward, Acting C.J.); and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to (i) the United States Trustee for Region 2; (ii) the attorneys for the Official Committee of Unsecured Creditors; (iii) the Securities and Exchange Commission; (iv) the Internal Revenue Service; (v) the United States Attorney for the Southern District of New York; (vi) the attorneys for each of the Indenture Trustees; and (vii) all other parties entitled to notice in accordance with the procedures set forth in the second amended order entered on June 17, 2010, governing case management and administrative procedures for these cases, ECF No. 9635; and upon consideration of the objections to the Motion filed by certain of the Indenture Trustees (collectively, the "Objections"), ECF Nos. 24476, 24483, 24484, 24485, 24491, 24492, LBHI and SASCO's reply to the Objections, ECF No. 24587, and the record of the hearing on the Motion; and upon consideration of an agreement to settle the Motion by the Indenture Trustees, LBHI and SASCO; and the Court having found and determined that the settlement of the relief sought in the Motion, as modified herein, is in the best interests of LBHI and SASCO, their creditors and all parties in interest and that the settlement and the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor; it is

ORDERED that the Motion is granted as provided herein; and it is further

ORDERED that all objections that have not been withdrawn, waived, or settled are overruled; and it is further

ORDERED that the Indenture Trustees' Claims are to be estimated as unsecured claims in the aggregate amount of $5 billion (the "Estimated Claim"); and it is further

ORDERED that the Estimated Claim will be allocated between LBHI and SASCO, with 95% allocated to LBHI and 5% to SASCO; and it is further

ORDERED that the estimation of the Indenture Trustees' Claims, as set forth herein, is not deemed to determine or affect in any respect the allowed amount, validity or priority of the Indenture Trustees' Claims for any purpose other than establishing the reserve amounts for such claims under the Plan; and it is further

ORDERED that the estimation of the Indenture Trustees' Claims, as set forth herein, is without prejudice to the rights of the Indenture Trustees to assert that the allowed amount of the Indenture Trustees' Claims should be greater than the Estimated Claim; and it is further

ORDERED that the estimation of the Indenture Trustees' Claims, as set forth herein, is without prejudice to LBHI, SASCO or the Plan Administrator's rights, defenses and objections to the merits, amount and priority of the Indenture Trustees' Claims; and it is further

ORDERED that all rights of the Indenture Trustees, LBHI, SASCO and the Plan Administrator with respect to the Indenture Trustees' Claims are fully preserved; and it is further

ORDERED that LBHI, SASCO and the Indenture Trustees shall participate in good faith in mediation to seek to settle the allowed amount of the Indenture Trustees' Claims before a mediator agreed to by all parties or selected by the Court; and it is further

ORDERED that to the extent that there may be any inconsistency between the terms of the Motion and this Order, the terms of this Order shall govern; and it is further

ORDERED that this Court shall retain jurisdiction to hear and determine all matters arising from or related to this Order.

Dated: New York, New York
February 22, 2012

s/ James M. Peck
Honorable James M. Peck
United States Bankruptcy Judge

Exhibit 67

UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

In re:	Chapter 11 Case No.
Lehman Brothers Holdings Inc., et al.,	08-13555
Debtors.	

NOVEMBER 2012 POST-EFFECTIVE OPERATING REPORT

NOVEMBER 2012
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
SCHEDULE OF PROFESSIONAL FEE AND EXPENSE DISBURSEMENTS

DEBTORS' ADDRESS: LEHMAN BROTHERS HOLDINGS INC.
c/o WILLIAM J. FOX
1271 AVENUE OF THE AMERICAS
40th FLOOR
NEW YORK, NY 10020

DEBTORS' ATTORNEYS: WEIL, GOTSHAL & MANGES LLP
c/o HARVEY R. MILLER, LORI R. FIFE
767 FIFTH AVENUE
NEW YORK, NY 10153

REPORT PREPARER: LEHMAN BROTHERS HOLDINGS INC., AS PLAN ADMINISTRATOR

Date: December 26, 2012

Indicate if this is an amended statement by checking here: AMENDED STATEMENT ☐

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Lehman Brothers Holdings Inc. ("LBHI") and Other Debtors and Other Controlled Entities
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LBHI
Basis of Presentation – Schedule of Professional Fee and Expense Disbursements ……. 11
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SCHEDULE OF DEBTORS

The following entities (the "Debtors") filed for bankruptcy in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"). On December 6, 2011, the Bankruptcy Court confirmed the Modified Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and its Affiliated Debtors (the "Plan"). On March 6, 2012, the "Effective Date" (as defined in the Plan) occurred. The Debtors' Chapter 11 cases remain open as of the date hereof.

	Case No.	Date Filed
Lehman Brothers Holdings Inc. ("LBHI")	08-13555	9/15/2008
LB 745 LLC	08-13600	9/16/2008
PAMI Statler Arms LLC	08-13664	9/23/2008
Lehman Brothers Commodity Services Inc. ("LBCS")	08-13885	10/3/2008
Lehman Brothers Special Financing Inc. ("LBSF")	08-13888	10/3/2008
Lehman Brothers OTC Derivatives Inc. ("LOTC")	08-13893	10/3/2008
Lehman Brothers Derivative Products Inc. ("LBDP")	08-13899	10/5/2008
Lehman Commercial Paper Inc. ("LCPI")	08-13900	10/5/2008
Lehman Brothers Commercial Corporation ("LBCC")	08-13901	10/5/2008
Lehman Brothers Financial Products Inc.("LBFP")	08-13902	10/5/2008
Lehman Scottish Finance L.P.	08-13904	10/5/2008
CES Aviation LLC	08-13905	10/5/2008
CES Aviation V LLC	08-13906	10/5/2008
CES Aviation IX LLC	08-13907	10/5/2008
East Dover Limited	08-13908	10/5/2008
Luxembourg Residential Properties Loan Finance S.a.r.l.	09-10108	1/7/2009
BNC Mortgage LLC	09-10137	1/9/2009
LB Rose Ranch LLC	09-10560	2/9/2009
Structured Asset Securities Corporation	09-10558	2/9/2009
LB 2080 Kalakaua Owners LLC	09-12516	4/23/2009
Merit LLC	09-17331	12/14/2009
LB Somerset LLC	09-17503	12/22/2009
LB Preferred Somerset LLC	09-17505	12/22/2009

The Company has established an email address to receive questions from readers regarding this presentation. The Company plans to review questions received and for those subjects which the Company determines a response would not (i) violate a confidentiality provision, (ii) place the Company in a competitive or negotiation disadvantage, or (iii) be unduly burdensome, the Company shall endeavor to post a response (maintaining the anonymity of the question origination) on the Epiq website maintained for the Company, www.lehman-docket.com. The Company assumes no obligation to respond to e-mail inquiries. Please provide questions in clear language with document references, and email to QUESTIONS@lehmanholdings.com.

LEHMAN BROTHERS HOLDINGS INC. ("LBHI") AND OTHER DEBTORS AND DEBTOR-CONTROLLED ENTITIES

BASIS OF PRESENTATION
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
NOVEMBER 1, 2012 – NOVEMBER, 30 2012

The information and data included in this November 2012 Post-Effective Operating Report (the "Operating Report") are derived from sources available to Lehman Brothers Holdings Inc. ("LBHI"), as Plan Administrator, and its Controlled Entities (collectively, the "Company"). The term "Controlled Entities" refers to those entities that are directly or indirectly controlled by LBHI, and excludes, among others, those entities that are under separate administrations in the United States or abroad and excludes Aurora Bank FSB, which is indirectly controlled by LBHI. LBHI and certain of its Controlled Entities had filed for protection under Chapter 11 of the Bankruptcy Code, and those entities are referred to herein as the "Debtors". The Debtors' Chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure. LBHI has prepared this Operating Report, which includes certain information as required by the Office of the US Trustee, based on the information available to LBHI at this time, but note that such information may be incomplete and may be materially deficient in certain respects. This Operating Report is not meant to be relied upon as a complete description of the Debtors, their business, condition (financial or otherwise), results of operations, prospects, assets or liabilities. LBHI reserves all rights to revise this report.

Other items:

1. This Operating Report is not prepared in accordance with U.S. generally accepted accounting principles (GAAP), is not audited and will not be subject to audit or review by the Company's external auditors at any time in the future. Cash balances and activity denominated in foreign currencies have been converted to US Dollars.

2. Beginning and ending balances include cash in demand-deposit accounts (DDA), money-market funds (MMF), treasury bills and other investments.

3. Beginning and ending cash balances are based on preliminary closing numbers and are subject to adjustment.

4. Beginning and ending cash and investment balances exclude the following:
   - Cash posted as collateral for hedging activity;
   - Cash related to LBHI's wholly-owned indirect subsidiary Aurora Bank FSB;
   - Cash held at real estate owned properties or at third party managers; and
   - Cash held at Archstone Enterprise LP and its subsidiaries.

5. Restricted cash balances are based on preliminary estimates and are comprised of the following items as of November 30, 2012:

($ in millions)	Debtors LBHI	LBSF	LCPI	Other	Total	Debtor-Controlled Entities	Total Debtors and Debtor-Controlled Entities
Reserves for Claims:							
Disputed unsecured claims	$ 2,010	$ 2,235	$ 64	$ 1,494	$ 5,803	$ -	$ 5,803
Priority tax claims (1)	2,200	117	0	5	2,322	-	2,322
Distributions on Allowed Claims (not remitted) (2)	130	138	137	8	412	-	412
Secured, Admin, Priority Claims and Other (3)	1,527	54	69	32	1,682	-	1,682
Subtotal, Claims Reserves	5,867	2,543	270	1,538	10,218	-	10,218
Cash pledged to JPMorgan (CDA) (4)	316	-	-	-	316	-	316
Citigroup and HSBC (5)	2,037	-	-	-	2,037	-	2,037
Woodlands and LB Bancorp (6)	-	-	-	-	-	577	577
Other (7)	245	86	50	32	412	114	526
Total	**$ 8,466**	**$ 2,629**	**$ 319**	**$ 1,570**	**$ 12,984**	**$ 690**	**$ 13,674**

Totals may not foot due to rounding.

(1) On November 1, 2012, the Debtors settled an asserted priority tax claim of $627 million by the City of New York for $113 million.

(2) Represents distributions to creditors of Allowed Claims that were not paid related to the first distribution on April 17, 2012 and the second distribution on October 1, 2012. The $412 million is comprised of approximately $234 million for distributions held pending resolution on various items described in settlement agreements with certain Non-Controlled Affiliates and approximately $178 million related to (i) claimants who failed to submit the proper taxpayer identification number forms and/or Office of Foreign Asset Control ("OFAC") forms and (ii) resolution of other open items.

(3) Includes approximately $1.2 billion reserved at LBHI for a disputed claim of the Federal Home Loan Mortgage Corporation that was asserted with priority status, $172 million related to post-petition intercompany payables, $90 million related to secured claims, $28 million related to administrative claims and $184 million related to other administrative activity and other.

(4) Represents $316 million of cash deposited into accounts by LBHI and pledged to JPMorgan ("JPM") pursuant to paragraph 6(b) of the Collateral Disposition Agreement ("CDA") with JPM effective March 31, 2010; related to, but not limited to, clearance exposures, derivative exposures and contingent letters of credit exposures, pending resolution of these items.

(5) Represents cash deposited on or prior to September 15, 2008 by the Company in connection with certain requests and/or documents executed by the Company and Citibank N.A. of approximately $2 billion and HSBC Bank PLC of $30 million, including interest earned thereon.

(6) Represents cash at Woodlands Commercial Corporation ("Woodlands") of $545 million and its parent company, Lehman Brothers Bancorp Inc., a savings and loan holding company, of $32 million, subject to various regulations and supervision by the Federal Reserve Board of Governors.

(7) Other includes (i) various pre-petition balances on administrative hold by certain financial institutions of $105 million; (ii) asserted misdirected wires and other cash received by LBHI for the benefit of third parties and Non-Controlled Affiliates of approximately $115 million; (iii) cash collected by LBSF on derivative trades which collateralize certain notes of approximately $85 million; (iv) cash collected by LCPI on behalf of a third party for $42 million related to a loan participation agreement; (v) net cash

collections on assets reported on the books of LBHI and LCPI related to Intercompany-Only Repurchase transactions of approximately $16 million; (vi) cash received by LBHI related to securities transferred to LBHI under the CDA with JPM of approximately $23 million; and (vii) other cash required to be restricted by various agreements of $140 million.

Restricted cash balances herein do not include other cash reserves required for operating expenses, asset preservation and other commitments (e.g. unfunded loans or anticipated investments).

LEHMAN BROTHERS HOLDINGS INC. and other Debtors and Debtor-Controlled Entities
Summary Schedule of Cash Receipts and Disbursements
November 1, 2012 - November 30, 2012

Unaudited ($ in millions, foreign currencies reflected in USD equivalents)

	Debtors					Debtor-Controlled Entities				Total Debtors and Debtor-Controlled Entities
	LBHI	LBSF	LCPI	Other	Total	LB I Group	PAMI	Other	Total	
Beginning Free Cash and Investments (11/1/12)	$ 1,417	$ 584	$ 747	$ 32	$ 2,780	$ 201	$ 52	$ 1,447	$ 1,700	$ 4,480
Restricted Cash	9,105	2,621	352	1,570	13,647	-	-	688	688	14,336
Beginning Total Cash and Investments	10,522	3,204	1,099	1,602	16,427	201	52	2,135	2,388	18,815
Sources of Cash										
Commercial Real Estate	23	-	79	-	102	-	9	22	31	134
Loans (Corporate and Residential)	7	-	265	-	272	-	-	2	2	275
Private Equity / Principal Investing	44	-	1	-	45	68	-	26	94	139
Derivatives	1	89	-	41	130	-	-	(1)	(1)	129
Receipts from Affiliates	19	-	-	-	19	-	-	-	-	19
Other	5	1	(29)	(1)	(24)	0	0	1	1	(23)
Total Sources of Cash	100	90	316	40	546	69	9	50	128	674
Uses of Cash										
Non-Operating										
Commercial Real Estate	(1)	-	(4)	-	(6)	-	(8)	(12)	(20)	(26)
Loans (Corporate and Residential)	-	-	(19)	-	(19)	-	-	-	-	(19)
Private Equity / Principal Investing	(0)	-	(0)	-	(0)	(3)	-	-	(3)	(3)
Derivatives	-	(0)	-	-	(0)	-	-	-	-	(0)
Payments to Creditors	(108)	-	-	-	(108)	-	-	(7)	(7)	(115)
Other	(3)	-	(0)	(0)	(3)	-	-	(0)	(0)	(3)
Operating Expenses	(47)	(0)	(1)	(0)	(48)	(0)	(0)	(6)	(6)	(54)
Total Uses of Cash	(159)	(0)	(24)	(0)	(183)	(3)	(9)	(25)	(37)	(221)
Net Cash Flow	(59)	90	292	40	362	65	1	25	91	453
Inter-Company Transfers, Net	(156)	37	50	19	(50)	38	(3)	15	50	0
Transfers from (to) Securitization Trustee	-	-	(0)	-	(0)	-	-	-	-	(0)
Loan Agencies, Net	(0)	-	1	-	1	-	-	-	-	1
FX Fluctuation	(0)	0	(0)	(0)	(0)	-	-	(1)	(1)	(1)
Ending Total Cash and Investments	10,306	3,331	1,442	1,661	16,740	304	50	2,175	2,528	19,268
Restricted Cash	(8,466)	(2,629)	(319)	(1,570)	(12,984)	-	-	(690)	(690)	(13,674)
Ending Free Cash and Investments (11/30/12)	$ 1,840	$ 702	$ 1,123	$ 92	$ 3,756	$ 304	$ 50	$ 1,484	$ 1,838	$ 5,594

All values that are exactly zero are shown as "-". Values between zero and $0.5 million appear as "0".
Totals may not foot due to rounding.

LEHMAN BROTHERS HOLDINGS INC. and other Debtors and Debtor-Controlled Entities
Schedule of Cash Receipts and Disbursements
November 1, 2012 - November 30, 2012

Unaudited ($ in millions, foreign currencies reflected in USD equivalents)

		Debtors					Debtor-Controlled Entities				Total Debtors and Debtor-Controlled Entities
		LBHI	LBSF	LCPI	Other	Total	LB I Group	PAMI	Other	Total	
Beginning Free Cash and Investments (11/1/12)		**$ 1,417**	**$ 584**	**$ 747**	**$ 32**	**$ 2,780**	**$ 201**	**$ 52**	**$ 1,447**	**$ 1,700**	**$ 4,480**
Restricted Cash		9,105	2,621	352	1,570	**13,647**	-	-	688	**688**	**14,336**
Beginning Total Cash and Investments		**10,522**	**3,204**	**1,099**	**1,602**	**16,427**	**201**	**52**	**2,135**	**2,388**	**18,815**
Sources of Cash											
Commercial Real Estate											
Principal	(a)	7	-	75	-	**81**	-	8	22	**29**	**111**
Interest		16	-	4	-	**21**	-	2	0	**2**	**23**
Loans (Corporate and Residential)											
Principal	(b)	5	-	262	-	**268**	-	-	0	**0**	**268**
Interest		2	-	3	-	**5**	-	-	2	**2**	**7**
Private Equity / Principal Investing											
Principal		39	-	1	-	**40**	68	-	26	**94**	**135**
Interest and Dividends		5	-	0	-	**5**	-	-	-	**-**	**5**
Derivatives											
Return / (Posting) of Hedging Collateral, net		-	(6)	-	2	**(4)**	-	-	(1)	**(1)**	**(5)**
Collections from Live / Terminated Trades	(c)	1	102	-	38	**141**	-	-	0	**0**	**141**
Other		-	(7)	-	-	**(7)**	-	-	-	**-**	**(7)**
Receipts from Affiliates											
Distributions from Non-Controlled Affiliates		19	-	-	-	**19**	-	-	-	**-**	**19**
Other											
Interest	(d)	2	1	(2)	(1)	**0**	0	0	0	**0**	**1**
Other	(e)	3	-	(27)	-	**(24)**	-	-	1	**1**	**(23)**
Total Sources of Cash		**100**	**90**	**316**	**40**	**546**	**69**	**9**	**50**	**128**	**674**

All values that are exactly zero are shown as "-". Values between zero and $0.5 million appear as "0".
Totals may not foot due to rounding.

LEHMAN BROTHERS HOLDINGS INC. and other Debtors and Debtor-Controlled Entities
Schedule of Cash Receipts and Disbursements
November 1, 2012 - November 30, 2012

Unaudited ($ in millions, foreign currencies reflected in USD equivalents)

		Debtors					Debtor-Controlled Entities				Total Debtors and Debtor-Controlled Entities
		LBHI	LBSF	LCPI	Other	Total	LB I Group	PAMI	Other	Total	
Uses of Cash											
Non-Operating											
Commercial Real Estate											
Preservation of Assets		(1)	-	(4)	-	**(6)**	-	(8)	(12)	**(20)**	**(26)**
Loans (Corporate and Residential)											
Preservation of Assets		-	-	(19)	-	**(19)**	-	-	-	**-**	**(19)**
Private Equity / Principal Investing											
Capital Calls		(0)	-	(0)	-	**(0)**	(3)	-	-	**(3)**	**(3)**
Derivatives											
Payments on Live Trades		-	(0)	-	-	**(0)**	-	-	-	**-**	**(0)**
Payments to Creditors											
Plan Distributions	(f)	(108)	-	-	-	**(108)**	-	-	-	**-**	**(108)**
Payments to Creditors - Non Controlled Affiliates		-	-	-	-	**-**	-	-	(7)	**(7)**	**(7)**
Other											
Other		(3)	-	(0)	(0)	**(3)**	-	-	(0)	**(0)**	**(3)**
Operating Expenses	(g)										
Compensation and Benefits	(h)	(8)	-	-	-	**(8)**	-	-	(3)	**(3)**	**(11)**
Professional Fees	(i)	(35)	-	(0)	-	**(35)**	(0)	(0)	(0)	**(1)**	**(35)**
Other	(j)	(4)	(0)	(0)	(0)	**(5)**	(0)	(0)	(2)	**(3)**	**(8)**
Total Uses of Cash		**(159)**	**(0)**	**(24)**	**(0)**	**(183)**	**(3)**	**(9)**	**(25)**	**(37)**	**(221)**
Net Cash Flow		**(59)**	**90**	**292**	**40**	**362**	**65**	**1**	**25**	**91**	**453**
Inter-Company Receipts	(k)	19	37	65	19	**141**	38	-	31	**69**	**210**
Inter-Company Disbursements	(k)	(175)	(1)	(15)	-	**(191)**	-	(3)	(16)	**(19)**	**(210)**
Transfers from (to) Securitization Trustee		-	-	(0)	-	**(0)**	-	-	-	**-**	**(0)**
Loan Agencies, Net		(0)	-	1	-	**1**	-	-	-	**-**	**1**
FX Fluctuation		(0)	0	(0)	(0)	**(0)**	-	-	(1)	**(1)**	**(1)**
Ending Total Cash and Investments	(l)	**10,306**	**3,331**	**1,442**	**1,661**	**16,740**	**304**	**50**	**2,175**	**2,528**	**19,268**
Restricted Cash	(m)	(8,466)	(2,629)	(319)	(1,570)	**(12,984)**	-	-	(690)	**(690)**	**(13,674)**
Ending Free Cash and Investments (11/30/12)		**$ 1,840**	**$ 702**	**$ 1,123**	**$ 92**	**$ 3,756**	**$ 304**	**$ 50**	**$ 1,484**	**$ 1,838**	**$ 5,594**

All values that are exactly zero are shown as "-". Values between zero and $0.5 million appear as "0".

LEHMAN BROTHERS HOLDINGS INC. and other Debtors and Debtor-Controlled Entities
Schedule of Cash Receipts and Disbursements
November 1, 2012 - November 30, 2012

Unaudited ($)

Notes:

(a) Primarily includes cash received from principal pay downs related to Commercial Real Estate assets.

(b) Primarily reflects cash received from the sale of assets and principal paydowns related to Corporate Loan assets, including $130 million proceeds from the sale of the Tribune Company term loan.

(c) Includes collections on live and terminated trades, net of purchases of SPV notes.

(d) Includes interest collected on short term investments, net of purchased interest, and amortization on treasury investments.

(e) Primarily includes net return / (posting) of collateral for FX hedging.

(f) Includes $113 million related to the settlement of an asserted priority tax claim of $627 million by the City of New York, net of return payments from Plan Distributions.

(g) A portion of the Operating Expenses paid by LBHI is subject to allocations to, and reimbursement from, various Controlled Entities.

(h) Compensation and Benefits includes Company's employees expenses as well as monthly fees paid to Alvarez & Marsal as interim management.

(i) Includes approximately $12 million of professional fees approved by the Bankruptcy Court under section 503(b) of the bankruptcy code. Approximately $35 million of professional fees and expenses related to holdback and final fee applications have been approved by the fee examiner and are expected to be paid in December 2012. Additionally, incentive and other fees of approximately $87 million have been approved and are expected to be paid in December 2012.

(j) Primarily includes expenses related to outsourced services and IT, occupancy, taxes, insurance and other operating disbursements.

(k) Primarily includes the transfer from LBHI to certain Debtors and Debtor-Controlled Entities of $126 million for excess cash reserves related to the settlement of an asserted priority tax claim with the City of New York. Intercompany transfers also include partial repayments on intercompany balances and other administrative activities.

(l) Other Debtor-Controlled Entities - Other Ending Cash and Investments at November 30, 2012 includes $668 million of cash balances at Controlled Entities in Asia.

(m) The decrease in LBHI restricted cash balance primarily relates to the release of tax reserves as a result of the settlement (for $113 million) of an asserted priority tax claim of $627 million by the City of New York.

LEHMAN BROTHERS HOLDINGS INC. ("LBHI") AND OTHER DEBTORS AND DEBTOR-CONTROLLED ENTITIES

BASIS OF PRESENTATION
SCHEDULE OF PROFESSIONAL FEE AND EXPENSE DISBURSEMENTS
FROM SEPTEMBER 15, 2008 TO NOVEMBER 30, 2012

The information and data included in this November 2012 Post-Effective Operating Report (the "Operating Report") are derived from sources available to Lehman Brothers Holdings Inc. ("LBHI"), as Plan Administrator and its Controlled Entities (collectively, the "Company"). The term "Controlled Entities" refers to those entities that are directly or indirectly controlled by LBHI, and excludes, among others, those entities that are under separate administrations in the United States or abroad, and Aurora Bank FSB, which is indirectly controlled by LBHI. LBHI and certain of its Controlled Entities had filed for protection under Chapter 11 of the Bankruptcy Code, and those entities are referred to herein as the "Debtors". The Debtors' Chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure. LBHI has prepared this Operating Report, including certain information as required by the Office of the United States Trustee, based on the information available to LBHI at this time, but note that such information may be incomplete and may be materially deficient in certain respects. This Operating Report is not meant to be relied upon as a complete description of the Debtors, their business, condition (financial or otherwise), results of operations, prospects, assets or liabilities. LBHI reserves all rights to revise this report.

1. This Operating Report is not prepared in accordance with U.S. generally accepted accounting principles (GAAP), is not audited and will not be subject to audit or review by the Company's external auditors at any time in the future.

2. The professional fee disbursements presented in this report reflect the date of actual cash payments to professional service providers. The Company has incurred additional professional fee expenses during the reporting period that will be reflected in future Operating Reports as cash payments are made to providers.

3. The professional fee disbursements presented in this report have primarily been paid by LBHI; a portion of these fees have been and will be allocated to Debtors and certain Controlled Entities based on the dedicated costs associated with each entity and an allocation methodology.

4. This Operating Report includes disbursements for services rendered on or prior to March 6, 2012 ("Pre-Effective Date") and subsequent to March 6, 2012 ("Post-Effective Date"). Professional fees incurred Post- Effective Date are paid in accordance with the terms of the engagement of each professional as agreed to with LBHI, as Plan Administrator.

LEHMAN BROTHERS HOLDINGS INC. and Other Debtors and Other Controlled Entities
Schedule of Professional Fee and Expense Disbursements
For Services Rendered Pre-Effective Date
November 2012 (a)

Unaudited ($ in thousands)		For services rendered Pre-Effective Date			
		Nov-2012		Sept-2008 Through Nov-2012	
Debtors - Claims and Noticing Agent					
Epiq Bankruptcy Solutions LLC	Claims Management and Noticing Agent	$ -		$ 28,773	
Debtors - Section 363 Professionals					
Alvarez & Marsal LLC	Interim Management	-		535,520	
Debtors - Section 327 Professionals					
Akerman Senterfit	Special Counsel - Mortgage Litigation and Claims	-		26	
Bingham McCutchen LLP	Special Counsel - Tax	-		24,199	
Bortstein Legal LLC	Special Counsel - IT and Other Vendor Contracts	-		4,144	
Curtis, Mallet-Prevost, Colt & Mosle LLP	Special Counsel - Conflicts	-		50,166	
Dechert LLP	Special Counsel - Real Estate	-		7,736	
Deloitte LLP	Tax Services	-		924	
Ernst & Young LLP	Audit and Tax Services	-		1,734	
Foster, Graham, Milstein & Calisher, LLP	Special Counsel - Mortgage Litigation and Claims	-		819	
Fried, Frank, Harris, Shriver & Jacobson LLP	Special Counsel - Real Estate	-		496	
Gibson Dunn & Crutcher LLP	Special Counsel - Real Estate	-		3,670	
Hardinger & Tenenholz LLP	Special Counsel - Discovery	-		194	
Jones Day	Special Counsel - Asia and Domestic Litigation	-		65,697	
Kasowitz, Benson, Torres & Friedman	Special Counsel - Litigation	-		2,687	
Kleyr Grasso Associes	Special Counsel - UK	-		1,078	
Kramer Levin Naftalis and Frankel LLP	Special Counsel - Employee Matters	-		197	
Krebsbach & Snyder, P.C.	Special Counsel - Litigation	-		598	
Lazard Freres & Co.	Investment Banking Advisor	-		31,773	
Locke Lord Bissell & Liddell LLP	Special Counsel - Mortgage Litigation and Claims	-		1,708	
McKenna Long & Aldridge LLP	Special Counsel - Commercial Real Estate Lending	-		5,851	
MMOR Consulting	Tax Services	-		1,012	
Momo-o, Matsuo & Namba	Special Counsel - Asia	-		674	
Moulton Bellingham P. C.	Special Counsel - Mortgage Litigation and Claims	-		691	
O'Neil Group	Tax Services	-		3,288	
Paul, Hastings, Janofsky & Walker LLP	Special Counsel - Real Estate	-		3,460	
Pricewaterhouse Coopers LLP	Tax Services	-		2,531	
Reed Smith LLP	Special Counsel - Insurance	-		1,235	
Reilly Pozner LLP	Special Counsel - Mortgage Litigation and Claims	-		9,113	
Simpson Thacher & Bartlett LLP	Special Counsel - SEC Reporting, Asset Sales, and Congressional Testimony	-		2,820	
SNR Denton LLP	Special Counsel - Real Estate	-		2,524	
Sutherland LLP	Special Counsel - Tax	-		969	
Weil Gotshal & Manges LLP	Lead Counsel	-		419,228	
Windels Marx Lane & Mittendorf, LLP	Special Counsel - Real Estate	-		3,403	
Wollmuth Maher & Deutsch LLP	Special Counsel - Derivatives	-		1,951	
Creditors - Section 327 Professionals					
FTI Consulting Inc.	Financial Advisor	-		90,330	
Houlihan Lokey Howard & Zukin Capital Inc.	Investment Banking Advisor	-		17,410	
Milbank Tweed Hadley & McCloy LLP	Lead Counsel	-		140,320	
Quinn Emanuel Urquhart Oliver & Hedges LLP	Special Counsel - Conflicts	-		35,803	
Richard Sheldon, Q.C.	Special Counsel - UK	-		378	
Examiner - Section 327 Professionals					
Duff & Phelps LLC	Financial Advisor	-		43,210	
Jenner & Block LLP	Examiner	-		59,454	
Fee Examiner					
Godfrey & Kahn, S.C.	Fee Examiner (Current)	440	(c)	7,434	
503(B) - Substantial Contribution Fees (b)					
AlixPartners and Molinaro Advisors	LBHI Ad Hoc Group	2,824		2,824	
Blackstone Advisory Partners LP	LBSF Working Group	-		12,710	
Brown Rudnick LLP	LBT Ad Hoc Group	-		3,306	
Goldman Sachs Lending Partners LLC	LBSF	-		3,112	
White & Case LLP	LBHI Ad Hoc Group	9,519		9,519	
Total Non-Ordinary Course Professionals		**12,783**		**1,646,704**	
Inactive Non-Ordinary Course Professionals		**-**		**62,291**	(e)
Debtors - Ordinary Course Professionals		**-**		**46,871**	
Other Professionals		**29**	(d)	**10,630**	
US Trustee Quarterly Fees		**-**		**1,959**	
Total Pre-Effective Date Professional Fees and UST Fees		**$ 12,812**		**$ 1,768,455**	

(a) Approximately $35 million of professional fees and expenses related to holdback and final fee applications have been approved by the fee examiner and are expected to be paid in December 2012. Additionally, incentive and other fees of approximately $87 million have been approved and are expected to be paid in December 2012.
(b) Reflects professional fees approved by the Bankruptcy Court under section 503(b) of the bankruptcy code.
(c) Includes services rendered subsequent to March 2012 for the review of professional fee and expenses incurred during the Pre-Effective Date period.
(d) Includes disbursements to various professionals not subject to court retention.
(e) Clyde Click, P.C. and Gleacher have been reclassified and will be included in Inactive Non-Ordinary Course Professionals in future presentations.

LEHMAN BROTHERS HOLDINGS INC. and Other Debtors and Other Controlled Entities
Schedule of Professional Fee and Expense Disbursements
For Services Rendered Post-Effective Date
November 2012 (a)

Unaudited ($ in thousands)		**For services rendered Post-Effective Date**		
		Nov-2012	**March 7, 2012 - Nov-2012**	
Alvarez & Marsal LLC	Interim Management	$ 5,216	$ 43,987	
Professional Fees				
Bingham McCutchen LLP	Special Counsel - Tax	948	4,128	
Curtis, Mallet-Prevost, Colt & Mosle LLP	Special Counsel - Conflicts	-	4,590	
Epiq Bankruptcy Solutions LLC	Claims Management and Noticing Agent	1,168	4,429	
FTI Consulting Inc.	Financial Advisor - Creditors & Tax	767	1,151	
Houlihan Lokey Howard & Zukin Capital Inc.	Investment Banking Advisor	-	441	
Jones Day	Special Counsel - Asia and Domestic Litigation	-	1,825	
Lazard Freres & Co.	Investment Banking Advisor	-	150	
Milbank Tweed Hadley & McCloy LLP	Lead Counsel - Creditors	-	2,626	
Pachulski Stang Ziehl & Jones	Special Counsel - Real Estate	671	1,014	
Quinn Emanuel Urquhart Oliver & Hedges LLP	Special Counsel - Conflicts	1,054	4,076	
Skadden, Arps, Slate, Meagher & Flom LLP	Board of Directors Counsel	-	958	
Weil Gotshal & Manges LLP	Lead Counsel - Debtors	13,166	24,011	
Wollmuth Maher & Deutsch LLP	Special Counsel - Derivatives	104	1,157	
US Trustee Quarterly Fees		229	531	
Other Professionals - Legal	Various	3,122	22,039	(b)
Other Professionals - Non-Legal	Various	1,025	6,664	(b)
Other Professionals - Asia	Various	468	2,313	(b)
Sub-total Professional Fees		**22,723**	**82,102**	
Total Post-Effective Date Professional Fees - Including Alvarez & Marsal		**$ 27,939**	**$ 126,089**	

(a) Additional professional fee expenses have been incurred and are under review by the Company; these expenses will be reflected in future Operating Reports as cash payments are made to professionals.
(b) Includes disbursements to over 100 vendors of which the majority of these payments were less than $150,000.

Exhibit 68

UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

In re:	Chapter 11 Case No.
Lehman Brothers Holdings Inc., et al.,	08-13555
Debtors.	

FIRST POST-CONFIRMATION OPERATING REPORT

MARCH 2012
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
SCHEDULE OF PROFESSIONAL FEE AND EXPENSE DISBURSEMENTS

DEBTORS' ADDRESS:	LEHMAN BROTHERS HOLDINGS INC. c/o WILLIAM J. FOX 1271 AVENUE OF THE AMERICAS 40th FLOOR NEW YORK, NY 10020
DEBTORS' ATTORNEYS:	WEIL, GOTSHAL & MANGES LLP c/o HARVEY R. MILLER 767 FIFTH AVENUE NEW YORK, NY 10153
REPORT PREPARER:	LEHMAN BROTHERS HOLDINGS INC., AS PLAN ADMINISTRATOR

Date: April 27, 2012

Indicate if this is an amended statement by checking here: AMENDED STATEMENT ☐

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LBHI
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08-13555-mg Doc 27848 Filed 04/27/12 Entered 04/27/12 17:06:45 Exhibit 68
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SCHEDULE OF DEBTORS

The following entities (the "Debtors") filed for bankruptcy in the Southern District of New York. On December 6, 2011, the United States Bankruptcy Court (the "Bankruptcy Court") confirmed the Modified Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and its Affiliated Debtors (the "Plan"). On March 6, 2012, the "Effective Date" (as defined in the Plan) occurred. The Debtors' Chapter 11 cases remain open as of the date hereof.

	Case No.	Date Filed
Lead Debtor:		
Lehman Brothers Holdings Inc. ("LBHI")	08-13555	9/15/2008
Related Debtors:		
LB 745 LLC	08-13600	9/16/2008
PAMI Statler Arms LLC	08-13664	9/23/2008
Lehman Brothers Commodity Services Inc. ("LBCS")	08-13885	10/3/2008
Lehman Brothers Special Financing Inc. ("LBSF")	08-13888	10/3/2008
Lehman Brothers OTC Derivatives Inc. ("LOTC")	08-13893	10/3/2008
Lehman Brothers Derivative Products Inc. ("LBDP")	08-13899	10/5/2008
Lehman Commercial Paper Inc. ("LCPI")	08-13900	10/5/2008
Lehman Brothers Commercial Corporation ("LBCC")	08-13901	10/5/2008
Lehman Brothers Financial Products Inc.("LBFP")	08-13902	10/5/2008
Lehman Scottish Finance L.P.	08-13904	10/5/2008
CES Aviation LLC	08-13905	10/5/2008
CES Aviation V LLC	08-13906	10/5/2008
CES Aviation IX LLC	08-13907	10/5/2008
East Dover Limited	08-13908	10/5/2008
Luxembourg Residential Properties Loan Finance S.a.r.l.	09-10108	1/7/2009
BNC Mortgage LLC	09-10137	1/9/2009
LB Rose Ranch LLC	09-10560	2/9/2009
Structured Asset Securities Corporation	09-10558	2/9/2009
LB 2080 Kalakaua Owners LLC	09-12516	4/23/2009
Merit LLC	09-17331	12/14/2009
LB Somerset LLC	09-17503	12/22/2009
LB Preferred Somerset LLC	09-17505	12/22/2009

LEHMAN BROTHERS HOLDINGS INC. ("LBHI") AND OTHER DEBTORS AND OTHER CONTROLLED ENTITIES

BASIS OF PRESENTATION
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
MARCH 1, 2012 – MARCH, 31 2012

The information and data included in this First Post-Confirmation Operating Report (the "Operating Report") are derived from sources available to Lehman Brothers Holdings Inc. (as Plan Administrator) ("LBHI") and its Controlled Entities (collectively, the "Company"). The term "Controlled Entities" refers to those entities that are directly or indirectly controlled by LBHI, and excludes, among others, those entities that are under separate administrations in the United States or abroad and excludes Aurora Bank FSB, which is indirectly controlled by LBHI. LBHI and certain of its Controlled Entities had filed for protection under Chapter 11 of the Bankruptcy Code, and those entities are referred to herein as the "Debtors". The Debtors' Chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure. LBHI has prepared this Operating Report, which includes certain information as required by the Office of the US Trustee, based on the information available to LBHI at this time, but note that such information may be incomplete and may be materially deficient in certain respects. This Operating Report is not meant to be relied upon as a complete description of the Debtors, their business, condition (financial or otherwise), results of operations, prospects, assets or liabilities. LBHI reserves all rights to revise this report.

1. This Operating Report is not prepared in accordance with U.S. generally accepted accounting principles (GAAP). This report should be read in conjunction with previously filed Form 8-K reports as filed with the United States Securities Exchange Commission ("SEC").

2. This Operating Report is not audited and will not be subject to audit or review by the Company's external auditors at any time in the future.

3. Beginning and ending balances include cash in demand-deposit accounts (DDA), money-market funds (MMF), treasury bills and other investments.

4. Beginning and ending cash balances are based on preliminary closing numbers and are subject to adjustment.

5. Beginning and ending cash and investment balances exclude the following:

   - Cash posted as collateral for hedging activity;
   - Cash related to LBHI's wholly-owned indirect subsidiary Aurora Bank FSB;
   - Cash held at real estate owned properties or at third party managers;
   - Cash transferred on or prior to September 15, 2008 by the Company in connection with certain requests by, and documents executed by, the Company and Citigroup Inc. and HSBC Bank PLC currently recorded at $2 billion and $30 million, respectively; and
   - Approximately $500 million of cash that was seized by Bank of America ("BOA") post-petition to offset derivative claims against certain Debtors and corresponding guarantee claims against LBHI. Per the Court-approved settlement agreement with BOA, BOA released approximately $356 million of these seized funds, including interest to LBHI in April 2012, net of approximately $145 million which was used to offset claims by BOA against LBHI.

6. Restricted cash balances are based on preliminary estimates of cash in co-mingled or segregated accounts associated with pledged assets, court ordered segregated accounts, funds administratively held by banks, funds reserved for certain tax claims and other identified funds which may not belong to the Debtors or other Controlled Entities.

LEHMAN BROTHERS HOLDINGS INC. and Other Debtors and Other Controlled Entities
Summary Schedule of Cash Receipts and Disbursements
March 1, 2012 - March 31, 2012

Unaudited ($ in millions, foreign currencies reflected in USD equivalents)

	Debtors					Other Controlled Entities				Total Debtors and Other Controlled Entities
	LBHI	LBSF	LCPI	Other	Total	LB1 Grp	PAMI	Other	Total	
Beginning Free Cash and Investments (2/29/12)	**$ 6,299**	**$ 9,538**	**$ 4,503**	**$ 3,704**	**$ 24,044**	**$ 566**	**$ 3**	**$ 1,912**	**$ 2,481**	**$ 26,525**
Restricted Cash	1,643	731	28	59	**2,462**	-	-	525	**525**	**2,986**
Beginning Total Cash and Investments	**7,942**	**10,270**	**4,531**	**3,763**	**26,506**	**566**	**3**	**2,437**	**3,006**	**29,512**
Sources of Cash										
Derivatives	-	194	5	45	**243**	-	-	2	**2**	**245**
Loans	10	1	228	-	**239**	-	-	1	**1**	**240**
Private Equity / Principal Investing	268	-	37	-	**305**	42	-	631	**673**	**978**
Real Estate	10	-	86	-	**96**	6	23	37	**65**	**161**
Other	1,722	4	4	39	**1,769**	2	-	35	**36**	**1,806**
Total Sources of Cash	**2,010**	**198**	**360**	**83**	**2,651**	**49**	**23**	**706**	**778**	**3,429**
Uses of Cash										
Non-Operating (Principally Preservation of Assets)										
Derivatives	-	(21)	-	-	**(21)**	-	-	-	**-**	**(21)**
Loans	-	-	(77)	-	**(77)**	-	-	(3)	**(3)**	**(80)**
Private Equity / Principal Investing	(0)	-	-	-	**(0)**	(5)	-	-	**(5)**	**(5)**
Real Estate	(4)	-	(53)	-	**(57)**	-	(5)	(12)	**(17)**	**(74)**
Payments to Creditors	-	(651)	-	-	**(651)**	-	-	(0)	**(0)**	**(651)**
Other	(2)	-	(5)	-	**(8)**	-	(1)	(3)	**(4)**	**(11)**
Operating Expenses	(32)	(1)	(1)	-	**(33)**	-	(0)	(10)	**(11)**	**(44)**
Total Uses of Cash	**(38)**	**(672)**	**(136)**	**-**	**(847)**	**(5)**	**(6)**	**(29)**	**(40)**	**(886)**
Net Cash Flow	**1,972**	**(474)**	**224**	**83**	**1,804**	**44**	**17**	**677**	**739**	**2,543**
Inter-Company Transfers, Net	424	(243)	955	5	**1,141**	(346)	-	(795)	**(1,141)**	**-**
Transfers to/from Securitization Trustee	-	-	(41)	-	**(41)**	-	-	-	**-**	**(41)**
Loan Agencies, Net	-	-	2	-	**2**	-	-	-	**-**	**2**
FX Fluctuation	(0)	0	0	-	**0**	-	-	(3)	**(3)**	**(3)**
Ending Total Cash and Investments	**10,337**	**9,553**	**5,671**	**3,851**	**29,413**	**264**	**20**	**2,316**	**2,600**	**32,013**
Restricted Cash	(3,138)	(77)	(28)	(53)	**(3,297)**	-	-	(523)	**(523)**	**(3,819)**
Ending Free Cash and Investments (3/31/12)	**$ 7,199**	**$ 9,476**	**$ 5,643**	**$ 3,798**	**$ 26,116**	**$ 264**	**$ 20**	**$ 1,793**	**$ 2,077**	**$ 28,194**

All values that are exactly zero are shown as "-". Values between zero and $0.5 million appear as "0".
Totals may not foot due to rounding.

LEHMAN BROTHERS HOLDINGS INC. and Other Debtors and Other Controlled Entities
Schedule of Cash Receipts and Disbursements
March 1, 2012 - March 31, 2012

Unaudited ($ in millions, foreign currencies reflected in USD equivalents)

		Debtors					Other Controlled Entities				Total Debtors and Other Controlled Entities
		LBHI	LBSF	LCPI	Other	Total	LB1 Grp	PAMI	Other (a)	Total	
Beginning Free Cash and Investments (3/1/12)		**$ 6,299**	**$ 9,538**	**$ 4,503**	**$ 3,704**	**$ 24,044**	**$ 566**	**$ 3**	**$ 1,912**	**$ 2,481**	**$ 26,525**
Restricted Cash		1,643	731	28	59	**2,462**	-	-	525	**525**	**2,986**
Beginning Total Cash and Investments		**7,942**	**10,270**	**4,531**	**3,763**	**26,506**	**566**	**3**	**2,437**	**3,006**	**29,512**
Sources of Cash											
Derivatives											
Return of Hedging Collateral	(b)	-	10	-	3	**13**	-	-	-	**-**	**13**
Collections from Live / Terminated Trades	(c)	-	178	5	42	**224**	-	-	-	**-**	**224**
Other		-	6	-	-	**6**	-	-	2	**2**	**8**
Loans											
Principal	(d)	8	1	219	-	**227**	-	-	1	**1**	**228**
Interest		2	0	10	-	**11**	-	-	0	**0**	**12**
Private Equity / Principal Investing											
Principal	(e)	266	-	35	-	**301**	42	-	631	**673**	**974**
Interest		2	-	2	-	**4**	0	-	-	**0**	**4**
Real Estate											
Principal		6	-	82	-	**88**	6	23	34	**63**	**150**
Interest		4	-	4	-	**8**	-	-	3	**3**	**11**
Other											
Interest	(f)	2	4	3	1	**10**	(0)	-	(0)	**(0)**	**10**
Distributions from Non-Controlled Affiliates	(g)	1,658	-	-	38	**1,696**	-	-	32	**32**	**1,728**
Other	(h)	62	-	1	-	**63**	2	-	3	**4**	**67**
Total Sources of Cash		**2,010**	**198**	**360**	**83**	**2,651**	**49**	**23**	**706**	**778**	**3,429**

All values that are exactly zero are shown as "-". Values between zero and $0.5 million appear as "0".
Totals may not foot due to rounding.

LEHMAN BROTHERS HOLDINGS INC. and Other Debtors and Other Controlled Entities
Schedule of Cash Receipts and Disbursements
March 1, 2012 - March 31, 2012

Unaudited ($ in millions, foreign currencies reflected in USD equivalents)

		Debtors					Other Controlled Entities				Total Debtors and Other Controlled Entities
		LBHI	LBSF	LCPI	Other	Total	LB1 Grp	PAMI	Other	Total	
Uses of Cash											
Non-Operating (Principally Preservation of Assets)											
Derivatives											
Payments on Live Trades		-	(3)	-	-	**(3)**	-	-	-	**-**	**(3)**
Other	(i)	-	(18)	-	-	**(18)**	-	-	-	**-**	**(18)**
Loans											
Loan Fundings	(j)	-	-	(77)	-	**(77)**	-	-	(3)	**(3)**	**(80)**
Private Equity / Principal Investing											
Capital Calls		(0)	-	-	-	**(0)**	(5)	-	-	**(5)**	**(5)**
Real Estate											
Preservation of Assets		(4)	-	(53)	-	**(57)**	-	(5)	(12)	**(17)**	**(74)**
Payments to Creditors											
Non-Controlled Affiliates	(k)	-	(651)	-	-	**(651)**	-	-	(0)	**(0)**	**(651)**
Other											
Other		(2)	-	(5)	-	**(8)**	-	(1)	(3)	**(4)**	**(11)**
Operating Expenses	(l)										
Compensation and Benefits	(m)	(8)	-	-	-	**(8)**	-	-	(4)	**(4)**	**(13)**
Professional Fees		(20)	(0)	-	-	**(20)**	-	-	(1)	**(1)**	**(21)**
Other	(n)	(4)	(0)	(1)	-	**(5)**	-	(0)	(5)	**(5)**	**(10)**
Total Uses of Cash		**(38)**	**(672)**	**(136)**	**-**	**(847)**	**(5)**	**(6)**	**(29)**	**(40)**	**(886)**
Net Cash Flow		**1,972**	**(474)**	**224**	**83**	**1,804**	**44**	**17**	**677**	**739**	**2,543**
Inter-Company Receipts	(o)	1,825	61	1,320	33	**3,239**	34	-	199	**233**	**3,472**
Inter-Company Disbursements	(o)	(1,402)	(303)	(366)	(27)	**(2,098)**	(380)	-	(994)	**(1,374)**	**(3,472)**
Transfers to/from Securitization Trustee	(p)	-	-	(41)	-	**(41)**	-	-	-	**-**	**(41)**
Loan Agencies, Net		-	-	2	-	**2**	-	-	-	**-**	**2**
FX Fluctuation	(q)	(0)	0	0	-	**0**	-	-	(3)	**(3)**	**(3)**
Ending Total Cash and Investments		**10,337**	**9,553**	**5,671**	**3,851**	**29,413**	**264**	**20**	**2,316**	**2,600**	**32,013**
Restricted Cash	(r)	(3,138)	(77)	(28)	(53)	**(3,297)**	-	-	(523)	**(523)**	**(3,819)**
Ending Free Cash and Investments (3/31/12)		**$ 7,199**	**$ 9,476**	**$ 5,643**	**$ 3,798**	**$ 26,116**	**$ 264**	**$ 20**	**$ 1,793**	**$ 2,077**	**$ 28,194**

All values that are exactly zero are shown as "-". Values between zero and $0.5 million appear as "0".
Totals may not foot due to rounding.

LEHMAN BROTHERS HOLDINGS INC. and Other Debtors and Other Controlled Entities
Schedule of Cash Receipts and Disbursements
March 1, 2012 - March 31, 2012

Unaudited (foreign currencies reflected in USD equivalents)

Notes:

(a) Other - Other Controlled Entities primarily includes ending cash balances at March 31, 2012 of (i) approximately $523 million related to both Woodlands Commercial Corporation and LB Bancorp (both included in Restricted Cash) and (ii) $1,174 million of cash balances at Controlled Entities in Asia.

(b) Reflects net return / (posting) of cash collateral from the hedging of various derivatives related risks. Other Debtors reflects $3 million for LBFP.

(c) Other Debtors reflects $24 million for LBFP, $11 million for LBCS and $7 million for LBCC.

(d) Primarily reflects cash received by LCPI from loan sales and principal paydowns on loan assets.

(e) Primarily reflects $851 million received from the redemption in full for the preferred equity in Neuberger Berman and a Special Return and accrued preferred return ($220 million at LBHI and $631 million in "Other Controlled Entities, Other"), and $29 million related to payment on the Kingfisher Class A Notes received by LBHI (in connection with the JPM CDA) which is restricted for the benefit of LCPI.

(f) Primarily reflects interest collected on short term investments of excess cash.

(g) Primarily includes distributions received from Lehman Brothers Asia Holdings, a Non-Controlled Affiliate.

(h) Primarily reflects the return of $52 million of HSBC cash collateral.

(i) Primarily reflects the purchase of SPV notes.

(j) Primarily reflects post-Effective Date fundings to cure assumed revolving loan credit agreements.

(k) Reflects $651 million secured claim payment by LBSF to LB Bankhaus related to collections on collateralized notes per settlement agreement with LB Bankhaus.

(l) A portion of the Operating Expenses paid by LBHI is subject to allocations to, and reimbursement from, various Lehman legal entities.

(m) Compensation and Benefits includes Lehman employees as well as fees paid to Alvarez & Marsal as interim management.

(n) Primarily reflects expenses related to outsourced services and IT, occupancy, taxes, insurance and other operating disbursements.

(o) Inflows to LBHI primarily reflects dividend distributions and partial repayment on pre-petition intercompany balances from Controlled Entities, settlement of administrative cash activity and transfers from certain Debtors and Controlled Entities related to cash reserves for certain priority tax claims. The $1.3 billion of inflows to LCPI primarily relates to $1.2 billion in cash collected by LBHI related to LCPI's securities which were part of the JPM CDA.

(p) Reflects cash outflows to the Spruce and Verano Securitization Trustee for proceeds received on underlying collateral, netted against any receipts for paydowns and interest on the Spruce and Verano notes (paid quarterly by the Trustee). Cash collections on the underlying collateral are presented in "Sources of Cash" in Loans.

(q) Reflects fluctuation in value of foreign currency bank accounts.

(r) The increase in restricted cash at LBHI of approximately $1.5 billion primarily relates to $2.8 billion in related tax reserves, offset by a release of cash to LCPI related to the JPM CDA. Restricted cash at LBSF decreased related to a secured claim payment. (see footnote (k))

LEHMAN BROTHERS HOLDINGS INC. ("LBHI") AND OTHER DEBTORS AND OTHER CONTROLLED ENTITIES

BASIS OF PRESENTATION
SCHEDULE OF PROFESSIONAL FEE AND EXPENSE DISBURSEMENTS
FROM SEPTEMBER 15, 2008 TO MARCH 31, 2012

The information and data included in this First Post-Confirmation Operating Report (the "Operating Report") are derived from sources available to Lehman Brothers Holdings Inc. (as Plan Administrator) ("LBHI") and its Controlled Entities (collectively, the "Company"). The term "Controlled Entities" refers to those entities that are directly or indirectly controlled by LBHI, and excludes, among others, those entities that are under separate administrations in the United States or abroad, and Aurora Bank FSB, which is indirectly controlled by LBHI. LBHI and certain of its Controlled Entities had filed for protection under Chapter 11 of the Bankruptcy Code, and those entities are referred to herein as the "Debtors". The Debtors' Chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure. LBHI has prepared this Operating Report, including certain information as required by the Office of the United States Trustee, based on the information available to LBHI at this time, but note that such information may be incomplete and may be materially deficient in certain respects. This Operating Report is not meant to be relied upon as a complete description of the Debtors, their business, condition (financial or otherwise), results of operations, prospects, assets or liabilities. LBHI reserves all rights to revise this report.

1. This Operating Report is not prepared in accordance with U.S. generally accepted accounting principles (GAAP). This report should be read in conjunction with previously filed Form 8-K reports as filed with the United States Securities Exchange Commission ("SEC").

2. This Operating Report is not audited and will not be subject to audit or review by the Company's external auditors at any time in the future.

3. The professional fee disbursements presented in this report reflect the date of actual cash payments to professional service providers. The Debtors have incurred additional professional fee expenses during the reporting period that will be reflected in future Operating Reports as cash payments are made to providers.

4. The professional fee disbursements presented in this report have been paid by LBHI; however, a portion of these fees have been and will be allocated to Debtors and certain Controlled Entities based on the dedicated costs associated with each entity and an allocation methodology. The professional fees exclude certain services rendered on behalf of Controlled Entities which are invoiced separately.

5. Ordinary Course Professionals are being paid in compliance with the "Amended Order Authorizing the Debtors to Employ Professionals Utilized in the Ordinary Course of Business" (the "Amended OCP Order"). Should a professional or firm exceed specified thresholds in the Amended OCP Order, prior to the Effective Date of the Plan, then they must file a retention application with the Court and receive payment in compliance with subsequent amended orders establishing procedures for interim monthly compensation and reimbursement of expenses of professionals. Professional fees incurred subsequent to the Effective Date will comply with the terms of the engagement as agreed to with LBHI, as Plan Administrator.

6. This Operating Report includes pre and post Effective Date disbursements for services rendered prior to the Effective Date.

LEHMAN BROTHERS HOLDINGS INC. and Other Debtors and Other Controlled Entities
Schedule of Professional Fee and Expense Disbursements
March 2012
Unaudited ($ in thousands)

		March-2012	Sept-2008 Through Mar-2012
Debtors - Claims and Noticing Agent			
Epiq Bankruptcy Solutions LLC	Claims Management and Noticing Agent	$ 1,345	$ 25,979
Debtors - Section 363 Professionals			
Alvarez & Marsal LLC	Interim Management	7,833	526,853
Kelly Matthew Wright	Art Consultant and Auctioneer	-	91
Natixis Capital Markets Inc.	Derivatives Consultant	-	14,590
Debtors - Section 327 Professionals			
Bingham McCutchen LLP	Special Counsel - Tax	718	22,085
Bortstein Legal LLC	Special Counsel - IT and Other Vendor Contracts	11	4,108
CB Richard Ellis	Real Estate Broker	-	436
Clyde Click, P.C.	Special Counsel - Real Estate	27	294
Curtis, Mallet-Prevost, Colt & Mosle LLP	Special Counsel - Conflicts	3,441	45,987
Dechert LLP	Special Counsel - Real Estate	447	6,337
Deloitte LLP	Tax Services	137	768
Discover Ready LLC	eDiscovery Services	136	14,714
Ernst & Young LLP	Audit and Tax Services	-	1,690
Foster, Graham, Milstein & Calisher, LLP	Special Counsel - Mortgage Litigation and Claims	73	584
Fried, Frank, Harris, Shriver & Jacobson LLP	Special Counsel - Real Estate	-	239
Gibson Dunn & Crutcher LLP	Special Counsel - Real Estate	203	3,320
Hardinger & Tenenholz LLP	Special Counsel - Discovery	2	171
Hudson Global Resources	Contract Attorneys	60	11,703
Huron Consulting	Tax Services	-	2,145
Jones Day	Special Counsel - Asia and Domestic Litigation	-	64,266
Kasowitz, Benson, Torres & Friedman	Special Counsel - Litigation	-	2,222
Kleyr Grasso Associes	Special Counsel - UK	6	1,018
Kramer Levin Naftalis and Frankel LLP	Special Counsel - Employee Matters	-	151
Krebsbach & Snyder, P.C.	Special Counsel - Litigation	203	541
Latham & Watkins LLP	Special Counsel - Real Estate	-	591
Lazard Freres & Co.	Investment Banking Advisor	160	31,773
Locke Lord Bissell & Liddell LLP	Special Counsel - Mortgage Litigation and Claims	22	1,394
McKenna Long & Aldridge LLP	Special Counsel - Commercial Real Estate Lending	225	5,834
MMOR Consulting	Tax Services	44	929
Momo-o, Matsuo & Namba	Special Counsel - Asia	11	589
Moulton Bellingham P. C.	Special Counsel - Mortgage Litigation and Claims	84	480
O'Neil Group	Tax Services	36	3,032
Pachulski Stang Ziehl & Jones	Special Counsel - Real Estate	107	3,815
Paul, Hastings, Janofsky & Walker LLP	Special Counsel - Real Estate	37	3,380
Pricewaterhouse Coopers LLP	Tax Services	122	2,293
Reed Smith LLP	Special Counsel - Insurance	14	1,134
Reilly Pozner LLP	Special Counsel - Mortgage Litigation and Claims	346	8,528
Simpson Thacher & Bartlett LLP	Special Counsel - SEC Reporting, Asset Sales, and Congressional Testimony	-	2,712
SNR Denton LLP	Special Counsel - Real Estate	70	2,375
Sutherland LLP	Special Counsel - Tax	26	747
Weil Gotshal & Manges LLP	Lead Counsel	5,406	404,375
Windels Marx Lane & Mittendorf, LLP	Special Counsel - Real Estate	35	3,293
Wollmuth Maher & Deutsch LLP	Special Counsel - Derivatives	-	1,555
Creditors - Section 327 Professionals			
FTI Consulting Inc.	Financial Advisor	672	82,855
Houlihan Lokey Howard & Zukin Capital Inc.	Investment Banking Advisor	327	16,060
Milbank Tweed Hadley & McCloy LLP	Lead Counsel	-	133,657
Quinn Emanuel Urquhart Oliver & Hedges LLP	Special Counsel - Conflicts	1,373	27,508
Richard Sheldon, Q.C.	Special Counsel - UK	-	326
Examiner - Section 327 Professionals			
Duff & Phelps LLC	Financial Advisor	-	43,210
Jenner & Block LLP	Examiner	46	58,490
Fee Examiner			
Godfrey & Kahn, S.C.	Fee Examiner (Current)	700	4,160
Feinberg Rozen LLP	Fee Examiner (Previous)	-	3,158
Brown Greer Plc	Fee and Expense Analyst	50	1,147
Total Non-Ordinary Course Professionals		**24,554**	**1,599,690**
Debtors - Ordinary Course Professionals		**494**	**46,307**
US Trustee Quarterly Fees		**-**	**1,793**
Total Professional Fees and UST Fees		**$ 25,048**	**$ 1,647,791**

Exhibit 69

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-AND-

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Attorneys for the Steering Committee Group of RMBS Holders

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re Residential Capital, LLC, *et al.* Debtors.	Chapter 11 Case No. 12-12020 (MG) Jointly Administered

DECLARATION OF KATHY D. PATRICK IN SUPPORT OF STEERING COMMITTEE INVESTORS' STATEMENT IN SUPPORT OF SETTLEMENT AND RESPONSE TO SETTLEMENT OBJECTIONS

I, Kathy D. Patrick, hereby declare, pursuant to 28 U.S.C. § 1746, that the following is true and correct to the best of my knowledge, information and belief:

1. I am a member of the Bar of the State of Texas and a partner in the law firm of Gibbs & Bruns, LLP. I am counsel for the Steering Committee Group of RMBS Holders in the above captioned matter.
2. I make this declaration in support of the Steering Committee Investors' Statement In Support Of Settlement and Response to Settlement Objections to put certain relevant documents before the Court.
3. Attached hereto as Exhibit 1 is a true and correct copy of a presentation by Amherst Securities Group LP titled "Amherst Analysis: The Bank of America Settlement," dated June 30, 2011.
4. Attached hereto as Exhibit 2 is a true and correct copy of the Transcript of the Q1 2012 MBIA Earnings Call, dated May 11, 2012.
5. Attached hereto as Exhibit 3 is a true and correct copy of a demonstrative exhibit titled "Analysis of Sillman Models with Discounts Removed."
6. Attached hereto as Exhibit 4 is a true and correct copy of the Transcript of the Q3 2010 Bank of America Earnings Call, dated October 19, 2010.
7. Attached hereto as Exhibit 5 is a true and correct copy of a September 14, 2012 letter from Munno to Patrick and Franklin forwarding the following letters:

    a. Three Letters, dated July 23, 2012, from MBIA Insurance Corporation ("MBIA") with respect to six Trusts which purport to "instruct [U.S. Bank, as trustee] to not consider or accept any settlement or compromise offers relating to any claims that may belong to [its insured] trusts, including, but not limited to the RMBS Settlement Agreement ... ;"

    b. Letter, dated August 23, 2012, from Proskauer Rose LLP on behalf of Assured Guaranty Municipal Corp. ("Assured") with respect to one Trust which states, in relevant part, that "notwithstanding any direction the Indenture Trustee may have received from noteholders, Assured does not consent at this time to the Indenture Trustee's entering into the Joinder [of the RMBS Settlement Agreement]."

c. Letters dated May 25 and August 9, 2012 from Financial Guaranty Insurance Company ("FGIC") with respect to eight Trusts in which FGIC, among other things, provides notice that it "does not authorize U.S. Bank, as Trustee, to vote in favor of, or opt in to, the Settlement Agreement or the Plan Support Agreement and direct[s] U.S. Bank, as Trustee, not to vote in favor or, or opt in to, such agreements, to the extent any of the [Trusts for which it is a Credit Enhancer] are subject to such agreements;"

d. Letter dated September 14, 2012 from Munno to MBIA;

e. Letter dated September 14, 2012 from Munno to Proskauer Rose LLP on behalf of Assured Guaranty Municipal Corp;

f. Letter dated September 14, 2012 from Munno to FGIC; and

g. Letter dated June 26, 2012 from Munno to FGIC.

8. Attached hereto as Exhibit 6 is a true and correct copy of a document titled "Material and Adverse Opinion of Professor Barry E. Adler," filed in *In re Bank of New York Mellon*, Case No. 1:11-cv-05988-WHP (Dkt. No. 126-1), dated May 27, 2011.

9. Attached hereto as Exhibit 7 is a true and correct copy of excerpts from sample Pooling and Servicing Agreements (PSAs):

a. Exhibit 7-A is a true and correct copy of excerpts from the PSA for GMACM 2006-AR2;

b. Exhibit 7-B is a true and correct copy of excerpts from the PSA for RAAC-2006-SP3;

c. Exhibit 7-C is a true and correct copy of excerpts from the PSA for RALI 2006-QA8;

d. Exhibit 7-D is a true and correct copy of excerpts from the PSA for RAMP 2006-RS3;

e. Exhibit 7-E is a true and correct copy of excerpts from the PSA for RASC 2006-EMX7;

f. Exhibit 7-F is a true and correct copy of excerpts from the PSA for RFMSI 2006-S10;

g. Exhibit 7-G is a true and correct copy of excerpts from the PSA for RFMSII 2006-HSA1.

10. Attached hereto as Exhibit 8 is a true and correct compilation of excerpts from sample PSAs defining "Subsequent Recoveries."

11. Attached hereto as Exhibit 9 is a true and correct compilation of excerpts from sample PSAs defining "Available Distribution Amount."

I declare that the statements set forth above are true and correct to the best of my knowledge, information and belief.

Dated: Houston, Texas
October 5, 2012.

Kathy D. Patrick

EXHIBIT 5

SEWARD & KISSEL LLP

ONE BATTERY PARK PLAZA
NEW YORK, NEW YORK 10004

M. WILLIAM MUNNO
PARTNER
(212) 574-1587
munno@sewkis.com

TELEPHONE: (212) 574-1200
FACSIMILE: (212) 480-8421
WWW.SEWKIS.COM

901 K STREET, NW
WASHINGTON, DC 20001
TELEPHONE: (202) 737-8833
FACSIMILE: (202) 737-5184

September 14, 2012

VIA FEDEX & EMAIL

Kathy D. Patrick, Esq.
Gibbs & Bruns LLP
1100 Louisiana Street, Suite 5300
Houston, Texas 77002

Talcott J. Franklin, Esq.
Talcott Franklin P.C.
208 North Market Street
Suite 200
Dallas, Texas 75202

RMBS Trust Settlement Agreement with Residential Capital, LLC

Dear Ms. Patrick and Mr. Franklin:

We represent U.S. Bank National Association, solely in its capacity as Trustee ("U.S. Bank") under various Pooling and Servicing Agreements and Indentures (together, the "Governing Agreements") for approximately 300 RMBS securitization trusts (the "Trusts") in connection with the Chapter 11 cases of Residential Capital, LLC and its direct and indirect subsidiaries (collectively, "ResCap").

U.S. Bank has received correspondence regarding the proposed RMBS Settlement Agreement with ResCap (the "Settlement Agreement") from three different Credit Enhancers[1] for fifteen of the Trusts. You have advised that your clients (the "Clients") hold 25% or more of the face value of one or more classes of notes in at least ten of these fifteen Trusts. Specifically, U.S. Bank has the received the following letters (the "Letters," and each a "Letter"):

1. Letters dated May 25 and August 9, 2012 from Financial Guaranty Insurance Company ("FGIC") with respect to eight Trusts (it appears your Clients are investors in at least four of those Trusts) in which FGIC, among other things, provides notice that it "does not authorize U.S. Bank, as Trustee, to vote in favor of, or opt in

[1] Capitalized terms used herein and not otherwise defined have the meanings specified in the relevant Governing Agreements.

to, the Settlement Agreement or the Plan Support Agreement and direct[s] U.S. Bank, as Trustee, not to vote in favor or, or opt in to, such agreements, to the extent any of the [Trusts for which it is a Credit Enhancer] are subject to such agreements;"

2. Three Letters, dated July 23, 2012, from MBIA Insurance Corporation ("MBIA") with respect to six Trusts (it appears that your Clients are investors in each at least five of those Trusts) which purport to "instruct [U.S. Bank, as trustee] to not consider or accept any settlement or compromise offers relating to any claims that may belong to [its insured] trusts, including, but not limited to the RMBS Settlement Agreement…;" and

3. A Letter, dated August 23, 2012, from Proskauer Rose LLP on behalf of Assured Guaranty Municipal Corp. ("Assured") with respect to one Trust (in which it appears your Clients are investors) which states, in relevant part, that "notwithstanding any direction the Indenture Trustee may have received from noteholders, Assured does not consent at this time to the Indenture Trustee's entering into the Joinder [of the RMBS Settlement Agreement]."

Copies of the Letters, as well as our responses, are enclosed. To assure full disclosure, we have also provided to the Credit Enhancers copies of the relevant Gibbs & Bruns letters, dated May 24 and July 9, 2012, and Talcott Franklin's two letters, dated August 22, 2012.

Each of the Letters (to the extent they identify Trusts in which your Clients are investors) conflict with your previous correspondence to U.S. Bank that "urge and direct" U.S. Bank to exercise its prudent, independent judgment to accept the Settlement Agreement on the Trusts' behalf or "request that [U.S. Bank] accept [the Settlement Agreement]." We encourage you to reach out to the Credit Enhancers and attempt to resolve the conflicting "directions" in advance of the date by which U.S. Bank must accept or reject the Settlement Agreement under the July 31, 2012 scheduling order in the ResCap bankruptcy proceeding.

Please call me if you have any questions or we can help facilitate your contacting the Credit Enhancers. Thank you.

Sincerely,

M. William Munno

caw
Enclosures

SK 03687 0119 1317986

July 23, 2012

URGENT MATERIAL ENCLOSED
BY E-MAIL AND CERTIFIED MAIL (RETURN RECEIPT REQUESTED)

U.S. Bank National Association
60 Livingston Avenue
EP-MN-WS3D
St. Paul, Minnesota 55107
Attention: Home Equity Loan Trusts 2007-HSA2 and 2007-HSA3

Re: Home Equity Loan Trust 2007-HSA2, Home Equity Loan Pass-Through Certificates, Series 2007-HSA2; and

Home Equity Loan Trust 2007-HSA3, Home Equity Loan-Backed Term Notes, Series 2007-HSA3

Ladies and Gentlemen:

Reference is made to the agreements (each an "Agreement") described on Exhibit A, each of which you are party to, relating to the series of securities described above (the "Securities"). With respect to each series of Securities, MBIA Insurance Corporation (the "Credit Enhancer") issued the Policy or Policies referred to in the applicable Agreement.

Pursuant to each Agreement, the Credit Enhancer has the right to direct remedial actions relating to the Securities, including, but not limited to, the acceptance of any settlement or compromise offers. We hereby instruct you to not consider or accept any settlement or compromise offers relating to any claims that may belong to the above-referenced Trusts, including, but not limited to the RMBS Trust Settlement Agreement, dated as of May 13, 2012 (the "Settlement Agreement"), by and between Residential Capital, LLC and its direct and indirect subsidiaries and the Institutional Investors (as defined in the Settlement Agreement). As such, it is the Credit Enhancer's position that it would not be reasonable for you to incur any costs or expenses in evaluating any such settlement or compromise offers and, therefore, the Credit Enhancer will not reimburse you for any such costs or expenses.

Sincerely,

MBIA Insurance Corporation

By: _____
Name: David Glehan
Title: Managing Director

EXHIBIT A

1. Pooling and Servicing Agreement, dated as of April 1, 2007, among Residential Funding Mortgage Securities II, Inc., Residential Funding Company, LLC and U.S. Bank National Association, successor trustee to Bank of America, N.A., successor by merger to LaSalle Bank National Association

2. Indenture, dated as of May 30, 2007, among Home Equity Loan Trust 2007-HSA3 and U.S. Bank National Association, successor trustee to Bank of America, N.A., successor by merger to LaSalle Bank National Association

July 23, 2012

URGENT MATERIAL ENCLOSED
BY E-MAIL AND CERTIFIED MAIL (RETURN RECEIPT REQUESTED)

U.S. Bank National Association
60 Livingston Avenue
EP-MN-WS3D
St. Paul, Minnesota 55107
Attention: GMACM Home Equity Loan Trust 2004-HE4
GMACM Home Equity Loan Trust 2006-HE4
GMACM Home Equity Loan Trust 2007-HE1

Re: GMACM Home Equity Loan Trust 2004-HE4, GMACM Home Equity Loan-Backed Term Notes, Series 2004-HE4;

GMACM Home Equity Loan Trust 2006-HE4, GMACM Home Equity Loan-Backed Term Notes, Series 2006-HE4; and

GMACM Home Equity Loan Trust 2007-HE1, GMACM Home Equity Loan-Backed Term Notes, Series 2007-HE1

Ladies and Gentlemen:

Reference is made to the Indentures (each an "Indenture") described on Exhibit A, each of which you are party to, relating to the series of notes described above (the "Notes"). With respect to each series of Notes, MBIA Insurance Corporation (the "Enhancer") issued the Policy referred to in the applicable Indenture.

Pursuant to each Indenture, the Enhancer has the right to direct remedial actions relating to the Notes, including, but not limited to, the acceptance of any settlement or compromise offers. We hereby instruct you to not consider or accept any settlement or compromise offers relating to any claims that may belong to the above-referenced Trusts, including, but not limited to the RMBS Trust Settlement Agreement, dated as of May 13, 2012 (the "Settlement Agreement"), by and between Residential Capital, LLC and its direct and indirect subsidiaries and the Institutional Investors (as defined in the Settlement Agreement). As such, it is the Enhancer's position that it would not be reasonable for you to incur any costs or expenses in evaluating any such settlement or compromise offers and, therefore, the Enhancer will not reimburse you for any such costs or expenses.

Sincerely,

MBIA Insurance Corporation

By: _____
Name: David Glehan
Title: Managing Director

EXHIBIT A

1. Indenture, dated as of October 28, 2004, among GMACM Home Equity Loan Trust 2004-HE4 and U.S. Bank National Association, successor indenture trustee to Wells Fargo Bank, N.A.

2. Indenture, dated as of September 27, 2006, among GMACM Home Equity Loan Trust 2006-HE4 and U.S. Bank National Association, successor indenture trustee to The Bank of New York Mellon Trust Company, N.A., successor indenture trustee to JPMorgan Chase Bank, National Association

3. Indenture, dated as of March 29, 2007, among GMACM Home Equity Loan Trust 2007-HE1 and U.S. Bank National Association, successor indenture trustee to The Bank of New York Mellon Trust Company, N.A., successor indenture trustee to JPMorgan Chase Bank, National Association

July 23, 2012

URGENT MATERIAL ENCLOSED
BY E-MAIL AND CERTIFIED MAIL (RETURN RECEIPT REQUESTED)

U.S. Bank National Association
60 Livingston Avenue
EP-MN-WS3D
St. Paul, Minnesota 55107
Attention: Global Securities Solutions, RFMSII 2007-HSA1

Re: Home Equity Loan Trust 2007-HSA1, Home Equity Loan-Backed Term Notes, Series 2007-HSA1

Ladies and Gentlemen:

Reference is made to the Indenture, dated as of February 27, 2007 (the "Indenture"), by and between Home Equity Loan Trust 2007-HSA1 and Bank of America, N.A., successor by merger to LaSalle Bank National Association, relating to the series of notes described above (the "Notes"). With respect to the Notes, MBIA Insurance Corporation (the "Credit Enhancer") issued the Policy referred to in the Indenture.

Pursuant to the Indenture, the Credit Enhancer has the right to direct remedial actions relating to the Notes, including, but not limited to, the acceptance of any settlement or compromise offers. We hereby instruct you to not consider or accept any settlement or compromise offers relating to any claims that may belong to the above-referenced Trusts, including, but not limited to the RMBS Trust Settlement Agreement, dated as of May 13, 2012 (the "Settlement Agreement"), by and between Residential Capital, LLC and its direct and indirect subsidiaries and the Institutional Investors (as defined in the Settlement Agreement). As such, it is the Credit Enhancer's position that it would not be reasonable for you to incur any costs or expenses in evaluating any such settlement or compromise offers and, therefore, the Credit Enhancer will not reimburse you for any such costs or expenses.

Sincerely,

MBIA Insurance Corporation

By: _____
Name: David Glehan
Title: Managing Director

Proskauer» Proskauer Rose LLP Eleven Times Square New York, NY 10036-8299

Irena M. Goldstein
Member of the Firm
d 212 969 4053
f 212.969.2900
igoldstein@proskauer.com
www.proskauer.com

August 23, 2012

By Email
Ronald L. Cohen, Esq.
M. William Munno, Esq.
Seward & Kissell LLP
One Battery Park Plaza
New York, New York 10004

Re: RMBS Settlement

Dear Messrs. Cohen and Munno:

This firm represents Assured Guaranty Municipal Corp. ("Assured") (formerly known as Financial Security Assurance Inc.) in connection with the bankruptcy proceedings of Residential Capital LLC and its related debtors (collectively, "ResCap"). Assured is the "Enhancer" under the Indenture (the "Indenture"), dated as of June 30, 2004, between GMACM Home Equity Loan Trust 2004-HE3, as issuer, and Wells Fargo Bank, N.A., as indenture trustee. It is my understanding that your client, U.S. Bank National Association, is the successor indenture trustee under the Indenture (the "Indenture Trustee").

Pursuant to section 5.11 of the Indenture, "the Enhancer shall have the right to exercise all rights of the Owners of the Notes as specified under this Indenture without any further consent of the Owners of the Term Notes and that the Owners of the Term Notes may not exercise such rights except with the written consent of the Enhancer." Among the rights granted to the Enhancer, is "the right to direct the time, method and place of conducting any Proceeding for any remedy available to the Indenture Trustee with respect to the Notes or exercising any trust or power conferred on the Indenture Trustee." *Id.*

As you are aware, ResCap is seeking approval of certain RMBS settlement agreements, and is requesting the Indenture Trustee to enter into a Joinder and Acceptance of the RMBS Settlement Agreement (the "Joinder"). I am writing to advise you that, notwithstanding any direction the Indenture Trustee may have received from noteholders, Assured does not consent at this time to the Indenture Trustee's entering into the Joinder. Accordingly, the Indenture Trustee cannot enter into the Joinder and must await further instructions from Assured.

Please do not hesitate to contact me if you have any questions or comments.

Regards,

Irena M. Goldstein

cc: Margaret Yanney, Esq.

FGIC

Financial Guaranty Insurance Company
125 Park Avenue
New York, NY 10017
T 212-312-3000
F 212-312-3093

August 9, 2012

VIA OVERNIGHT MAIL

U.S. Bank National Association
190 South LaSalle Street
MK-IL-SL8T
Chicago, IL 60603
Attention: Mamta K. Scott, Vice President

Re: RMBS Trust Settlement Agreement with Residential Capital, LLC

Dear Ms. Scott:

We write in response to the letter from your counsel, Seward & Kissel, dated June 26, 2012 (the "Response Letter") to Financial Guaranty Insurance Company ("FGIC"). Reference is hereby made to (i) the RMBS Trust Settlement Agreement dated as of May 13, 2012 (the "Settlement Agreement") by and between Residential Capital, LLC ("ResCap") and its direct and indirect subsidiaries and certain institutional investors identified in such agreement (the "Institutional Investors"), (ii) the Plan Support Agreement between ResCap and the Institutional Investors as described in the Settlement Agreement (the "Plan Support Agreement"), (iii) each of the transactions listed on Exhibit A hereto (each a "Transaction") for which U.S. Bank National Association ("U.S. Bank") currently serves as a Trustee or Indenture Trustee, as applicable (each a "Trustee"), and (iv) the direction letter from FGIC to you dated May 25, 2012 (the "Direction Letter").

I. FGIC's Rights Under the Governing Agreements

We are writing to you today so that you are clearly aware of FGIC's rights under the Pooling and Servicing Agreements, Indentures and other documents governing the Transactions (the "Governing Agreements") and your obligations to FGIC in respect thereof. As you are aware, FGIC has issued policies (each a "Policy") insuring certain payments on securities (the "Transaction Securities") in connection with each of the Transactions and has extensive control and direction rights with respect thereto, including the rights to consent to amendments and waivers of the Governing Agreements and the

FGIC

institution of legal proceedings thereunder, the exclusive right to vote on behalf of the insured securityholders ("Insured Holders"), and, with respect to certain transactions, the express right to direct the Trustee with respect to the exercise of any trust or power conferred upon it. FGIC also has rights and obligations independent of the rights and obligations of the Institutional Investors, the Trustees and the trusts relating to the Transactions, and pursuant to Section 8.02 of the Settlement Agreement, the releases and waivers described in Article VII of the Settlement Agreement are not intended to and shall not release these rights.

The Direction Letter provided notice to you that FGIC does not authorize U.S. Bank, as Trustee, to vote in favor of, or opt in to, the Settlement Agreement or the Plan Support Agreement and directed U.S. Bank, as Trustee, not to vote in favor of, or opt in to, such agreements, to the extent any of the Transactions are subject to such agreements. Moreover, by this letter, FGIC hereby informs the Trustee that the Trustee should not enter into *any* settlement that would impair or otherwise impact FGIC's rights with respect to the Transactions without FGIC's express consent. FGIC has the right to withhold such authorization and to direct the Trustee for the following reasons.

Pursuant to Section 5.11 of each indenture (each an "Indenture") for the Transactions listed in Schedule I hereto (the "Note Transactions"), FGIC has the right to direct the Trustee with respect to the exercise of any trust or power conferred on it under such Indenture. Consequently, the Trustee is prohibited from taking any action contrary to the direction of FGIC.

We also note that, pursuant to Section 4.12 of each Indenture, the Trustee is required to cooperate in all respects with any reasonable requests by FGIC for actions to preserve FGIC's interests under the Indentures. As stated in the Direction Letter, FGIC believes that the Settlement Agreement and the Plan Support Agreement may be materially adverse to FGIC's interests under the Indentures. Therefore, to the extent any Note Transaction is subject to the Settlement Agreement or the Plan Support Agreement, pursuant to the terms of Section 5.11 of the related Indenture, FGIC hereby repeats its direction to you, as Trustee, not to vote in favor of, or opt into, the Settlement Agreement or Plan Support Agreement. Moreover, FGIC hereby directs the Trustee to not enter into any settlement that is materially adverse to FGIC without FGIC's express consent.

Pursuant to the terms of the Pooling and Servicing Agreements (each a "Pooling and Servicing Agreement") for the Transactions listed on Schedule II hereto (the "Certificate Transactions"), FGIC may exercise all rights of the Insured Holders without the consent of such holders, and such holders may exercise such rights only with FGIC's prior written consent. Accordingly, to the extent any Certificate Transaction is subject to the Settlement Agreement and Plan Support Agreement, we note that any actions instituted by the Institutional Investors directing the Trustee with respect thereto are not valid because FGIC's consent to such direction was not obtained. FGIC hereby repeats its direction to you, as Trustee, not to vote in favor of, or opt into, the Settlement Agreement or Plan Support Agreement with respect to such Certificate Transaction.

FGIC

II. The 1310 Order and Rehabilitation Order

In connection with the order of the New York Superintendent of Insurance pursuant to Section 1310 of the New York Law Insurance Law, dated November 24, 2009 and Supplemental Order Pursuant to Insurance Law §1310 March 25, 2010 (the "1310 Order"), which can be viewed at www.fgic.com, FGIC retains full rights under the operative documents relating to each of the Transactions, including the related indenture, pooling and servicing agreement, sale and servicing agreement, servicing agreement, mortgage loan purchase agreement and/or other operative documents, as the case may be (the "Transaction Documents"), including its direction and consent rights under the Indentures and the Pooling and Servicing Agreements described above.

In addition, pursuant to Section 14 of the Rehabilitation Order, attached hereto as Exhibit B (the "Rehabilitation Order"), all persons and entities (other than FGIC and FGIC Credit Products, LLC ("FGIC CP")) are enjoined and restrained from, among other things, exercising or taking any action to exercise any approval, consent, direction, determination, voting, or other right or remedy that FGIC or FGIC CP would or may have directly or indirectly but for the commencement or continuation of the Rehabilitation Proceeding (as defined in the Rehabilitation Order) or the occurrence or the existence of any Rehabilitation Circumstances (as defined in the Rehabilitation Order). Therefore, any rights of FGIC, the suspension of which was asserted due to any purported default under the Transaction Documents that is a direct result of the 1310 Order and/or a Rehabilitation Circumstance are reinstated and other parties, including the Institutional Investors, are enjoined and restrained from exercising FGIC's rights under the Transaction Documents, which include FGIC's right to direct the Indenture Trustee for each Note Transaction and its right to consent to actions by the holders of the Certificate Transactions.

Because there is very little information publicly available concerning the Settlement Agreement or the Plan Support Agreement, we again request that the Trustee provide to FGIC copies of any non-public information that it may receive concerning the Settlement Agreement or Plan Support Agreement.

As stated in the Direction Letter, the terms of the Settlement Agreement and the Plan Support Agreement, which may increase FGIC's potential claims and losses under the Transactions, may be materially adverse to FGIC's interests with respect to the Transactions. FGIC does not waive any of its rights, under the Indentures and Pooling and Servicing Agreements or in any way relating to the Transactions, all of which are expressly reserved.

This letter shall constitute a "Direction" within the definition of Section 14 of the Rehabilitation Order at such time as the Settlement Agreement or the Plan Support Agreement are submitted to the Trustee for approval, support, or opt-in. Should the Trustee fail to comply with the Direction Letter or the Rehabilitation Order at that time, FGIC will pursue any rights and remedies it may have under the Transaction Documents or the Rehabilitation Order.

FGIC

In addition, if the Trustee intends to take any action to support, including indicating support for, the Settlement Agreement or the Plan Support Agreement prior to the time the Settlement Agreement or Plan Support Agreement are formally submitted to it, the Trustee must provide FGIC prior notice of such action, as required by the Rehabilitation Order.

If you have any questions or wish to discuss our concerns, the Settlement Agreement or the Plan Support Agreement in more detail, please contact me at 212-312-2784.

Sincerely,

Timothy S. Travers
Executive Vice President

cc: Seward & Kissel LLP
One Battery Park Plaza
New York, NY 10004
Attention: M. William Munno, Partner

U.S. Bank National Association
EP-MN-WS3D
60 Livingstion Avenue
St. Paul, MN 55107
Attn: Client Services Manager:
RFMSII 2007-HI1, RFMSII 2006-HI5,
RFMSI 2005-S7, RFMSI 2005-S2,
RASC 2007-EMX1, RASC 2005-EMX5,
RAMP 2005-NC1, RAMP 2005-EFC7

EXHIBIT A

TRANSACTIONS

RFMSII 2007-HI1
RFMSII 2006-HI5
RFMSI 2005-S7
RFMSI 2005-S2
RASC 2007-EMX1
RASC 2005-EMX5
RAMP 2005-NC1
RAMP 2005-EFC7

EXHIBIT B

Attach Rehabilitation Order

AT IAS PART 36 OF THE SUPREME COURT OF THE STATE OF NEW YORK, COUNTY OF NEW YORK, AT THE COURTHOUSE, 60 CENTRE STREET, IN THE COUNTY, CITY AND STATE OF NEW YORK, ON THE 28TH DAY OF JUNE, 2012

PRESENT:
HON. DORIS LING-COHAN, J.S.C.

In the Matter of the Application of Benjamin M. Lawsky, Superintendent of Financial Services of the State of New York, for an order to take possession of the property of and rehabilitate FINANCIAL GUARANTY INSURANCE COMPANY.	Index No. 401265/2012 **ORDER OF REHABILITATION**

Petitioner, Benjamin M. Lawsky, Superintendent of Financial Services of the State of New York (the "**Superintendent**"), having moved this Court for an order placing Financial Guaranty Insurance Company ("**FGIC**") into rehabilitation, and upon reading and filing the Order to Show Cause dated June 11, 2012, the verified petition of the Superintendent, duly verified the 11th day of June, 2012 (the "**Rehabilitation Petition**"),[1] the exhibits attached to the Rehabilitation Petition, and the Memorandum of Law in Support of the Rehabilitation Petition, and the Court having held a full hearing to consider the requested relief, this Court finds that:

a. FGIC is a New York State stock insurance company that issued financial guaranty insurance;

b. FGIC's statutory home office is located at 125 Park Avenue, New York, New York 10017;

[1] Capitalized terms not otherwise defined shall have the meanings ascribed to them in the Rehabilitation Petition.

c. FGIC is subject to the New York Insurance Law ("**NYIL**") and, in particular, to Article 74 thereof;

d. FGIC has consented to entry of an order of rehabilitation pursuant to Article 74 of the NYIL by a resolution of FGIC's board of directors;

e. FGIC is insolvent within the meaning of Section 1309 of the NYIL;

f. FGIC has been unable to comply, within the time designated by the Superintendent, with an order of the Superintendent pursuant to Section 1310 of the NYIL, to make good an impairment of its capital or minimum surplus to policyholders;

g. It is in the best interest of FGIC's policyholders, creditors, and the general public that the Superintendent be directed to take possession of FGIC's property and to rehabilitate its business and affairs;

h. FGIC is the sole member of FGIC Credit Products, LLC ("**FGIC CP**"), a Delaware limited liability company that issued credit default swaps ("**CDS**") to certain buyers of credit protection. FGIC wrote financial guaranty insurance policies for the benefit of counterparties to CDS with FGIC CP (collectively, "**Counterparties**"), which policies insure FGIC CP's obligations under such CDS. The financial obligations of FGIC and FGIC CP, with respect to such CDS, are sufficiently interconnected to warrant a grant of the relief requested herein with respect to FGIC CP; and

i. Judicial immunity applies to the Rehabilitator, the New York Liquidation Bureau (the "**NYLB**"), and their respective employees, attorneys, representatives, and agents for any action taken by them when acting in good faith, in accordance with the orders of this Court, and/or, in the case of the Rehabilitator and the NYLB, in the performance of their duties pursuant to Article 74 of the NYIL.

NOW, on motion of Eric T. Schneiderman, Attorney General of the State of New York, it is ORDERED as follows:

1. The relief requested in the Rehabilitation Petition is granted;

2. The Superintendent, and his successors in office, is appointed rehabilitator (the "**Rehabilitator**") of FGIC and is vested with all powers and authority expressed or implied under Article 74 of NYIL and this Order;

3. The Rehabilitator is authorized and directed to take possession and/or control of FGIC's property and assets and to conduct FGIC's business;

4. The Rehabilitator may deal with the property and business of FGIC in FGIC's name or in the name of the Rehabilitator including, without

limitation, continue, commence, advance, defend, or prosecute any action, claim, lawsuit, arbitration, alternative dispute resolution proceeding, or other formal legal or administrative proceedings in any municipal, state, federal, or foreign court, administrative body, or other tribunal;

5. The Rehabilitator is directed to take such steps toward the removal of the causes and conditions that make this rehabilitation proceeding (the "**Rehabilitation Proceeding**") necessary as the Rehabilitator may deem prudent and advisable;

6. All persons and entities, other than the Rehabilitator, are permanently enjoined and restrained, except as authorized by the Rehabilitator or his designee in writing, from: (i) transacting FGIC's business, (ii) disposing of FGIC's property; (iii) interfering with the Rehabilitator's possession, control, or management of FGIC's property or the discharge of the Rehabilitator's duties with regard to FGIC or the Rehabilitation Proceeding; and (iv) disclosing the name, address, or contact information of FGIC's policyholders, or any other information that is proprietary to FGIC or not in the public domain;

7. All persons and entities are permanently enjoined and restrained from wasting or permitting to be done any act or thing that might waste FGIC's property;

8. All persons and entities are enjoined and restrained from commencing, continuing, advancing, or otherwise prosecuting any actions, claims, lawsuits, arbitrations, alternative dispute resolution proceedings, or other formal legal or administrative proceedings in any municipal, state, federal, or foreign court, administrative body, or other tribunal, against (i) the Rehabilitator, the New York State Department of Financial Services ("**NYSDFS**"), the Superintendent, the NYLB, any of their respective officers, employees, attorneys, representatives, or agents, or any directors, officers, employees, attorneys, representatives, or agents of FGIC or FGIC CP, in each case as related to FGIC, FGIC CP, the Rehabilitation Circumstances (as defined below), or the Rehabilitation Proceeding; or (ii) FGIC or FGIC CP.

9. All persons and entities are enjoined and restrained from taking any steps to transfer, foreclose, sell, assign, garnish, levy, encumber, attach, dispose of, exercise, or enforce purported rights in or against any claimed interest in any property or assets of FGIC or FGIC CP or any part thereof;

10. All directors, trustees, officers, employees, agents, or representatives, if any, of FGIC and FGIC CP are hereby enjoined and restrained from paying any claims or performing any other obligations of FGIC or FGIC CP under any policy, contract, or other instrument to which FGIC or FGIC CP is a party or by which FGIC or FGIC CP is bound (a "**FGIC**

Policy/Contract") except as authorized by the Rehabilitator or his designee in writing;

11. All persons and entities are enjoined and restrained from seeking to acquire, acquiring, or exercising voting or other corporate governance rights pursuant to or under FGIC's outstanding preferred stock;

12. All persons and entities are enjoined and restrained from withholding or continuing to withhold, subordinating, failing to pay, setting-off, or taking similar action with respect to payments (including, without limitation, recoveries or reimbursements) owed (or that would have been or would be owed but for the commencement or continuation of the Rehabilitation Proceeding or the occurrence or existence of any of the Rehabilitation Circumstances) to FGIC or FGIC CP under any FGIC Policy/Contract, or any Transaction Document (as defined below) executed in connection with the issuance of or entry into such FGIC Policy/Contract or related to such FGIC Policy/Contract or any obligations insured or covered thereby, regardless of the existence of any provisions in such FGIC Policy/Contract or Transaction Document that would or may otherwise permit such withholding, subordination, failure to pay, setting-off, or similar action; *provided, however*, that if this Court enters an order that becomes final and non-appealable holding that a particular person or entity or group of persons or entities should have been able to set-off or recoup any given payment during the pendency of the Rehabilitation Proceeding, the Rehabilitator shall refund as an administrative expense any such payment that was made to FGIC or FGIC CP during the pendency of the Rehabilitation Proceeding. As used herein, the term "**Rehabilitation Circumstances**" means the circumstances and events, whenever arising, giving rise to the Rehabilitation Proceeding or in existence from and after, or giving rise to or at any time resulting from, issuance of the 1310 Order, including (i) the financial condition of FGIC or FGIC CP, (ii) the grounds for the Rehabilitation Proceeding described in the Rehabilitation Petition, (iii) actions taken or statements made by FGIC, FGIC CP, the NYSDFS, the Superintendent, the NYLB or any other person or entity in connection with or in contemplation of the 1310 Order or the Rehabilitation Proceeding, (iv) any ratings downgrade of FGIC or any affiliate thereof, (v) any failure by FGIC or FGIC CP to pay any amount (whether due to the 1310 Order, the injunctive relief in the Order to Show Cause, this Order, or otherwise), and (vi) the issuance and existence of the 1310 Order;

13. All persons and entities (other than the Rehabilitator or as authorized in writing by the Rehabilitator or his designee) are enjoined and restrained from (i) terminating, accelerating, liquidating, closing out, collecting on, claiming against, making any demand or delivering any notice under, or otherwise exercising or enforcing rights or remedies or taking any action under or with respect to, or attempting to terminate, accelerate, liquidate,

close out, collect on, claim against, make any demand or deliver any notice under, or otherwise exercise or enforce rights or remedies or take action under or with respect to any FGIC Policy/Contract or any Transaction Document (as defined below) executed in connection with the issuance of or entry into such FGIC Policy/Contract or related to such FGIC Policy/Contract or any obligations insured or covered thereby, on the basis of the commencement or continuation of the Rehabilitation Proceeding or the occurrence or existence of any of the Rehabilitation Circumstances, regardless of the existence of any provisions in such FGIC Policy/Contract or Transaction Document (as defined below) that would or may otherwise permit or require such termination, acceleration, liquidation, closing out, collection, claim, demand, notice, exercise, enforcement, or action, and/or (ii) asserting claims as a result of any actual or attempted early termination of any FGIC Policy/Contract including without limitation Termination Payments (whether calculated on the basis of "Market Quotation", "Loss", "Close-out Amount," or other methodologies) under or in relation to such FGIC Policy/Contract;

14. All persons and entities (other than the Rehabilitator or as authorized in writing by the Rehabilitator or his designee) are enjoined and restrained from: (i) exercising or taking any action to exercise any approval, consent, direction, determination, appointment, request, voting, veto, waiver, or other right or remedy that FGIC or FGIC CP has (through the right to direct or grant or withhold consent with respect to such exercise or otherwise) (or that FGIC or FGIC CP would have but for the commencement or continuation of the Rehabilitation Proceeding or the occurrence or existence of any of the Rehabilitation Circumstances) under or with respect to any policies, contracts, or other instruments or documents relating to any FGIC Policy/Contract or any obligations insured or covered thereby, including without limitation any financial guaranty policies, fee letters or premium agreements, insurance and indemnification agreements, credit default swaps or other credit derivative transaction agreements, interest rate or currency rate swap agreements, basis swap agreements, total return swap agreements, indentures, trust deeds, pooling and servicing agreements, pooling agreements, sale and servicing agreements, sale agreements, collateral management or administration agreements, servicing agreements, credit or loan agreements, residential mortgage-backed securities transaction documents, guarantee investment certificates, custodial account agreements, note purchase agreements, or other financing or transaction documents of any kind (collectively, "**Transaction Documents**" and each a "**Transaction Document**") ~~or under applicable law~~ (~~collectively~~, the "**FGIC Rights**"); or (ii) failing to take, or taking any action inconsistent with, any action (or inaction) directed (whether actively or passively) to be taken pursuant to the exercise by FGIC, FGIC CP, or the Rehabilitator of any FGIC Rights; or (iii) failing to provide, or causing to be provided, to FGIC or FGIC CP any notice, request, or other communication or document that FGIC or

all rights and remedies described in this clause (i)

FGIC CP may have the right to receive (or that FGIC or FGIC CP would or may have the right to receive but for the commencement or continuation of the Rehabilitation Proceeding or the occurrence or the existence of any of the Rehabilitation Circumstances). For the avoidance of doubt, this paragraph does not enjoin or restrain any servicer (including any master servicer, sub-servicer or special servicer) from servicing underlying collateral to the extent it would be permitted to do so under the applicable Transaction Documents (without regard to the commencement or continuation of the Rehabilitation Proceeding or the occurrence or existence of any Rehabilitation Circumstances). In addition, notwithstanding anything to the contrary in this Paragraph 14, (i) if the Rehabilitator (or his designee) directs an indenture trustee or another type of corporate trustee (collectively, an "**Indenture Trustee**") or servicer to take an action or refrain from taking an action (collectively, the "**Direction**") that the Indenture Trustee or servicer believes it is not obligated to take or refrain from taking, the Indenture Trustee or servicer may seek a ruling from this Court (on an expedited basis if necessary) as to whether it is required to comply with the Direction, and the Indenture Trustee or servicer shall not be in contempt of Court for not complying with the Direction prior to this Court's ruling so long as the Indenture Trustee or servicer (a) seeks a ruling no later than five (5) business days after the Rehabilitator (or his designee) gives it the Direction and (b) provides prompt notice to the Rehabilitator of its request for a ruling; *provided, however*, that nothing herein shall prohibit the Rehabilitator from seeking a ruling (on an expedited basis if necessary) with respect to the Direction at any time; and (ii) if an Indenture Trustee or servicer intends to exercise any FGIC Right, (x) the Indenture Trustee or servicer shall provide the Rehabilitator with prompt notice of its intent to exercise such FGIC Right, and (y) if the Rehabilitator believes that the Indenture Trustee or servicer is not permitted to exercise such FGIC Right, the Rehabilitator may seek a ruling from this Court as to whether to preclude such exercise (on an expedited basis if necessary) within five (5) business days after receiving notification of the intended exercise of a FGIC Right;

and the Rehabilitator shall provide prompt notice to the Indenture Trustee or servicer of its request for a ruling

15. FGIC and all persons and entities having any property belonging to or relating to FGIC, as applicable, including but not limited to, business records, insurance policies, claims files (electronic or paper), software programs, bank records, or any tangible or intangible items of value, shall preserve such property and are directed, immediately upon the Rehabilitator's request, to assign, transfer, turn over and deliver such property to the Rehabilitator or his designees;

16. Any person or entity providing claims processing services, data processing services, electronic records retention services, or other information technology services to or on behalf of FGIC shall maintain and preserve all information in its possession ("**Information**") relating in any way to FGIC and its rights and obligations, wherever located, including but not

limited to all documents, data, electronic files and records, computer equipment (e.g., servers and printers), software programs and software licenses owned or leased by FGIC and are directed, upon the Rehabilitator's request, to promptly submit all such Information to the Rehabilitator or his designees;

17. Any bank, savings and loan association, other financial institution or any other entity or person, which has on deposit or in its possession, custody, or control any of FGIC's funds, accounts or assets, shall immediately upon the Rehabilitator's request and direction: (i) turn over custody and control of such funds, accounts, or assets to the Rehabilitator or his designees; (ii) transfer title of such funds, accounts, or assets to the Rehabilitator or his designees; (iii) change the name of such accounts to the name of the Rehabilitator; (iv) transfer funds from such bank, savings and loan association or other financial institution; or (v) take any other action necessary for the proper conduct of the Rehabilitation Proceeding;

18. Without limiting the ability of the Rehabilitator to reject, modify, or renegotiate any contract, lease, or arrangement concerning FGIC, all persons and entities that provide goods or services to FGIC shall continue to provide such goods or services to the Rehabilitator pursuant to the terms of any contract, lease, or other arrangement with FGIC, regardless of the existence of any provisions in any contract or lease that would otherwise excuse performance on the basis of the commencement or continuation of the Rehabilitation Proceeding or the occurrence or existence of any of the Rehabilitation Circumstances;

19. All persons and entities are enjoined and restrained from seeking to impose liability upon the Rehabilitator, the NYLB, or any of their respective employees, attorneys, representatives, or agents relating to or arising out of the Rehabilitation Proceeding or the Rehabilitation Circumstances;

20. The injunctive relief granted by this Order shall issue without the furnishing of an undertaking by the Superintendent. CPLR § 2512(a);

21. Notwithstanding anything to the contrary in this Order, nothing herein prevents any person or entity from asserting a claim in the Rehabilitation Proceeding; *provided, however*, that no person or entity may trigger or submit claims for Termination Payments (or take any action in furtherance thereof) or otherwise take any action prohibited by the provisions of this Order. Pending further Court order, policyholders and other claimants should submit their notices of claim or similar demands pursuant to the deadlines, procedures, and service requirements specified in their policies or contracts. Without extending the deadlines for filing claims that may be set forth in any FGIC Policy/Contract, the deadline set forth in Section 7432(b) of the NYIL for all persons and entities having claims against

FGIC to file or present their claims to the Rehabilitator is deferred until further order of this Court;

22. Any person seeking modification of, or relief from, the injunctive relief set forth in this Order (an "**Objecting Party**") shall submit a written request to the Rehabilitator setting forth good cause for such modification or relief. If the Objecting Party and the Rehabilitator reach a settlement regarding such modification or relief, the Rehabilitator shall submit a request to this Court seeking approval of such settlement. If the Objecting Party and the Rehabilitator fail to reach a settlement within 30 days of the Rehabilitator's receipt of such request, or such longer time as both the Rehabilitator and the Objecting Party agree, the Objecting Party may seek relief with this Court;

23. The failure by any person or entity to have objected to the injunctive relief set forth in this Order by June 22, 2012, any delay in seeking modification of, or relief from, the injunctive relief set forth in this Order through the procedures set forth in Paragraph 22 of this Order, and any delay in seeking a ruling from this Court pursuant to Paragraph 14 of this Order shall not waive, bar, or otherwise impair the right of such person or entity to challenge the validity of or seek to set aside all or any portion of the injunctive relief set forth in this Order or be deemed a waiver of any right to take any action that has been stayed by this Order if the injunctive relief applicable to such action is modified or lifted. Any person or entity that intends to challenge or seek to set aside all or any portion of the injunctive relief set forth in this Order shall follow the procedures set forth in Paragraph 22 hereof. Nothing in this Order shall be deemed to constitute a determination of any person's or entity's rights under any Transaction Documents or applicable law so long as the procedures in Paragraphs 14 and 22 are complied with;

24. The Rehabilitator may at any time make further application to this Court for such further and different relief as he sees fit;

25. A copy of this Order shall be served forthwith by certified and regular mail upon: John S. Dubel, Chief Executive Officer of FGIC, at the statutory home office of FGIC, located at 125 Park Avenue, New York, New York 10017, and Stroock & Stroock & Lavan LLP attn. William D. Latza, counsel for FGIC, located at 180 Maiden Lane, New York, NY 10038;

26. The Rehabilitator shall provide notice of this Order to all creditors and policyholders by (i) mailing such notice to all known creditors and policyholders by first class mail; (ii) publishing such notice in the Wall Street Journal and The Bond Buyer; and (iii) posting such notice on the internet website maintained by the NYLB for the Rehabilitation Proceeding at http://www.fgicrehabilitation.com (which shall be

accessible from http://www.nylb.org and http://www.fgic.com) within 30 days after the entry of this Order;

27. This Court shall have exclusive jurisdiction to interpret, implement, and enforce the provisions of this Order and to hear any and all matters relating to the Rehabilitation Proceeding; and

28. All further papers with respect to FGIC in this proceeding shall bear the caption:

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

In the Matter of the Rehabilitation of FINANCIAL GUARANTY INSURANCE COMPANY.	:	Index No. 401265/2012

E N T E R

J.S.C.
DORIS LING-COHAN

Schedule I

RFMSII 2007-HI1
RFMSII 2006-HI5

Schedule II

RFMSI 2005-S7
RFMSI 2005-S2
RASC 2007-EMX1
RASC 2005-EMX5
RAMP 2005-NC1
RAMP 2005-EFC7

SEWARD & KISSEL LLP

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WASHINGTON, DC 20001
TELEPHONE: (202) 737-8833
FACSIMILE: (202) 737-5184

June 26, 2012

VIA FEDERAL EXPRESS

Financial Guaranty Insurance Company
125 Park Avenue
New York, New York 10017

Attention of Walter Wohr
Managing Director

Re: RMBS Trust Settlement Agreement with Residential Capital, LLC

Dear Mr. Wohr:

We represent U.S. Bank National Association, solely in its capacity as Trustee under the Pooling and Servicing Agreements (the "PSAs") for approximately 300 RMBS Securitization Trusts (in such capacity, "U.S. Bank"), in connection with the Chapter 11 cases of Residential Capital, LLC and its direct and indirect subsidiaries (collectively, "ResCap").

We have your letter dated May 25, 2012 (the "Letter") stating that FGIC does not authorize U.S. Bank to vote in favor of, or opt into, the RMBS Trust Settlement Agreement with ResCap with respect to the 8 Trusts identified on Exhibit B to the Letter.

FGIC notes in its letter that it has not made payments under its policies relating to the 8 Trusts in accordance with an order issued by the New York Superintendent of Insurance (the "1310 Order").

Please provide us with a copy of the 1310 Order. Please explain how the 1310 Order, in your view, preserves FGIC's rights under the applicable PSAs to provide any instruction to U.S. Bank.

We look forward to your response.

Thank you.

Sincerely,

M. William Munno

M. William Munno

caw

FGIC

Financial Guaranty Insurance Company
125 Park Avenue
New York, NY 10017
T 212-312-3000
F 212-312-3093

May 25, 2012

VIA OVERNIGHT MAIL

U.S. Bank National Association
EP-MN-WS3D
60 Livingston Avenue
St. Paul, Minnesota 55107
Attention: Client Services Manager:
RFMSII 2007-HI1, RFMSII 2006-HI5,
RFMSI 2005-S7, RFMSI 2005-S2,
RASC 2007-EMX1, RASC 2005-
EMX5, RAMP 2005-NC1, RAMP
2005-EFC7

Re: RMBS Trust Settlement Agreement with Residential Capital, LLC

Ladies and Gentlemen:

Reference is hereby made to (i) the RMBS Trust Settlement Agreement dated as of May 13, 2012 by and between Residential Capital, LLC ("ResCap") and its direct and indirect subsidiaries and certain institutional investors as defined in such agreement ("Institutional Investors") (attached hereto as Exhibit A, the "Settlement Agreement"), (ii) the Plan Support Agreement between ResCap and the Institutional Investors as described in the Settlement Agreement (the "Plan Support Agreement") and (iii) each of the transactions listed on Exhibit B hereto whereby U.S. Bank National Association currently serves as a Trustee or Indenture Trustee, as applicable (each a "Transaction"). Financial Guaranty Insurance Company ("FGIC") has issued policies insuring the repayment of certain of the securities (the "Transaction Securities") issued in connection with each of the Transactions.

FGIC is not only the financial guaranty insurer of the Transaction Securities issued in each of the Transactions, but it is also an express third party beneficiary of the operative documents relating to each of the Transactions, including the related indenture, pooling and servicing agreement, sale and servicing agreement, servicing agreement, mortgage loan purchase agreement and/or other operative documents, as the case may be. FGIC has rights and obligations independent of the rights and obligations of the Institutional Investors, the trustees and the trusts relating to the Transactions. In addition, to the extent FGIC has paid claims with respect to any of the Transactions, it is subrogated to the rights of the holders of the Transaction Securities, including but not limited to the right to receive payment of the Transaction Securities.

FGIC

The terms of the Settlement Agreement and the Plan Support Agreement, which will increase FGIC's potential claims and losses under the Transactions, are materially adverse to FGIC's interest with respect to the Transactions. As you are aware, FGIC was ordered to suspend payment of all claims effective November 24, 2009 pursuant to an order by the New York Superintendent of Insurance (the "1310 Order"). However, FGIC retains its obligation to make payments under the policies relating to each Transaction and will resume making claims payments if and when allowed pursuant to the 1310 Order.

The Plan Support Agreement purports to release all claims against Ally Financial Inc. and its non-debtor affiliates, including Residential Funding Company, LLC, an indirect wholly owned subsidiary of ResCap ("RFC"), which is a seller in each of the Transactions. FGIC has filed complaints, however, against RFC alleging, *inter alia*, that RFC made material misrepresentations and omissions about the quality of the mortgage loans relating to certain of the Transactions. In addition, FGIC has claims against Ally Bank that could also be affected by the Plan Support Agreement. It would not be appropriate for the Trustee to consent to the proposed Settlement Agreement and Plan Support Agreement while certain Transactions are subject to separate litigation.

Finally, we note that there is very little information publicly available concerning the Settlement Agreement or the Plan Support Agreement. The Trustee should not in any event make any decisions with respect to the Settlement Agreement or Plan Support Agreement before it has obtained complete information concerning the terms and conditions of the Settlement Agreement or Plan Support Agreement and all other information necessary to make a fully informed decision. The Trustee should also provide to FGIC and the holders of the Transaction Securities copies of any non-public information that it may receive concerning the Settlement Agreement or Plan Support Agreement, in order for us to provide direction to the Trustee on a fully informed basis.

Accordingly, to the extent any of the Transactions are subject to the Settlement Agreement or the Plan Support Agreement, FGIC hereby provides notice that it does not authorize the Trustee to vote in favor of, or opt in to, such Settlement Agreement or Plan Support Agreement and hereby directs the Trustee not to vote in favor of, or opt in to, the Settlement Agreement or Plan Support Agreement.

If you have any questions or wish to discuss our concerns, the Settlement Agreement, the Plan Support Agreement and the filed complaints in more detail, please contact me at 212-312-3423.

Sincerely,

Winston Wohr
Managing Director

EXHIBIT A

Attach Settlement Agreement

EXHIBIT B

TRANSACTIONS

RFMSII 2007-HI1
RFMSII 2006-HI5
RFMSI 2005-S7
RFMSI 2005-S2
RASC 2007-EMX1
RASC 2005-EMX5
RAMP 2005-NC1
RAMP 2005-EFC7

EXECUTION VERSION

TO BE SIGNED BY THE PARTIES IMMEDIATELY FOLLOWING THE PETITION DATE

SETTLEMENT AND PLAN SPONSOR AGREEMENT

THIS SETTLEMENT AND PLAN SPONSOR AGREEMENT (the "Agreement"), dated as of May 14, 2012 (the "Execution Date"), is made and entered into by and among Residential Capital, LLC and certain of its direct and indirect subsidiaries, as debtors and debtors-in-possession on behalf of each such entity and its estate (collectively, the "Debtors"),[1] and Ally Financial Inc. ("AFI"), on behalf of its direct and indirect subsidiaries and affiliates other than the Debtors and the Debtors' direct and indirect subsidiaries (collectively, "Ally") (each of the Debtors and Ally is a "Party," and collectively, the "Parties").

RECITALS

WHEREAS, on the date hereof (the "Petition Date"), each of the Debtors filed a voluntary petition for relief under chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code") with the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") commencing cases (the "Chapter 11 Cases"), which are proposed to be jointly administered for procedural purposes;

WHEREAS, the Debtors believe certain claims exist against Ally related to the corporate relationship between the Debtors and Ally, including with respect to certain transactions between the Debtors and Ally, including equitable subordination, debt recharacterization, fraudulent conveyance, avoidance liability under federal or state laws, and other causes of action under theories of veil piercing and alter ego liability;

WHEREAS, Ally denies each allegation of the Debtors and has substantial claims against the Debtors;

---

[1] The Debtors are: Ditech, LLC; DOA Holding Properties, LLC; DOA Holdings NoteCo, LLC; DOA Properties IX (Lots-Other), LLC; EPRE LLC; Equity Investment I, LLC; ETS of Virginia, Inc.; ETS of Washington, Inc.; Executive Trustee Services, LLC; GMAC Model Home Finance I, LLC; GMAC Mortgage USA Corporation; GMAC Mortgage, LLC; GMAC Residential Holding Company, LLC; GMACM Borrower LLC; GMACM REO LLC; GMACR Mortgage Products, LLC; GMAC-RFC Holding Company, LLC; GMACRH Settlement Services, LLC; HFN REO SUB II, LLC; Home Connects Lending Services, LLC; Homecomings Financial, LLC; Homecomings Financial Real Estate Holdings, LLC; Ladue Associates, Inc.; Passive Asset Transactions, LLC; PATI A, LLC; PATI B, LLC; PATI Real Estate Holdings, LLC; RAHI A, LLC; RAHI B, LLC; RAHI Real Estate Holdings, LLC; RCSFJV2004, LLC; Residential Accredit Loans, Inc.; Residential Asset Mortgage Products, Inc.; Residential Asset Securities Corporation; Residential Capital, LLC; Residential Consumer Services of Alabama, LLC; Residential Consumer Services of Ohio, LLC; Residential Consumer Services of Texas, LLC; Residential Consumer Services, LLC; Residential Funding Company, LLC; Residential Funding Mortgage Exchange, LLC; Residential Funding Mortgage Securities I, Inc.; Residential Funding Mortgage Securities II, Inc.; Residential Funding Real Estate Holdings, LLC; Residential Mortgage Real Estate Holdings, LLC; RFC Asset Holdings II, LLC; RFC Asset Management, LLC; RFC Borrower LLC; RFC Construction Funding, LLC; RFC REO LLC; RFC SFJV-2002, LLC; and RFC-GSAP Servicer Advance, LLC.

EXECUTION VERSION

WHEREAS, certain entities, including AFI, GMAC Mortgage Group LLC, Ally Securities LLC, and Ally Bank have been named as defendants in lawsuits brought by third parties in connection with, or arising from, the Debtors' business activities, including with respect to residential mortgage backed securities issued and/or sold by the Debtors; and

WHEREAS, the Debtors and Ally have resolved all issues and disputes between and among the Parties, and have agreed upon a term sheet for a chapter 11 plan of reorganization for the Debtors' restructuring and to implement the terms of the settlement contained herein.

NOW, THEREFORE, in consideration of the promises and mutual covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE I

Definitions

Section 1.1 *Terms Defined in the Preamble and Recitals.* The following terms shall have the meaning ascribed thereto in the preamble and recitals of this Agreement: Ally; AFI; Bankruptcy Code; Bankruptcy Court; Chapter 11 Cases; Debtors; Execution Date; Parties and Party; and Petition Date.

Section 1.2 *Other Defined Terms.* The following definitions shall apply and constitute a part of this Agreement and all annexes and exhibits hereto:

"Ally Bank MSR" means the mortgage servicing rights held by Ally Bank.

"Allowed Claims" means the claims to be allowed under the Plan pursuant to Section 3.1(e).

"Ally Claims" means the Claims of Ally against the Debtors as described in Section 3.1(e) of this Agreement.

"Ally Contribution" means such term as defined in Section 2.1.

"Ally DIP Financing Facility" means the debtor-in-possession financing facility to be provided to the Debtors, attached to the Plan Term Sheet as Exhibit 3.

"Ally LOC" means such term as defined in Section 3.1(e).

"Ally Revolver" means such term as defined in Section 3.1(e).

"Bankruptcy Court Order" means an order of the Bankruptcy Court entered after notice and a hearing.

"Barclays DIP Financing Facility" means the debtor-in-possession financing facility to be provided to the Debtors, attached to the Plan Term Sheet as Exhibit 6.

EXECUTION VERSION

"Cash" means legal tender of the United States of America.

"Cash Collateral Order" means the order attached hereto as Exhibit 1.

"Cash Contribution" means such term as defined in Section 2.1(a).

"Causes of Action" means any and all Claims, actions, causes of action, choses in action, rights, demands, suits, claims, liabilities, encumbrances, lawsuits, adverse consequences, debts, damages, dues, sums of money, accounts, reckonings, deficiencies, bonds, bills, disbursements, expenses, losses, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, judgments, remedies, rights of set-off, third-party claims, subrogation claims, contribution claims, reimbursement claims, indemnity claims, counterclaims, and cross-claims (including those of the Debtors, and/or the bankruptcy estate of any Debtor created pursuant to sections 301 and 541 of the Bankruptcy Code upon the commencement of the Chapter 11 Cases), whether known or unknown, foreseen or unforeseen, suspected or unsuspected, liquidated or unliquidated, fixed or contingent, matured or unmatured, disputed or undisputed, whether held in a personal or representative capacity, that are or may be pending on the Effective Date or instituted after the Effective Date against any entity, based in law or equity, including under the Bankruptcy Code, whether direct, indirect, derivative, or otherwise and whether asserted or unasserted as of the date of entry of the Confirmation Order.

"Claim" means a claim, as such term is defined in section 101(5) of the Bankruptcy Code.

"Confirmation Order" means an order, in form and substance satisfactory to both Parties, confirming the Plan.

"Consent Materials" means (a) the Board of Governors of the Federal Reserve System Consent Order, dated April 13, 2011, by and among AFI, Ally Bank, ResCap, GMAC Mortgage, LLC, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation, (b) the consent judgment entered by the District Court for the District of Columbia, dated February 9, 2012, and (c) the Order of Assessment of a Civil Money Penalty Issued Upon Consent Pursuant to the Federal Deposit Insurance Act, as amended, dated February 10, 2012.

"Consumer Lending Origination Support" means Ally's support of ResCap's consumer origination channel through Ally Bank's continued (a) origination of conforming loans brokered by ResCap to Ally Bank pursuant to the Client Agreement governing broker activity, (b) performance under the GNMA Origination Agreement, and (c) offering of such other products, such as the origination of jumbo loans and the Purchase Power lending program, consistent with current practices.

"Current Program" means such term as defined in Section 2.2(b).

"Data Center Transaction" means that certain sale and buy-back transaction between AFI and the Debtors of the Debtors' real estate interests in the data center property known as "Shady Oak" (MN) and the data center in Lewisville, TX as set forth in Exhibit 2.

"Debtors' Obligations" means such term as defined in Section 3.1.

EXECUTION VERSION

"Disclosure Statement" means the disclosure statement for the Plan, as amended, supplemented or modified from time to time, in form and substance reasonably acceptable to both Parties, including all exhibits and schedules thereto, and as approved by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code.

"Effective Date" means the date of substantial consummation of the Plan, which shall be the first business day upon which all conditions precedent to the effectiveness of the Plan are satisfied or waived in accordance with the Plan.

"Final Order" means an order or judgment of the Bankruptcy Court (or any other court of competent jurisdiction), which has not been modified, amended, reversed, vacated, or stayed, is in full force and effect, and as to which (a) the time to appeal, petition for certiorari, or move for a new trial, stay, reargument, or rehearing has expired and as to which no appeal, petition for certiorari, or motion for new trial, stay, reargument, or rehearing shall then be pending or (b) if an appeal, writ of certiorari, new trial, stay, reargument, or rehearing thereof has been sought, such order or judgment of the Bankruptcy Court (or other court of competent jurisdiction) shall have been affirmed by the highest court to which such order was appealed, or certiorari shall have been denied, or a new trial, stay, reargument, or rehearing shall have been denied or resulted in no modification of such order, and the time to take any further appeal, petition for certiorari, or move for a new trial, stay, reargument, or rehearing shall have expired, as a result of which such order shall have become final in accordance with Rule 8002 of the Federal Rules of Bankruptcy Procedure; provided that the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules, may be filed relating to such order, shall not cause an order not to be a Final Order.

"GNMA Origination Agreement" means the Amended and Restated Master Mortgage Loan Purchase and Sale Agreement with respect to the FHA, USDA, and VA Residential Mortgage Loans (as such terms are defined therein) between Ally Bank, as Seller, and GMAC Mortgage, LLC, as Purchaser.

"GNMA Origination Order" means the Bankruptcy Court Order approving the GNMA Origination Agreement.

"Governing Documents" means articles or certificates of incorporation and bylaws (or other formation documents relating to limited liability companies, limited partnerships, or other forms of entity).

"HFS APA" means such term as defined in Section 2.1(b).

"HFS Portfolio" means ResCap's held-for-sale portfolio of mortgage loans, which are the subject of the HFS APA.

"HFS Sale Price" means such term as defined in Section 2.1(b).

"Interest" means any "Equity Security," as defined in section 101(16) of the Bankruptcy Code, of a Debtor existing immediately prior to the Effective Date.

"Milestones" means the deadlines and conditions set forth in Exhibit A attached hereto.

EXECUTION VERSION

"Person" means such term as defined in section 101(41) of the Bankruptcy Code.

"Plan" means the Debtors' chapter 11 plan, together will all addenda, exhibits, schedules, or other attachments, if any, including the Plan Supplement, and as may be amended, modified, or supplemented from time to time, in form and substance satisfactory to the Debtors and Ally, as set forth in more detail in the Plan Term Sheet.

"Plan Supplement" means the compilation of documents and forms of documents, schedules, and exhibits to the Plan to be filed with the Bankruptcy Court on notice to parties-in-interest, and additional documents to be filed before the Effective Date as supplements or amendments to the Plan Supplement.

"Plan Term Sheet" means the chapter 11 plan term sheet, dated May 14, 2012, which is Exhibit 4 to this Agreement.

"Purchaser" means the buyer of certain of the Debtors' assets in the ResCap Asset Sale.

"Released Parties" means Ally, and each of theirs and the Debtors' respective members, officers, directors, agents, financial advisors, attorneys, employees, partners, affiliates, and representatives.

"Reorganized Debtors" means the Debtors, or any successors thereto by merger, consolidation, or otherwise, on and after the Effective Date.

"ResCap Asset Sale" means the sale of certain of the Debtors' assets pursuant to an Asset Purchase Agreement between the Debtors and Nationstar Mortgage LLC, or such other higher or better offer as may be selected by the Debtors pursuant to the bidding procedures established pursuant to such agreement.

"Restructuring" means the Plan and the transactions contemplated in relation thereto.

"Run Off Period" means such term as defined in Section 2.2(b).

"Section 363 Sale" means a sale under section 363 of the Bankruptcy Code prior to, and outside of, the Plan.

"Shared Services Agreement" means the shared services agreement, dated May 13, 2012, by and between AFI and the Debtors, to be approved by the Bankruptcy Court.

"Solicitation Procedures" means the procedures for soliciting acceptance or rejection of the Plan from each holder of an impaired Claim or Interest that is entitled to vote to accept or reject the Plan.

"Subservicing Agreement" means the Amended and Restated Servicing Agreement, dated May 13, 2012, by and between Ally Bank, as owner, and GMAC Mortgage, LLC, as Servicer.

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"Subservicing Agreement Order" means a Bankruptcy Court Order approving the Subservicing Agreement.

"Stalking Horse Bidder" means Nationstar Mortgage LLC, as the initially designated bidder for the assets to be purchased in connection with the ResCap Asset Sale.

"Third Party Release" means such term as defined in the section entitled Third Party Releases.

"Transition Services Agreement" means the transition services agreement to be negotiated with the Purchaser in connection with the ResCap Asset Sale.

ARTICLE II

Ally Obligations

Section 2.1 *Ally Contribution.* Ally hereby agrees to make the following contributions to the Debtors:

(a) **Cash Contribution.** Upon satisfaction of the conditions set forth in Section 5.2 hereof, AFI will make a Cash contribution to the Debtors in the amount of $750,000,000 (the "Cash Contribution"); paid to fund the settlement of pending and future claims and to secure the releases in favor of the Released Parties set forth in Section 3.1(d), including third party releases under Section 3.1(d)(ii); provided that if AFI, in its sole discretion, agrees upon an acceptable purchase price for the Ally Bank MSR to be sold in conjunction with the Plan (via a contribution of the Ally Bank MSR by Ally to the Debtors immediately before the Effective Date), Ally shall negotiate with the Debtors in good faith to provide the Debtors with additional consideration from the sale of the Ally Bank MSR.

(b) **HFS Stalking Horse Bid.**

(i) Subject to the conditions set forth in Section 5.2 hereof, AFI will serve as a stalking horse bidder for the HFS Portfolio in the amount (the "HFS Sale Price") set forth in the asset purchase agreement attached as Exhibit 5 hereto (the "HFS APA"). Ally shall not receive any break-up fee or other bid protections in the event ResCap receives a higher or better offer for the HFS Portfolio.

(ii) Notwithstanding the foregoing, if the conditions set forth in Section 5.2 hereof are not satisfied and the ResCap Asset Sale is consummated pursuant to the Section 363 Sale, AFI shall purchase the HFS Portfolio for 87.5% of the HFS Sale Price, subject to higher or better offers, all as set forth in the HFS APA.

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(c) **Shared Services Agreement.** Subject to Bankruptcy Court approval, AFI will enter into and perform under the Shared Services Agreement with the Debtors during the Chapter 11 Cases attached hereto as Exhibit 7.

(d) **Cash Collateral Order.** Subject to Bankruptcy Court approval, Ally shall provide ResCap with use of Cash Collateral pursuant to the terms of the Cash Collateral Order.

(e) **Transition Services Agreement.** Subject to Bankruptcy Court approval, AFI will negotiate and, upon agreement of the parties, enter into a Transition Services Agreement with the Purchaser in connection with the ResCap Asset Sale.

(f) **Debtor-in-Possession Financing.** Subject to Bankruptcy Court approval, AFI will provide up to $220,000,000 of debtor-in-possession financing to the Debtors in accordance with the terms and conditions set forth in the Ally DIP Term Sheet attached hereto as Exhibit 3.

(g) **Support of Pension.** AFI will honor in the ordinary course of business, obligations under the Employees' Retirement Plan sponsored by GMAC Mortgage Group LLC.

(h) **Continued Consumer Lending Origination Support.** Subject to Bankruptcy Court approval, Ally Bank will provide Consumer Lending Origination Support to the Debtors during the Chapter 11 Cases through and until the closing of the ResCap Asset Sale.

Section 2.2 *ResCap Director and Officer Issues.*

(a) **Indemnification.** AFI stands by and re-affirms its indemnification obligations under its Amended and Restated Certificate of Incorporation regarding ResCap's current and former Directors and Officers to the full extent of Delaware law.

(b) **Insurance.** Ally will use commercially reasonable efforts to continue to renew its current blended directors and officers liability and fiduciary liability insurance program (the "Current Program"), for a period of six years following the Effective Date (the "Run Off Period"), on substantially the same terms and conditions as the Current Program and including prior acts coverage with respect to claims arising from acts or omissions that occurred prior to the Effective Date; provided that if Ally is unable to continue the Current Program for the entire Run Off Period despite its commercially reasonable efforts it shall promptly notify the Debtors and use best efforts to obtain run off coverage for the balance of the Run Off Period.

Section 2.3 *Ally Release.* Subject to the Debtors' satisfaction of their obligations set forth in Section 3.1, on the Effective Date of the Plan, Ally shall release the Debtors and each of their respective members, officers, directors, agents, financial advisors, attorneys, employees, partners, affiliates, and representatives and their respective properties from any and all Causes of Action, whether known or unknown, whether for tort, fraud, contract, violations of federal or state securities laws, or otherwise, arising from or related in any way to the Debtors, including

those that any Ally entity would have been legally entitled to assert against any of the parties above in their own right (whether individually or collectively), other than the Allowed Claims.

Section 2.4 *Ally Plan Sponsor Obligations.*

(a) **Support of Restructuring.** As long as this Agreement has not been terminated in accordance with Article VII, AFI agrees to:

(i) support the relief requested in each of the Debtors' first day pleadings (including interim and final relief thereof, as applicable);

(ii) support the Debtors' efforts to pursue the Restructuring contemplated by the Plan Term Sheet;

(iii) support the Debtors' prosecution of their Chapter 11 Cases consistent with this Agreement and the Plan Term Sheet;

(iv) support entry of an order approving the Disclosure Statement to permit solicitation of the Plan;

(v) vote to accept the Plan, provided that (i) the Bankruptcy Court has entered an order approving the Disclosure Statement, (ii) the Consenting Claimants have been properly solicited pursuant to section 1125 of the Bankruptcy Code, (iii) the material terms of the Plan and the Disclosure Statement are consistent with the terms of the Plan Term Sheet and incorporate the terms of the AFI Settlement Agreement, and (iv) the Plan and the Disclosure Statement are satisfactory to the Consenting Claimants; and

(vi) support confirmation of the Plan and approval of this Agreement incorporated therein.

(b) **Transfer of Claims.** AFI hereby agrees, for so long as this Agreement shall remain in effect, not to sell, assign, transfer, pledge, hypothecate or otherwise dispose of, directly or indirectly, any of the Ally Claims or any right related thereto and including any voting rights associated with such Ally Claims.

(c) **Further Acquisition of Claims.** This Agreement shall in no way be construed to preclude AFI or any of its affiliates (as defined in section 101(2) of the Bankruptcy Code) from acquiring additional claims following its execution of this Agreement; provided, that any such additional claims acquired by AFI shall automatically be deemed to be subject to the terms of this Agreement unless AFI does not have the authority to make any such additional claim subject to the Agreement. AFI further agrees that it will not create any subsidiary or affiliate for the sole purpose of acquiring any claims against or interests in any of the Debtors without causing such affiliate to become a Party hereto prior to such acquisition.

(d) **Representations of AFI's Holdings.** AFI represents that, as of the date hereof (i) it is the legal owner of the Ally Claims; and (ii) it has full power to vote, dispose of, and compromise the Ally Claims.

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ARTICLE III

Debtors' Obligations

Section 3.1 *Debtors' Obligations.* The Debtors hereby agree to do the following and to use good faith efforts to do the following:

(a) **Agreement.** The Debtors shall file this Agreement on the Petition Date and shall use commercially reasonable efforts to obtain approval of the Debtors' obligations under this Agreement contemporaneously with approval of the Disclosure Statement.

(b) **Plan.** The Debtors shall use good faith efforts to file and prosecute the Plan as set forth in the Plan Term Sheet.

(c) **Regulatory Obligations.** The Debtors shall perform all of the obligations required under the Consent Materials, and fund any and all costs related to such performance during the Chapter 11 Cases through and until the closing of the ResCap Asset Sale. The Debtors shall (i) escrow proceeds from the ResCap Asset Sale in an amount to be agreed upon between Ally and Debtors (or determined by the Bankruptcy Court to the extent no agreement can be reached) for the purpose of funding any and all remaining obligations under the Consent Materials following the ResCap Asset Sale, or (ii) the Purchaser shall assume such obligations as part of the ResCap Asset Sale on terms reasonably acceptable to Ally.

(d) **Plan Releases.** The Confirmation Order and Plan shall include the following provisions in the Plan and the Confirmation Order or such other release provisions as are acceptable to Ally.

(i) Debtor Releases. On and as of the Effective Date, for the good and valuable consideration provided by each of the Released Parties, including: (a) the discharge of debt and all other good and valuable consideration provided pursuant to the Plan; (b) pursuant to the terms of this Agreement; and (c) the services of the Debtors' present officers and directors in facilitating the expeditious implementation of the restructuring contemplated by the Plan, each of the Debtors shall provide a full discharge and release to the Released Parties (and each such Debtor Releasee so released shall be deemed released and discharged by the Debtors)) and their respective properties from any and all Causes of Action, whether known or unknown, whether for tort, fraud, contract, violations of federal or state securities laws, or otherwise, including those Causes of Action based on avoidance liability under federal or state laws, veil piercing or alter-ego theories of liability, a theory of debt recharacterization, or equitable subordination liability, arising from or related in any way to the Debtors, including those that any of the Debtors or Reorganized Debtors would have been legally entitled to assert against a Released Party in their own right (whether individually or collectively) or that any holder of a Claim or Interest or other entity, would have been legally entitled to assert on behalf of any of the Debtors or any of their Estates, including those in any way related to the Bankruptcy Cases or the Plan to the fullest extent of the law; provided that Ally shall reaffirm its obligations under Section 2.2 in conjunction with the Plan; provided, further, that the Debtors' rights to any insurance shall not be adversely affected.

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(ii) Third Party Releases. On and as of the Effective Date, the holders of Claims and Interests shall be deemed to provide a full discharge and release to the Released Parties and their respective property from any and all Causes of Action, whether known or unknown, whether for tort, fraud, contract, violations of federal or state securities laws, veil piercing or alter-ego theories of liability, or otherwise, arising from or related in any way to the Debtors, including those in any way related to residential mortgage backed securities issued and/or sold by Debtors and/or the Chapter 11 Cases or the Plan; provided that claims of the Debtors' directors and officers against Ally pursuant to Ally's indemnification obligations and Section 2.2 hereof (as well as any applicable insurance related thereto) shall not be released. Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the releases set forth in this Section 3.1(d)(ii) (the "Third Party Releases"), and further, shall constitute its finding that the Third Party Releases are: (a) in exchange for the good, valuable, and substantial consideration provided by the Released Parties; (b) in the best interests of the Debtors and all holders of Claims; (c) fair, equitable, and reasonable; (d) given and made after due notice and opportunity for hearing; (e) justified by truly unusual circumstances; (f) an essential component and important to the success of the Plan; (g) resulted in increased distributions to the creditors that would otherwise have been unavailable; (h) the result of an identity of interest between the Debtors and the Released Parties regarding the restructuring; and (i) a bar to any party asserting any claim released by the Third Party Release against any of the Released Parties. The Confirmation Order will permanently enjoin the commencement or prosecution by any person or entity, whether directly, derivatively or otherwise, of any Claims, obligations, damages, demands, debts, rights, suits, Causes of Action, judgments, or liabilities released pursuant to the Plan.

(e) **Allowed Claims.** The Confirmation Order shall allow all Claims in full that arise (i) under the Amended and Restated Credit Agreement, dated as of December 30, 2009 (as amended, supplemented, or otherwise modified), among the GMAC Mortgage, LLC and Residential Funding Company, LLC, as borrowers, Residential Capital, LLC, GMAC Residential Holding Company, LLC, GMAC-RFC Holding Company, LLC, and Homecomings Financial, LLC, as guarantors, AFI as initial lender and agent, and Wells Fargo Bank, N.A., as first priority collateral agent (the "Ally Revolver"), (ii) under the Amended and Restated Loan Agreement, dated as of December 30, 2009 (as amended, supplemented, or otherwise modified), by and among GMAC Mortgage, LLC and Residential Funding Company, LLC, as borrowers, Residential Capital, LLC, RFC Asset Holdings II, LLC, Passive Asset Transactions, LLC, GMAC Residential Holding Company, LLC, GMAC-RFC Holding Company, LLC, Homecomings Financial, LLC, and Equity Investment I, LLC, as guarantors, and AFI as lender and agent (the "Ally LOC"), and (iii) claims from and after the Petition Date, which are held by Ally against the Debtors and arise in the ordinary course of business or otherwise agreed to by the Debtors and Ally.

Section 3.2 *Debtors Plan Support Obligations.*

(a) **Implementation of the Restructuring.** As long as this Agreement has not been terminated in accordance with Article VII, the Debtors agree to:

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(i) effectuate and consummate the Restructuring contemplated by the Plan Term Sheet in accordance with the Milestones;

(ii) obtain any and all required regulatory approvals and material third-party approvals for the Restructuring; and

(iii) take any and all reasonably necessary actions in furtherance of the Restructuring.

(b) **Representation of the Debtors.** None of the materials and information provided by or on behalf of the Debtors to AFI in connection with the Restructuring, when read or considered together, contains any untrue statement of a material fact or omits to state a known material fact necessary in order to prevent the statements made therein from being materially misleading.

(c) **Alternative Restructuring.** Notwithstanding anything contained in this Agreement to the contrary, following the good faith determination by the Debtors and their respective Boards of Directors that a proposal or offer for a chapter 11 plan or other restructuring transaction that is not consistent with the Plan Term Sheet (an "Alternative Restructuring") constitutes a proposal that is reasonably likely to be more favorable to the Debtors' estates, their creditors, and other parties to whom the Debtors owe fiduciary duties than the Restructuring, and receipt of approval by the Boards of Directors to pursue such Alternative Restructuring, the Debtors may immediately terminate their obligations under this Agreement (and Ally shall have similar termination rights as set forth in section 7.3) by written notice to Ally.

ARTICLE IV

Mutual Plan Support Obligations

Section 4.1 *Mutual Plan Support Obligations.* As long as this Agreement has not been terminated in accordance with Article VII, each of the Parties agrees that it:

(a) shall negotiate in good faith the Definitive Documents (as defined in the Plan Term Sheet), including the Plan and Disclosure Statement, both of which shall contain the same terms set forth in, and be consistent with, the Plan Term Sheet and this Agreement;

(b) shall not directly or indirectly seek, solicit, support, or vote in favor of any alternative restructuring that could reasonably be expected to prevent, delay, or impede the Restructuring contemplated by the Plan Term Sheet or that is inconsistent with this Agreement, unless the Debtors and AFI have agreed, in writing, to pursue an alternative restructuring;

(c) shall not directly nor indirectly (i) engage in, continue, or otherwise participate in any negotiations regarding any alternative restructuring, (ii) enter into a letter of intent, memorandum of understanding, agreement in principle, or other agreement relating to any alternative restructuring or (iii) withhold, withdraw, qualify, or

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modify its approval or recommendation of this Agreement, the Plan Term Sheet, the Plan, or the Restructuring;

(d) shall not encourage any other entity to object to, delay, impede, appeal, or take any other action, directly or indirectly, to interfere with the Restructuring; and

(e) shall not take any action that is inconsistent with this Agreement, the Plan Term Sheet, or the Plan, or that would obstruct or delay approval of the Disclosure Statement or confirmation and consummation of the Plan.

ARTICLE V

Conditions to Effectiveness of the Agreement

Section 5.1 *Conditions to Effectiveness.* This Agreement is effective immediately upon satisfaction of the following conditions precedent:

(a) **Bankruptcy Filing.** The Debtors shall have filed cases under chapter 11 of the Bankruptcy Code on or before May 15, 2012.

(b) **Data Center Transaction.** The Data Center Transaction shall have been executed on or before the date that the Debtors file their cases under chapter 11 of the Bankruptcy Code.

Section 5.2 *Additional Conditions to Effectiveness.* Ally's obligations pursuant to Section 2.1(a), Section 2.2(b)(i) and Section 2.3 shall only apply upon the satisfaction of the following conditions precedent:

(a) **Plan and Confirmation Order.** The Plan and the Confirmation Order shall incorporate the terms and conditions of this Agreement and shall include the Third Party and Debtor Releases.

(b) **Bankruptcy Court Approval.** The Bankruptcy Court shall have entered the Confirmation Order, which shall have become a Final Order.

(c) **Plan Effective Date.** The Effective Date shall have occurred.

ARTICLE VI

Representations And Warranties Of The Parties

The Parties, solely on behalf of themselves and their respective subsidiaries, represent and warrant as of the Effective Date:

Section 6.1 *Due Organization, Standing, and Authority.* Such Party is duly organized, validly existing, and in good standing under the laws of the jurisdiction of its formation. Subject to entry of the Bankruptcy Court Orders set forth herein, such Party has all necessary power and

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authority to execute, deliver, and perform its obligations under this Agreement as contemplated by its Governing Documents.

Section 6.2 *Authorization and Validity of the Agreement.* Subject to entry of the Bankruptcy Court Orders set forth herein, the execution, delivery, and performance of this Agreement (a) are within such Party's powers, (b) have been duly authorized by all necessary action on its behalf and all necessary consents or approvals have been obtained and are in full force and effect, and (c) do not violate any of the terms and conditions of (i) such Party's Governing Documents, (ii) any applicable law, or (iii) any contract to which it is a party.

Section 6.3 *Enforceability.* This Agreement has been duly executed and delivered on behalf of such Party and constitutes a legal, valid, and binding obligation of such Party enforceable against it in accordance with its terms and the terms of the Plan and Confirmation Order.

Section 6.4 *Acknowledgment of Party.* Each Party acknowledges that, except with respect to the representations and warranties made in this Agreement: (a) it has relied on its own independent investigation, and has not relied on any information or representations furnished by any Party or any representative or agent thereof in determining whether or not to enter into this Agreement; (b) it has conducted its own due diligence as well as undertaken the opportunity to review information, ask questions, and receive satisfactory answers concerning the terms and conditions of this Agreement; and (c) it possesses the knowledge, experience, and sophistication to allow it to fully evaluate and accept the merits and risks of entering into the transactions contemplated by this Agreement.

ARTICLE VII

Termination of the Agreement

Section 7.1 *Termination of the Agreement by Ally.* This Agreement shall automatically terminate upon failure to satisfy any of the conditions set forth in Article III, Article IV or Article V hereof, any breach of the Debtors of their obligations under this Agreement, or in the event satisfaction of such conditions becomes a legal impossibility; provided that Ally may waive conditions or a breach by the Debtors in its sole discretion.

Section 7.2 *Termination of the Agreement by the Debtors.* This Agreement may be terminated by the Debtors upon failure to satisfy any of the conditions set forth in Article V or the breach of any of Ally's obligations under Article II hereof; provided that Ally shall have 15 days to cure any such alleged breach of Article II or the Debtors' exercise of their rights pursuant to Section 3.2(c).

Section 7.3 *Additional Termination Events.* Unless waived in writing by Ally, this Agreement shall terminate automatically if:

(a) any material modification is made to the Plan Term Sheet or the Plan that is not in form and substance satisfactory to AFI and the Debtors;

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(b) any of the Definitive Documents (as defined in the Plan Term Sheet), including the Plan, is filed with the Bankruptcy Court by the Debtors and is inconsistent with the Plan Term Sheet in any material respects, unless otherwise acceptable to AFI;

(c) the Bankruptcy Court has entered an order in any of the Debtors' chapter 11 cases appointing (i) a trustee under chapter 7 or chapter 11 of the Bankruptcy Code, (ii) a responsible officer or (iii) an examiner, in each case with enlarged powers relating to the operation of the business (powers beyond those set forth in sub-clauses (3) and (4) of section 1106(a) of the Bankruptcy Code) under section 1106(b) of the Bankruptcy Code;

(d) the obligations of the Debtors under any debtor-in-possession credit facility are accelerated;

(e) any of the Debtors' chapter 11 cases is dismissed;

(f) the Debtors publicly announce their intention not to support the Restructuring or provide written notice to AFI of their intention to do so;

(g) the Debtors' Boards of Directors approve an Alternative Restructuring or the Debtors execute a letter of intent (or similar document) indicating their intention to pursue an Alternative Restructuring;

(h) any court has entered a final, non-appealable judgment or order declaring this Agreement or any material portion hereof to be unenforceable; and

(i) the Debtors fail to achieve any of the Milestones.

Section 7.4 *Automatic Termination.* Unless extended in writing by the Debtors, Ally and Purchaser, this Settlement Agreement shall terminate automatically if (i) the Confirmation Order has not been entered on or before October 31, 2012, or (ii) any of the conditions set forth in Article V have not been satisfied on or before December 15, 2012.

Section 7.5 *Termination Event Procedure.* The Parties hereby waive any requirement under section 362 of the Bankruptcy Code to lift the automatic stay thereunder solely in connection with giving any termination notice (and agree not to object to any non-breaching Party seeking to lift the automatic stay solely in connection with giving any such notice, if necessary), subject to all rights of the Party to contest any such alleged Termination.

Section 7.6 *Survival.* Notwithstanding termination of this Agreement pursuant to this Article VII, Ally's obligations in Section 2.1(b)(ii)-(h), and Section 2.2 shall survive; provided that Ally shall have no remaining obligations under this Agreement to the extent of a breach by the Debtors of Section 3.1(a) or 3.1(b) hereof unless such breach was as a result of the Debtors' determination to pursue an Alternative Restructuring in accordance with the terms hereof, in which case Ally's only remaining obligations shall be those set forth in Section 2.1(c) and (d); provided further that, notwithstanding anything in this Agreement to the contrary, in the event of any Alternative Restructuring or any termination of this Agreement on account thereof, Ally's only remaining obligations shall be those set forth in Section 2.1(c) and (d) hereof.

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ARTICLE VIII

Miscellaneous

Section 8.1 *Notices.* All notices, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given: (a) when personally delivered; (b) upon actual receipt (as established by confirmation of receipt or otherwise) during normal business hours, otherwise on the first business day thereafter, if transmitted by facsimile, e-mail, or telecopier with confirmation of receipt; (c) five business days after being mailed by certified mail, return receipt requested, first class postage prepaid; or (d) one business day after being sent by nationally recognized overnight courier; in each case, to the following addresses, or to such other addresses as a Party may from time to time specify by notice to the other Parties given pursuant hereto.

If to the Debtors, to:

Tammy Hamzehpour
Residential Capital LLC
1100 Virginia Drive
Fort Washington, PA 19034

And with a copy to (which copy shall not constitute notice):

Mr. Larren M. Nashelsky
Mr. Gary S. Lee
Morrison & Foerster
1290 Avenue of the Americas
New York, NY 10100

If to Ally, to:

Mr. William B. Solomon Jr.
Ally Financial Inc.
200 Renaissance Center
Mail Code 482-B09-B11
Detroit, Michigan 48265

And with a copy to (which copy shall not constitute notice):

Mr. Richard M. Cieri
Mr. Ray C. Schrock
Kirkland & Ellis LLP
601 Lexington Avenue
New York, NY 10022

Section 8.2 *Specific Performance.* Each Party acknowledges that the other Party would be irreparably damaged if this Agreement were not performed in accordance with its

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specific terms or were otherwise breached. Accordingly, each Party's sole remedy shall be to seek an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically the terms of this Agreement.

Section 8.3 *Governing Law/Jurisdiction.* This Agreement, the rights and duties of the Parties and all other matters arising out of or relating to this Agreement (whether in contract, tort, or otherwise) will be governed by and construed, enforced, and performed in accordance with the laws of the State of New York, without giving effect to principles of conflicts of laws that would require the application of laws of another jurisdiction. The Parties acknowledge and agree that the Bankruptcy Court shall have the exclusive jurisdiction over this Agreement and that any claims arising out of or related to the interpretation and enforcement of this Agreement shall be properly brought only before the Bankruptcy Court. If and to the extent that the Chapter 11 Cases are closed or dismissed, the United States District Court located in the borough of Manhattan in New York City shall have exclusive jurisdiction over this Agreement and any such claims. This provision shall not constitute a consent by any Party to personal jurisdiction over it for any purpose, other than with respect to the enforcement of this Agreement.

Section 8.4 *Entire Agreement.* This Agreement contains the entire agreement between the Parties with respect to the subject matter hereof and there are no agreements, understandings, representations, or warranties between the Parties other than those set forth or referred to herein.

Section 8.5 *Acknowledgement.* THIS AGREEMENT, THE PLAN TERM SHEET, AND THE TRANSACTIONS CONTEMPLATED HEREIN AND THEREIN, ARE THE PRODUCT OF NEGOTIATIONS BETWEEN THE PARTIES AND THEIR RESPECTIVE REPRESENTATIVES. EACH PARTY HEREBY ACKNOWLEDGES THAT THIS AGREEMENT IS NOT AND SHALL NOT BE DEEMED TO BE A SOLICITATION OF VOTES FOR THE ACCEPTANCE OF A CHAPTER 11 PLAN FOR THE PURPOSES OF SECTIONS 1125 AND 1126 OF THE BANKRUPTCY CODE OR OTHERWISE. THE DEBTORS WILL NOT SOLICIT ACCEPTANCES OF THE PLAN FROM AFI UNTIL AFI HAS BEEN PROVIDED WITH COPIES OF A DISCLOSURE STATEMENT APPROVED BY THE BANKRUPTCY COURT. EACH PARTY FURTHER ACKNOWLEDGES THAT NO SECURITIES OF ANY DEBTOR ARE BEING OFFERED OR SOLD HEREBY AND THAT THIS AGREEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OF ANY DEBTOR.

Section 8.6 *Amendment and Waiver.* This Agreement may not be amended, and no right or obligation under this Agreement may be waived, except by written instrument signed by the Parties.

Section 8.7 *Severability.* Each of the provisions of this Agreement is an integrated, essential and non-severable part of this Agreement. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic and legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to the Parties. Upon any determination that any term or other provision is invalid, illegal, or incapable of being enforced, each Party hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of this Agreement as closely as possible in a

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mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

Section 8.8 *Reliance on Representations.* All representations, warranties, agreements, covenants, and obligations herein are material, and shall be deemed to have been relied upon by the other Parties.

Section 8.9 *Successors and Assigns.* This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, and is intended to be binding upon any chapter 11 or chapter 7 trustee, any successor trustee, and the estates of any or all of the Debtors. Without in any manner limiting the scope, extent, or effect of the foregoing, no Party hereto shall transfer, assign, or otherwise dispose of their right, title, and interests in and to any claims or causes of action of such Party that are the subject of this Agreement, and any such transfer shall be void and of no force and effect unless and until such transferee or assignee agrees in writing at the time of such transfer or assignment to be bound by this Agreement in its entirety without revision.

Section 8.10 *No Admission of Liability.* This Agreement is not an admission of any liability, but is a compromise and settlement and this Agreement shall not be treated as an admission of liability. All communications (whether oral or in writing) between and/or among the Parties, their counsel, and/or their respective representatives relating to, concerning, or in connection with this Agreement, or the matters covered hereby and thereby, shall be governed and protected in accordance with the Federal Rule of Evidence 408 and New York Civil Practice Law and Rules Section 4547 to the fullest extent permitted by law.

Section 8.11 *Interpretation.* This Agreement has been jointly drafted by the Parties at arm's-length and each Party has had ample opportunity to consult with independent legal counsel. No provision or ambiguity in this Agreement shall be resolved against any Party solely by virtue of its participation in the drafting of this Agreement.

Section 8.12 *Expenses.* Except as specifically provided otherwise, the Parties shall be responsible for the payment of their own respective costs and expenses (including reasonable attorneys' fees) in connection with the negotiation, participation, execution, and delivery of, and the observance or performance of their obligations under, this Agreement. Nevertheless, in any action or proceeding to enforce this Agreement, the prevailing Party shall be entitled to payment of its reasonable costs and expenses (including reasonable attorneys' fees). The Parties agree that claims for enforcement of this Agreement shall not be released by any of the provisions contained herein.

Section 8.13 *Captions.* The captions of this Agreement are for convenience only and are not a part of this Agreement and do not in any way limit or amplify the terms and provisions of this Agreement and shall have no effect on its interpretation.

Section 8.14 *Counterparts.* This Agreement may be executed in counterparts, by either an original signature or signature transmitted by facsimile transmission, other electronic copy, or other similar process and each copy so executed shall be deemed to be an original and all copies so executed shall constitute one and the same agreement.

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Section 8.15 *Further Assurances.* From time to time, upon request, the Parties shall, without further consideration, promptly execute, deliver, acknowledge, and file all such further documents, agreements, certificates, and instruments and do such further acts as the persons or entities entitled to the benefit of this Agreement may reasonably require to effectuate the transactions contemplated by this Agreement.

Section 8.16 *Taxes.* It is acknowledged and agreed to by each of the Parties hereto that each such Party shall be responsible for paying all taxes, if any, arising out of any payments or transfers made to it pursuant hereto and that it shall pay all such taxes in accordance with applicable law.

Section 8.17 *Construction of Agreement.* Each of the functional words "each", "every", "any", and "all" shall be deemed to include each of the other functional words. This Agreement or any uncertainty or ambiguity herein shall not be construed against any one party but shall be construed as if all parties to this Agreement jointly prepared all aspects of this Agreement.

[SIGNATURE PAGE FOLLOWS]

EXECUTION COPY

RESIDENTIAL CAPITAL, LLC for itself and its debtor subsidiaries

By: _____
Name: Jonathan Ilany
Title: Independent Director

By: _____
Name: John E. Mack
Title: Independent Director

ALLY FINANCIAL INC. on behalf of itself and its subsidiaries and affiliates (excluding the Debtors and their direct and indirect subsidiaries)

By: _____
Name:
Title:

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ALLY FINANCIAL INC. on behalf of itself and its subsidiaries and affiliates (excluding the Debtors and their direct and indirect subsidiaries)

By: _____
Name: Michael A. Carpenter
Title: Chief Executive Officer

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Exhibit A

MILESTONES

EXECUTION VERSION

MILESTONES

The Debtors' failure to comply with the following milestones (the "Milestones") will result in a termination under Section 7.3 of this Agreement, unless waived pursuant to the terms of this Agreement:

1) The Debtors shall have commenced the Chapter 11 Cases on or before May 15, 2012;

2) On or before the Petition Date, the Debtors shall have:

   a) executed the Asset Purchase Agreement with the Stalking Horse Bidder that is in form, scope, and substance satisfactory to AFI;

   b) executed the Held-For-Sale Asset Purchase Agreement with AFI that is in form, scope, and substance satisfactory to AFI;

   c) executed the Barclays DIP Financing Facility that is substantially consistent with the term sheet attached as Exhibit 6 to this Agreement; and

   d) agreed upon the term sheet for the Ally DIP Financing Facility that is substantially consistent with the form as Exhibit 3 attached to this Agreement.

3) On or before May 18, 2012, the Debtors shall have obtained entry of orders of the Bankruptcy Court on an interim basis approving the Barclays DIP Financing Facility and the Ally DIP Financing Facility that are in form, scope, and substance satisfactory to AFI;

4) On or before May 18, 2012, the Debtors shall have obtained entry of the Cash Collateral Order, on an interim basis, in form, scope, and substance satisfactory to AFI;

5) On or before May 18, 2012, the Debtors shall have filed with the Bankruptcy Court a motion to approve their proposed bidding procedures with respect to the ResCap Asset Sale, which bidding procedures will propose a timeline for the asset sale consistent with the terms of the Plan Term Sheet and provide for the ResCap Asset Sale to be approved in conjunction with the Plan;

6) On or before May 18, 2012, the Debtors shall have entered into the following agreements and have obtained entry of the following Bankruptcy Court Orders on an interim basis, in each case in form, scope and substance satisfactory to the Debtors and AFI:

   a) the Subservicing Agreement and the Subservicing Agreement Order;

   b) the Shared Services Agreement and the Shared Services Agreement Order; and

   c) the GNMA Origination Agreement and the GNMA Origination Order.

7) On or before May 25, 2012, the Debtors shall have filed a motion, in form and substance satisfactory to AFI, to extend the automatic stay of section 362(a) of the Bankruptcy Code to AFI and certain of its affiliates;

8) On or before June 15, 2012, the Debtors shall have filed a motion seeking the Bankruptcy Court's approval of this Agreement;

9) On or before June 15, 2012, the Debtors shall have filed with the Bankruptcy Court the Plan, Disclosure Statement, a motion to approve the Disclosure Statement, and a motion to approve solicitation procedures in relation to the Plan and Disclosure Statement, all of which shall be in form and substance satisfactory to AFI;

EXECUTION VERSION

10) On or before 50 days following the Petition Date, the Debtors shall have obtained entry of the Bankruptcy Court of Final Orders approving the Barclays DIP Financing Facility, Ally DIP Financing Facility, the Shared Servicing Agreement, the GNMA Origination Agreement and the Subservicing Agreement, in each case in form, scope and substance satisfactory to AFI;

11) On or before ninety (90) days following the Petition Date], the Bankruptcy Court shall have entered (a) an order approving the Disclosure Statement, which shall be in form and substance satisfactory to AFI, (b) an order approving the Debtors' proposed bidding procedures related to the ResCap Asset Sale, in each case in form and substance satisfactory to the Debtors and AFI, and (c) an order approving this Agreement;

12) On or before October 31, 2012, the Bankruptcy Court shall have entered the Confirmation Order, which such order will grant final approval of the Plan, the ResCap Asset Sale and the Agreement, in the form and substance satisfactory to AFI; and

13) On or before December 15, 2012, the effective date of the Plan shall have occurred.

SEWARD & KISSEL LLP

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September 14, 2012

VIA FEDEX & EMAIL

Mr. David Glehan
Managing Director
MBIA Insurance Corporation
113 King Street
Armonk, New York 10504

RMBS Trust Settlement Agreement with Residential Capital, LLC

Dear Mr. Glehan:

We represent U.S. Bank National Association, solely in its capacity as Trustee ("U.S. Bank") under various Pooling and Servicing Agreements and Indentures (together, the "Governing Agreements") for approximately 300 RMBS securitization trusts in connection with the Chapter 11 cases of Residential Capital, LLC and its direct and indirect subsidiaries (collectively, "ResCap"), including the six trusts (the "Trusts") identified in your three July 23, 2012 letters to U.S. Bank (collectively, the "MBIA Letters") and write in response to those letters.[1]

The MBIA Letters state that MBIA Insurance Corporation ("MBIA"), "directs" or "instructs" U.S. Bank "to not consider or accept any settlement or compromise offers relating to any claims that may belong to the [] Trusts, including, but not limited to the RMBS Trust Settlement Agreement, dated as May 13, 2012 (the "Settlement Agreement"), by and between [ResCap] and the Institutional Investors (as defined in the Settlement Agreement)."

While the MBIA Letters describe MBIA's purported right to "direct" U.S. Bank as trustee under certain circumstances, no reference is made to Section 8.02(iii) of the relevant Pooling and Servicing Agreement. That section, in relevant part, provides that:

> The Trustee shall be under no obligation to exercise any of the trusts or powers vested in it by this Agreement or to institute, conduct or defend any litigation hereunder or in relation hereto at

[1] Capitalized terms used herein and not otherwise defined have the meanings specified in the MBIA Letters or in the Governing Agreements for the Trusts.

> the request, order or direction of [MBIA], pursuant to the provisions of this Agreement, unless [MBIA] shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which may be incurred therein or thereby...

The Indentures governing the relevant Trusts impose similar indemnification obligations on a party seeking to "direct" the trustee in the manner MBIA seeks to direct U.S. Bank. Section 6.01(f) of those Indentures, in relevant part, states:

> No provision of this Indenture shall require the Indenture Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds to believe that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

Section 5.11 of the relevant Indentures, in pertinent part, further provides:

> [S]ubject to Section 6.01, the Indenture Trustee need not take any action that it determines (in its sole discretion)[2] might involve it in liability or might materially adversely affect the rights of any Noteholders not consenting to such action, unless the Trustee has received satisfactory indemnity from [MBIA].

Finally, three of the relevant Indentures provide additional indemnification obligations on MBIA, stating in Section 6.02(h) that:

> The Indenture Trustee shall be under no obligation to exercise any of the trusts and powers vested in it by this Indenture or to institute, conduct or defend any litigation hereunder or in relation hereto at the request, order or direction of [MBIA], pursuant to the provisions of this Indenture, unless [MBIA] shall have offered to the Indenture Trustee reasonable security or indemnity against the costs, expenses and liabilities which may be incurred therein or thereby...

The relevant Governing Agreements, in sum, make clear that U.S. Bank is not obligated to comply with MBIA's purported "direction" unless MBIA first provides U.S. Bank with adequate security or indemnity. If MBIA believes that adequate indemnity or security is not

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[2] Two of the five relevant Indentures do not contain the parenthetical "(in its sole discretion)."

necessary, or that not consenting to the Settlement Agreement will not "materially adversely affect the rights of any noteholders" in the Trusts, U.S. Bank requests that MBIA explain why proceeding with its purported "direction" (i) will not expose U.S. Bank to certain costs, expenses and liabilities, and (ii) will not materially adversely affect the interest of noteholders in the Trusts.

Regardless of whether the MBIA Letters would constitute a valid, binding direction or instruction, U.S. Bank will, of course, consider MBIA's request that it not accept the Settlement Agreement on behalf of the Trusts, along with any other Noteholder or Certificateholder requests and any other relevant information that U.S. Bank receives. In that regard, as MBIA may be aware, U.S. Bank has received correspondence from Institutional Investors who hold 25% in one or more classes of numerous RMBS trusts that "urge and direct" U.S. Bank to accept the Settlement Agreement on behalf of those trusts, including at least five of the Trusts identified in the MBIA Letters. Enclosed is a copy of the relevant correspondence from the Institutional Investors. To assure full disclosure, we are providing to the Institutional Investors copies of the MBIA Letters, as well as our response.

On July 31, 2012, the Court entered a scheduling order (the "Order") in the ResCap bankruptcy proceeding concerning the Debtors' efforts to seek approval of the Settlement Agreement. To the extent MBIA has any objections to the Settlement Agreement, the Order provides that those objections should be filed by October 5, 2012. The Order also provides that U.S. Bank must accept or reject the Settlement Agreement by "the later of November 12, 2012 or five business days after the entry of an order approving the [Settlement Agreement]." U.S. Bank will consider any objections that are filed prior to deciding whether to accept or reject the terms of the Settlement Agreement. We encourage you to reach out to the Institutional Investors to resolve the conflicting "directions" regarding the Settlement Agreement in advance of the date by which U.S. Bank must accept or reject the Settlement Agreement.

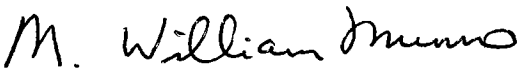
U.S. Bank reserves its right to contest whether the MBIA Letters would constitute a "Direction" under the relevant Governing Agreements, or whether U.S. Bank has any other obligations thereunder.

Mr. David Glehan
September 14, 2012
Page 4

Please call me if you have any questions or we can help facilitate your contacting the Institutional Investors. Thank you.

Sincerely,

M. William Munno



M. William Munno

Enclosures

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September 14, 2012

VIA FEDEX & EMAIL

Irena M. Goldstein, Esq.
Proskauer Rose LLP
Eleven Times Square
New York, New York 10036-8299

RMBS Trust Settlement Agreement with Residential Capital, LLC

Dear Ms. Goldstein:

We represent U.S. Bank National Association, solely in its capacity as Trustee ("U.S. Bank") under various Pooling and Servicing Agreements and Indentures for approximately 300 RMBS securitization trusts in connection with the Chapter 11 cases of Residential Capital, LLC and its direct and indirect subsidiaries (collectively, "ResCap"), including the trust (the "Trust") governed by the Indenture, dated as of June 30, 2004 between GMACM Home Equity Loan Trust 2004-HE3 and Wells Fargo Bank, N.A. (the "Indenture"). We respond to your August 23, 2012 letter regarding the "direction" of your client, Assured Guaranty Municipal Corp. ("Assured"), with respect to the Trust and the RMBS Settlement.[1]

Your letter states that "notwithstanding any direction [U.S. Bank] may have received from noteholders, Assured does not consent at this time to [U.S. Bank] entering into the Joinder. Accordingly, [U.S. Bank] cannot enter the Joinder and must await further instructions from Assured."

While your letter relies on Section 5.11 of the Indenture with regard to Assured's purported right to "direct" U.S. Bank as trustee under certain circumstances, no reference is made to the penultimate paragraph of that section, which, in relevant part, provides:

> [S]ubject to Section 6.01, the Indenture Trustee need not take any action that it determines (in its sole discretion) might involve it in liability or might materially adversely affect the rights of any

---

[1] Capitalized terms used herein and not otherwise defined have the meanings specified in your August 23 Letter or in the Indenture.

> Noteholders not consenting to such action unless the Indenture Trustee has received satisfactory indemnity from [Assured].
>
> Section 6.01(f) of the Indenture, in relevant part, further states:
>
> No provision of this Indenture shall require the Indenture Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds to believe that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.
>
> Finally, Section 6.02(h) of the Indenture provides, in relevant part, that:
>
> The Indenture Trustee shall be under no obligation to exercise any of the trusts and powers vested in it by this Indenture or to institute, conduct or defend any litigation hereunder or in relation hereto at the request, order or direction of [Assured], pursuant to the provisions of this Indenture, unless [Assured] shall have offered to the Indenture Trustee reasonable security or indemnity against the costs, expenses and liabilities which may be incurred therein or thereby…

The Indenture, in sum, makes clear that U.S. Bank is not obligated to comply with Assured's purported "direction" unless Assured first provides U.S. Bank with adequate indemnity or reasonable security. If Assured believes that adequate indemnity is not necessary, or that not joining the RMBS Settlement will not "materially adversely affect the rights of any noteholders" in the Trust, U.S. Bank requests that Assured explain why proceeding with its purported "direction" (i) will not expose U.S. Bank to potential financial liability, and (ii) will not materially adversely affect the interest of noteholders in the Trust.

Regardless of whether your letter would constitute a valid, binding direction or instruction on behalf of Assured, U.S. Bank will, of course, consider Assured's request that it not join the RMBS Settlement on behalf of the Trust, along with any other Noteholder or Certificateholder requests and any other relevant information that U.S. Bank receives. In that regard, as Assured may be aware, U.S. Bank has received correspondence from Institutional Investors who hold 25% in one or more classes of numerous RMBS trusts, including the Trust, that "urge and direct" U.S. Bank to accept the RMBS Settlement. Enclosed is a copy of the relevant correspondence from the Institutional Investors. To assure full disclosure, we are providing to the Institutional Investors copies of your letter, as well as this response.

Irena M. Goldstein, Esq.
September 14, 2012
Page 3

On July 31, 2012, the Court entered a scheduling order (the "Order") in the ResCap bankruptcy proceeding concerning the Debtors' efforts to seek approval of the RMBS Settlement. To the extent Assured has any objections to the RMBS Settlement, the Order provides that those objections should be filed by October 5, 2012. The Order also provides that U.S. Bank must accept or reject the RMBS Settlement by "the later of November 12, 2012 or five business days after the entry of an order approving the [RMBS Settlement]." U.S. Bank will consider any objections that are filed prior to deciding whether to accept or reject the terms of the RMBS Settlement. We encourage you to reach out to the Institutional Investors to resolve the conflicting "directions" regarding the RMBS Settlement in advance of the date by which U.S. Bank must accept or reject the RMBS Settlement.

U.S. Bank reserves its right to contest whether your letter would constitute a "Direction" on behalf of Assured under the Indenture, or whether U.S. Bank has any other obligations thereunder.

Please call me if you have any questions or we can help facilitate your contacting the Institutional Investors. Thank you.

Sincerely,

M. William Munno

M. William Munno

Enclosures

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September 14, 2012

VIA FEDEX & EMAIL

Mr. Timothy S. Travers
Executive Vice President
Financial Guaranty Insurance Company
125 Park Avenue
New York, New York 10017

RMBS Trust Settlement Agreement with Residential Capital, LLC

Dear Mr. Travers:

We represent U.S. Bank National Association, solely in its capacity as Trustee ("U.S. Bank") under various Pooling and Servicing Agreements and Indentures (together, the "Governing Agreements") for approximately 300 RMBS securitization trusts in connection with the Chapter 11 cases of Residential Capital, LLC and its direct and indirect subsidiaries (collectively, "ResCap"). We respond to your August 9, 2012 letter to U.S. Bank (the "August 9 Letter") and further respond to Winston Wohr's May 25, 2012 letter to U.S. Bank (the "May 25 Letter," together with the August 9 Letter, the "FGIC Letters").[1]

The May 25 Letter stated that "to the extent any of the Transactions are subject to the Settlement Agreement or the Plan Support Agreement, FGIC hereby provides notice that it does not authorize [U.S. Bank] to vote in favor of, or opt in to, such Settlement Agreement or Plan Support Agreement and hereby directs [U.S. Bank] not to vote in favor of, or to opt in to, the Settlement Agreement or Plan Support Agreement." The August 9 Letter further informs U.S. Bank that "it should not enter into *any* settlement that would impair or otherwise impact FGIC's rights with respect to the Transactions without FGIC's express consent." (Emphasis in the original). The August 9 Letter states that the FGIC Letters shall constitute a "Direction" for purposes of Section 14 of the Rehabilitation Order at the time the Settlement Agreement or Plan Support Agreement are submitted to U.S. Bank for approval, support or opt-in.

---

1 Capitalized terms used herein and not otherwise defined have the meanings specified in the August 9 Letter or in the Transactions' Governing Agreements.

Mr. Timothy S. Travers
September 14, 2012
Page 2

While the August 9 Letter describes the basis for FGIC's "right to withhold such authorization and to direct" U.S. Bank under the Governing Agreements for the Transactions, it makes no reference to Section 8.02(a)(iii) of the relevant Pooling and Servicing Agreements. The language of those agreements vary slightly, however, in substance, each provides that the Trustee shall be under no obligation to exercise any of the trusts or powers vested in it by those agreements, to institute, conduct or defend any litigation, or to follow the request, order or direction of FGIC pursuant to the provisions of the agreements, unless FGIC "shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which may be incurred therein or thereby."

The Indentures governing the Transactions identified in the FGIC Letters impose similar indemnification obligations on a party seeking to "direct" the trustee in the manner FGIC seeks to direct U.S. Bank. Section 6.01(f) of those Indentures, in relevant part, states:

> No provision of this Indenture shall require the Indenture Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds to believe that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

Section 5.11 of the relevant Indentures, in pertinent part, further provides:

> [S]ubject to Section 6.01, the Indenture Trustee need not take any action that it determines might involve it in liability or might materially adversely affect the rights of any Noteholders not consenting to such action unless the Indenture Trustee has received satisfactory indemnity from [FGIC].

The Transactions' Governing Agreements, in sum, make clear that U.S. Bank is not obligated to comply with FGIC's purported "direction" unless FGIC first provides U.S. Bank with adequate security or indemnity. If FGIC believes that adequate indemnity or security is not necessary, or that not consenting to the Settlement Agreement or Plan Support Agreement will not "materially adversely affect the rights of any noteholders" in the Transactions, U.S. Bank requests that FGIC explain why proceeding with its purported "direction" (i) will not expose U.S. Bank to certain costs, expenses and liabilities, and (ii) will not materially adversely affect the interest of noteholders in the Transactions.

Regardless of whether the FGIC Letters would constitute a valid, binding direction or instruction, U.S. Bank will, of course, consider FGIC's request that it not accept the

Settlement Agreement on behalf of the Transactions, along with any other Noteholder or Certificateholder requests and any other relevant information that U.S. Bank receives. In that regard, as FGIC may be aware, U.S. Bank has received correspondence from Institutional Investors who hold 25% in one or more classes of numerous RMBS trusts that "urge and direct" U.S. Bank to accept the Settlement Agreement on behalf of those trusts, including at least four of the Transactions identified in the FGIC Letters. Enclosed are copies of the relevant correspondence from the Institutional Investors. To assure full disclosure, we are providing to the Institutional Investors copies of the FGIC Letters, as well as our responses.

On July 31, 2012, the Court entered a scheduling order (the "Order") in the ResCap bankruptcy proceeding concerning the Debtors' efforts to seek approval of the Settlement Agreement. To the extent FGIC has any objections to the Settlement Agreement, the Order provides that those objections should be filed by October 5, 2012. The Order also provides that U.S. Bank must accept or reject the Settlement Agreement by "the later of November 12, 2012 or five business days after the entry of an order approving the [Settlement Agreement]." U.S. Bank will consider any objections that are filed prior to deciding whether to accept or reject the terms of the Settlement Agreement. We encourage you to reach out to the Institutional Investors to resolve the conflicting "directions" regarding the Settlement Agreement in advance of the date by which U.S. Bank must accept or reject the Settlement Agreement.

The Order further provides that any party that has an interest in the Settlement Agreement may seek discovery immediately. If FGIC wants additional information regarding the Settlement Agreement, FGIC may seek such information from the Debtors under the terms of the Order.

U.S. Bank reserves its right to contest whether the FGIC Letters would constitute a "Direction" under the Rehabilitation Order or the relevant Governing Agreements, or whether U.S. Bank has any other obligations thereunder.

Please call me if you have any questions or we can help facilitate your contacting the Institutional Investors. Thank you.

Sincerely,

M. William Munno

Enclosures

SK 03687 0119 1315895 v3

Exhibit 70

MINUTES of a Regular Meeting of the Board of Residential Capital, LLC ("ResCap" or the "Company"), held by teleconference on due notice on December 5, 2008, at 8:05 a.m. (Eastern).

PRESENT: David J. DeBrunner
Karin Hirtler-Garvey
Ronald J. Kravit
Thomas Marano
Edward F. Smith, III
David C. Walker
Joshua B. Weintraub
James N. Young

constituting a quorum of the Board. Mr. Alvaro G. de Molina was not in attendance.

Jonathan J. Centurino, Lisa Gray, Tammy Hamzehpour, Gerald Lombardo, Thomas Neary, Corey B. Pinkston, Cathy L. Quenneville, Anthony N. Renzi, Scott Robertson, David Stadler were also in attendance. Ari Lefkovits from Lazard Freres & Co. (Special Investment Advisors for ResCap); Jack Levy and Joseph T. Moldovan from Morrison Cohen LLP (Legal Counsel to the Independent Directors); and James R. Tanenbaum from Morrison & Foerster LLP were also in attendance.

The Chairman, Mr. Marano, presided and the Secretary, Ms. Quenneville, recorded.

Minutes

The minutes of a series of prior meetings, which had been previously distributed to the members of the Board, were presented for approval. Mr. Marano requested that approval of the minutes be tabled to allow additional time for review. The Board had no objection and it was agreed that approval of outstanding meeting minutes will be accomplished via email upon completion of the Chairman's review of such minutes.

State of ResCap Information Technology

REDACTED

CONFIDENTIAL RC40005939

REDACTED

CONFIDENTIAL

REDACTED

REDACTED

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 10:00 a.m. The reports presented at this meeting are on file with the Secretary.

DATED December 5, 2008.

Secretary

Exhibit 71

MINUTES of a Regular Meeting of the Board of Residential Capital, LLC ("ResCap" or the "Company"), held on due notice at 1177 Avenue of the Americas, New York, New York, on February 24, 2010, at 12:10 p.m. (Eastern).

PRESENT: Thomas F. Marano
Edward F. Smith, III
Pamela E. West

constituting a quorum of the Board. Mr. James N. Young joined the meeting in progress.

Invited guests in attendance were Steven M. Abreu, Tammy Hamzehpour, Amanda Norton, and Cathy L. Quenneville. Jay Remis from Madison Place Partners was also in attendance. Gerald A. Lombardo (by telephone) and Adam D. Glassner (by telephone) were in attendance for a portion of the meeting.

The Chairman, Mr. Marano, presided and the Secretary, Ms. Quenneville, recorded.

REDACTED

CONFIDENTIAL RC40018736

REDACTED

REDACTED

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 4:00 p.m. The reports presented at this meeting are on file with the Secretary.

DATED February 24, 2010.

Secretary

Exhibit 72

MINUTES of a Special Meeting of the Board of Residential Capital, LLC ("ResCap" or the "Company"), held by teleconference on November 5, 2010, at 9:15 a.m. (Eastern).

PRESENT: Thomas F. Marano
Edward F. Smith, III
Pamela E. West
James N. Young

constituting a quorum of the Board. Mr. Steven M. Abreu was unable to attend the meeting.

Invited guests in attendance were Tammy Hamzehpour and Cathy L. Quenneville. Invited guests in attendance for a portion of the meeting were Michael Constantino, Timothy Kitt, Gerald A. Lombardo, Amanda Norton, Joseph A. Pensabene, and Joseph B. Ruhlin.

The Chairman, Mr. Marano, presided and the Secretary, Ms. Quenneville, recorded.

Minutes

The minutes of the meetings held on October 1, 2010 and October 3, 2010, copies of which had been previously submitted to the members of the Board, were approved as presented.

REDACTED

CONFIDENTIAL

REDACTED

CONFIDENTIAL

REDACTED

CONFIDENTIAL

REDACTED

CONFIDENTIAL

REDACTED

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 1:10 p.m. The charts presented at this meeting are on file with the Secretary.

DATED November 5, 2010.

Secretary

CONFIDENTIAL

Exhibit 73

MINUTES of a Special Meeting of the Board of Residential Capital, LLC ("ResCap" or the "Company"), held by teleconference on January 27, 2011, at 1:00 p.m. (Eastern).

PRESENT: Steven M. Abreu
Thomas F. Marano
Pamela E. West
James N. Young

constituting a quorum of the Board. Mr. Edward F. Smith III joined the meeting in progress.

Invited guests in attendance were Tammy Hamzehpour and Cathy L. Quenneville. Invited guests in attendance for a portion of the meeting were Robert L. Burdick, Adam D. Glassner, Timothy Kitt, Gerald A. Lombardo, Amanda Norton, Joseph A. Pensabene III, Joseph B. Ruhlin, and William R. Thompson. Invited advisors in attendance for a portion of the meeting were Jack C. Auspitz, Lawrence Gerschwer, Joel C. Haimes, and Jonathan C. Rothberg from Morrison & Foerster LLP ("MoFo").

The Chairman, Mr. Marano, presided and the Secretary, Ms. Quenneville, recorded.

Minutes

The minutes of Board meetings held on October 5, 2010, November 5, 2010, December 7, 2010, and December 22, 2010, which had been previously distributed to the members of the Board, were presented for approval. Mr. Marano requested that approval of the minutes be deferred to allow additional time for review. The Board had no objection and it was agreed that the action to approve outstanding meeting minutes will be taken by written consent of the Board.

REDACTED

REDACTED

REDACTED

REDACTED

REDACTED

REDACTED

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 4:05 p.m. The charts presented at this meeting are on file with the Secretary.

DATED January 27, 2011.

Secretary

CONFIDENTIAL

Exhibit 74

MINUTES of a Regular Meeting of the Board of Residential Capital, LLC ("ResCap" or the "Company"), held by teleconference on May 6, 2011, at 10:05 a.m. (Eastern).

PRESENT: Steven M. Abreu
Thomas F. Marano
Edward F. Smith III
Pamela E. West
James N. Young

who are all the members of the Board.

Invited guests in attendance were Tammy Hamzehpour and Cathy L. Quenneville. Invited guests in attendance for a portion of the meeting were Diane Citron, Timothy A. Devine, Gerald A. Lombardo, Amanda Norton, Joseph B. Ruhlin, and Mark H. Weintraub.

The Chairman, Mr. Marano, presided and the Secretary, Ms. Quenneville, recorded.

Minutes

The minutes of Board meetings held on March 9, 2011 and April 1, 2011, which had been previously distributed to the members of the Board, were approved as presented.

REDACTED

CONFIDENTIAL

REDACTED

REDACTED

REDACTED

REDACTED

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 11:50 a.m. The charts presented at this meeting are on file with the Secretary.

DATED May 6, 2011.

Secretary

Exhibit 75

MINUTES of a Regular Meeting of the Board of Residential Capital, LLC ("ResCap" or the "Company"), held by teleconference on July 1, 2011, at 9:00 a.m. (Eastern).

PRESENT: Steven M. Abreu
Thomas F. Marano
Edward F. Smith III
Pamela E. West
James M. Whitlinger

who are all the members of the Board.

Invited guests in attendance were Tammy Hamzehpour and Cathy L. Quenneville. Invited guests in attendance for a portion of the meeting were James Candelmo, Diane Citron, Timothy A. Devine, Sonya E. McCumber, Joseph B. Ruhlin, and Michael T. Scarseth.

The Chairman, Mr. Marano, presided and the Secretary, Ms. Quenneville, recorded.

Minutes

The minutes of the Board meeting held on May 6, 2011, which had been previously distributed for review by the members of the Board, were presented for approval. After discussion, it was agreed that the minutes will be circulated for approval by Written Consent of the Board following clarification of matters relating to the Consent Order presentation and a determination of the need for additional language on this topic in the minutes.

REDACTED

REDACTED

REDACTED

REDACTED

REDACTED

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 11:20 a.m. The charts presented at this meeting are on file with the Secretary.

DATED July 1, 2011.

Secretary

CONFIDENTIAL RC40018633

Exhibit 76

MINUTES of a Special Meeting of the Board of Residential Capital, LLC ("ResCap" or the "Company"), held on due notice by teleconference on October 4, 2011, at 5:00 p.m. (ET).

PRESENT: Steven M. Abreu
Thomas F. Marano
Edward F. Smith III
Pamela E. West
James M. Whitlinger

who are all the members of the Board.

Invited guests in attendance were Tammy Hamzehpour and Cathy L. Quenneville. Invited guests in attendance for a portion of the meeting were Jill M. Horner, Gerald A. Lombardo, and Joseph B. Ruhlin (by telephone).

Invited advisors in attendance were Michael Connolly and David Lerner from Morrison Cohen LLP, and Nilene R. Evans, Gary S. Lee, Larren M. Nashelsky, and James R. Tanenbaum from Morrison & Foerster LLP.

The Chairman, Mr. Marano, presided and the Secretary, Ms. Quenneville, recorded.

REDACTED

CONFIDENTIAL RC40018690

REDACTED

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 6:00 p.m. The charts presented at this meeting are on file with the Secretary.

DATED October 4, 2011.

Secretary

Exhibit 77

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RESIDENTIAL CAPITAL, LLC
AUDIT COMMITTEE

Minutes of the Meeting held by teleconference at 9:00 a.m. on November 4, 2011, pursuant to appropriate notice.

Directors Present:	Pamela E. West, Audit Committee Chair Edward F. Smith, III
Secretary:	Cathy L. Quenneville

Present by invitation:

Members of the Residential Capital, LLC Board ("ResCap") – Steven M. Abreu, ResCap President (for a portion of the meeting), and James M. Whitlinger, ResCap Chief Financial Officer.

From Ally Financial Inc. ("Ally") – David J. DeBrunner, Vice President, Chief Accounting Officer, and Corporate Controller, and Timothy A. Devine, Attorney.

From ResCap – Catherine M. Dondzila, Controller and Chief Accounting Officer; Daniel A. Tucci, Audit Director; and Barbara J. Westman, Senior Finance Director.

From Deloitte & Touche LLP ("Deloitte") – Tom A. Robinson and Brad Stevenson.

From Morrison Cohen LLP – Jack Levy, partner.

Ms. West called the meeting to order. Ms. West began the meeting explaining that the purpose of the meeting was to review, among other things, ResCap's 2011 third quarter financial statements.

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EXECUTIVE SESSION

The members of the Committee and Mr. Levy met in executive session with Messrs. Robinson and Stevenson.

ADJOURNMENT

There being no further business to come before the Audit Committee, the meeting was adjourned at 10:55 a.m. The reports and charts presented at this meeting are on file with the Secretary.

Dated as of: November 4, 2011

Cathy L. Quenneville, Secretary

CONFIDENTIAL RC40021797

Exhibit 78

MINUTES of a Special Meeting of the Board of Residential Capital, LLC ("ResCap" or the "Company"), held on due notice by teleconference on November 25, 2011, at 11:00 a.m. (ET).

PRESENT: Steven M. Abreu
Jonathan Ilany
John E. Mack
Thomas F. Marano
Edward F. Smith III
Pamela E. West
James M. Whitlinger

who are all the members of the Board.

Invited guests in attendance were Michael A. Carpenter (for a portion of the meeting), Donna M. DiCicco, Tammy Hamzehpour (for a portion of the meeting), and Gerald A. Lombardo (for a portion of the meeting).

Invited advisors in attendance for a portion of the meeting were Joseph T. Moldovan from Morrison Cohen LLP; Nilene Evans, Gary S. Lee, Larren M. Nashelsky, and James R. Tanenbaum from Morrison & Foerster LLP; and Karn Chopra, Samuel M. Greene, and Marc D. Puntus from Centerview Partners LLC.

The Chairman, Mr. Marano, presided and the Assistant Secretary, Ms. DiCicco, recorded.

REDACTED

CONFIDENTIAL

REDACTED

CONFIDENTIAL

REDACTED

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 12:30 p.m. The charts presented at this meeting are on file with the Secretary.

DATED November 25, 2011.

D M DiCuio

Assistant Secretary

Exhibit 79

MINUTES of a Special Meeting of the Board of Residential Capital, LLC ("ResCap" or the "Company"), held by teleconference on December 22, 2010, at 9:00 a.m. (Eastern).

PRESENT: Steven M. Abreu
Thomas F. Marano
Edward F. Smith, III
Pamela E. West
James N. Young

who are all the members of the Board.

Invited guests in attendance were Tammy Hamzehpour (for a portion of the meeting), Gerald A. Lombardo (for a portion of the meeting), Cathy L. Quenneville, and Joseph B. Ruhlin (for a portion of the meeting).

The Chairman, Mr. Marano, presided and the Secretary, Ms. Quenneville, recorded.

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ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 11:00 a.m. The charts presented at this meeting are on file with the Secretary.

DATED December 22, 2010.

Secretary

CONFIDENTIAL

Exhibit 80

RESIDENTIAL CAPITAL, LLC
AUDIT COMMITTEE

Minutes of the Meeting held by teleconference at 10:30 a.m. on August 3, 2011, pursuant to appropriate notice.

Directors Present:	Pamela E. West, Audit Committee Chair Edward F. Smith, III
Secretary:	Cathy L. Quenneville

Present by invitation:

Members of the Residential Capital, LLC Board ("ResCap") – Thomas F. Marano, ResCap Chairman and Chief Executive Officer; Steven M. Abreu, ResCap President; and James M. Whitlinger, ResCap Chief Financial Officer.

From Ally Financial Inc. ("Ally") – James G. Mackey, Chief Financial Officer, and David J. DeBrunner, Vice President, Chief Accounting Officer, and Corporate Controller.

From ResCap – Catherine M. Dondzila, Controller and Chief Accounting Officer; Steven K. Fahs, Executive Director, Audit; and Daniel A. Tucci, Audit Director.

From Deloitte & Touche LLP ("Deloitte") – Carol Larson; David Reade; Tom A. Robinson, and Brad Stevenson.

From Morrison Cohen LLP – Eitan Tabak, Partner.

Ms. West called the meeting to order.

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ADJOURNMENT

There being no further business to come before the Audit Committee, the meeting was adjourned at 11:25 a.m. The reports and charts presented at this meeting are on file with the Secretary.

Dated as of: August 3, 2011

Cathy L. Quenneville, Secretary

CONFIDENTIAL

Exhibit 81

ResCap

To: Members of the Residential Capital, LLC Audit Committee:

Jonathan Ilany
John Mack
Ted Smith
Pam West

cc: Steve Abreu
Tom Marano
Jim Whitlinger

Residential Capital, LLC Audit Committee Meeting
Monday, January 30, 2012, 2:30 – 4:30 pm (ET)
Dial-in No.: 866-203-0920 / International No.: 206-445-0056
Conference Code: 53396-93036

The special telephonic meeting of the ResCap Audit Committee will be held **Monday, January 30, 2012, from 2:30 to 4:30 pm (ET).** The agenda and supporting materials are attached.

All directors are invited to attend the meeting. Please let me know if you are unable to participate. Feel free to contact me by phone (313.656.6301) or e-mail (cathy.quenneville@ally.com) should you have any questions. Thank you.

Cathy Quenneville
Secretary
1/27/12

Attachments

Additional cc:

Ann Cummings	Jim Mackey
Cathy Dondzila	Joe Moldovan
Tammy Hamzehpour	Tom Robinson
Carol Larson	Bill Solomon
David Lerner	Brad Stevenson
Jack Levy	Dan Tucci

ResCap Audit Committee
Monday, January 30, 2012
2:30 – 4:30 pm (ET)

AGENDA

1.	**Approval of Minutes of meeting held December 19, 2011** *Pam West*	(5 min)	2:30 pm
2.	**Information Security Update** *Deborah Wheeler*	(20 min)	2:35 am
3.	**Approval of 2011 Preliminary Earnings and Review of Accounting and Disclosure Matters** *Jim Whitlinger and Cathy Dondzila*	(75 min)	2:55 am
4.	**Executive Session** i. Management ii. Deloitte iii. Audit Director	(20 min)	4:10 pm

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RESIDENTIAL CAPITAL, LLC
AUDIT COMMITTEE

Minutes of the Meeting held by teleconference at 9:00 a.m. on December 19, 2011, pursuant to appropriate notice.

Directors Present:	Pamela E. West, Audit Committee Chair Jonathan Ilany John E. Mack Edward F. Smith, III
Recording Secretary:	Katherine M. Skover.

Present by invitation:
Member of the Residential Capital, LLC Board ("ResCap") – James M. Whitlinger, ResCap Chief Financial Officer.
From Ally Financial Inc. ("Ally") – Ann Cummings, General Auditor.
From ResCap – Catherine M. Dondzila, Controller and Chief Accounting Officer; and Daniel A. Tucci, Audit Director.
From Deloitte & Touche LLP ("Deloitte") – Tom A. Robinson and Brad Stevenson.
From Morrison Cohen LLP – Jack Levy, partner.

Ms. West called the meeting to order and Ms. Skover recorded.

MINUTES

The minutes of the Audit Committee meeting held November 4, 2011, which had been previously distributed for review by members of the Committee, were approved as presented.

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Exhibit 82

ResCap

To: Members of the Residential Capital, LLC Audit Committee:

Jonathan Ilany
John Mack
Ted Smith
Pam West

cc: Steve Abreu
Tom Marano
Jim Whitlinger

Residential Capital, LLC Audit Committee Meeting
Tuesday, May 1, 2012, 12:00 – 2:00 pm (ET)
Dial-in No.: 866-203-0920 / International No.: 206-445-0056
Access Code: 53396-93036

A telephonic meeting of the ResCap Audit Committee will be held Tuesday, May 1, 2012, from 12:00 to 2:00 pm (ET). The purpose of the meeting is to review 2012 first quarter financial statements. An agenda and supporting materials are attached.

All directors are invited to attend the meeting. Please let me know if you are unable to participate. Feel free to contact me by phone (313-656-6301) or email (cathy.quenneville@ally.com) should you have any questions. Thank you.

Cathy Quenneville
Secretary
4/30/12

Attachments

Additional cc:

Ann Cummings	Jim Mackey
Cathy Dondzila	Joe Moldovan
Tammy Hamzehpour	Tom Robinson
Carol Larson	Bill Solomon
David Lerner	Brad Stevenson
Jack Levy	Dan Tucci

ResCap Audit Committee
May 1, 2012
12:00 – 2:00 pm (Eastern)

AGENDA

			Start Time
1.	**Update on R&W Obligations, Litigation and Related Matters** *Tim Devine and Todd Kushman*	(20 min)	12:00 pm
2.	**Approval of 2012 First Quarter Private Financial Statements and Review of Related Accounting Matters** *Cathy Dondzila*	(60 min)	12:20 pm
3.	**Deloitte Report on 2012 First Quarter Review** *Tom Robinson and Brad Stevenson*	(20 min)	1:20 pm
4.	**Executive Session:** i. Management ii. Deloitte iii. Audit Director	(20 min)	1:40 pm

Audit Committee

Supplemental Materials

April 27, 2012

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RESIDENTIAL CAPITAL, LLC

Condensed Consolidated Financial Statements for the Periods Ended March 31, 2012 and 2011 (Unaudited)

Condensed Consolidated Balance Sheet (unaudited)

Residential Capital, LLC

($ in thousands)	**March 31, 2012**	December 31, 2011
Assets		
Cash and cash equivalents	**$652,704**	$618,699
Mortgage loans held–for–sale ($46,419 and $56,976 fair value elected)	**4,270,826**	4,249,625
Finance receivables and loans, net		
Consumer ($832,094 and $835,192 fair value elected)	**996,559**	1,022,730
Commercial	**41,145**	38,017
Allowance for loan losses	**(28,788)**	(28,616)
Total finance receivables and loans, net	**1,008,916**	1,032,131
Mortgage servicing rights	**1,254,497**	1,233,107
Accounts receivable, net	**3,157,256**	3,051,748
Other assets	**5,331,372**	6,628,152
Total assets	**$15,675,571**	$16,813,462
Liabilities		
Borrowings		
Borrowings from parent and affiliate	**$1,409,873**	$1,189,364
Collateralized borrowings in securitization trusts ($828,418 and $829,940 fair value elected)	**828,418**	830,318
Other borrowings	**4,468,776**	4,705,404
Total borrowings	**6,707,067**	6,725,086
Other liabilities	**8,569,161**	9,996,026
Total liabilities	**15,276,228**	16,721,112
Equity		
Member's interest	**11,630,276**	11,433,776
Accumulated deficit	**(11,166,544)**	(11,279,560)
Accumulated other comprehensive loss	**(64,389)**	(61,866)
Total equity	**399,343**	92,350
Total liabilities and equity	**$15,675,571**	$16,813,462

The assets of consolidated variable interest entities that can be used only to settle obligations of the consolidated variable interest entities and the liabilities of these entities for which creditors (or beneficial interest holders) did not have recourse to our general credit at March 31, 2012 and December 31, 2011, were as follows.

($ in thousands)	**March 31, 2012**	December 31, 2011
Assets		
Mortgage loans held–for–sale	**$7,944**	$8,658
Finance receivables and loans, net		
Consumer ($832,094 and $835,192 fair value elected)	**987,869**	998,509
Allowance for loan losses	**(8,732)**	(10,126)
Total finance receivables and loans, net	**979,137**	988,383
Accounts receivable, net	**1,026,867**	1,027,411
Other assets	**32,934**	29,494
Total assets	**$2,046,882**	$2,053,946
Liabilities		
Borrowings		
Collateralized borrowings in securitization trusts ($828,418 and $829,940 fair value elected)	**$828,418**	$830,318
Other borrowings	**806,292**	855,631
Total borrowings	**1,634,710**	1,685,949
Other liabilities	**28,833**	29,099
Total liabilities	**$1,663,543**	$1,715,048

The Notes to the Condensed Consolidated Financial Statements (unaudited) are an integral part of these statements.

CONFIDENTIAL RC40022292

Condensed Consolidated Statement of Comprehensive Income (unaudited)

Residential Capital, LLC

Three months ended March 31, *($ in thousands)*	**2012**	2011
Revenue		
Interest income	**$94,605**	$110,240
Interest expense	**103,218**	116,991
Net financing revenue	**(8,613)**	(6,751)
Other revenue		
Servicing fees	**188,941**	217,664
Servicing asset valuation and hedge activities, net	**115,316**	48,911
Total servicing income, net	**304,257**	266,575
Gain on mortgage loans, net	**106,493**	35,200
Gain (loss) on foreclosed real estate	**4,488**	(2,702)
Other revenue, net	**20,032**	6,031
Total other revenue	**435,270**	305,104
Total net revenue	**426,657**	298,353
Provision for loan losses	**(1,302)**	5,632
Noninterest expense		
Representation and warranty expense, net	**19,459**	26,000
Compensation and benefits	**103,233**	81,676
Professional fees	**57,343**	18,962
Data processing and telecommunications	**20,363**	20,203
Occupancy	**7,115**	5,633
Advertising	**2,046**	8,747
Other noninterest expense, net	**99,504**	82,101
Total noninterest expense	**309,063**	243,322
Income before income taxes	**118,896**	49,399
Income tax expense	**5,880**	8,946
Net income	**$113,016**	$40,453
Other comprehensive income, net of tax	**(2,523)**	(2,397)
Comprehensive income	**$110,493**	$38,056

The Notes to the Condensed Consolidated Financial Statements (unaudited) are an integral part of these statements.

CONFIDENTIAL RC40022293

Condensed Consolidated Statement of Changes in Equity (unaudited)

Residential Capital, LLC

($ in thousands)	Member's interest	Accumulated deficit	Accumulated other comprehensive income	Total equity
Balance at January 1, 2011	$11,324,371	($10,434,497)	($43,710)	$846,164
Net income	—	40,453	—	40,453
Capital contribution	—	—	—	—
Other comprehensive income, net of tax	—	—	(2,397)	(2,397)
Balance at March 31, 2011	$11,324,371	($10,394,044)	($46,107)	$884,220
Balance at January 1, 2012	**$11,433,776**	**($11,279,560)**	**($61,866)**	**$92,350**
Net income	**—**	**113,016**	**—**	**113,016**
Capital contribution	**196,500**	**—**	**—**	**196,500**
Other comprehensive income, net of tax	**—**	**—**	**(2,523)**	**(2,523)**
Balance at March 31, 2012	**$11,630,276**	**($11,166,544)**	**($64,389)**	**$399,343**

The Notes to the Condensed Consolidated Financial Statements (unaudited) are an integral part of these statements.

CONFIDENTIAL RC40022294

Condensed Consolidated Statement of Cash Flows (unaudited)

Residential Capital, LLC

Three months ended March 31, *($ in thousands)*	**2012**	2011
Operating activities		
Net income	**$113,016**	$40,453
Reconciliation of net income to net cash (used in) provided by operating activities		
Depreciation and amortization	**10,449**	7,004
Accretion of deferred concession on secured notes	**(25,921)**	(24,898)
Provision for loan losses	**(1,302)**	5,632
Gain on mortgage loans, net	**(106,493)**	(35,200)
Net (gain) loss on other assets	**(1,861)**	3,345
Change in fair value of mortgage servicing rights	**(10,817)**	(36,488)
Originations and purchases of mortgage loans held–for–sale	**(10,908,385)**	(15,483,820)
Proceeds from sales and repayments of mortgage loans held–for–sale	**10,666,109**	15,204,714
Net change in		
Deferred income taxes	**1,251**	(2,004)
Accounts receivable	**244,337**	250,806
Other assets	**1,112,423**	1,170,188
Other liabilities	**(1,336,152)**	(787,829)
Net cash (used in) provided by operating activities	**(243,346)**	311,903
Investing activities		
Net (increase) decrease in commercial finance receivables and loans	**(497)**	11,412
Net decrease in consumer mortgage finance receivables and loans	**77,133**	187,378
Net decrease in investments in real estate and other	**—**	3,085
Proceeds from sales of foreclosed and owned real estate	**22,890**	44,363
Other, net	**72,016**	(9,072)
Net cash provided by investing activities	**171,542**	237,166
Financing activities		
Net increase (decrease) in borrowings from parent and affiliate	**417,009**	(187,146)
Repayments of collateralized borrowings in securitization trusts	**(82,842)**	(140,203)
Proceeds from other long–term borrowings	**849,685**	519,362
Repayments of other long–term borrowings	**(923,285)**	(796,606)
Net (decrease) increase in other short-term borrowings	**(165,464)**	91,776
Net cash provided by (used in) financing activities	**95,103**	(512,817)
Effect of changes in foreign exchange rates on cash and cash equivalents	**10,706**	10,254
Net increase in cash and cash equivalents	**34,005**	46,506
Cash and cash equivalents at beginning of year	**618,699**	672,204
Cash and cash equivalents at March 31,	**$652,704**	$718,710

The Notes to the Condensed Consolidated Financial Statements (unaudited) are an integral part of these statements.

CONFIDENTIAL RC40022295

Condensed Consolidated Statement of Cash Flows (unaudited)

Residential Capital, LLC

Three months ended March 31, *($ in thousands)*	**2012**	2011
Supplemental disclosures		
Cash paid for		
Interest	**$38,443**	$91,379
Income taxes	**18**	17,642
Non cash items		
Mortgage loans held–for–sale transferred to consumer finance receivables and loans	**461**	1,113
Consumer finance receivables and loans transferred to mortgage loans held–for–sale	**40,407**	53,688
Consumer finance receivables and loans transferred to other assets	**2,571**	3,585
Mortgage loans held for sale transferred to other assets	**47,073**	15,637
Mortgage loans held–for–sale transferred to accounts receivable	**349,436**	214,932
Mortgage servicing rights recognized upon the transfer of financial assets	**10,573**	18,370
Capital contributions through forgiveness of borrowings from Ally Inc.	**196,500**	—
Other disclosures		
Proceeds from sales and repayments of consumer finance receivables and loans originally designated as mortgage loans held for sale	**$33,219**	$41,929

The Notes to the Condensed Consolidated Financial Statements (unaudited) are an integral part of these statements.

CONFIDENTIAL RC40022296

1. Description of Business, Basis of Presentation and Changes in Significant Accounting Policies

Residential Capital, LLC (ResCap, we, our, or us) is a wholly owned subsidiary of GMAC Mortgage Group, LLC (GMAC Mortgage Group) which is a wholly owned subsidiary of Ally Financial Inc. (Ally Inc.). Our operations are principally conducted through our subsidiaries Residential Funding Company, LLC (RFC) and GMAC Mortgage, LLC (GMAC Mortgage). We broker, originate, purchase, sell, securitize, and service residential mortgage loans in the United States. We broker virtually all of the loan production from our origination channels to our affiliate, Ally Bank. Virtually all of our purchases are also executed with our affiliate, Ally Bank. Purchased loans are primarily agency eligible or government insured loans. Prime credit quality loans originated in conformity with the underwriting guidelines of Fannie Mae (formerly known as Federal National Mortgage Association) and Freddie Mac (formerly known as Federal Home Loan Mortgage Corporation) are generally sold to one of these government-sponsored entities in the form of agency-sponsored securitizations. Prime credit quality loans originated in conformity with the underwriting guidelines of the Federal Housing Administration (FHA) and Department of Veterans Affairs (VA) are generally sold into securitizations guaranteed by the Government National Mortgage Association (Ginnie Mae with Fannie Mae and Freddie Mac, collectively, the GSEs).

Ally Bank has recently undertaken actions that are expected to have a material adverse impact on our financial condition, results of operations and cash flows. These include the November 2011 decision to reduce its focus on its correspondent mortgage lending channel, and the decisions in April 2012 to significantly reduce its government production, including FHA and VA loans, from its correspondent mortgage lending channel, to become a direct seller of eligible loans to Fannie Mae and Freddie Mac effective May 1, 2012, and to terminate a number of its affiliate agreements with GMAC Mortgage effective April 30, 2012. We expect the level of mortgage loan purchases from Ally Bank to decline significantly in future periods. GMAC Mortgage will continue to purchase Ginnie Mae eligible loans from Ally Bank under the terms of an amended and restated master mortgage loan purchase and sale agreement executed in April 2012 effective May 1, 2012. Refer to Note 17 - Related Party Transactions for additional information.

Our legacy business included non-conforming domestic and international residential mortgage loan originations, purchases, sales, and securitization activities; our captive mortgage reinsurance portfolio; and our domestic and international commercial lending activities. The remaining legacy portfolios, which include limited international operations in Mexico, Canada and the United Kingdom, are being run-off, with periodic asset sales, workouts, or consideration and execution of other strategic disposition transactions to maximize our return.

We did not make a $20.1 million semi-annual interest payment that was due on April 17, 2012, related to $473.0 million outstanding senior unsecured notes maturing in June 2013. The indenture for the senior unsecured notes provides that a failure to pay interest on an interest payment date does not become an event of default unless such failure continues for a period of 30 days. We have projected interest payments due in May 2012 of $136.5 million, including the $20.1 interest payment due on April 17, 2012. We also have $2.0 billion of debt maturing in 2012, including our $158.0 million mortgage servicing rights secured funding facility, $131.2 million in euro-denominated notes and $1.4 billion in secured borrowings from Ally Inc. and its subsidiaries, all of which mature in May 2012.

We have been, and expect to continue to be, negatively impacted by exposure to representation and warranty obligations, adverse outcomes with respect to current or future litigation, fines, penalties or settlements related to our business activities and additional expenses to address regulatory requirements. We currently estimate that our reasonably possible losses related to litigation matters and potential repurchase obligations and related claims could be between $0.0 billion and $4.0 billion in excess of amounts recorded. See Note 16 – Contingencies and Other Risks for additional information. There can be no assurance that we will have the capital or liquidity sufficient to pay any significant portion of such estimated possible losses.

We remain heavily dependent on Ally Inc. and affiliates for funding and capital support. While Ally Inc. agreed to extend the maturity date for certain of its facilities with us until May 14, 2012, there can be no assurance that they will continue any such support or that they will choose to execute any further strategic transactions with respect to us or that any transactions undertaken will be successful. Should Ally Inc. no longer continue to support our capital or liquidity needs or should we be unable to successfully execute other initiatives, it would have a material adverse effect on our business, financial condition and results of operations. Consequently, there remains substantial doubt about our ability to continue as a going concern. If we do not receive the necessary support, we are determining whether it would be in the best interests of our creditors and other stakeholders to file for protection under the federal bankruptcy laws.

All of our credit facilities and certain other agreements contain covenants that require us to maintain consolidated tangible net worth of $250.0 million as of each month end. At December 31, 2011, we were in default of this covenant, which was subsequently cured but it is possible defaults could occur in the future due to insufficient capital or liquidity. Failure to meet this covenant is an event of default and may result in, amoung other things, an acceleration of the facility's maturity and/or may trigger an early

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amortization event, under certain facilities. There are also cross default and cross acceleration provisions in our credit facilities, our junior secured debt and certain other agreements. A default under any one of these agreements can, through cross default and cross acceleration provisions create defaults in all of our other agreements. See Note 8 - Borrowings for additional information related to our financial covenants and counterparties remedies in an event of default.

Our consolidated tangible net worth, as defined, as of March 31, 2012 was $399.3 million in compliance with our financial covenants. Our consolidated tangible net worth, as defined, as of December 31, 2011, was $92.4 million, which constituted an event of default under our credit facilities and certain other agreements. We obtained waivers or acknowledgment letters from each of our liquidity providers in connection with our credit facilities and counterparties to agreements with financial covenants under which they agreed not to pursue their contractual remedies with respect to the default. These waivers were predicated, in part, on a January 30, 2012 capital contribution in the amount of $196.5 million that we received from Ally Inc. We are in compliance with any conditions with respect to these waivers and acknowledgment letters.

Consolidation and Basis of Presentation

The accompanying Condensed Consolidated Financial Statements were prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Condensed Consolidated Financial Statements include our accounts and accounts of our majority–owned subsidiaries after eliminating all significant intercompany balances and transactions and include all variable interest entities (VIEs) in which we are the primary beneficiary. See Note 4 — Securitization and Variable Interest Entities for additional information.

Our accounting and reporting policies conform to accounting principles generally accepted in the United States of America (GAAP). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and that affect income and expenses during the reporting period. In developing the estimates and assumptions, management uses all available evidence; however, actual results could differ because of uncertainties associated with estimating the amounts, timing, and likelihood of possible outcomes.

The Condensed Consolidated Financial Statements at March 31, 2012 and for the three months ended March 31, 2012 and 2011, are unaudited but reflect all adjustments that are, in management's opinion, necessary for the fair presentation of the results for the interim periods presented. All such adjustments are of a normal recurring nature. These unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited Consolidated Financial Statements (and the related notes) for the year ended December 31, 2011.

We operate our international subsidiaries in a similar manner as we operate in the United States of America (U.S. or United States), subject to local laws or other circumstances that may cause us to modify our procedures accordingly. The financial statements of subsidiaries that operate outside of the United States are measured using the local currency as the functional currency. All assets and liabilities of foreign subsidiaries are translated into U.S. dollars using the period end exchange rates. The resulting translation adjustments are recorded in accumulated other comprehensive income, a component of equity. Income and expense items are translated at average exchange rates prevailing during the reporting period.

Recently Adopted Accounting Standards

Fair Value Measurement - Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS (ASU 2011-04)

As of January 1, 2012, we adopted Accounting Standards Update (ASU) 2011-04, which amends ASC 820, *Fair Value Measurements*. The amendments in this ASU clarify how to measure fair value and it contains new disclosure requirements to provide more transparency into Level 3 fair value measurements. It is intended to improve the comparability of fair value measurements presented and disclosed in financial statements prepared in accordance with U.S. GAAP and IFRS. The ASU must be applied prospectively. The adoption did not have a material impact to our consolidated financial condition or results of operations.

Recently Issued Accounting Standards

Balance Sheet - Disclosures about Offsetting Assets and Liabilities (ASU 2011-11)

In December 2011, the Financial Asset Standards Board (FASB) issued ASU 2011-11, which amends ASC 210, *Balance Sheet*. This ASU contains new disclosure requirements regarding the nature of an entity's rights of setoff and related arrangements associated with its financial instruments and derivative instruments. The new disclosures will give financial statement users information about both gross and net exposures. ASU 2011-11 is effective for us on January 1, 2013, and retrospective application is required. Since the guidance relates only to disclosures, adoption is not expected to have a material effect on our consolidated financial condition or results of operations.

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2. Mortgage Loans Held–for–sale

The composition of residential mortgage loans held–for–sale reported at carrying value, were as follows.

	March 31, 2012			December 31, 2011		
($ in thousands)	**Domestic (a) (b)**	**Foreign**	**Total**	Domestic (a) (b)	Foreign	Total
1st Mortgage	**$3,523,013**	**$35,297**	**$3,558,310**	$3,497,392	$12,011	$3,509,403
Home equity	**712,516**	**—**	**712,516**	740,222	—	740,222
Total loans held–for–sale (c)	**$4,235,529**	**$35,297**	**$4,270,826**	$4,237,614	$12,011	$4,249,625

(a) Includes mortgage loans subject to conditional repurchase options of $2.3 billion and $2.3 billion sold to Ginnie Mae guaranteed securitizations and $99.3 million and $105.8 million sold to off-balance sheet private-label securitization trusts at March 31, 2012 and December 31, 2011, respectively. The corresponding liability is recorded in other liabilities. See Note 4 — Securitizations and Variable Interest Entities for additional information.

(b) Includes mortgage loans for which we have elected the fair value option of $46.4 million and $57.0 million at March 31, 2012 and December 31, 2011 respectively. See Note 13 — Fair Value for additional information.

(c) The carrying values are net of discounts of $320.4 million and $313.1 million, fair value adjustments of $(30.8) million and $(28.0) million, lower of cost or fair value adjustments of $56.8 million and $60.2 million, and UPB write-downs of $1.4 billion and $1.5 billion at March 31, 2012 and December 31, 2011, respectively.

3. Finance Receivables and Loans, Net

The composition of finance receivables and loans, net reported at carrying value before allowance for loan losses, were as follows.

	March 31, 2012			December 31, 2011		
($ in thousands)	**Domestic**	**Foreign**	**Total**	Domestic	Foreign	Total
Consumer						
1st Mortgage	**$128,220**	**$251,423**	**$379,643**	$130,024	$256,494	$386,518
Home equity	**616,916**	**—**	**616,916**	636,212	—	636,212
Total consumer (a) (b)	**745,136**	**251,423**	**996,559**	766,236	256,494	1,022,730
Commercial						
Commercial and industrial	**—**	**26,232**	**26,232**	—	23,860	23,860
Commercial real estate	**—**	**14,913**	**14,913**	—	14,157	14,157
Total commercial	**—**	**41,145**	**41,145**	—	38,017	38,017
Total finance receivables and loans	**$745,136**	**$292,568**	**$1,037,704**	$766,236	$294,511	$1,060,747

(a) Consumer mortgages include $832.1 million and $835.2 million at fair value as a result of fair value option elections as of March 31, 2012 and December 31, 2011, respectively. See Note 13 — Fair Value for additional information.

(b) The gross carrying value is net of fair value adjustments of $1.6 billion and $1.6 billion and UPB write-downs of $8.8 million and $8.0 million at March 31, 2012 and December 31, 2011, respectively.

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Notes to Condensed Consolidated Financial Statements

Residential Capital, LLC

The following table presents an analysis of the activity in the allowance for loan losses on finance receivables and loans, net.

	2012			2011		
($ in thousands)	**Consumer**	**Commercial**	**Total**	Consumer	Commercial	Total
Allowance at January 1,	**$13,638**	**$14,978**	**$28,616**	$17,681	$25,129	$42,810
Provision for loan losses	**(548)**	**(754)**	**(1,302)**	447	5,185	5,632
Charge-offs						
Domestic	**(1,123)**	**—**	**(1,123)**	(2,212)	—	(2,212)
Foreign	**116**	**1,327**	**1,443**	(218)	(14,579)	(14,797)
Total charge-offs	**(1,007)**	**1,327**	**320**	(2,430)	(14,579)	(17,009)
Recoveries						
Domestic	**100**	**195**	**295**	1,263	937	2,200
Foreign	**—**	**859**	**859**	—	781	781
Total recoveries	**100**	**1,054**	**1,154**	1,263	1,718	2,981
Net charge-offs	**(907)**	**2,381**	**1,474**	(1,167)	(12,861)	(14,028)
Allowance at March 31,	**$12,183**	**$16,605**	**$28,788**	$16,961	$17,453	$34,414
Allowance for loan losses						
Individually evaluated for	**$2,910**	**$16,605**	**$19,515**	$3,838	$16,137	$19,975
Collectively evaluated for	**$9,273**	**$—**	**$9,273**	$13,123	$1,316	$14,439
Finance receivables and loans						
Individually evaluated for	**$8,018**	**$41,145**	**$49,163**	$7,818	$88,972	$96,790
Collectively evaluated for impairment	**$156,447**	**$—**	**$156,447**	$232,724	$3,279	$236,003

The following table presents an analysis of our past due finance receivables and loans at gross carrying value.

($ in thousands)	**30-59 days past due**	**60-89 days past due**	**90 days or more past due**	**Total past due**	**Current**	**Total**
March 31, 2012						
Consumer mortgage						
1st Mortgage	**$30,346**	**$13,857**	**$170,051**	**$214,254**	**$165,389**	**$379,643**
Home equity	**11,122**	**5,208**	**10,813**	**27,143**	**589,773**	**616,916**
Total consumer	**41,468**	**19,065**	**180,864**	**241,397**	**755,162**	**996,559**
Commercial						
Commercial and industrial	**25,881**	**—**	**351**	**26,232**	**—**	**26,232**
Commercial real estate	**—**	**—**	**14,913**	**14,913**	**—**	**14,913**
Total commercial	**25,881**	**—**	**15,264**	**41,145**	**—**	**41,145**
Total	**$67,349**	**$19,065**	**$196,128**	**$282,542**	**$755,162**	**$1,037,704**
December 31, 2011						
Consumer mortgage						
1st Mortgage	$29,730	$14,664	$158,255	$202,649	$183,869	$386,518
Home equity	13,064	6,488	11,850	31,402	604,810	636,212
Total consumer	42,794	21,152	170,105	234,051	788,679	1,022,730
Commercial						
Commercial and industrial	—	—	322	322	23,538	23,860
Commercial real estate	—	1,736	12,212	13,948	209	14,157
Total commercial	—	1,736	12,534	14,270	23,747	38,017
Total	$42,794	$22,888	$182,639	$248,321	$812,426	$1,060,747

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The following table presents the gross carrying value of our finance receivables and loans in nonaccrual status.

($ in thousands)	**March 31, 2012**	December 31, 2011
Consumer mortgage		
1st Mortgage	**$193,981**	$199,702
Home equity	**30,329**	36,651
Total consumer	**224,310**	236,353
Commercial		
Commercial and industrial	**26,232**	322
Commercial real estate	**14,913**	12,212
Total commercial	**41,145**	12,534
Total	**$265,455**	$248,887

Management performs a quarterly analysis of its consumer and commercial finance receivable and loan portfolios using a range of credit quality indicators to assess the adequacy of the allowance based on historical and current trends. Based on our allowance methodology, our credit quality indicators for consumer mortgage loans are performing and nonperforming and for commercial mortgage finance receivables and loans are pass and criticized.

The following table presents the credit quality indicators for our consumer mortgage loan portfolio at gross carrying value.

	March 31, 2012			December 31, 2011		
($ in thousands)	**Performing**	**Nonperforming**	**Total**	Performing	Nonperforming	Total
Consumer mortgage						
1st Mortgage	**$185,662**	**$193,981**	**$379,643**	$186,816	$199,702	$386,518
Home equity	**586,587**	**30,329**	**616,916**	599,561	36,651	636,212
Total consumer mortgage	**$772,249**	**$224,310**	**$996,559**	$786,377	$236,353	$1,022,730

The following table presents the credit quality indicators for our commercial finance receivable and loan portfolio at gross carrying value.

	March 31, 2012			December 31, 2011		
($ in thousands)	**Pass**	**Criticized (a)**	**Total**	Pass	Criticized (a)	Total
Commercial						
Commercial and industrial	**$—**	**$26,232**	**$26,232**	$—	$23,860	$23,860
Commercial real estate	**—**	**14,913**	**14,913**	209	13,948	14,157
Total commercial	**$—**	**$41,145**	**$41,145**	$209	$37,808	$38,017

(a) Includes loans classified as special mention, substandard, or doubtful. These classifications are based on regulatory definitions and generally represent loans in our portfolio that are of higher default risk.

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Impaired Loans and Troubled Debt Restructurings

Impaired Loans

Loans are considered impaired when we determine it is probable that we will be unable to collect all amounts due according to the terms of the loan agreement or if the loan has been modified under a troubled debt restructuring.

The following table presents information about our impaired finance receivables and loans recorded at historical cost.

($ in thousands)	Unpaid principal balance (a)	Carrying value before allowance	Impaired with no allowance	Impaired with an allowance	Allowance for impaired loans
March 31, 2012					
Consumer mortgage					
1st Mortgage	**$409**	**$409**	**$—**	**$409**	**$103**
Home equity	**7,609**	**7,609**	**160**	**7,450**	**2,807**
Total consumer	**8,018**	**8,018**	**160**	**7,859**	**2,910**
Commercial					
Commercial and industrial	**26,232**	**26,232**	**—**	**26,232**	**11,485**
Commercial real estate	**14,973**	**14,913**	**1,591**	**13,322**	**5,120**
Total commercial	**41,205**	**41,145**	**1,591**	**39,554**	**16,605**
Total	**$49,223**	**$49,163**	**$1,751**	**$47,413**	**$19,515**
December 31, 2011					
Consumer mortgage					
1st Mortgage	$436	$436	$—	$436	$109
Home equity	7,619	7,619	173	7,446	2,926
Total consumer	8,055	8,055	173	7,882	3,035
Commercial					
Commercial and industrial	322	322		322	202
Commercial real estate	12,271	12,212	1,442	10,770	4,592
Total commercial	12,593	12,534	1,442	11,092	4,794
Total	$20,648	$20,589	$1,615	$18,974	$7,829

(a) Unpaid principal balance represents the contractual principal balance adjusted for UPB write-downs on transfers or charge offs in accordance with our policy.

The following table presents information about our impaired finance receivables and loans excluding loans carried at fair value due to fair value option elections.

Three months ended March 31, *($ in thousands)*	**2012**			2011		
	Consumer	**Commercial**	**Total**	Consumer	Commercial	Total
Average balance of impaired loans	**$7,999**	**$21,855**	**$29,854**	$7,395	$102,497	$109,892
Interest income recognized on impaired loans	**$95**	**$8**	**$103**	$90	$5,574	$5,664

At March 31, 2012 and December 31, 2011, there were no commercial commitments to lend additional funds to debtors owing receivables whose terms have been modified in a troubled debt restructuring.

Troubled Debt Restructurings

As part of our loss mitigation efforts and participation in certain governmental programs (e.g., the Making Home Affordable Program), we may offer loan modifications to borrowers experiencing financial difficulties (TDRs). Loan modifications can include any or all of the following; principal forgiveness, maturity extensions, delinquent interest capitalization, and changes to contractual interest rates. Modifications can be either temporary or permanent. Temporary loan modifications are generally used to monitor the borrower's ability to perform under the revised terms over a specified trial period; if the borrower performs, it may become a permanent loan modification. Total TDRs recorded at historical cost and reported at gross carrying value are $35.8 million and $33.6 million at March 31, 2012 and December 31, 2011, respectively.

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The following table presents information related to finance receivables and loans recorded at historical cost modified in connection with a troubled debt restructuring during the period.

Three months ended March 31, 2012 *($ in thousands)*	**Number of Loans**	**Pre-modification gross carrying value**	**Post-modification gross carrying value**
Consumer mortgage			
1st Mortgage	—	$—	$—
Home equity	11	507	504
Total consumer mortgage	11	$507	$504

The following table presents information related to finance receivables and loans recorded at gross carrying value that redefaulted (180 days or more delinquent) on or before the one year anniversary of being modified. The charge-off amount is determined in accordance with our charge-off policy.

Three months ended March 31, 2012 *($ in thousands)*	**Number of Loans**	**Gross carrying value**	**Charge-off amount**
Consumer mortgage			
1st Mortgage	—	$—	$—
Home equity	1	10	10
Total consumer mortgage	1	$10	$10

4. Securitizations and Variable Interest Entities

Overview

We are involved in several types of securitization and financing transactions that utilize special–purpose entities (SPEs). A SPE is an entity that is designed to fulfill a specified limited need of the sponsor. Our principal use of SPEs is to obtain liquidity by securitizing certain of our financial assets.

The SPEs involved in securitization and other financing transactions are generally considered variable interest entities (VIEs). VIEs are entities that have either a total equity investment that is insufficient to permit the entity to finance its activities without additional subordinated financial support or whose equity investors lack the ability to control the entity's activities.

Securitizations

We provide a wide range of consumer mortgage loan products to a diverse customer base. We often securitize these loans through the use of securitization entities, which may or may not be consolidated on our Condensed Consolidated Balance Sheet. We securitize consumer mortgage loans through either the GSEs or private–label (nonagency) securitizations. For the periods presented, our consumer mortgage loans were securitized through the GSEs.

In executing a securitization transaction, we sell pools of financial assets to a wholly owned, bankruptcy–remote SPE, which then transfers the financial assets to a separate, transaction–specific securitization entity for cash, servicing rights, and in some transactions, other retained interests. The securitization entity is funded through the issuance of beneficial interests in the securitized financial assets. The beneficial interests take the form of either notes or trust certificates that are sold to investors and/or retained by us. These beneficial interests are collateralized by the transferred loans and entitle the investors to specified cash flows generated from the securitized loans. In the aggregate, these beneficial interests have the same average life as the transferred financial assets. In addition to providing a source of liquidity and cost–efficient funding, securitizing these financial assets also reduces our credit exposure to the borrowers beyond any economic interest we may retain. We securitize conforming residential mortgage loans through GSE securitizations and we historically securitized nonconforming mortgage loans through private-label securitizations.

Each securitization is governed by various legal documents that limit and specify the activities of the securitization entity. The securitization entity is generally allowed to acquire the loans, to issue beneficial interests to investors to fund the acquisition of the loans, and to enter into derivatives or other yield maintenance contracts (e.g., coverage by monoline bond insurers) to hedge or mitigate certain risks related to the financial assets or beneficial interests of the entity. A servicer, who is generally us, is appointed pursuant to the underlying legal documents to service the assets the securitization entity holds and the beneficial interests it issues. Servicing functions include, but are not limited to, making certain payments of property taxes and insurance premiums, default and property maintenance payments, as well as advancing principal and interest payments before collecting them from individual

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borrowers. Our servicing responsibilities, which constitute continued involvement in the transferred financial assets, consist of primary servicing (i.e., servicing the underlying transferred financial assets) and/or master servicing (i.e., servicing the beneficial interests that result from the securitization transactions). Certain securitization entities also require the servicer to advance scheduled principal and interest payments due on the beneficial interests issued by the entity regardless of whether cash payments are received on the underlying transferred financial assets. Accordingly, we are required to provide these servicing advances when applicable. See Note 5 — Servicing Activities for additional information regarding our servicing rights.

The GSEs provide a guarantee of the payment of principal and interest on the beneficial interests issued in securitizations. In private-label securitizations, cash flows from the assets initially transferred into the securitization entity represent the sole source for payment of distributions on the beneficial interests issued by the securitization entity and for payments to the parties that perform services for the securitization entity, such as the servicer or the trustee. In certain private-label securitization transactions, a liquidity facility may exist to provide temporary liquidity to the entity. The liquidity provider generally is reimbursed prior to other parties in subsequent distribution periods. Monoline insurance may also exist to cover certain shortfalls to certain investors in the beneficial interests issued by the securitization entity. As noted above, in certain private-label securitizations, the servicer is required to advance scheduled principal and interest payments due on the beneficial interests regardless of whether cash payments are received on the underlying transferred financial assets. The servicer is allowed to reimburse itself for these servicing advances. Additionally, certain private-label securitization transactions may allow for the acquisition of additional loans subsequent to the initial loan transfer. Principal collections on other loans and/or the issuance of new beneficial interests, such as variable funding notes, generally fund these loans; we are often contractually required to invest in these new interests.

We may retain beneficial interests in our private-label securitizations, which may represent a form of significant continuing economic interest. These retained interests include, but are not limited to, senior or subordinate mortgage– or asset–backed securities, interest–only strips, principal–only strips, and residuals. Certain of these retained interests provide credit enhancement to the trust as they may absorb credit losses or other cash shortfalls. Additionally, the securitization agreements may require cash flows to be directed away from certain of our retained interests due to specific over–collateralization requirements, which may or may not be performance–driven.

We generally hold certain conditional repurchase options that allow us to repurchase assets from the securitization entity. The majority of the securitizations provide us, as servicer, with a call option that allows us to repurchase the remaining transferred financial assets or outstanding beneficial interests at our discretion once the asset pool reaches a predefined level, which represents the point where servicing becomes burdensome (a clean–up call option). The repurchase price is typically the par amount of the loans plus accrued interest. Additionally, we may hold other conditional repurchase options that allow us to repurchase a transferred financial asset if certain events outside our control are met. The typical conditional repurchase option is a delinquent loan repurchase option that gives us the option to purchase the loan if it exceeds a certain prespecified delinquency level. We have discretion regarding when or if we will exercise these options, but generally, we would do so only when it is in our best interest.

Other than our customary representation and warranty obligations, these securitizations are nonrecourse to us, thereby transferring the risk of future credit losses to the extent the beneficial interests in the securitization entities are held by third parties. Representation and warranty provisions generally require us to repurchase loans or indemnify the investor or other party for incurred losses to the extent it is determined that the loans were ineligible or were otherwise defective at the time of sale. See Note 16 — Contingencies and Other Risks for detail on representation and warranty provisions. We did not provide any noncontractual financial support to any of these entities during the three months ended March 31, 2012 and 2011.

Other Variable Interest Entities

Servicer Advance Funding Entity — To assist in the financing of our servicer advance receivables, we formed a SPE that issues term notes and variable funding notes to third–party investors that are collateralized by servicer advance receivables. These servicer advance receivables are transferred to the SPE and consist of delinquent principal and interest advances we made as servicer to various investors; property taxes and insurance premiums advanced to taxing authorities and insurance companies on behalf of borrowers; and amounts advanced for mortgages in foreclosure. The SPE funds the purchase of the receivables through financing obtained from the third–party investors and subordinated loans or an equity contribution from us. This SPE is consolidated on our balance sheet at March 31, 2012 and December 31, 2011. The beneficial interest holder of this SPE does not have legal recourse to our general credit. We do not have a contractual obligation to provide any type of financial support in the future, nor have we provided noncontractual financial support to the entity during the three months ended March 31, 2012 and 2011.

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Home Equity Funding Entity — To assist in the financing of certain of our home equity mortgage loans, we formed a SPE that issued variable funding notes to third–party investors that are collateralized by home equity loans and revolving lines of credit. This SPE is consolidated on our balance sheet at March 31, 2012 and December 31, 2011. The beneficial interest holder of this VIE does not have legal recourse to our general credit. We do not have a contractual obligation to provide any type of financial support in the future, nor have we provided noncontractual financial support to the entity during the three months ended March 31, 2012 and 2011.

Other — We have involvement with other immaterial on-balance sheet VIEs. Most of these VIEs are used for additional liquidity whereby we sell certain financial assets to the VIE and issue beneficial interests to third parties for cash.

Involvement with Variable Interest Entities

The determination of whether financial assets transferred by us to VIEs (and related liabilities) are consolidated on our balance sheet (also referred to as on–balance sheet) or not consolidated on our balance sheet (also referred to as off–balance sheet) depends on the terms of the related transaction and our continuing involvement (if any) with the SPE. We are deemed the primary beneficiary and, therefore, consolidate VIEs for which we have both (a) the power through voting rights or similar rights to direct the activities that most significantly impact the VIE's economic performance, and (b) a variable interest (or variable interests) that (i) obligates us to absorb losses that could potentially be significant to the VIE and/or (ii) provides us the right to receive residual returns of the VIE that could potentially be significant to the VIE. We determine whether we hold a significant variable interest in a VIE based on a consideration of both qualitative and quantitative factors regarding the nature, size, and form of our involvement with the VIE. We assess whether we are the primary beneficiary of a VIE on an ongoing basis.

Our involvement with consolidated and nonconsolidated VIEs in which we hold a variable interest as of March 31, 2012 and December 31, 2011, is presented below.

($ in thousands)	**Consolidated involvement with VIEs**	**Assets of nonconsolidated VIEs, net (a)**	**Maximum exposure to loss in nonconsolidated VIEs (b)**
March 31, 2012			
On–balance sheet variable interest entities			
Private-label securitizations	**$933,317**	**$—**	**$—**
Servicer Advance Funding	**960,480**	**—**	**—**
Home Equity Funding	**150,607**	**—**	**—**
Other	**2,478**	**—**	**—**
Off–balance sheet variable interest entities			
Ginnie Mae securitizations	**2,664,512 (c)**	**43,317,031**	**43,317,031**
Private-label securitizations	**132,455 (d)**	**4,193,506**	**4,193,506**
Total	**$4,843,849**	**$47,510,537**	**$47,510,537**
December 31, 2011			
On–balance sheet variable interest entities			
Private-label securitizations	$939,159	$—	$—
Servicer Advance Funding	955,823	—	—
Home Equity Funding	156,423	—	—
Other	2,541	—	—
Off–balance sheet variable interest entities			
Ginnie Mae securitizations	2,651,939 (c)	44,126,607	44,126,607
Private-label securitizations	140,709 (d)	4,408,206	4,408,206
Total	$4,846,594	$48,534,813	$48,534,813

(a) Asset values represent the current UPB of outstanding consumer mortgage loans within the VIEs.

(b) Maximum exposure to loss represents the current UPB of outstanding consumer mortgage loans based on our customary representation and warranty provisions. This measure is based on the unlikely event that all of the loans have underwriting defects or other defects that trigger a representation and warranty provision and the collateral supporting the loans are worthless. This required disclosure is not an indication of our expected loss.

(c) Includes $411.2 million and $377.8 million classified as mortgage servicing rights and $2.3 billion and $2.3 billion of mortgage loans held–for–sale that are subject to conditional repurchase options at March 31, 2012 and December 31, 2011, respectively. The corresponding liability related to conditional repurchase option loans is recorded in other liabilities.

(d) Includes $25.3 million and $26.5 million classified as other assets, $7.8 million and $8.4 million classified as mortgage servicing rights and $99.3 million and $105.8 million of mortgage loans held–for–sale that are subject to conditional repurchase options at March 31, 2012 and December 31, 2011, respectively. The corresponding liability related to conditional repurchase option loans is recorded in other liabilities.

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On–balance Sheet Variable Interest Entities

We engage in securitization and other financing transactions that do not qualify for off–balance sheet treatment. In these situations, we hold beneficial interests or other interests in the VIE, which represents a form of significant continuing economic interest. The interests held include, but are not limited to, senior or subordinate mortgage– or asset–backed securities, interest–only strips, principal–only strips, residuals, and servicing rights. Certain of these retained interests provide credit enhancement to the securitization entity as they may absorb credit losses or other cash shortfalls. Additionally, the securitization documents may require cash flows to be directed away from certain of our retained interests due to specific over–collateralization requirements, which may or may not be performance–driven. Because these securitization entities are consolidated, these retained interests and servicing rights are not recognized as separate assets on our Condensed Consolidated Balance Sheet.

We consolidate certain of these entities because we have a controlling financial interest in the VIE, primarily due to our servicing activities, and because we hold a significant variable interest in the VIE. We are the primary beneficiary of certain private-label securitization entities for which we perform servicing activities and have retained a significant variable interest in the form of a beneficial interest. In cases where we did not meet sale accounting under previous guidance, unless we have made modifications to the overall transaction, we do not meet sale accounting under current guidance as we are not permitted to revisit sale accounting guidelines under the current guidance. In cases where substantive modifications are made, we then reassess the transaction under the amended guidance based on the new circumstances.

Consolidated VIEs represent separate entities with which we are involved. The third–party investors in the obligations of consolidated VIEs have legal recourse only to the assets of the VIEs and do not have recourse to us, except for customary representation and warranty provisions or situations where we are the counterparty to certain derivative transactions involving the VIE. Cash flows from the assets are restricted only to pay such liabilities. Thus, our economic exposure to loss from outstanding third–party financing related to consolidated VIEs is significantly less than the carrying value of the consolidated VIE assets. All assets are restricted for the benefit of the beneficial interest holders. See Note 13 — Fair Value for discussion of the assets and liabilities for which the fair value option has been elected.

Off-balance Sheet Variable Interest Entities

The nature, purpose, and activities of nonconsolidated securitization entities are similar to those of our consolidated securitization entities with the primary difference being the nature and extent of our continuing involvement. The cash flows from the assets of nonconsolidated securitization entities generally are the sole source of payment on the securitization entities' liabilities. The creditors of these securitization entities have no recourse to us with the exception of market customary representation and warranty provisions as described in Note 16 — Contingencies and Other Risks.

Nonconsolidated VIEs include entities for which we either do not hold significant variable interests or do not provide servicing or asset management functions for the financial assets held by the securitization entity. Additionally, to qualify for off–balance sheet treatment, transfers of financial assets must meet sale accounting conditions in ASC 860. Our residential mortgage loan securitizations consist of GSE and private-label securitizations. We are not the primary beneficiary of any GSE loan securitization transaction because we do not have the power to direct the significant activities of such entities. Additionally, we do not consolidate certain private-label securitizations because we do not have a variable interest that could potentially be significant or we do not have power to direct the activities that most significantly impact the performance of the VIE.

For nonconsolidated securitization entities, the transferred financial assets are removed from our balance sheet provided the conditions for sale accounting are met. The financial assets obtained from the securitization are primarily reported as cash, servicing rights, or retained interests (if applicable). As an accounting policy election, we elected fair value treatment for our MSR portfolio. Liabilities incurred as part of these securitization transactions, such as representation and warranty provisions, are recorded at fair value at the time of sale and are reported as other liabilities on our Condensed Consolidated Balance Sheet. Upon the sale of the loans, we recognize a gain or loss on sale for the difference between the assets recognized, the assets derecognized, and the liabilities recognized as part of the transaction.

The following summarizes the pretax gains and losses recognized on financial assets sold into nonconsolidated securitization and similar asset-backed financing entities.

Three months ended March 31, *($ in thousands)*	**2012**	2011
Consumer mortgage — GSEs	**$251,693**	($61,504)
Total pretax gain (loss)	**$251,693**	($61,504)

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The following table summarizes cash flows received from and paid to securitization entities that are accounted for as a sale and in which we have a continuing involvement with the transferred assets (e.g., servicing) that were outstanding during the three months ended March 31, 2012 and 2011. This table contains information regarding cash flows received from and paid to nonconsolidated securitization entities that existed during each period.

	Consumer mortgage	
Three months ended March 31, *($ in thousands)*	**GSEs**	**Private-Label**
2012		
Cash proceeds from transfers completed during the period	**$10,645,441**	**$—**
Cash flows received on retained interests in securitization entities	**—**	**3,747**
Servicing fees	**117,166**	**43,182**
Purchases of previously transferred financial assets		
Representation and warranty obligations	**(19,005)**	**(4,038)**
Other repurchases	**(579,948)**	**(7,517) (a)**
Other cash flows	**8,596**	**23,100**
Total net cash flows	**$10,172,250**	**$58,474**
2011		
Cash proceeds from transfers completed during the period	$15,153,060	$—
Cash flows received on retained interests in securitization entities	—	5,254
Servicing fees	103,041	41,720
Purchases of previously transferred financial assets		
Representation and warranty obligations	(43,582)	(14)
Other repurchases	(554,409)	
Other cash flows	67,929	62,014
Total net cash flows	$14,726,039	$108,974

(a) Includes repurchases in connection with clean up call options.

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The following table represents on–balance sheet mortgage loans held–for–sale and consumer finance receivable and loans, off–balance sheet securitizations, and whole–loan sales where we have continuing involvement. The table presents information about delinquencies and net credit losses. See Note 5 — Servicing Activities for further detail on total serviced assets.

	Total UPB		Amount 60 days or more past due		Net credit losses (recoveries)	
					Three months ended March 31,	
($ in thousands)	**March 31, 2012**	December 31, 2011	**March 31, 2012**	December 31, 2011	**2012**	2011
On–balance sheet loans						
Consumer mortgage held–for–sale	**$4,678,850 (a)**	$4,650,917 (a)	**$3,004,991 (a)**	$3,049,234 (a)	**$2,374**	$7,205 (b)
Consumer mortgage finance receivables and loans	**2,550,117**	2,623,763	**440,072**	422,017	**26,454**	37,634
Total on–balance sheet loans	**7,228,967**	7,274,680	**3,445,063**	3,471,251	**28,828**	44,839
Off–balance sheet securitization entities						
Consumer mortgage — GSEs (c)	**124,446,063**	131,751,844	**7,155,304**	7,675,811	**n/m (c)**	n/m (c)
Consumer mortgage — nonagency	**58,555,428**	60,768,935	**11,027,854**	11,232,126	**749,429**	1,288,842
Total off–balance sheet securitization entities	**183,001,491**	192,520,779	**18,183,158**	18,907,937	**749,429**	1,288,842
Whole-loan transactions (d)	**16,628,200**	17,516,446	**2,080,368**	2,209,088	**133,919**	188,971
Total	**$206,858,658**	$217,311,905	**$23,708,589**	$24,588,276	**$912,176**	$1,522,652

n/m = not meaningful

(a) Includes loans subject to conditional repurchase options of $2.3 billion and $2.3 billion guaranteed by Ginnie Mae, and $128.9 million and $131.8 million sold to certain nonagency mortgage securitization entities at March 31, 2012 and December 31, 2011, respectively. The corresponding liability is recorded in other liabilities.

(b) We determined the amount previously disclosed related to net credit losses for the three months ended March 31, 2011, were misstated. Previously disclosed net credit losses were $37.3 million for on-balance sheet mortgage loans held for sale. These amounts were corrected in the presentation above. The misstatement had no impact on our consolidated financial conditions or results of operations.

(c) Anticipated credit losses are not meaningful due to the GSEs guarantees.

(d) Whole-loan transactions are not part of a securitization transaction, but represent pools of consumer mortgage loans sold to investors.

5. Servicing Activities

Mortgage Servicing Rights

The following table summarizes our activity related to MSRs. Although there are limited market transactions that are directly observable, management estimates fair value based on the price it believes would be received to sell the MSR asset in an orderly transaction under current market conditions.

($ in thousands)	**2012**	2011
Estimated fair value at January 1,	**$1,233,107**	$1,991,586
Additions recognized on sale of mortgage loans	**10,573**	18,370
Subtractions from sales of servicing assets	**—**	(139)
Changes in fair value		
Due to changes in valuation inputs or assumptions used in the valuation model	**86,900**	120,806
Other changes in fair value	**(76,083)**	(84,318)
Estimated fair value at March 31,	**$1,254,497**	$2,046,305

Changes in fair value due to changes in valuation inputs or assumptions used in the valuation models include all changes due to a revaluation by a model or by a benchmarking exercise. Other changes in fair value primarily include the accretion of the present

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value of the discount related to forecasted cash flows and the economic run-off of the portfolio.

The key economic assumptions and the sensitivity of the fair value of MSRs to immediate 10% and 20% adverse changes in those assumptions were as follows.

($ in thousands)	**March 31, 2012**	December 31, 2011
Weighted average life *(in years)*	**4.7**	4.3
Weighted average prepayment speed	**15.1%**	18.0%
Impact on fair value of 10% adverse change	**$(111,808)**	$(71,223)
Impact on fair value of 20% adverse change	**(211,799)**	(135,292)
Weighted average discount rate	**10.8%**	9.5%
Impact on fair value of 10% adverse change	**$(24,107)**	$(25,396)
Impact on fair value of 20% adverse change	**(46,384)**	(48,913)

These sensitivities are hypothetical and should be considered with caution. Changes in fair value based on a 10% and 20% variation in assumptions generally cannot be extrapolated because the relationship of the change in assumptions to the change in fair value may not be linear. Also, the effect of a variation in a particular assumption on the fair value is calculated without changing any other assumption. In reality, changes in one factor may result in changes in another (e.g., increased market interest rates may result in lower prepayments and increased credit losses) that could magnify or counteract the sensitivities. Further, these sensitivities show only the change in the asset balances and do not show any expected change in the fair value of the instruments used to manage the interest rate and prepayment risks associated with these assets. Refer to Note 1– Description of Business and Significant Accounting Policies, in our 2011 Annual Report for additional information regarding our significant assumptions and valuation techniques used in the valuation of mortgage servicing rights.

Risk–mitigation Activities

The primary economic risk related to our MSR is interest rate risk and the resulting impact on prepayment speeds. A significant decline in interest rates could lead to higher than expected prepayments that could reduce the value of the MSRs. We economically hedge the impact of this risk with both derivative and nonderivative financial instruments. These instruments include interest rate swaps, caps and floors, options to purchase these items, futures and forward contracts, constant monthly maturity (index trades), synthetic interest only and principal only securities and/or to–be–announced (TBAs) securities. The net fair value of derivative financial instruments used to mitigate this risk was $(339.5) million and $(199.8) million at March 31, 2012 and December 31, 2011, respectively. See Note 14 — Derivative Instruments and Hedging Activities for additional information.

The components of servicing valuation and hedge activities, net, were as follows.

Three months ended March 31, *($ in thousands)*	**2012**	2011
Change in estimated fair value of mortgage servicing rights	**$10,817**	$36,488
Change in fair value of derivative financial instruments	**104,499**	12,423
Servicing valuation and hedge activities, net	**$115,316**	$48,911

Mortgage Servicing Fees

The components of servicing fees were as follows.

Three months ended March 31, *($ in thousands)*	**2012**	2011
Contractual servicing fees (net of guarantee fees and including sub-servicing)	**$140,375**	$167,384
Late fees	**16,806**	18,991
Ancillary fees	**31,760**	31,289
Total	**$188,941**	$217,664

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Mortgage Servicer Advances

In connection with our primary servicing activities (i.e., servicing of mortgage loans), we make certain payments for property taxes and insurance premiums, default and property maintenance payments, as well as advances of principal and interest payments before collecting them from individual borrowers. Servicer advances, including contractual interest are priority cash flows in the event of a loan principal reduction or foreclosure and ultimate liquidation of the real estate owned property, thus making their collection reasonably assured. These servicer advances are included in accounts receivable and totaled $1.8 billion and $1.8 billion at March 31, 2012 and December 31, 2011, respectively. We maintain an allowance for uncollectible primary servicer advances, which totaled $42.5 million and $42.5 million at March 31, 2012 and December 31, 2011, respectively. Our potential advance obligation is influenced by a borrower's performance and credit quality.

We advance funds for various activities related to the foreclosure process principally related to attorney fees and costs, appraisals, escrow, insurance and property preservation, in the event we, or the investor, determine foreclosure is the most appropriate loss mitigation strategy. In the current environment, many states and local jurisdictions are requiring us to alter our processes in connection with foreclosures and in some circumstances this can result in restarting the foreclosure process entirely or repeating certain of the required steps (foreclosure restarts). To the extent we restart the process, in whole or in part, we will not be reimbursed for advances in connection with the original activities. The circumstances and extent of any foreclosure restart are specific and unique to each state and/or local jurisdiction. At March 31, 2012, we had an allowance for uncollectible advances in connection with estimated foreclosure restarts of $10.4 million.

At March 31, 2012 and December 31, 2011 we had an allowance for uncollectible primary servicer advances of $7.5 million, respectively, related to expected loan modification activities. See Note 16 — Contingencies and Other Risks for additional information. To the extent amounts had been advanced for loans that are expected to be modified in connection with our Settlement, these amounts will not be collected. The amount of this allowance is management's best estimate given the anticipated modification activity.

When we act as a subservicer of mortgage loans we perform the responsibilities of a primary servicer but do not own the corresponding primary servicing rights. We receive a fee from the primary servicer for such services. As the subservicer, we would have the same responsibilities of a primary servicer in that we would make certain payments of property taxes and insurance premiums, default and property maintenance, as well as advances of principal and interest payments before collecting them from individual borrowers. As of March 31, 2012 and December 31, 2011, outstanding servicer advances related to subserviced loans were $127.1 million and $124.9 million and we had a reserve for uncollectible subservicer advances of $1.0 million and $1.1 million, respectively.

In many cases where we act as master servicer we also act as primary servicer. In connection with our master servicing activities, we service the mortgage–backed and mortgage–related asset–backed securities and whole–loan packages sold to investors. As the master servicer, we collect mortgage loan payments from primary servicers and distribute those funds to investors in mortgage–backed and asset–backed securities and whole–loan packages. As the master servicer, we are required to advance scheduled payments to the securitization trust or whole–loan investors. To the extent the primary servicer does not advance the payments, we are responsible for advancing the payment to the trust or whole–loan investors. Master servicer advances, including contractual interest, are priority cash flows in the event of a default, thus making their collection reasonably assured. In most cases, we are required to advance these payments to the point of liquidation of the loan or reimbursement of the trust or whole loan investors. We had outstanding master servicer advances of $189.9 million and $158.2 million as of March 31, 2012 and December 31, 2011, respectively. We had no reserve for uncollectible master servicer advances at March 31, 2012 and December 31, 2011.

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Serviced Mortgage Assets

In many cases, we act as both the primary and master servicer. However, in certain cases, we also service loans that have been purchased and subsequently sold through a securitization trust or whole–loan sale whereby the originator retained the primary servicing rights and we retained the master servicing rights.

The unpaid principal balance of total serviced mortgage assets was as follows.

($ in millions)	**March 31, 2012**	December 31, 2011
On–balance sheet mortgage loans (a)		
Held–for–sale and investment	**$7,018**	$6,828
Off–balance sheet mortgage loans		
Loans held by third–party investors		
Consumer mortgage private-label	**48,514**	50,886
Consumer mortgage agency	**124,339**	131,635
Consumer mortgage whole-loan portfolios	**14,484**	15,104
Purchased servicing rights (b)	**3,089**	3,247
Total primary serviced mortgage loans	**197,444**	207,700
Subserviced mortgage loans (c)	**169,223**	169,531
Master servicing only mortgage loans	**8,225**	8,557
Total serviced mortgage loans	**$374,892**	$385,788

(a) Includes on–balance sheet securitization consumer finance receivables and loans. See Note 3 — Finance Receivables and Loans, net, for additional information.
(b) There is no recourse to us outside of customary contractual provisions relating to the execution of the services we provide.
(c) Includes loans where we act as a subservicer under contractual agreements with the primary servicer. As subservicer, there is no recourse to us outside of customary contractual provisions relating to the execution of the services we provide, except for loans subserviced on behalf of Ally Bank. See Note 17 — Related Party Transactions for additional information.

The following table sets forth information concerning the delinquency experience in our domestic consumer mortgage loan primary servicing portfolio, including pending foreclosures.

	March 31, 2012		December 31, 2011	
($ in millions)	**Number of loans**	**Unpaid principal balance**	Number of loans	Unpaid principal balance
Total U.S. mortgage loans primary serviced	**1,517,358**	**$197,171**	1,587,113	$207,380
Period of delinquency				
30 to 59 days	**53,549**	**$7,559**	67,239	$9,289
60 to 89 days	**19,427**	**3,024**	25,138	3,695
90 days or more	**25,521**	**4,310**	27,570	4,467
Foreclosures pending	**67,843**	**12,947**	68,166	13,018
Bankruptcies	**33,807**	**4,758**	34,956	4,869
Total delinquent loans	**200,147**	**$32,598**	223,069	$35,338
Percent of U.S. mortgage loans primary serviced	**13.2%**	**16.5%**	14.1%	17.0%

Certain of our subsidiaries which conduct our primary and master servicing activities are required to maintain certain servicer ratings in accordance with master agreements entered into with a GSE. At March 31, 2012, we are in compliance with the servicer rating requirements of the master agreements.

We are also required to maintain consolidated tangible net worth, as defined, of $250.0 million, under our agreements with a GSE. In the event of default, the GSE could require posting collateral in an amount based on repurchase demands outstanding plus recourse obligations; termination or suspension of our selling and servicing contract; require additional or more frequent financial and operational reporting; limit early funding programs or trading desk transactions; accelerate rebuttal time periods for outstanding repurchase demands; or take other actions permitted by law. Should we or our subsidiaries fail to remain in compliance with these requirements and as a result should our mortgage selling and servicing contract be terminated, cross default provisions within certain credit and bilateral facilities could be triggered. At March 31, 2012, we had consolidated tangible net worth of $399.3 million in compliance with our contractual covenant.

At March 31, 2012, domestic insured private-label securitizations with an unpaid principal balance of $5.4 billion contain provisions entitling the monoline or other provider of contractual credit support (surety providers) to declare a servicer default and

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terminate the servicer upon the failure of the loans to meet certain portfolio delinquency and/or cumulative loss thresholds. Securitizations with an unpaid principal balance of $4.8 billion had breached a delinquency and/or cumulative loss threshold. While we continue to service these loans and receive service fee income with respect to these securitizations, the value of the related MSR is zero at March 31, 2012. Securitizations with an unpaid principal balance of $574.0 million have not yet breached a delinquency or cumulative loss threshold. The value of the related MSR is $4.0 million at March 31, 2012.

6. Accounts Receivable, Net

($ in thousands)	**March 31, 2012**	December 31, 2011
Servicer advances, net (a)	**$2,050,651**	$2,045,446
Loan insurance guarantee receivable, net (b)	**874,985**	745,396
Servicing fees receivable	**87,402**	87,208
Due from brokers for derivative trades	**54,294**	94,024
Accrued interest receivable	**36,883**	37,962
Other	**53,041**	41,712
Total accounts receivable, net	**$3,157,256**	$3,051,748

(a) The allowance for uncollectible servicer advances was $43.5 million and $43.7 million at March 31, 2012 and December 31, 2011, respectively.
(b) Represents mortgage loans in foreclosure for which a guarantee from Ginnie Mae exists, net of a reserve for uncollectible guaranteed receivables of $28.0 million and $21.8 million at March 31, 2012 and December 31, 2011, respectively.

7. Other Assets

($ in thousands)	**March 31, 2012**	December 31, 2011
Property and equipment at cost	**$255,750**	$252,890
Accumulated depreciation and amortization	**(212,771)**	(207,645)
Net property and equipment	**42,979**	45,245
Fair value of derivative contracts in receivable position	**3,621,448**	4,877,197
Collateral placed with derivative counterparties	**1,110,251**	1,095,287
Restricted cash	**397,494**	448,819
Foreclosed assets	**63,987**	71,485
Receivables from Ally Bank	**37,045**	—
Trading securities	**32,302**	33,303
Interests retained in financial asset sales	—	23,102
Income taxes receivable	—	5,111
Other	**25,866**	28,603
Total other assets	**$5,331,372**	$6,628,152

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8. Borrowings

Borrowings were as follows.

	Weighted average end of period interest rates		March 31, 2012			December 31, 2011		
($ in thousands)	**March 31, 2012**	December 31, 2011	**Unsecured**	**Secured**	**Total**	Unsecured	Secured	Total
Short-term borrowings								
Borrowings from parent	**3.0%**	3.0%	**$—**	**$410,000**	**$410,000**	$—	$183,595	$183,595
Borrowings from affiliate	**5.0%**	5.1%	**—**	**250,000**	**250,000**	—	250,000	250,000
Other short-term borrowings	**6.3%**	6.3%	**—**	**158,000**	**158,000**	—	323,000	323,000
Total short-term borrowings	**4.3%**	5.1%	**—**	**818,000**	**818,000**	—	756,595	756,595
Long-term borrowings								
Borrowings from parent	**3.0%**	3.0%	**—**	**749,873**	**749,873**	—	755,769	755,769
Collateralized borrowings in securitization trusts (a)	**4.6%**	4.7%	**—**	**828,418**	**828,418**	—	830,318	830,318
Other long-term borrowings	**8.2%**	8.0%	**1,112,587**	**3,198,189**	**4,310,776**	1,096,789	3,285,615	4,382,404
Total long-term borrowings	**7.0%**	6.9%	**1,112,587**	**4,776,480**	**5,889,067**	1,096,789	4,871,702	5,968,491
Total borrowings	**6.7%**	6.7%	**$1,112,587**	**$5,594,480**	**$6,707,067**	$1,096,789	$5,628,297	$6,725,086

(a) Collateralized borrowings with an outstanding balance of $2.5 billion and $2.6 billion were recorded at fair value of $828.4 million and $829.9 million as of March 31, 2012 and December 31, 2011, respectively. See Note 13 — Fair Value for additional information.

The following table summarizes the maturity profile of our borrowings by type. Amounts represent the scheduled maturity of debt, assuming no early redemptions occur. For sources of borrowings without a stated maturity date (as is the case with uncommitted agreements), the maturities are assumed to occur within 2012.

($ in millions)	**2012**	**2013**	**2014**	**2015**	**2016**	**2017 and thereafter**	**Total**
Secured borrowings							
Borrowings from parent	**$1,159.9**	**$—**	**$—**	**$—**	**$—**	**$—**	**$1,159.9**
Borrowings from affiliate	**250.0**	**—**	**—**	**—**	**—**	**—**	**250.0**
Collateralized borrowings in securitization trusts (a)	**—**	**—**	**—**	**—**	**—**	**828.4**	**828.4**
Other secured borrowings	**239.7**	**789.3**	**805.1**	**719.3**	**—**	**802.8**	**3,356.2**
Total secured borrowings	**1,649.6**	**789.3**	**805.1**	**719.3**	**—**	**1,631.2**	**5,594.5**
Unsecured borrowings	**351.6**	**537.3**	**109.5**	**114.2**	**—**	**—**	**1,112.6**
Total borrowings	**$2,001.2**	**$1,326.6**	**$914.6**	**$833.5**	**$—**	**$1,631.2**	**$6,707.1**

(a) The principal on the debt securities is paid using cash flows from underlying collateral (mortgage loans). Accordingly, the timing of the principal payments on these debt securities is dependent on the payments received, and as such, we elected to represent the full term of the securities in the 2017 and thereafter time frame.

We did not make a $20.1 million semi-annual interest payment that was due on April 17, 2012, related to $473.0 million outstanding senior unsecured notes maturing in June 2013. The indenture provides that a failure to pay interest on an interest payment date does not become an event of default unless such failure continues for a period of 30 days.

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The most restrictive financial covenants in our credit facilities require us to maintain consolidated tangible net worth of $250.0 million as of the end of each month, consolidated liquidity of $250.0 million daily, and unrestricted liquidity of $250.0 million daily. For these purposes, consolidated tangible net worth is defined as our consolidated equity excluding intangible assets. Unrestricted liquidity is defined as certain unrestricted and unencumbered cash balances in U.S. dollars and cash equivalents on a consolidated basis. We view unrestricted liquidity as cash readily available to cover operating demands across our business operations. These financial covenants are included in certain of our bilateral facilities. Should we fail to remain in compliance with these requirements, remedies include but are not limited to, at the option of the facility provider, termination of further funding, acceleration of outstanding obligations, rights to realize against the assets securing or otherwise supporting the facility, and other legal remedies. Our liquidity providers can waive their contractual rights in the event of a default.

We are required to maintain consolidated tangible net worth, as defined, of $250.0 million, under our agreements with a GSE. In the event of default, the GSE could require posting collateral in an amount based on repurchase demands outstanding plus recourse obligations; termination or suspension of our selling and servicing contract; require additional or more frequent financial and operational reporting; limit early funding programs or trading desk transactions; accelerate rebuttal time periods for outstanding repurchase demands; or take other actions permitted by law. We and certain of our subsidiaries are also required to maintain certain servicer ratings. Should we or our subsidiaries fail to remain in compliance with these requirements and as a result should our mortgage selling and servicing contract be terminated, cross default provisions within certain credit and bilateral facilities could be triggered.

At March 31, 2012, our consolidated tangible net worth, as defined, was $399.3 million, in compliance with all of our consolidated tangible net worth covenants. In addition we are in compliance with our consolidated and unrestricted liquidity requirements and required servicer ratings as of March 31, 2012. Refer to Note 1 – Description of Business, Basis of Presentation and Changes in Significant Accounting Policies for additional information.

The following table summarizes the outstanding, unused, and total capacity of our funding facilities at March 31, 2012. We use both committed and uncommitted credit facilities. The financial institutions providing the uncommitted facilities are not legally obligated to advance funds under them.

March 31, 2012 *($ in thousands)*	**Outstanding**	**Unused capacity**	**Total capacity**
Facilities with parent			
Ally Inc. Senior Secured Credit Facility	**$749,873**	**$—**	**$749,873**
Ally Inc. LOC	**410,000**	**1,190,000**	**1,600,000**
Total facilities with parent	**1,159,873**	**1,190,000**	**2,349,873**
Facilities with affiliate			
Secured financing agreement - BMMZ	**250,000**	**—**	**250,000**
Secured funding facilities - committed			
Mortgage servicing rights facility	**158,000**	**—**	**158,000**
Servicer advance funding facilities	**727,838**	**197,162**	**925,000**
Home equity funding facility	**127,294**	**—**	**127,294**
Other funding facilities	**—**	**11,000**	**11,000**
Total committed	**1,263,132**	**208,162**	**1,471,294**
Total funding facilities	**$2,423,005**	**$1,398,162**	**$3,821,167**

Facilities with Parent and Affiliates

Ally Inc. Senior Secured Credit Facility

On April 10, 2012, this facility was amended and the maturity date was extended to May 14, 2012. The borrowers, RFC and GMAC Mortgage (collectively, the Borrowers), no longer have the ability to request revolving loans under the facility. The facility is secured by certain domestic whole loans, accounts receivable, notes receivable, securities, and equity investments of the Borrowers. The facility contains limitations on the use of proceeds from sales of pledged collateral with any such proceeds required to be paid to Ally Inc. to reduce the balance outstanding.

Ally Inc. Line of Credit (LOC)

At March 31, 2012, the maximum capacity of the LOC was $1.6 billion, comprised of $1.1 billion of secured capacity and $500.0 million of unsecured capacity. On April 10, 2012, this facility was amended, extending the maturity date to May 14, 2012 and the $500.0 million of unsecured capacity was terminated. Certain domestic whole loans, accounts receivable, notes receivable, mortgage servicing rights, securities, and equity investments of the Borrowers secure draws under the LOC, which are available to

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the extent there is sufficient collateral securing the draw. Draws under the LOC are available only if certain unrestricted and unencumbered balances in U.S. dollars and cash equivalents of us and our subsidiaries are less than $300.0 million. The available amount and the borrowing base of the LOC will both be reduced by the amount of any collateral posted or delivered by Ally IM to the Borrowers or us pursuant to certain derivative transaction agreements with Ally IM. The obligations under the LOC and the Ally IM Derivative Agreements are cross-collateralized for the benefit of Ally Inc.

BMMZ Holdings, LLC Secured Financing Agreement (BMMZ Repo)

BMMZ Holdings LLC (BMMZ) is a wholly owned subsidiary of Ally Inc. The aggregate facility amount is $250.0 million. The secured financing agreement is collateralized by domestic mortgage loan assets. The maturity date is the earlier of the maturity date of the LOC or December 19, 2012.

Secured Funding Facilities

Mortgage Servicing Rights Facility

On March 31, 2012, the facility was amended such that no additional draws can be made after that date, effectively reducing the maximum capacity to $158.0 million. The facility maturity date was amended to the earlier of two days prior to the maturity of the Ally Inc. LOC or May 30, 2012.

Servicer Advance Funding Facilities

At March 30, 2012, the secured facility to fund mortgage servicer advances had total capacity of $800.0 million, consisting of an $800.0 million variable funding note which will begin amortizing on March 12, 2013 and has a stated final maturity of March 12, 2020. On March 13, 2012, the facility was amended whereby the new variable funding note was issued with the proceeds being used to pay down the then outstanding variable funding and term notes.

A second secured facility to fund mortgage servicer advances has capacity of $125.0 million. On August 1, 2012, the scheduled revolving period will end, after which date no new advances will be funded and the 18–month repayment period will begin. Termination will occur upon the earlier of the end of the repayment period or the date the outstanding loan amount is paid in full.

Home Equity Funding Facility

The secured facility to fund home equity mortgage loans consisted of $127.3 million in variable funding notes due to mature on February 25, 2031.

Collateralized Borrowings in Securitization Trusts

We previously sold pools of consumer mortgage loans through private-label securitization transactions. The purpose of these securitizations was to provide permanent funding and exit for these assets. Certain of these securitizations were accounted for as secured borrowings, and therefore, the debt is reflected on our Condensed Consolidated Balance Sheet.

Other Borrowings

Junior Secured Notes

The outstanding balance of the Junior Secured Notes at March 31, 2012, was $2.1 billion with a final maturity on May 15, 2015. The unamortized balance of deferred concession recognized as a result of our 2008 exchange offer was $220.2 million. The deferred concession is being amortized over the life of the secured notes using the effective yield method. For the three months ended March 31, 2012 and 2011, $25.9 million and $24.9 million, respectively, of deferred concession was amortized into earnings as a reduction of interest expense.

GMAC Mortgage, its immediate parent, GMAC Residential Holding Company, LLC (Res Holdings), RFC, its immediate parent, GMAC-RFC Holding Company, LLC (RFC Holdings), and Homecomings Financial, LLC (Homecomings), a wholly owned subsidiary of RFC, are all guarantors with respect to the junior secured notes.

Upon repayment in full of the Ally Inc. Senior Secured Credit Facility, net cash proceeds from sales of assets that were previously pledged as collateral to the Ally Inc. Senior Secured Credit Facility may be used to repurchase, optionally redeem or optionally prepay the junior secured notes. In the event net cash proceeds are not used to repurchase or optionally redeem or prepay the junior secured notes, or to reinvest in permissible collateral with a fair value substantially equivalent to the net cash proceeds (collectively, the Reinvested Proceeds), under certain circumstances, we may be required to make an offer to all holders of the junior secured notes to purchase notes in an amount equal to the excess of the net cash proceeds over the Reinvested Proceeds.

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Unsecured Notes

As of March 31, 2012, unsecured notes include $673.3 million of U.S. dollar-denominated senior notes maturing between June 2012 and June 2015, $131.2 million euro-denominated notes maturing in May 2012 and $167.7 million U.K. sterling-denominated notes maturing between May 2013 and July 2014. We hedge a portion of the interest rate risk associated with our fixed-rate euro and U.K. sterling notes. As of March 31, 2012, we had interest rate swap agreements in place with notional amounts of $147.2 million and $103.9 million for our euro and U.K sterling denominated notes, respectively.

We did not make a $20.1 million semi-annual interest payment that was due on April 17, 2012, related to $473.0 million outstanding senior unsecured notes maturing in June 2013. The indenture provides that a failure to pay interest on an interest payment date does not become an event of default unless such failure continues for a period of 30 days.

Medium-term Unsecured Notes

Represents $140.4 million of peso-denominated notes issued by our wholly owned subsidiary GMAC Financiera S.A de C.V., SOFOM, ENR (GMAC Financiera) that mature in June 2012. ResCap, GMAC Mortgage, Res Holdings, RFC, RFC Holdings, and Homecomings are guarantors of the medium-term unsecured notes.

Collateral for Secured Debt

The following table summarizes the carrying value of assets that are restricted, pledged, or for which a security interest has been granted as collateral for the payment of certain debt obligations.

($ in thousands)	**March 31, 2012**	December 31, 2011
Cash and cash equivalents	**$85,628**	$82,389
Mortgage loans held–for–sale	**1,610,350**	1,688,037
Finance receivables and loans, net		
Consumer	**979,137**	1,005,982
Commercial	**4,205**	4,226
Total finance receivables and loans, net	**983,342**	1,010,208
Mortgage servicing rights	**843,299**	855,343
Accounts receivable, net	**2,481,190**	2,404,231
Other assets	**77,676**	81,960
Total assets restricted as collateral	**$6,081,485**	$6,122,168
Related secured debt	**$5,594,480**	$5,628,297

A portion of the assets included in the table above represent assets of subsidiaries whose equity has been pledged to secure the Ally Inc. Senior Secured Credit Facility and the Ally Inc. LOC. At March 31, 2012, there were $3.0 million of equity interests of these subsidiaries pledged to the Ally Inc. Senior Secured Credit Facility. We have also provided a lien on certain of our consolidated assets, as specified in the Ally Inc. Senior Secured Credit Facility agreements, for the benefit of the Ally Inc. Senior Secured Credit Facility and the Junior Secured Notes. Included in the table above is $1.9 billion and $2.0 billion at March 31, 2012 and December 31, 2011, respectively, of collateral pledged that can be re–hypothecated or re–pledged by the secured party.

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The following table summarizes the carrying value of assets pledged and the amount of related debt outstanding by our secured borrowing types.

	March 31, 2012		December 31, 2011	
($ in thousands)	**Total assets restricted as collateral**	**Related secured debt**	Total assets restricted as collateral	Related secured debt
Borrowings from parent and affiliate				
Ally Inc. Senior Secured Credit facility	**$1,326,032**	**$749,873**	$1,340,954	$755,769
Ally Inc. LOC	**1,553,328**	**410,000**	1,582,033	183,595
BMMZ Repo	**377,645**	**250,000**	401,118	250,000
Collateralized borrowings in securitization trusts	**912,434**	**828,418**	918,232	830,318
Other secured borrowings				
Junior Secured Notes (a)	**—**	**2,340,680**	—	2,366,600
Mortgage servicing rights facility	**675,544**	**158,000**	634,345	323,000
Servicer advance funding facilities	**1,083,408**	**727,838**	1,086,011	780,385
Home equity funding facility	**147,042**	**127,294**	153,191	135,800
Other secured facility	**6,052**	**2,377**	6,284	2,830
Total	**$6,081,485**	**$5,594,480**	$6,122,168	$5,628,297

(a) The Junior Secured Notes are secured by the same collateral that secures the Ally Inc. Senior Secured Credit facility.

9. Other Liabilities

($ in thousands)	**March 31, 2012**	December 31, 2011
Fair value of derivative instruments	**$3,928,437**	$5,113,531
Liability for option to repurchase assets (a)	**2,359,323**	2,386,734
Liability for representation and warranty obligations	**810,805**	824,776
Collateral received from derivative counterparties	**604,836**	656,109
Accounts payable	**317,493**	360,726
Interest payable	**126,803**	62,225
Reserve for legal proceedings	**99,646**	94,516
Mortgage foreclosure settlement	**92,061**	204,000
Reserve for insurance losses	**86,716**	91,615
Employee compensation and benefits	**67,966**	87,542
Liability for assets sold with recourse	**32,592**	32,156
Ally Inc. management fee (b)	**14,878**	31,020
Income taxes	**3,899**	—
Restructuring reserve	**1,901**	4,342
Payable to Ally Bank	**—**	21,001
Other	**21,805**	25,733
Total other liabilities	**$8,569,161**	$9,996,026

(a) We recognize a liability for the conditional repurchase option on certain assets held by off-balance sheet securitization trusts. The corresponding asset is recorded in mortgage loans held for sale. See Note 2 — Mortgage Loans Held–for–Sale and Note 4 — Securitizations and Variable Interest Entities for additional information.

(b) Includes costs for personnel, information technology, communications, corporate marketing, procurement, and services related to facilities incurred by Ally Inc. and allocated to us. See Note 17 — Related Party Transactions for additional information.

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10. Other Revenue, net

Three months ended March 31, *($ in thousands)*	**2012**	2011
Change due to fair value option elections		
Consumer mortgage finance receivables and loans, net	**$36,037**	$19,246
Collateralized borrowings	**(52,127)**	(36,148)
Loan broker fee from Ally Bank	**23,343**	9,496
Insurance income	**4,343**	6,357
Gain on interests retained in financial assets sales	—	3,430
Other	**8,436**	3,650
Total other revenue, net	**$20,032**	$6,031

11. Other Noninterest Expense, net

Three months ended March 31, *($ in thousands)*	**2012**	2011
Ally Inc. management fees (a)	**$29,053**	$16,915
Legal fees	**23,473**	10,191
Loan administration fees	**22,928**	18,244
Equipment and supplies	**6,868**	8,126
Insurance losses	**4,126**	12,577
Other	**13,056**	16,048
Total other noninterest expense, net	**$99,504**	$82,101

(a) Includes allocated costs for personnel, information technology, communication, corporate marketing, procurement, and services related to facilities incurred by Ally Inc. and allocated to us. See Note 17 — Related Party Transactions for additional information.

12. Income Tax

We are a division of Ally Inc, a corporation, for income tax purposes. We are subject to corporate U.S. Federal, state and local taxes and are included in the consolidated Ally Inc. U.S Federal and unitary and/or consolidated state income tax returns. We provide for our U.S. Federal and state taxes on a stand alone basis, which is consistent with the applicable tax sharing agreements with direct and indirect parent companies up through Ally Inc. The tax sharing agreement requires taxes to be based on the income tax liability determined as if we were a separate affiliated group of corporations filing consolidated U.S. Federal and state income tax returns. Our foreign businesses have been and continue to operate as corporations and are subject to, and provide for, U.S. Federal, state, and/or foreign income tax.

At March 31, 2012 and December 31, 2011 we have current income taxes payable of $11.1 million and $(1.7) million, respectively, to Ally Inc. pursuant to the tax sharing agreements.

We continue to be in a net deferred tax asset position, which is fully offset by a deferred tax asset valuation allowance. The net deferred tax asset includes a significant tax net operating loss carryforward. Thus, the year to date tax expense has been largely offset by the decrease of the applicable deferred tax asset valuation allowance. Tax expense from continuing operations of $5.9 million and $8.9 million for the three months ended March 31, 2012 and 2011 relates primarily to certain taxes that are not eligible for offset by U.S. net operating losses, including those on foreign income.

Gross unrecognized tax benefits totaled $7.6 million and $11.7 million at March 31, 2012 and 2011. The amount of unrecognized tax benefits that, if recognized, would affect our effective tax rate at March 31, 2012 and 2011 is approximately $5.3 million and $9.4 million, respectively. Related interest and penalties accrued for uncertain income tax positions are recorded in interest expense and other operating expenses, respectively. As of March 31, 2012 and 2011, we had approximately $2.3 million and $2.3 million, respectively, accrued for the payment of interest and penalties. We are generally no longer subject to U.S. federal, state, local, or foreign income tax examinations by tax authorities for years before 2007. A significant change in the unrecognized tax benefits is not expected within the next 12 months.

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13. Fair Value

Fair Value Measurements

Fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability (exit price) in the principal or most advantageous market in an orderly transaction between market participants at the measurement date. Fair value is based on the assumptions market participants would use when pricing an asset or liability. Additionally, entities are required to consider all aspects of nonperformance risk, including the entity's own credit standing, when measuring the fair value of a liability.

A three–level hierarchy is used when measuring and disclosing fair value. The fair value hierarchy gives the highest priority to quoted prices available in active markets (i.e., observable inputs) and the lowest priority to data lacking transparency (i.e., unobservable inputs). An instrument's categorization within the fair value hierarchy is based on the lowest level of significant input to its valuation. The following is a description of the three hierarchy levels.

Level 1 — Inputs are quoted prices in active markets for identical assets or liabilities at the measurement date. Additionally, we must have the ability to access the active market, and the quoted prices cannot be adjusted by us.

Level 2 — Inputs are other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices in active markets for similar assets or liabilities; quoted prices in inactive markets for identical or similar assets or liabilities; or inputs that are observable or can be corroborated by observable market data by correlation or other means for substantially the full term of the assets or liabilities.

Level 3 — Unobservable inputs are supported by little or no market activity. The unobservable inputs represent management's best assumptions of how market participants would price the assets or liabilities. Generally, Level 3 assets and liabilities are valued using pricing models, discounted cash flow methodologies, or similar techniques that require significant judgment or estimation.

Transfers — Transfers into or out of any hierarchy level are recognized at the end of the reporting period in which the transfer occurred. There were no material transfers between any levels during the three months ended March 31, 2012.

Following are descriptions of the valuation methodologies used to measure material assets and liabilities at fair value and details of the valuation models, key inputs to those models and significant assumptions utilized.

- ***Mortgage loans held–for–sale*** – We originate and purchase residential mortgage loans that we intend to sell to the GSEs. We also own nonagency eligible residential mortgage loans that were originated or purchased in prior years. Consumer mortgage loans we intend to sell to the GSEs are carried at fair value as a result of a fair value election. Our nonagency eligible residential mortgage loans are accounted for at the lower of cost or fair value. We elected to fair value nongovernment eligible mortgage loans held–for–sale subject to conditional repurchase options recognized on or after January 1, 2011. Only those non-fair value elected loans that are currently being carried at fair value are included within our nonrecurring fair value measurement tables. Mortgage loans held–for–sale account for 9.7% of all recurring and nonrecurring assets reported at fair value at March 31, 2012.

  Mortgage loans held–for–sale are typically pooled together and sold into certain exit markets, depending upon underlying attributes of the loan, such as agency eligibility, product type, interest rate, and credit quality. Two valuation methodologies are used to determine the fair value of mortgage loans held–for–sale. The methodology used depends on the exit market as described below.

  Loans valued using observable market prices for identical or similar assets (a Level 2 fair value) - Includes all agency–eligible mortgage loans carried at fair value due to fair value option election, which are valued predominantly using published forward agency prices. Also includes any domestic loans and foreign loans where recently negotiated market prices for the loan pool exist with a counterparty (which approximates fair value) or quoted market prices for similar loans are available. As of March 31, 2012, we classified 34.3% of our mortgage loans held–for–sale that are being carried at fair value on a recurring basis as Level 2.

  Loans valued using internal models (a Level 3 fair value) - Includes all conditional repurchase option loans carried at fair value due to the fair value option election and all nonagency eligible residential mortgage loans that are accounted for at the lower of cost or fair value. The fair value of these residential mortgage loans are determined using internally developed valuation models because observable market prices were not available. The loans are priced on a discounted cash flow basis utilizing cash flow projections from internally developed models that utilize prepayment, default, and discount rate assumptions. To the extent available, we utilize market observable inputs

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such as interest rates and market spreads. If market observable inputs are not available, we are required to utilize internal inputs, such as prepayment speeds, credit losses, and discount rates. While numerous controls exist to calibrate, corroborate, and validate the internal inputs, they require the use of judgment by us and can have a significant impact on the determination of the loan's fair value. As of March 31, 2012, 100.0% of our mortgage loans held–for–sale that are currently being carried at fair value on a nonrecurring basis and 65.7% of our mortgage loans held-for-sale that are carried at fair value on a recurring basis are classified as Level 3.

- ***Consumer Finance receivables and loans, net*** — We elected the fair value option for consumer mortgage finance receivables and loans related to our on–balance sheet securitizations. A complete description of these securitizations is provided in the *On-balance sheet securitization debt* section later in this Note. The remaining balance of our consumer finance receivables and loans are reported on the balance sheet at their principal amount outstanding, net of charge-offs, allowance for loan losses, and net premiums/discounts.

  For the securitization trusts for which we elected fair value option, the loans are measured at fair value using a portfolio approach. The values for loans held on an in-use basis may differ considerably from loans held–for–sale that can be sold in the whole-loan market. This difference arises primarily due to the liquidity of the ABS/MBS market and is evident in the fact that spreads applied to lower rated ABS/MBS are considerably wider than spreads observed on senior bond classes and in the whole-loan market. The objective in linking the fair value of these loans to the fair value of the related securitization debt is to properly account for our retained economic interest in the securitizations. As of March 31, 2012, we classified 100.0% of our fair value elected consumer mortgage finance receivables and loans as Level 3. These loans account for 12.9% of all recurring and nonrecurring assets reported at fair value at March 31, 2012.

- ***Mortgage servicing rights*** — MSRs currently do not trade in an active market with observable prices, therefore we use internally developed discounted cash flow models to estimate the fair value of MSRs. These internal valuation models estimate net cash flows based on internal operating assumptions that we believe would be used by market participants combined with market-based assumptions for loan prepayment rates, interest rates, and discount rates that management believes approximate yields required by investors in this asset. Cash flows primarily include servicing fees, float income, and late fees, in each case less estimated operating costs to service the loans. The estimated cash flows are discounted using an option-adjusted spread derived discount rate. At March 31, 2012, 100.0% of our MSRs are classified as Level 3 and account for 19.5% of all recurring and nonrecurring assets reported at fair value.

- ***Derivative instruments*** — We enter into a variety of derivative financial instruments as part of our risk management strategies. Derivative assets account for 56.3% of all recurring and nonrecurring assets and derivative liabilities account for 82.1% of all recurring and nonrecurring liabilities reported at fair value at March 31, 2012.

  Certain of these derivatives are exchange traded, such as Eurodollar futures. To determine the fair value of these instruments, we utilize the exchange prices for the particular derivative contract; therefore, we classified these contracts as Level 1. We classified less than 1% of the derivative assets and less than 1% of the derivative liabilities reported at fair value as Level 1 at March 31, 2012.

  We also execute over–the–counter derivative contracts, such as interest rate swaps, swaptions, forwards, caps, floors and agency-to-be-announced (TBAs) securities. We utilize third–party–developed valuation models that are widely accepted in the market to value our over–the–counter derivative contracts. The specific terms of the contract and market observable inputs (such as interest rate forward curves and interpolated volatility assumptions) are used in the model. We classified 99.1% of the derivative assets and 98.8% of the derivative liabilities reported at fair value as Level 2 at March 31, 2012.

  We also hold certain derivative contracts that are structured specifically to meet a particular hedging objective. These derivative contracts often are utilized to hedge risks inherent within certain on–balance sheet securitizations. To hedge risks on particular bond classes or securitization collateral, the derivative's notional amount is often indexed to the hedged item. As a result, we typically are required to use internally developed prepayment assumptions as an input into the model to forecast future notional amounts on these structured derivative contracts. Accordingly, we classified these derivative contracts as Level 3. These derivative contracts accounted for less than 1% of the derivative assets and less than 1% of the derivative liabilities reported at fair value at March 31, 2012.

  At March 31, 2012, we were counterparty to a forward flow agreement with Ally Bank, which effectively transfers the exposure to changes in fair value of specified pools of Ally Bank's mortgage loans held–for–sale and interest rate lock commitments to us. In addition, at March 31, 2012 we were counterparty to a total return swap agreement with Ally Bank that effectively transfers the total economic return of a specified portfolio of mortgage servicing rights owned by Ally Bank to us in exchange for a variable payment based on a fixed spread to LIBOR. The underlying reference assets that

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support the value of the swap agreements are valued using internally developed valuation assumptions; therefore the swaps are classified as Level 3. These agreements accounted for less than 1% of the derivative assets and less than 1% of the derivative liabilities reported at fair value at March 31, 2012. Both of these agreements were terminated on April 30, 2012. See Note 17 — Related Party Transactions for additional information.

We are required to consider all aspects of nonperformance risk, including our own credit standing, when measuring fair value of a liability. We reduce credit risk on the majority of our derivatives by entering into legally enforceable agreements that enable the posting and receiving of collateral associated with the fair value of our derivative positions on an ongoing basis. In the event that we do not enter into legally enforceable agreements that enable the posting and receiving of collateral, we will consider our credit risk and the credit risk of our counterparties in the valuation of derivative instruments through a credit valuation adjustment (CVA), if warranted.

- ***On-balance sheet securitizations*** — We elected the fair value option for certain consumer mortgage finance receivables and loans, and securitization debt for certain of our on-balance sheet securitizations. The objective in measuring these loans and related securitization debt at fair value is to approximate our economic exposure to the collateral securing the securitization debt. The remaining on-balance sheet securitization debt that was not fair value option–elected is reported on the balance sheet at cost, net of premiums or discounts and all issuance costs.

  We value securitization debt that was fair value option–elected, as well as any trading securities or interests retained in financial asset sales, using market observable prices whenever possible. The securitization debt is principally in the form of asset-backed and mortgage-backed securities collateralized by the underlying consumer mortgage finance receivables and loans. Due to the attributes of the underlying collateral and current capital market conditions, observable prices for these instruments are typically not available in active markets. We base valuations on internally developed discounted cash flow models that use a market-based discount rate. In order to estimate cash flows, we utilize various significant assumptions, including market observable inputs such as forward interest rates, as well as internally developed inputs such as prepayment speeds, delinquency levels, and credit losses. As a result of the reliance on significant assumptions and estimates for model inputs, at March 31, 2012, 100.0% of fair value option–elected securitization debt is classified as Level 3. On-balance sheet securitization debt accounts for 17.3% of all recurring and nonrecurring liabilities reported at fair value at March 31, 2012.

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Recurring Fair Value

The following tables display the assets and liabilities measured at fair value on a recurring basis, including financial instruments for which we elected the fair value option. In certain cases we economically hedge the fair value change of our assets or liabilities with derivatives and other financial instruments. The table below displays the hedges separately from the hedged items and, therefore, does not directly display the impact of our risk management activities.

	Recurring fair value measurements			
March 31, 2012 *($ in thousands)*	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Mortgage loans held–for–sale (a)	$—	**$15,925**	**$30,494**	**$46,419**
Consumer mortgage finance receivables and loans, net (a)	—	—	**832,094**	**832,094**
Mortgage servicing rights	—	—	**1,254,497**	**1,254,497**
Other assets				
Fair value of derivative contracts in receivable position				
Interest rate contracts	**3,145**	**3,588,513**	**29,790**	**3,621,448**
Trading securities				
Mortgage and asset backed residential	—	**417**	**31,885**	**32,302**
Total assets	**$3,145**	**$3,604,855**	**$2,178,760**	**$5,786,760**
Liabilities				
Collateralized borrowings				
On-balance sheet securitization debt (a)	$—	$—	**($828,418)**	**($828,418)**
Other liabilities				
Fair value of derivative contracts in liability position				
Interest rate contracts	**(18,708)**	**(3,882,257)**	**(27,107)**	**(3,928,072)**
Foreign currency contracts	—	**(365)**	—	**(365)**
Liability for option to repurchase assets (a)	—	—	**(29,603)**	**(29,603)**
Total liabilities	**($18,708)**	**($3,882,622)**	**($885,128)**	**($4,786,458)**

(a) Carried at fair value due to fair value option election.

	Recurring fair value measurements			
December 31, 2011 *($ in thousands)*	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Mortgage loans held–for–sale (a)	$—	$27,253	$29,723	$56,976
Consumer mortgage finance receivables and loans, net (a)	—	—	835,192	835,192
Mortgage servicing rights	—	—	1,233,107	1,233,107
Other assets				
Fair value of derivative contracts in receivable position				
Interest rate contracts	61,025	4,780,995	35,038	4,877,058
Foreign currency contracts	—	139	—	139
Trading securities				
Mortgage and asset backed residential	—	434	32,869	33,303
Interests retained in financial asset sales	—	—	23,102	23,102
Total assets	$61,025	$4,808,821	$2,189,031	$7,058,877
Liabilities				
Collateralized borrowings				
On-balance sheet securitization debt (a)	$—	$—	($829,940)	($829,940)
Other liabilities				
Fair value of derivative contracts in liability position				
Interest rate contracts	(18,445)	(5,089,201)	(24)	(5,107,670)
Foreign currency contracts	—	(5,861)	—	(5,861)
Liability for option to repurchase assets (a)	—	—	(28,504)	(28,504)
Total liabilities	($18,445)	($5,095,062)	($28,528)	($5,142,035)

(a) Carried at fair value due to fair value option election.

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The following table presents quantitative information regarding the significant unobservable inputs used in material Level 3 assets and liabilities measured at fair value on a recurring basis.

March 31, 2012 *($ in thousands)*	**Level 3 recurring measurements**	**Valuation technique**	**Unobservable input**	**Range**
Assets				
Consumer mortgage finance receivables and loans, net (a)	**$832,094**	Discounted cash flow	Prepayment rate	2.52-12.91%
			Default rate	1.08-34.75%
			Loss severity	40.0-100.0%
Mortgage servicing rights	**1,254,497**	(b)	(b)	(b)
Liabilities				
Collaterlized borrowings				
On-balance sheet securitization debt (a)	**($828,418)**	(a)	(a)	(a)

(a) A portfolio approach links the value of the consumer mortgage finance receivables and loans, net to the on-balance sheet securitization debt; therefore, the valuation technique, unobservable inputs, and related range for the debt is the same as the loans. Increases in prepayments, which would primarily be driven by any combination of lower projected mortgage rates and higher projected home values, would result in higher fair value measurement. These drivers of higher prepayments (increased ability to refinance due to lower rates and higher property values) have an opposite impact on the default rate, creating an inverse relationship between prepayments and default frequency on the fair value measurements. Generally factors that contribute to higher default frequency also contribute to higher loss severity.

(b) Refer to Note 5 – Servicing Activities for information related to the significant unobservable inputs and valuation techniques used in the mortgage servicing rights fair value measurement.

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Notes to Condensed Consolidated Financial Statements

Residential Capital, LLC

The following tables present the reconciliation for all Level 3 assets and liabilities measured at fair value on a recurring basis. Transfers into or out of Level 3 are recognized as of the end of the reporting period in which the transfer occurred. In certain cases we economically hedge the fair value change of our assets or liabilities with derivatives and other financial instruments. The Level 3 items presented below may be hedged by derivatives and other financial instruments that are classified as Level 1 or Level 2. Thus, the following tables do not fully reflect the impact of our risk management activities.

	Level 3 recurring fair value measurements								
		Net gains/(losses) included in earnings							
($ in thousands)	January 1, 2012 Level 3 fair value	realized gains (losses)	unrealized gains (losses)	Other comprehensive income (loss)	Purchases	Sales	Issuances	Settlements	March 31, 2012 Level 3 fair value
Assets									
Mortgage loans held–for–sale	$29,723	($37)	$250	$—	$8,923 (a)	$—	$—	($8,365)	$30,494
Consumer mortgage finance receivables and loans, net	835,192	51,328 (b)	35,448 (b)	—	—	—	—	(89,874)	832,094
Mortgage servicing rights	1,233,107	—	10,817 (c)	—	—	—	10,573	—	1,254,497
Other assets									
Fair value of derivative contracts in receivable position, net									
Interest rate contracts	35,014	66,983 (d)	(58,479) (d)	—	—	—	—	(40,835)	2,683
Trading securities									
Mortgage and asset backed residential	32,869	(1,214) (e)	3,627 (e)	—	—	—	103	(3,500)	31,885
Interests retained in financial asset sales	23,102	(501) (f)	(5) (f)	—	—	—	—	(22,596)	—
Total assets	$2,189,007	$116,559	($8,342)	$—	$8,923	$—	$10,676	($165,170)	$2,151,653
Liabilities									
Collateralized borrowings									
On-balance sheet securitization debt	($829,940) $	(43,820) (b) $	(39,386) (b)	$—	$—	$—	$—	$84,728	($828,418)
Other liabilities									
Liability for option to repurchase assets	(28,504)	37	(250)	—	(8,923) (a)	—	—	8,037	(29,603)
Total liabilities	($858,444)	($43,783)	($39,636)	$—	($8,923)	$—	$—	$92,765	($858,021)

(a) Includes newly recognized fair value option elected conditional repurchase loans and the related liability. See Note 4 Securitizations and Variable Interest Entities for additional information.
(b) Fair value adjustment reported in other revenue, net, and related interest on loans and debt are reported in interest income and interest expense, respectively.
(c) Fair value adjustment reported in servicing asset valuation and hedge activities, net.
(d) See Note 14 — Derivative Instruments and Hedging Activities for location of fair value adjustments in our Condensed Consolidated Statement of Income.
(e) Fair value adjustment reported in gain (loss) on investment securities, net. Interest accretion on these assets is reported in interest income.
(f) Fair value adjustment reported in other revenue, net, and interest accretion on these assets is reported in interest income.

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Notes to Condensed Consolidated Financial Statements

Residential Capital, LLC

	Level 3 recurring fair value measurements								
		Net gains/(losses) included in earnings							
($ in thousands)	January 1, 2011 Level 3 fair value	realized gains (losses)	unrealized gains (losses)	Other comprehensive income (loss)	Purchases	Sales	Issuances	Settlements	March 31, 2011 Level 3 fair value
Assets									
Mortgage loans held–for–sale	$4,084	($27)	$98	$—	$14,189 (a)	($388)	$—	$—	$17,956
Consumer mortgage finance receivables and loans, net	1,014,703	57,458 (b)	15,809 (b)	—	—	—	—	(117,313)	970,657
Mortgage servicing rights	1,991,586	66 (c)	36,489 (c)	—	—	(139)	18,370	(67)	2,046,305
Other assets									
Fair value of derivative contracts in receivable (liability) position, net									
Interest rate contracts	69,353	212,905 (d)	137,723 (d)	—	—	—	—	(422,563)	(2,582)
Trading securities									
Mortgage– and asset–backed residential	44,128	(1,362) (e)	2,052 (e)	—	—	—	131	(4,871)	40,078
Available for sale securities									
Debt securities									
Mortgage-backed residential	989	—	—	543	—	—	—	(104)	1,428
Interests retained in financial asset sales	20,588	—	4,353 (f)	—	—	—	—	(599)	24,342
Total assets	$3,145,431	$269,040	$196,524	$543	$14,189	($527)	$18,501	($545,517)	$3,098,184
Liabilities									
Collateralized borrowings									
On-balance sheet securitization debt	($972,068)	$ (71,650) (b)	$4,702 (b)	$—	$—	$—	$—	$117,413	($921,603)
Other liabilities									
Liability for option to repurchase assets	—	—	—	—	(14,284) (a)	—	—	—	(14,284)
Total liabilities	($972,068)	($71,650)	$4,702	$—	($14,284)	$—	$—	$117,413	($935,887)

(a) Includes newly recognized fair value option elected conditional repurchase loans and the related liability. See Note 4 — Securitizations and Variable Interest Entities for additional information.
(b) Fair value adjustment reported in other revenue, net, and related interest on loans and debt are reported in interest income and interest expense, respectively.
(c) Fair value adjustment reported in servicing asset valuation and hedge activities, net.
(d) See Note 14 — Derivative Instruments and Hedging Activities for location of fair value adjustments in our Condensed Consolidated Statement of Income.
(e) Fair value adjustment reported in gain (loss) on investment securities, net. Interest accretion on these assets is reported in interest income.
(f) Fair value adjustment reported in other revenue, net, and interest accretion on these assets is reported in interest income.

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Nonrecurring Fair Value

We may be required to measure certain assets or liabilities at fair value from time-to-time. These periodic fair value measures typically result from application of lower of cost or fair value or certain impairment measures. These items would constitute nonrecurring fair value measures. The table below presents those items which we measured at fair value on a nonrecurring basis.

March 31, *($ in thousands)*	**Nonrecurring fair value measures** Level 1	Level 2	Level 3	**Total estimated fair value**	**Lower of cost or fair value or valuation allowance**	**Total gains included in income from continuing operations for the three months ended**
2012						
Mortgage loans held–for–sale (a)	$—	$—	**$579,914**	**$579,914**	**($56,780)**	**n/m (e)**
Commercial finance receivables and loans, net (b)	—	**1,591**	**22,949**	**24,540**	**(16,605)**	**n/m (e)**
Other assets						
Foreclosed assets (c)	—	**30,091**	**13,830**	**43,921**	**(12,050)**	**n/m (e)**
Total	**$—**	**$31,682**	**$616,693**	**$648,375**	**($85,435)**	**$—**
2011						
Mortgage loans held–for–sale (a)	$—	$—	$597,363	$597,363	($50,477)	n/m (e)
Commercial finance receivables and loans, net (b)	—	13,042	59,793	72,835	(16,137)	n/m (e)
Other assets						
Foreclosed assets (c)	—	38,160	22,918	61,078	(8,776)	n/m (e)
Real estate and other investments (d)	—	1,579	—	1,579	n/m	16 (f)
Total	$—	$52,781	$680,074	$732,855	($75,390)	$16

n/m = not meaningful

(a) Represents loans or pools of loans held–for–sale that are required to be measured at lower of cost or fair value. Only loans or pools of loans with fair values below cost are included in the table above. The related valuation allowance represents the cumulative adjustment to fair value of those loans and pool of loans.

(b) Represents the portion of the commercial portfolio that has been specifically impaired. The related valuation allowance represents the cumulative adjustment to fair value of those specific commercial finance receivables and loans and represents the most relevant indicator of the impact on earnings caused by the fair value measurement. The carrying values are inclusive of the respective loan loss allowance.

(c) The allowance provided for foreclosed assets represents any cumulative valuation adjustments recognized to adjust the assets to fair value less costs to sell.

(d) Certain assets within the model home portfolio have been impaired and are being carried at (a) estimated fair value if the model home is under lease or (b) estimated fair value less costs to sell if the model home is being marketed for sale.

(e) We consider the applicable valuation to be the most relevant indicator of the impact on earnings caused by the fair value measurement. Accordingly, the table above excludes total gains and losses included in earnings for these items. The carrying values are inclusive of the respective valuation.

(f) The total loss included in earnings is the most relevant indicator of the impact on earnings caused by the fair value measurement.

The following table presents quantitative information regarding the significant unobservable inputs used in significant Level 3 assets measured at fair value on a nonrecurring basis.

March 31, 2012 *($ in thousands)*	**Level 3 nonrecurring measurements**	**Valuation technique**	**Unobservable input**	**Range (weighted average)**
Assets				
Mortgage loans held-for-sale, net	**$ 579,914**	Discounted cash flow	Prepayment speeds	0.0-13.8%
			Default rate	2.2-17.4%
			Loss severity	47.5-98.5%
			Discount Rate	14.55%

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Fair Value Option for Financial Assets and Financial Liabilities

We have elected to value certain financial assets and liabilities at fair value consistent with our intent to mitigate a divergence between our accounting results and our retained economic exposure related to these assets and liabilities.

Financial assets and liabilities elected to be measured at fair value are as follows.

- ***On-balance sheet securitizations*** – We elected the fair value option for domestic on-balance sheet securitization trusts in which we estimated that the credit reserves pertaining to securitized assets could have exceeded or already had exceeded our economic exposure or were required to be consolidated upon the adoption of ASU 2009-17. The fair value option election was made at a securitization level and thus the election was made for both the consumer mortgage finance receivable and loans and the related securitization debt.

  The fair value elected loan balances are recorded within consumer finance receivables and loans, net, unless they are repurchased from a securitization trust in which case they are recorded in mortgage loans held-for–sale. Our policy is to separately record interest income on these fair value elected loans. The fair value adjustment recorded for consumer finance receivables and loans is classified as other revenue, net, and the fair value adjustment for mortgage loans held-for-sale is classified as gain on mortgage loans.

  The fair value elected securitization debt balances are recorded within collateralized borrowings in securitization trusts. Our policy is to separately record interest expense on the fair value elected securitization debt, which is classified as interest expense. The fair value adjustment recorded for this debt is classified as other revenue, net.

- ***Government – and agency – eligible loans*** – We elected the fair value option for government– and agency–eligible consumer mortgage loans held–for–sale. This election includes government– and agency–eligible loans we fund directly to borrowers and government– and agency–eligible loans we purchase from Ally Bank. The fair value option was elected to mitigate earnings volatility by better matching the accounting for the assets with the related hedges and to maintain consistency with the fair value option election by Ally Bank given the level of affiliate loan purchase and sale activity between the entities. See Note 17 — Related Party Transactions for additional information.

  We carry fair value option–elected government– and agency–eligible loans within mortgage loans held–for–sale. Our policy is to separately record interest income on these fair value elected loans. Upfront fees and costs related to the fair value elected loans are not deferred or capitalized. The fair value adjustment recorded for these fair value option–elected loans is reported in gain on mortgage loans, net. The fair value option election is irrevocable once the loan is funded even if it is subsequently determined that a particular loan cannot be sold.

- ***Conditional repurchase option loans and liabilities*** – As of January 1, 2011, we elected the fair value option for both nongovernment eligible mortgage loans held–for–sale subject to conditional repurchase options and the related liability. The conditional repurchase option allows us to repurchase a transferred financial asset if certain events outside our control are met. The typical conditional repurchase option is a delinquent loan repurchase option that gives us the option to purchase the loan if it exceeds a prespecified delinquency level. We have complete discretion regarding when or if we will exercise these options, but generally, we would do so only when it is in our best interest. We are required to record the asset and the corresponding liability on our balance sheet when the option becomes exercisable. The fair value option election must be made at initial recording. As such, the conditional repurchase option loans and liabilities that were recorded prior to January 1, 2011, were not fair value elected.

  The fair value elected conditional repurchase option loans are recorded within mortgage loans held–for–sale. The fair value adjustment is classified as other revenue, net. We do not recognize interest income on conditional repurchase option loans until the option is exercised and the loan is repurchased.

  The corresponding fair value elected liability is recorded in other liabilities. The fair value adjustment recorded for this liability is classified as other revenue, net.

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The following table summarizes the fair value option elections and information regarding the amounts recognized in earnings for each fair value option–elected item.

	Changes included in our Condensed Consolidated Statement of Income					
March 31, *($ in thousands)*	**Interest income (expense) (a)**	**Gain on mortgage loans, net**	**Other revenue, net**	**Total included in net income**	**Change in fair value due to credit risk**	**(b)**
2012						
Assets						
Mortgage loans held–for–sale (c)	**$286**	**$243,407**	**$—**	**$243,693**	**($490)**	**(d)**
Consumer mortgage finance receivables and loans, net	**44,139**	**—**	**42,637**	**86,776**	**(27,220)**	**(e)**
Liabilities						
Collateralized borrowings						
On-balance sheet securitizations	**(25,900)**	**—**	**(57,306)**	**(83,206)**	**(7,306)**	**(f)**
Liability for option to repurchase assets	**—**	**—**	**(213)**	**(213)**	**490**	**(f)**
Total				**$247,050**		
2011						
Assets						
Mortgage loans held–for–sale (c)	$221	$51,498	$98	$51,817	($18)	(d)
Consumer mortgage finance receivables and loans, net	54,021	—	19,246	73,267	(17,444)	(e)
Liabilities						
Collateralized borrowings	(30,801)	—	(36,148)	(66,949)	26,927	(f)
Total				$58,135		

(a) Interest income on consumer mortgage finance receivables and loans and mortgage loans held–for–sale is measured by multiplying the unpaid principal balance on the loans by the coupon rate and the number of days of interest due. Interest expense on the on-balance sheet securitizations is measured by multiplying the bond principal by the coupon rate and days interest due to the investor.

(b) Factors other than credit quality that impact the fair value include changes in market interest rates and the liquidity or marketability in the current marketplace. Lower levels of observable data points in illiquid markets generally result in wide bid/offer spreads.

(c) Includes the gain/loss recognized on fair value option–elected government– and agency–eligible assets purchased from Ally Bank.

(d) The credit impact for mortgage loans held–for–sale that are currently agency eligible is currently zero because the fair value option–elected GSE loans are salable, and any unsalable assets are currently covered by a government guarantee. The credit impact for non-agency eligible loans and related liability was quantified by applying internal credit loss assumptions to cash flow models.

(e) The credit impact for consumer mortgage finance receivables and loans was quantified by applying internal credit loss assumptions to cash flow models.

(f) The credit impact for on-balance sheet securitization debt is assumed to be zero until our economic interests in a particular securitization is reduced to zero, at which point the losses in the underlying collateral will be expected to be passed through to third-party bondholders. Losses allocated to third-party bondholders, including changes in the amount of losses allocated, will result in fair value changes due to credit. We also monitor credit ratings and may make credit adjustments to the extent any bond classes are downgraded by rating agencies.

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The table below provides the fair value and the unpaid principal balance for our fair value option–elected loans and related collateralized borrowings.

	March 31, 2012		December 31, 2011	
($ in thousands)	**Unpaid principal balance**	**Fair value (a)**	Unpaid principal balance	Fair value (a)
Mortgage loans held–for–sale				
Total loans	**$76,796**	**$46,419**	$84,099	$56,975
Nonaccrual loans	**57,916**	**28,293**	53,502	27,297
Loans 90+ days past due (b)	**57,789**	**28,140**	53,312	27,179
Consumer mortgage finance receivables and loans, net				
Total loans	**$2,385,658**	**$832,094**	$2,436,218	$835,192
Nonaccrual loans	**510,437**	**213,935 (c)**	506,300	209,371 (c)
Loans 90+ days past due (b)	**383,837**	**172,611 (c)**	362,002	162,548 (c)
Collateralized borrowings				
On-balance sheet securitizations	**($2,513,734)**	**($828,418)**	($2,559,093)	($829,940)
Other liabilities				
Liability for option to repurchase assets	**($61,490)**	**($29,603)**	($56,568)	($28,504)

(a) Excludes accrued interest receivable.
(b) Loans 90+ days past due are also presented within the nonaccrual loans and total loans except those that are government insured and still accruing.
(c) The fair value of consumer mortgage finance receivables and loans is calculated on a pooled basis; therefore, we allocated the fair value of nonaccrual loans and 90+ days past due to individual loans based on the unpaid principal balances.

14. Derivative Instruments and Hedging Activities

We transact interest rate and foreign currency swaps, futures, forwards, options, swaptions, and TBAs in connection with our risk management activities. Our primary objective for executing these financial instruments is to mitigate our economic exposure to future events that are outside our control. These financial instruments are utilized principally to manage market risk and cash flow volatility associated with mortgage loans held–for–sale and MSRs, including our total return and forward flow agreements with Ally Bank. See Note 17 — Related Party Transactions for additional information. We do not transact derivative instruments for reasons beyond risk management.

In addition to derivatives transacted as part of our risk management activities, we create derivative contracts as part of our ongoing operations. In particular, we frequently execute forward mortgage loan purchase and sale commitments with Ally Bank and financial institutions, respectively, principally to provide a future source of mortgage volume and dedicated exit channels.

Additionally, we enter into commitments with mortgage borrowers that require us to originate a mortgage at a stated amount and rate; these are derivative contracts if our intent is ultimately to hold the originated loan for sale. We refer to commitments to purchase mortgage loans from Ally Bank and commitments to originate mortgage loans held–for–sale, collectively, as interest rate lock commitments (IRLCs).

The following summarizes our significant asset and liability classes, the risk exposures for these classes, and our risk management activities utilized to mitigate certain of these risks. The discussion includes both derivative and nonderivative financial instruments utilized as part of these risk management activities.

Interest Rate Sensitive Assets/Liabilities

- ***Mortgage loan commitments and loans held–for–sale*** — We are exposed to interest rate risk from the time an IRLC is made, either directly or indirectly through the forward flow agreement with Ally Bank, until the time the mortgage loan is sold. Changes in interest rates impact the market price for the mortgage loan; as market interest rates decline, the value of existing IRLCs and mortgage loans held–for–sale increase and vice versa. The primary objective of our risk management activities related to IRLCs and mortgage loans held–for–sale is to eliminate or reduce any interest rate risk associated with these assets.

  We enter into forward sale contracts of mortgage-backed securities, primarily agency TBAs, as our primary strategy to mitigate this risk. These contracts are typically entered into at the time the interest rate lock commitment is made. The value of the forward sales contracts moves in the opposite direction of the value of our IRLCs and mortgage loans held–for–sale. We may also use other derivatives, such as options, and futures, to economically hedge certain portions of the portfolio. Nonderivative instruments, such as short positions on U.S. Treasuries, may also be used to economically hedge

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the portfolio. We monitor and actively manage our risk on a daily basis; therefore trading volume can be significant.

We do not apply hedge accounting to our derivative portfolio held to economically hedge our IRLCs and mortgage loans held–for–sale. Included in the derivatives on IRLCs and mortgage loans held–for–sale is the forward flow agreement with Ally Bank having a fair value of $(27.1) million and an outstanding notional of $6.3 billion at March 31, 2012. Under the terms of the forward flow agreement, Ally Bank transfers the exposure to changes in fair value of specified pools of assets, in this case IRLCs and mortgage loans held–for–sale, to us. This agreement was terminated on April 30, 2012. See Note 17 — Related Party Transactions for additional information.

- ***Mortgage servicing rights and other retained interests*** — Our MSRs and retained interests are generally subject to loss in value when mortgage rates decline. Declining mortgage rates generally result in an increase in refinancing activity, which increases prepayments and results in a decline in the value of MSRs and other retained interests. To mitigate the impact of this risk, we maintain a portfolio of financial instruments, primarily derivatives, which increase in value when interest rates decline. The primary objective is to minimize the overall risk of loss in the value of MSRs and other retained interests due to the change in fair value caused by interest rate changes and their interrelated impact to prepayments.

  We use a variety of derivative instruments to manage the interest rate risk related to MSRs and other retained interests. These include, but are not limited to, interest rate futures, call or put options on U.S. Treasuries, swaptions, mortgage-backed securities (MBS) futures, U.S. Treasury futures, interest rate swaps, interest rate floors and caps. While we do not currently utilize nonderivative instruments (i.e., U.S. Treasuries) to hedge this portfolio, we have utilized them in the past and may utilize them again in the future. We monitor and actively manage our risk on a daily basis, and therefore trading volume can be significant.

  Included in the derivatives hedging MSRs and retained interests is a total return swap with Ally Bank having a fair value of $29.4 million at March 31, 2012. Under the terms of the total return swap, Ally Bank transfers the total economic return of a specified portfolio of mortgage servicing rights owned by Ally Bank to us in exchange for a variable payment based on a fixed spread to LIBOR. This agreement was terminated on April 30, 2012. See Note 17 — Related Party Transactions for additional information.

- ***Debt*** — We monitor our mix of fixed and floating rate debt in relation to the rate profile of our assets. When it is cost effective to do so, we may enter into interest rate swaps to manage the interest rate composition of our debt portfolio. Typically, the significant terms of the interest rate swaps match the terms of the underlying debt resulting in an effective conversion of the rate of the related debt.

  In addition to these economic hedges, we also hold interest rate swaps that are hedging a portion of our fixed-rate senior unsecured notes. We utilize the interest rate swaps to hedge the fair value of the hedged debt balances. We elected to designate these as fair value hedges at inception. At December 31, 2011, we dedesignated our fair value swaps due to ineffectiveness.

Foreign Currency Risk

We have operations outside the United States. Our foreign subsidiaries maintain both assets and liabilities in local currencies that are deemed to be the functional currencies of these subsidiaries for accounting purposes. Foreign currency exchange rate gains and losses arise when assets or liabilities are denominated in currencies that differ from the entities functional currency and are revalued into the functional currency. In addition, our equity is impacted by the cumulative translation adjustments recognized in other comprehensive income resulting from the translation of foreign subsidiary results to U.S. dollars. Foreign currency risk is reviewed as part of our risk management process. The principal currencies creating foreign exchange risk are the U.K. Sterling and the Euro.

Our current strategy is to economically hedge foreign currency risk related to assets and liabilities that are denominated in currencies on our U.S. dollar functional currency entities. The principal objective of the foreign currency hedges is to mitigate the earnings volatility specifically created by foreign currency exchange rate gains and losses. We hold forward currency contracts to mitigate risk against currency fluctuation in the U.K. Sterling and the Euro. We have not elected to treat any foreign currency swaps as hedges for accounting purposes, principally because the changes in the fair values of the foreign currency swaps are substantially offset by the foreign currency revaluation gains and losses of the underlying assets and liabilities.

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Credit Risk and Collateral Arrangements

Derivative financial instruments contain an element of credit risk if counterparties, including affiliates, are unable to meet the terms of their agreements. Credit risk associated with derivative financial instruments is measured as the net replacement cost should the counterparties that owe us under the contracts completely fail to perform under the terms of those contracts, assuming there are no recoveries of underlying collateral, as measured by the fair value of the derivative financial instruments. At March 31, 2012 and December 31, 2011, the fair value of derivative financial instruments in an asset, or receivable position, were $3.6 billion and $4.9 billion, including $2.2 billion and $3.2 billion with affiliates, respectively. See Note 17 — Related Party Transactions for additional information.

We minimize the credit risk exposure by limiting our counterparties to those major banks and financial institutions that meet established credit guidelines and transacting with and through affiliates. Additionally, we reduce credit risk on the majority of our derivative financial instruments by entering into legally enforceable agreements that permit the closeout and netting of transactions with the same counterparty upon occurrence of certain events. To further mitigate the risk of counterparty default, we execute collateral agreements with counterparties. The agreements require both parties to maintain cash deposits in the event the fair values of the derivative financial instruments meet established thresholds. We have received cash deposits from counterparties totaling $578.7 million and $656.1 million at March 31, 2012 and, December 31, 2011, respectively, for derivative positions in an asset position to us. We have placed cash deposits totaling $1.1 billion and $1.1 billion at March 31, 2012 and December 31, 2011, respectively, in accounts maintained by counterparties for derivative positions in a liability position to us. The cash deposits placed and received are included in accounts receivable, other assets, and other liabilities.

We are not exposed to credit risk related contingent features in any of our derivative contracts that could be triggered and potentially could expose us to future loss.

Condensed Consolidated Balance Sheet Presentation

The following table summarizes the location and fair value amounts of derivative instruments reported on our Condensed Consolidated Balance Sheet. The fair value amounts are presented on a gross basis and are segregated between derivatives that are designated and qualifying as hedging instruments and those that are not and further segregated by type of contract within those two categories.

	March 31, 2012			December 31, 2011		
	Fair value of derivative contracts in			Fair value of derivative contracts in		
($ in thousands)	**receivable position (a)**	**payable position (b)**	**Notional amount**	receivable position (a)	payable position (b)	Notional amount
Economic hedges						
Interest rate risk						
MSRs and retained interests	**$3,554,216**	**($3,893,704)**	**$418,931,706**	$4,811,804	($5,011,576)	$523,142,192
Mortgage loans held–for–sale	**16,115**	**(7,260)**	**9,040,618**	8,770	(96,077)	17,323,000
Debt	**18,887**	**—**	**251,122**	21,066	—	251,790
Total interest rate risk	**3,589,218**	**(3,900,964)**	**428,223,446**	4,841,640	(5,107,653)	540,716,982
Foreign exchange risk	**2,439**	**(365)**	**160,748**	520	(5,873)	3,157,000
Non–risk management derivatives						
Bank MSR swap	**29,442**	**—**	**1,407,351**	17,681	—	1,384,835
Bank forward flow agreement	**—**	**(27,105)**	**6,269,576**	16,423	—	9,825,783
Mortgage loan commitments	**349**	**(3)**	**27,542**	933	(5)	77,633
Total derivatives	**$3,621,448**	**($3,928,437)**	**$436,088,663**	$4,877,197	($5,113,531)	$555,162,233

(a) Presented in other assets.
(b) Presented in other liabilities.

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Condensed Consolidated Statement of Income Presentation

The following table summarizes the location and amount of gains and losses from continuing operations reported in our Condensed Consolidated Statement of Income related to derivative instruments. Gains and losses are presented separately for derivative instruments designated and qualifying as hedging instruments in fair value hedges and non-designated hedging instruments. We currently do not have qualifying cash flow or foreign currency hedges.

Three months ended March 31, *($ in thousands)*	**2012**	2011
Qualifying accounting hedges		
Gain (loss) recognized in earnings on derivatives		
Interest rate contracts		
Interest income	**$—**	($1,535)
Gain (loss) recognized in earnings on hedged item		
Interest rate contracts		
Interest expense	**—**	1,813
Total qualifying accounting hedges	**—**	278
Economic hedges		
Risk management derivatives		
Gain (loss) recognized in earnings on derivatives		
Interest rate contracts		
Interest expense	**(1,633)**	(1,672)
Gain on mortgage loans, net	**(52,099)**	(43,622)
Servicing asset valuation and hedge activities, net	**8,075**	(203,625)
Other revenue, net	**(369)**	—
Total interest rate contracts	**(46,026)**	(248,919)
Foreign exchange contracts		
Other noninterest expense, net	**6,274**	(1,298)
Non-risk management derivatives		
Gain on mortgage loans, net	**(87,921)**	134,512
Servicing asset valuation and hedge activities, net	**96,424**	216,048
Total derivatives	**($31,249)**	$100,621

Our derivative portfolios generally are reflected in the operating activities section of our Condensed Consolidated Statement of Cash Flows. Derivative fair value adjustments are captured in our Condensed Consolidated Statement of Income line items described in the table above and, accordingly, are generally reflected within the respective line items within the reconciliation of net income (loss) to net cash provided by operating activities section of our Condensed Consolidated Statement of Cash Flows. The remaining changes in derivative portfolio values are generally reflected within the "net change in other assets" or "net change in other liabilities" line items on our Condensed Consolidated Statement of Cash Flows.

15. Higher Risk Mortgage Loans and Credit Quality

Historically, we originated and purchased mortgage loans that had contractual features that may increase our exposure to credit risk and thereby result in a concentration of credit risk. These mortgage loans include loans that may subject borrowers to significant payment increases in the future, have negative amortization of the principal balance or have high loan–to–value ratios.

The following table summarizes the gross carrying value of our higher-risk mortgage loans classified as held–for–sale and finance receivables and loans.

($ in thousands)	**March 31, 2012**	December 31, 2011
High loan-to-value (greater than 100%) mortgage loans	**$475,415**	$488,627
Payment option adjustable rate mortgage loans	**13,176**	12,140
Interest-only mortgage loans	**286,740**	293,975
Below market initial rate mortgage loans	**250,517**	259,177
Total carrying value of higher-risk mortgages	**$1,025,848**	$1,053,919

Included in the table above are $350.7 million and $362.5 million of high-risk mortgage loans held in on-balance sheet securitizations at March 31, 2012 and December 31, 2011, respectively. Our exposure on these loans is limited to the value of our retained interest.

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As part of our loss mitigation efforts and participation in certain governmental programs (e.g., the Making Home Affordable program), we may offer loan restructurings to borrowers. Due to the nature of restructurings, these loans are generally considered higher risk. Loan modifications can include any or all of the following; principal forgiveness, maturity extensions, delinquent interest capitalization and changes to contractual interest rates. Modifications can be either temporary or permanent. Temporary loan modifications are generally used to monitor the borrower's ability to perform under the revised terms over a specified trial period; if the borrower performs, it may become a permanent loan modification. We have historically performed loan modifications under our private modification program; however, more recently the majority of loan modifications are completed under government programs. The carrying value of our on-balance sheet modified mortgage loans was $1.4 billion and $1.2 billion as of March 31, 2012 and December 31, 2011, respectively. These modified mortgage loans are included within mortgage loans held–for–sale and consumer finance receivables and loans.

Nonperforming Assets

Nonperforming assets include nonaccrual loans and foreclosed assets. The classification of a loan as nonperforming does not necessarily indicate that the principal amount of the loan is ultimately uncollectible in whole or in part. In certain cases, borrowers make payments to bring their loans contractually current and, in all cases, our mortgage loans are collateralized by residential real estate. As a result, our experience has been that any amount of ultimate loss for mortgage loans other than home equity loans is substantially less than the unpaid principal balance of a nonperforming loan.

Delinquent loans expose us to higher levels of credit losses and therefore are considered higher risk loans. The determination as to whether a loan falls into a particular delinquency category is made as of the close of business on the balance sheet date. The following table sets forth information concerning the delinquency experience in our mortgage loans held–for–sale and consumer finance receivable and loans at carrying value.

	March 31, 2012		December 31, 2011	
($ in thousands)	**Amount**	**% of total**	Amount	% of total
Current	**$2,065,619**	**39.2%**	$2,003,928	38.0%
Past due				
30 to 89 days	**136,907**	**2.6%**	137,590	2.6%
90 days or more and still accruing interest (a)	**72,727**	**1.4%**	73,661	1.4%
90 days or more conditional repurchase option loans (b)	**2,352,657**	**44.7%**	2,379,926	45.1%
Nonaccrual	**639,475**	**12.1%**	677,250	12.9%
Total	**5,267,385**	**100%**	5,272,355	100%
Allowance for loan losses	**(12,183)**		(13,638)	
Total, net	**$5,255,202**		$5,258,717	

(a) Loans that are 90 days or more delinquent and still accruing interest are government insured.

(b) We do not record interest income on conditional repurchase option loans. If these options were exercised and we acquired the loans, $2.3 billion and $2.3 billion would be classified as 90 days or more and still accruing due to government guarantees at March 31, 2012 and December 31, 2011, respectively. The private-label conditional repurchase option loans of $99.3 million and $105.8 million would be classified as nonaccrual at March 31, 2012 and December 31, 2011, respectively.

The following table presents the net carrying value of nonperforming assets.

($ in thousands)	**March 31, 2012**	December 31, 2011
Nonaccrual consumer		
1st Mortgage	**$440,963**	$462,275
Home equity	**57,823**	71,787
Foreign	**140,689**	143,188
Total nonaccrual consumer (a)	**639,475**	677,250
Nonaccrual commercial		
Domestic	**—**	—
Foreign	**41,145**	12,534
Total nonaccrual commercial	**41,145**	12,534
Foreclosed assets	**63,987**	71,485
Total nonperforming assets	**$744,607**	$761,269

(a) Excludes loans subject to conditional repurchase options of $2.3 billion and $2.3 billion sold to Ginnie Mae guaranteed securitizations and $99.3 million and $105.8 million sold to off-balance sheet private-label securitization trusts at March 31, 2012 and December 31, 2011, respectively. The corresponding liability is recorded in other liabilities. See Note 5 — Securitizations and Variable Interest Entities for additional information.

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16. Contingencies and Other Risks

We currently estimate that it is reasonably possible losses over time related to the litigation matters and potential repurchase obligations and related claims described herein could be between $0.0 billion and $4.0 billion over amounts already recorded. This estimate is based on significant judgment and numerous assumptions that are subject to change, which could be material.

Mortgage Foreclosure Matters

Settlements with Federal Government and State Attorneys General

Agreement

On February 9, 2012, Ally Inc., ResCap, and certain of our subsidiaries reached an agreement in principle with respect to investigations into procedures followed by mortgage servicing companies and banks in connection with mortgage origination and servicing activities and foreclosure home sales and evictions (the Settlement). On March 12, 2012, the Settlement was filed as a consent judgment in the U.S. District Court for the District of Columbia. In addition, we separately reached an independent settlement with Oklahoma, which did not participate in the broader settlement described below, and agreements with two other states for other releases.

In connection with the settlement we paid $109.6 million to a trustee, for distribution to federal and state governments in March 2012. In addition, we also paid $2.3 million in connection with the separate state agreements. We are also obligated to provide $200.0 million towards borrower relief, subject to possible upward adjustments as described below. This obligation for borrower relief will include loan modifications, including principal reductions, rate modifications, and refinancing for borrowers that meet certain requirements, and participation in certain other programs. Generally, if certain basic criteria are met, borrowers that are either delinquent or at imminent risk of default and owe more on their mortgages than their homes are worth could be eligible for principle reductions, and borrowers that are current on their mortgages but who owe more on their mortgage than their homes are worth could be eligible for refinancing opportunities. Further, we have agreed to solicit borrowers that are eligible for rate and principal modifications as of March 1, 2012. We are committed to provide loan modifications to all borrowers who accept a modification offer within three months of the solicitation. We have also agreed to provide loan modifications to borrowers who accept a modification offer within six months of the solicitation, unless and until total borrower relief provided exceeds $250.0 million. As of March 31, 2012, no loan modifications have been completed. However, we are currently in the process of soliciting eligible borrowers and expect modifications to begin in the second quarter of 2012.

The Settlement provides incentives for borrower relief that is provided within the first twelve months, and all obligations must be met within three years from the date the consent judgment is filed. In addition to the foregoing, we will be required to implement new servicing standards relating to matters such as foreclosure and bankruptcy information and documentation, oversight, loss mitigation, limitations on fees, and related procedural matters. Compliance with these obligations will be overseen by an independent monitor, who will have authority to impose additional penalties and fines if we fail to meet established timelines or fail to implement required servicing standards.

The Settlement generally resolves potential claims arising out of origination and servicing activities and foreclosure matters, subject to certain exceptions. The Settlement does not prevent state and federal authorities from pursuing criminal enforcement actions, securities-related claims (including actions related to securitization activities and Mortgage Electronic Registration Systems, or MERS), loan origination claims, claims brought by the FDIC, and certain other matters. The Settlement also does not prevent claims that may be brought by individual borrowers.

Federal Reserve Board Civil Money Penalty

On February 9, 2012, Ally Inc. and ResCap agreed with the Board of Governors of the Federal Reserve (FRB) on a civil money penalty (CMP) of $207.0 million related to the same activities that were the subject of the Settlement. This amount will be reduced dollar-for-dollar in connection with certain aspects of our satisfaction of the required monetary payment and borrower relief obligations included within the Settlement, as well as our participation in other similar programs that may be approved by the FRB. While additional future cash payments related to the CMP are possible if we are unable to satisfy the borrower relief requirements of the Settlement within two years, we currently expect that the full amount of the CMP will be satisfied through our commitments in connection with the Settlement.

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Other Mortgage Foreclosure Matters

Consent Order

As a result of an examination conducted by the FRB and FDIC, on April 13, 2011 we entered into a Consent Order (the Consent Order) with the FRB and the FDIC. The Consent Order requires that we make improvements to various aspects of our residential mortgage loan-servicing business, including compliance programs, internal audit, communications with borrowers, vendor management, management information systems, employee training, and oversight by our Board of Directors.

The Consent Order further requires GMAC Mortgage to retain independent consultants to conduct a risk assessment related to mortgage servicing activities and, separately, to conduct a review of certain past residential mortgage foreclosure actions. We cannot reasonably estimate the ultimate impact of any deficiencies that have been or may be identified in our historical foreclosure procedures. There are potential risks related to these matters that extend beyond potential liability on individual foreclosure actions. Specific risks could include, for example, claims and litigation related to foreclosure remediation and resubmission; claims from investors that hold securities that become adversely impacted by continued delays in the foreclosure process; the reduction in foreclosure proceeds due to delay, or by challenges to completed foreclosure sales to the extent, if any, not covered by title insurance obtained in connection with such sales; actions by courts, state attorneys general, or regulators to delay further the foreclosure process after submission of corrected affidavits, or to facilitate claims by borrowers alleging that they were harmed by our foreclosure practices (by, for example, foreclosing without offering an appropriate range of alternative home preservation options); additional regulatory fines, sanctions, and other additional costs; and reputational risks. To date we have borne all out-of-pocket costs associated with the remediation rather than passing any such costs through to investors for whom we service the related mortgages, and we expect that we will continue to do so.

Loan Repurchases and Obligations Related to Loan Sales

Overview

We sell loans that take the form of securitizations guaranteed by the GSEs, securitizations sold to private investors, and to whole–loan investors. In connection with a portion of our private-label securitizations, the monolines insured all or some of the related bonds and guaranteed timely repayment of bond principal and interest when the issuer defaults. In connection with securitizations and loan sales, the trustee for the benefit of the related security holders and, if applicable, the related monoline insurers are provided various representations and warranties related to the loans sold. The specific representations and warranties vary among different transactions and investors but typically relate to, among other things, the ownership of the loan, the validity of the lien securing the loan, the loan's compliance with the criteria for inclusion in the transaction, including compliance with underwriting standards or loan criteria established by the buyer, the ability to deliver required documentation and compliance with applicable laws. In general, the representations and warranties described above may be enforced at any time unless a sunset provision is in place. Upon discovery of a breach of a representation or warranty, the breach is corrected in a manner conforming to the provisions of the sale agreement. This may require us to repurchase the loan, indemnify the investor for incurred losses, or otherwise make the investor whole. We have entered into settlement agreements with both Fannie Mae and Freddie Mac that, subject to certain exclusions, limit our remaining exposure with the GSEs. See *Government-sponsored Enterprises* below. We assume all of the customary representation and warranty obligations for loans purchased from Ally Bank and subsequently sold into the secondary market, generally through securitizations guaranteed by the GSEs.

Originations

The total exposure to mortgage representation and warranty claims is most significant for loans originated and sold between 2004 through 2008, specifically the 2006 and 2007 vintages that were originated and sold prior to enhanced underwriting standards and risk–mitigation actions implemented in 2008 and forward. Since 2009, we have focused primarily on purchasing prime conforming and government–insured mortgages. In addition, we ceased offering interest–only jumbo mortgages in 2010. Representation and warranty risk mitigation strategies include, but are not limited to, pursuing settlements with investors where economically beneficial in order to resolve a pipeline of demands in lieu of loan-by-loan assessments that could result in repurchasing loans, aggressively contesting claims we do not consider valid (rescinding claims), and seeking recourse against correspondent lenders from whom we purchased loans wherever appropriate.

Demand/Claim Process

After receiving a claim under representation and warranty obligations, we review the claim to determine the appropriate response (e.g. appeal, and provide or request additional information) and take appropriate action (rescind, repurchase the loan, or remit indemnification payment). Historically, repurchase demands were generally related to loans that became delinquent within the first few years following origination. As a result of market developments over the past several years, investor repurchase demand behavior has changed significantly. GSEs and investors are more likely to submit claims for loans at any point in the loans life cycle. Representation and warranty claims are generally reviewed on a loan–by–loan basis to validate if there has been a breach requiring

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a potential repurchase or indemnification payment. We actively contest claims to the extent they are not considered valid. We are not required to repurchase a loan or provide an indemnification payment where claims are not valid.

The risk of repurchase or indemnification, and the associated credit exposure, is managed through our underwriting and quality assurance practices and by servicing mortgage loans to meet investor standards. We believe that, in general, the longer a loan performs prior to default, the less likely it is that an alleged breach of representation and warranty will be found to have a material and adverse impact on the loan's performance. When loans are repurchased, we bear the related credit loss on the loans. Repurchased loans are classified as held–for–sale and initially recorded at fair value.

The following table includes amounts paid to investors and monolines with respect to representation and warranty obligations.

Three months ended March 31, ($ in thousands)	**2012**	2011
Loan repurchases (UPB)		
GSEs	**$19,005**	$43,582
Private–label securitizations insured (monolines)	**4,038**	14
Private–label securitizations uninsured	—	—
Whole–loan investors	**2,468**	4,642
Total	**$25,511**	$48,238
Indemnifications (make wholes) by investor		
GSEs	**$20,971**	$15,517
Private–label securitizations insured (monolines)	—	1,835
Private–label securitizations uninsured	—	—
Whole–loan investors	**6,402**	24
Total	**$27,373**	$17,376

The following table presents the total number and original unpaid principal balance of loans related to unresolved representation and warranty demands (indemnification claims and/or repurchase demands). The table includes demands that we have requested be rescinded but which have not yet been agreed to by the investor.

	March 31, 2012		December 31, 2011 (a)	
($ in millions)	**Number of loans**	**Original UPB of loans**	Number of loans	Original UPB of loans
Unresolved repurchase demands previously received				
GSEs	**457**	**$89**	357	$71
Insured private-lable securitizations				
MBIA Insurance Corporation	**7,314**	**491**	7,314	490
Financial Guaranty Insurance Company	**4,826**	**382**	4,608	369
Other	**937**	**70**	730	58
Uninsured private-lable securitizations	**294**	**78**	38	7
Whole Loan Investors	**561**	**85**	475	74
Total unpaid principal balance	**14,389**	**$1,195**	13,522	$1,069

(a) Excludes $59.0 million of original UPB on loans where counterparties have requested additional documentation as part of individual loan file reviews.

We are currently in litigation with MBIA Insurance Corporation (MBIA) and Financial Guaranty Insurance Company (FGIC) with respect to certain representation and warranty matters related to certain of our private-label securitizations. Historically we have requested that most of the demands be rescinded, consistent with the claim/demand process described above. As the litigation process proceeds, additional loan reviews are expected and will likely result in additional repurchase demands.

Liability for Representation and Warranty Obligations

The liability for representation and warranty obligations reflects management's best estimate of probable lifetime loss. We consider historical and recent demand trends in establishing the reserve. The methodology used to estimate the reserve considers a variety of assumptions including borrower performance (both actual and estimated future defaults), repurchase demand behavior, historical loan defect experience, historical mortgage insurance rescission experience, and historical and estimated future loss experience, which includes projections of future home price changes as well as other qualitative factors including investor behavior. In cases where we do not have or have limited current or historical demand experience with an investor, it is difficult to predict and estimate the level and timing of any potential future demands. In such cases, we may not be able to reasonably estimate losses, and a liability is not recognized. Management monitors the adequacy of the overall reserve and makes adjustments to the level of reserve,

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as necessary, after consideration of other qualitative factors including ongoing dialogue and experience with counterparties.

At the time a loan is sold, an estimate of the fair value of the liability is recorded and classified in other liabilities and recorded as a component of gain on mortgage loans, net. We recognize changes in the liability when additional relevant information becomes available. Changes in the estimate are recorded as representation and warranty expense, net. At March 31, 2012, the liability relates primarily to non–GSE exposure.

The following table summarizes the changes in our liability for representation and warranty obligations.

($ in thousands)	**2012**	2011
Balance at January 1,	**$824,776**	$830,021
Provision for representation and warranty obligations		
Loan sales	**4,410**	5,895
Change in estimate	**19,459**	26,000
Total additions	**23,869**	31,895
Realized losses (a)	**(42,181)**	(33,692)
Recoveries	**4,341**	2,063
Balance at March 31,	**$810,805**	$830,287

(a) Includes principal losses and accrued interest on repurchased loans, indemnification payments, and settlements with investors.

Government–sponsored Entities

Between 2004 and 2012, we sold $441.0 billion of loans to the GSEs. Each GSE has specific guidelines and criteria for sellers and servicers of loans underlying their securities. In addition, the risk of credit loss of the loans sold was generally transferred to investors upon sale of the securities into the secondary market. Conventional conforming loans were sold to either Freddie Mac or Fannie Mae, and government insured loans were securitized with Ginnie Mae. Our representation and warranty obligation liability with respect to the GSEs considers the existing unresolved claims and the best estimate of future claims that could be received. We consider our experiences with the GSEs in evaluating our liability.

The following table summarizes the changes in the original unpaid principal balance related to unresolved repurchase demands with respect our GSE exposure. The table includes demands that we have requested be rescinded but which have not been agreed to by the investor.

($ in millions)	**2012**	2011 (a)
Balance at January 1,	**$71**	$170
New claims	**128**	102
Resolved claims (b)	**(60)**	(133)
Rescinded claims/other	**(50)**	(41)
Balance at March 31,	**$89**	$98

(a) Excludes $22.0 million of original UPB on loans where counterparties have requested additional documentation as part of individual loan file reviews.
(b) Includes settlements, repurchased loans and claims under which indemnification payments are made.

We have settled our repurchase obligations relating to most of the mortgage loans sold to Freddie Mac prior to January 1, 2009. This agreement does not release any of our obligations with respect to exposure for private-label MBS in which Freddie Mac had previously invested, loans where our affiliate, Ally Bank is the owner of the servicing, as well as defects in certain other specified categories of loans. Further, we continue to be responsible for other contractual obligations we have with Freddie Mac, including all indemnification obligations that may arise in connection with the servicing of the mortgages. These other specified categories include (i) loans subject to certain state predatory lending and similar laws; (ii) groups of 25 or more mortgage loans purchased, originated, or serviced by one of our subsidiaries, the purchase, origination, or sale of which all involve a common actor who committed fraud; (iii) "non-loan-level" representations and warranties which refer to representations and warranties that do not relate to specific mortgage loans (examples of such non-loan-level representations and warranties include the requirement that our subsidiaries meet certain standards to be eligible to sell or service loans for Freddie Mac or our subsidiaries sold or serviced loans for market participants that were not acceptable to Freddie Mac); and (iv) mortgage loans that are ineligible for purchase by Freddie Mac under its charter and other applicable documents. If, however, a mortgage loan was ineligible under Freddie Mac's charter solely because mortgage insurance was rescinded (rather than for example, because the mortgage loan is secured by a commercial property), and Freddie Mac required us or our subsidiary to repurchase that loan because of the ineligibility, Freddie Mac would pay any net loss we suffered on any later liquidation of that mortgage loan.

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We have received subpoenas from the Federal Housing Finance Agency (FHFA), which is the conservator of Fannie Mae and Freddie Mac. The subpoenas relating to Fannie Mae investments have been withdrawn with prejudice. The FHFA indicated that documents provided in response to the remaining subpoenas will enable the FHFA to determine whether they believe issuers of private-label MBS are potentially liable to Freddie Mac for losses they might have incurred. Although Freddie Mac has not brought any representation and warranty claims against us with respect to private-label securities subsequent to the settlement, they may do so in the future. The FHFA has commenced securities and related common law fraud litigation against us and certain of our subsidiaries with respect to certain of Freddie Mac's private-label securities investments.

We have settled our repurchase obligations related to most of the mortgage loans we sold to Fannie Mae prior to June 30, 2010. The agreement also covers potential exposure for private-label MBS in which Fannie Mae had previously invested. This agreement does not release any of our obligations with respect to loans where our affiliate, Ally Bank, is the owner of the servicing, as well as for defects in certain other specified categories of loans. Further, we continue to be responsible for other contractual obligations we have with Fannie Mae, including all indemnification obligations that may arise in connection with the servicing of the mortgages, and we continue to be obligated to indemnify Fannie Mae for litigation or third party claims (including by borrowers) for matters that may amount to breaches of selling representations and warranties. These other specified categories include, among others, (i) those that violate anti-predatory laws or statutes or related regulations or that otherwise violate other applicable laws and regulations; (ii) those that have non-curable defects in title to the secured property, or that have curable title defects, to the extent our subsidiaries do not cure such defects at our subsidiary's expense; (iii) any mortgage loan in which title or ownership of the mortgage loan was defective; (iv) groups of 13 or more mortgage loans, the purchase, origination, sale or servicing of which all involve a common actor who committed fraud; and (v) mortgage loans not in compliance with Fannie Mae Charter Act requirements (e.g., mortgage loans on commercial properties or mortgage loans without required mortgage insurance coverage). If a mortgage loan falls out of compliance with Fannie Mae Charter Act requirements because mortgage insurance coverage has been rescinded and not reinstated or replaced, upon the borrower's default our subsidiaries would have to pay to Fannie Mae the amount of insurance proceeds that would have been paid by the mortgage insurer with respect to such mortgage loan. If the amount of the loss exceeded the amount of insurance proceeds, Fannie Mae would be responsible for such excess.

Private-label Securitizations (PLS)

In general, representations and warranties provided as part of our private–label securitization activities are less rigorous than those provided to the GSEs and generally impose higher burdens on investors seeking repurchase. In order to successfully assert a claim, it is our position that a claimant must prove a breach of the representations and warranties that materially and adversely affects the interest of the investor in the allegedly defective loan. Securitization documents typically provide the investors with a right to request that the trustee investigate and initiate a repurchase claim. However, a class of investors generally are required to coordinate with other investors in that class comprising no less than 25% and in some cases 50% of the percentage interest constituting a class of securities of that class issued by the trust to pursue claims for breach of representations and warranties. In addition, our private-label securitizations generally require that the servicer or trustee give notice to the other parties whenever it becomes aware of facts or circumstances that reveal a breach of representation that materially and adversely affects the interest of the certificate holders.

Regarding our securitization activities, we have exposure to potential losses primarily through two avenues. First, investors, through trustees to the extent required by the applicable agreements (or monoline insurers in certain transactions), may request pursuant to applicable agreements that we repurchase loans or make the investor whole for losses incurred if it is determined that we violated representations and warranties made at the time of the sale, provided that such violations materially and adversely impacted the interest of the investor. Contractual representations and warranties are different based on the specific deal structure and investor. It is our position that litigation of these matters must proceed on a loan by loan basis. This issue is being disputed throughout the industry in various pending litigation matters. Similarly in dispute as a matter of law is the degree to which claimants will have to prove that the alleged breaches of representations and warranties actually caused the losses they claim to have suffered. Ultimate resolution by courts of these and other legal issues will impact litigation and treatment of non-litigated claims pursuant to similar contractual provisions. Second, investors in securitizations may attempt to achieve rescission of their investments or damages through litigation by claiming that the applicable offering documents were materially deficient. If an investor properly made and proved its allegations, the investor might attempt to claim that damages could include loss of market value on the investment even if there were little or no credit loss in the underlying loans.

Insured Private-label Securitizations (Monoline)

Historically, we have securitized loans where the monolines insured all or some of the related bonds and guaranteed the timely repayment of bond principal and interest when the issuer defaults. Typically, any alleged breach requires the insurer to have both the ability to assert a claim as well as evidence that a defect has had a material and adverse effect on the interest of the security holders or the insurer. Generally, most claims in connection with private-label securitizations come from Monoline Insurers and continue to represent the majority of outstanding repurchase demands. For the period 2004 through 2007, we sold $42.7 billion of loans into these monoline–wrapped securitizations.

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We are currently in litigation with MBIA and FGIC in connection with our representation and warranty obligations, and additional litigation with other monolines is likely.

The following table summarizes the changes in the original unpaid principal balance related to unresolved repurchase demands with respect our Monoline exposure. The table includes demands that we have requested be rescinded but which have not been agreed to by the investor.

($ in millions)	**2012**	2011 (a)
Balance at January 1,	**$917**	$661
New claims (b)	**28**	14
Resolved claims (c)	**(2)**	(8)
Rescinded claims/other	**—**	
Balance at March 31,	**$943**	$667

(a) Excludes $9.0 million of original UPB on loans where counterparties have requested additional documentation as part of individual loan file reviews.
(b) Substantially all relate to claims associated with the 2004 through 2007 vintages.
(c) Includes settlements, repurchased loans and claims under which indemnification payments are made.

Uninsured Private–label Securitizations

Historically, we securitized loans where all or some of the related bonds were uninsured. We are required to make customary representations and warranties about the loans to the investors and/or securitization trust. Typically, any alleged breach of representations and warranties requires the holder of the security to assert a claim as well as evidence that a defect has had a material and adverse effect on the interest of the security holder. During the period 2004 through 2007, we sold $182.1 billion of loans into these uninsured private-label securitizations. Claims associated with uninsured PLS were historically self identified and constituted an immaterial portion of new claims. These claims were historically included within the 'Whole loan/other' category. During the three months ended March 31, 2012, we received a repurchase request from a bond trustee with respect to one of our uninsured private-label securitizations for loans originated in 2006 with an original unpaid principal balance $70.0 million. This unpaid principal balance is not representative of expected future losses.

The following table summarizes the changes in our original unpaid principal balance related to unresolved repurchase demands with respect to our uninsured PLS exposure. The table includes demands that we have requested be rescinded but which have not been agreed to by the investor.

Three months ended March 31, (*$ in millions*)	**2012**	2011 (a)
Balance at January 1,	**$8**	$3
New claims	**75**	3
Resolved claims (b)	**(4)**	—
Rescinded claims/other	**(1)**	
Balance at March 31,	**$78**	$6

(a) Excludes $4.0 million of original UPB on loans where counterparties have requested additional documentation as part of individual loan file reviews.
(b) Includes losses, settlements, impairments on repurchased loans, and indemnification payments.

Whole–loan Sales

The following table summarizes the changes in the original unpaid principal balance related to unresolved repurchase demands with respect to our whole-loan exposure. The table includes demands that we have requested be rescinded but which have not been agreed to by the investor.

($ in millions)	**2012**	2011 (a)
Balance at January 1,	**$73**	$85
New claims (b)	**22**	13
Resolved claims (c)	**(6)**	(7)
Rescinded claims/other	**(4)**	(24)
Balance at March 31,	**$85**	$67

(a) Excludes $25.0 million of original UPB on loans where counterparties have requested additional documentation as part of individual loan file reviews.
(b) Includes $21.9 million and $13.0 million in new claims associated with the 2004 through 2007 vintages in 2012 and 2011, respectively.
(c) Includes settlements, repurchased loans and claims under which indemnification payments are made.

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Private Mortgage Insurance

Mortgage insurance is required for certain consumer mortgage loans sold to the GSEs and certain securitization trusts and may have been in place for consumer mortgage loans sold to whole-loan investors. Mortgage insurance is typically required for first-lien consumer mortgage loans having a loan-to-value ratio at origination of greater than 80 percent. Mortgage insurers are, in certain circumstances, permitted to rescind existing mortgage insurance that covers consumer loans if they demonstrate certain loan underwriting requirements have not been met. Upon receipt of a rescission notice, we assess the notice and if appropriate, we refute the notice, or if the notice cannot be refuted, we attempt to remedy the defect. In the event the mortgage insurance cannot be reinstated, we may be obligated to repurchase the loan or provide an indemnification payment in the event of a loss, subject to contractual limitations. While we make every effort to reinstate the mortgage insurance, we have had limited success and as a result, most of these requests result in rescission of the mortgage insurance. At March 31, 2012, we have approximately $173.4 million in original unpaid principal balance of outstanding mortgage insurance rescission notices where we have not received a repurchase demand. However, this unpaid principal amount is not representative of expected future losses.

Legal Proceedings

We are subject to potential liability under various governmental proceedings, claims, and legal actions that are pending or otherwise asserted against us. We are named as defendants in a number of legal actions, and we are occasionally involved in governmental proceedings arising in connection with our respective businesses. Some of the pending actions purport to be class actions, and certain legal actions include claims for substantial compensatory and/or punitive damages or claims for indeterminate amounts of damages. We establish reserves for legal claims when payments associated with the claims become probable and the payments can be reasonably estimated. Given the inherent difficulty of predicting the outcome of litigation and regulatory matters, it is generally very difficult to predict what the eventual outcome will be, and when the matter will be resolved. The actual costs of resolving legal claims may be higher or lower than any amounts reserved for the claims. We recorded a liability for probable legal claims of $99.6 million and $94.5 million at March 31, 2012 and December 31, 2011, respectively.

FGIC Litigation

On November 29, 2011, FGIC filed three complaints against ResCap in New York County Supreme Court. In two of these cases, both entitled Financial Guaranty Insurance Company v. RFC et al., FGIC alleges that defendants breached their contractual representations and warranties relating to the characteristics of the mortgage loans contained in certain insured MBS offerings. FGIC further alleges that the defendants breached their contractual obligations to permit access to loan files and certain books and records.

In the third case, entitled Financial Guaranty Insurance Company v. GMAC Mortgage LLC, et al., FGIC makes similar contract allegations against GMAC Mortgage and ResCap, as well as a claim against GMAC Mortgage for fraudulent inducement. In addition, FGIC alleges aiding and abetting fraudulent inducement against Ally Bank, which originated a large portion of the loans in the disputed pool, and breach of the custodial agreement for failing to notify FGIC of the claimed breaches of representations and warranties. In each of these cases, FGIC seeks, among other relief, reimbursement of all sums it paid under the various policies and an award of legal, rescissory, equitable, and punitive damages.

On December 15, 2011, FGIC filed a fourth complaint in New York County Supreme Court related to insurance policies issued in connection with a RFC-sponsored transaction. This complaint, entitled Financial Guaranty Insurance Company v. Ally Financial, Inc., et al., names RFC and ResCap, and seeks various forms of declaratory and monetary relief. The complaint alleges that the defendants are alter egos of one another, fraudulently induced FGIC's agreement to provide insurance by misrepresenting the nature of RFC's business practices and the credit quality and characteristics of the underlying loans, and have now materially breached their agreement with FGIC by refusing its requests for information and documents.

On December 27, 2011, FGIC filed three additional complaints in New York County Supreme Court against ResCap and RFC. These complaints seek relief nearly identical to that of FGIC's previously filed cases and contain substantially similar allegations. In particular, FGIC alleges that the defendants, acting as alter egos of each other, fraudulently induced FGIC to enter into seven separate insurance and indemnity agreements and breached their contractual obligations under same.

Since January 1, 2012, FGIC has filed five new complaints in federal court naming some combination of Ally Inc., ResCap, Ally Bank, RFC, and GMAC Mortgage. The five complaints were filed on January 31, 2012, March 5, 2012, March 6, 2012, March 12, 2012 and March 13, 2012, respectively. These complaints seek relief nearly identical to that of FGIC's previously filed cases and contain substantially similar allegations. In particular, FGIC alleges that the defendants, acting as alter egos of each other, fraudulently induced FGIC to enter into seven separate insurance and indemnity agreements and breached their contractual obligations under same. In addition, FGIC amended its first-filed complaint to name Ally Inc. as a defendant.

All of the FGIC cases are now venued in the U.S. District Court for the Southern District of New York, and the defendants have asked the Court for leave to file motions to dismiss each such case.

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Mitchell Litigation

In this statewide class action, plaintiffs alleged that Mortgage Capital Resources, Inc. (MCR) violated the Missouri Second Mortgage Loan Act by charging Missouri borrowers fees and interest not permitted by the Act. RFC and Homecomings, among others, were named as defendants in their role as assignees of certain of the MCR loans. Following a trial concluded in January 2008, the jury returned verdicts against all defendants, including an award against RFC and Homecomings for $4.0 million in compensatory damages (plus pre- and post-judgment interest and attorneys' fees) and against RFC for $92.0 million in punitive damages. In a November 2010 decision, the Missouri Court of Appeals affirmed the compensatory damages but ordered a new trial on punitive damages. Upon remand, we paid $12.8 million in compensatory damages (including interest and attorneys' fees). At the end of February 2012, RFC entered into an agreement in principle to settle all of plaintiffs' remaining claims, including plaintiffs' already-awarded attorneys' fees on appeal, for a total of $17.3 million. The agreement was preliminarily approved on April 16, 2012. The hearing on final approval is scheduled for May 18, 2012.

Private–label Securitizations – Other Potential Repurchase Obligations

When we sell mortgage loans through whole-loan sales or securitizations, we are required to make customary representations and warranties about the loans to the purchaser and/or securitization trust. These representations and warranties relate to, among other things, the ownership of the loan, the validity of the lien securing the loan, the loan's compliance with the criteria for inclusion in the transaction, including compliance with underwriting standards or loan criteria established by the buyer, ability to deliver required documentation, and compliance with applicable laws. Generally, the representations and warranties described above may be enforced at any time over the life of the loan. Breaches of these representations and warranties have resulted in a requirement that we repurchase mortgage loans. As the mortgage industry continues to experience higher repurchase requirements and additional investors begin to attempt to put back loans, a significant increase in activity beyond that experienced today could occur, resulting in additional future losses.

Private-label Securities Litigation

We and certain of our subsidiaries have been named as defendants in several cases relating to our various roles in MBS offerings. The plaintiffs generally allege that the defendants made misstatements and omissions in registration statements, prospectuses, prospectus supplements, and other documents related to the MBS offerings. The alleged misstatements and omissions typically concern underwriting standards for residential mortgage loans. Plaintiffs generally claim that such misstatements and omissions constitute violations of state and/or federal securities law and common law including negligent misrepresentation and fraud. Plaintiffs seek monetary damages and rescission. Set forth below are descriptions of the most significant of these legal proceedings.

Regulatory

Our origination, purchase, sale, securitization and servicing business activities expose us to risks of noncompliance with extensive federal, state, local and foreign laws, rules and regulations. Our business activities are also governed by, among other contracts, primary and master servicing agreements that contain covenants and restrictions regarding the performance of our servicing activities. Our failure to comply with these laws, rules, regulations and contracts can lead to, among other things, loss of licenses and approvals, an inability to sell or securitize loans, demands for indemnification or loan repurchases from purchasers of loans, demands for indemnification or other compensation from investors in our securitizations, fines, penalties, litigation, including class action lawsuits, and governmental investigations and enforcement actions, including, in the case of some violations of law, possible criminal liability.

GMAC Financiera, our wholly-owned subsidiary operating in Mexico, incurred losses during the year which reduced its capital stock and its shareholders equity by more than two-thirds. At March 31, 2012, the amount of the deficiency is $71.4 million. Until this deficiency is cured, GMAC Financiera falls within one of the causes for dissolution under Mexican law.

Other Contingencies

We are subject to potential liability under various other exposures including tax, nonrecourse loans, self-insurance, and other miscellaneous contingencies. We establish reserves for these contingencies when the item becomes probable and the costs can be reasonably estimated. The actual costs of resolving these items may be substantially higher or lower than the amounts reserved for any one item. Based on information currently available, it is the opinion of management that the eventual outcome of these items will not have a material adverse effect on our consolidated financial condition, results of operations, or cash flows.

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17. Related Party Transactions

Balance Sheet

A summary of the balance sheet effect of our transactions with Ally Inc., Ally Bank, and other affiliates were as follows.

($ in thousands)	**March 31, 2012**	December 31, 2011
Assets		
Mortgage loans held–for–sale — purchased from Ally Bank	**$23,624**	$13,518
Mortgage loans held-for-sale — contributions from Ally Inc. (carry value) (a)	**620,611**	645,357
Other Assets		
Restricted cash deposits — Ally Bank	**81,879**	112,458
Derivative collateral placed with Ally IM	**1,079,022**	1,008,262
Fair value of derivative instruments		
MSR swap — Ally Bank	**29,442**	17,681
Receivable (Payable), net — Ally Bank	**20,785**	(21,001)
Receivable from other affiliates	**2,125**	2,046
Liabilities		
Borrowings — Ally Inc. Senior Secured Credit Facility (b)	**$751,849**	$757,767
Borrowings — Ally Inc. LOC (b)	**430,696**	185,064
Borrowings — BMMZ Repo (b)	**250,416**	250,351
Other Liabilities		
Liability for loans sold with recourse — Ally Bank (c)	**5,976**	6,773
Fair value of derivative instruments		
Forward flow agreement — Ally Bank	**27,105**	(16,423)
Ally IM (d)	**954,824**	1,049,420
Payable to Ally Inc. (e)	**4,194**	31,019
Other activity		
Loans (UPB) sub-serviced — Ally Bank	**$140,799,853**	$143,172,634
Servicing escrow/deposits for off-balance sheet loans — Ally Bank	**2,273,975**	2,003,745
Home Equity Loans (UPB) subject to indemnifications — Ally Bank (c)	**56,571**	58,512
Income tax (receipt) payment — Ally Inc. (f)	**(4,550)**	37,498

(a) Amount represents the carrying value of the loans contributed from Ally Inc. in 2009. The UPB of these loans is $1.5 billion and $1.6 billion at March 31, 2012 and December 31, 2011, respectively.

(b) Includes principal balance of debt outstanding plus accrued interest.

(c) Relates to an indemnification agreement with respect to a portfolio of second lien home equity loans with an original UPB of $166.0 million. This agreement expired in April 2012.

(d) Includes the fair value of forwards, TBAs and swaptions executed in connection with hedging of our mortgage loans held–for–sale, retained interests and MSRs. Also includes the fair value of hedges related to our foreign currency exposure. See Note 14 — Derivative Instruments and Hedging Activities for additional information.

(e) Includes costs for personnel, information technology, communications, corporate marketing, procurement and services related to facilities incurred by Ally Inc. and allocated to us.

(f) See Note 12 - Income taxes for additional information.

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Statement of Comprehensive Income

A summary of the income statement effect of our transactions with Ally Inc., Ally Bank and other affiliates were as follows.

Three months ended March 31, *($ in thousands)*	**2012**	2011
Net financing revenue		
Interest income on cash deposits — Ally Bank	**$221**	$290
Interest expense — Ally Inc. Senior Secured Credit Facility	**5,746**	6,234
Interest expense — Ally Inc. LOC	**2,223**	4,177
Interest expense BMMZ Repo	**3,169**	
Interest expense — Ally Bank	**385**	—
Other revenue		
(Loss) gain on mortgage loans, net — derivative instruments with Ally IM	**(58,889)**	56,980
(Loss) gain on mortgage loans, net — Ally Bank	**(87,339)**	134,468
Gain on mortgage loans, net — Ally Securities, LLC (c)	**—**	4,501
Servicing fees — Ally Bank	**11,767**	7,614
Servicing assets valuation and hedge activities, net — derivative instruments with Ally IM	**(32,246)**	(174,499)
Servicing assets valuation and hedge activities, net — derivative instruments with Ally Bank	**96,424**	216,048
Loan brokerage fees Ally Bank (a)	**23,343**	9,496
Provision expense — Ally Bank (b)	**(8)**	860
Noninterest expense		
(Loss) on foreign currency — derivative instruments with Ally Inc.	**(7,330)**	(169)
Management fees — Ally Inc.	**29,558**	16,915
Custodial fees — Ally Bank	**1,985**	1,846
Allocated expenses — Ally Bank	**72**	125
Other activity		
Loans purchased (UPB) under the MMLPSA — Ally Bank (d)	**$10,137,301**	$14,640,058
Loans sold (UPB) under the MMLPSA — Ally Bank	**43,052**	7,543

(a) Under the terms of a broker agreement with Ally Bank, we provide loan processing services to support Ally's loan origination and purchase activities as well as loan closing services.
(b) Relates to provision expenses associated with the indemnification agreement with respect to a portfolio of second lien home equity loans. This agreement expired in April 2012.
(c) Relates to mortgage and asset–backed securities brokered to Ally Securities, LLC for underwriting, distribution and capital markets liquidity services.
(d) Includes repurchased loans of $0.6 million and $4.2 million as of March 31, 2012 and 2011, respectively.

Statement of Changes in Equity

A summary of the changes to the statement of equity related to our transactions with Ally Inc., Ally Bank and other affiliates were as follows.

Three months ended March 31, *($ in thousands)*	**2012**	2011
Equity		
Capital contributions — Ally Inc. (a)	**$196,500**	$109,405

(a) Represents capital contributions from Ally Inc. through the forgiveness of Ally Inc. LOC borrowings.

Other Significant Affiliate Agreements

We are party to an ISDA 2002 Master Agreement with Ally IM, a subsidiary of Ally Inc., whereby we enter into foreign exchange and interest rate hedging transactions (the ISDA Agreement) and a Master Securities Forward Transaction Agreement (the Forward Agreement and with the ISDA Agreement, the Derivative Agreements) whereby we agree to sell certain mortgage-backed securities to Ally IM from time to time on a forward basis. We also entered into a Guarantee and Master Netting Agreement with Ally IM whereby the parties agreed to aggregate, net, and set off the Derivative Agreements and the Ally Inc. LOC. In connection with the Derivative Agreements, we cross-collateralize the respective obligations and have granted a security interest to Ally IM in any cash or other property posted, or required to be posted, as collateral by us. We expect to transact virtually all of our hedging transactions

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with Ally IM in the future.

On December 5, 2011, we entered into an agreement with Ally Inc. and GMAC Mortgage Group (the Agreement), whereby we agreed to certain terms and conditions in respect of ongoing loan sales by Ally Bank to us under the terms of our Master Mortgage Loan Purchase and Sale Agreement (MMLPSA) with Ally Bank. In accordance with the Agreement, we have instructed the GSEs to deliver, free and clear of all liens and encumbrances, mortgage-backed securities received from the GSEs in connection with our loan sales to them (New MBS) directly upon issuance into an account of Ally IM for the benefit of Ally Bank and GMAC Mortgage Group. We have granted Ally Bank and GMAC Mortgage Group security interests in loans purchased from Ally Bank and all proceeds from the sale of the New MBS. All proceeds from the sale of the New MBS are paid without setoff, recoupment or other reduction by Ally IM directly to Ally Bank. Ally Bank remits to us proceeds, if any, in excess of the purchase price of loans sold to us under the MMLPSA, and we remit to Ally Bank the amount of any shortfall in such proceeds necessary to pay the purchase price of the loans. On April 25, 2012, we entered into a Pledge and Security Agreement among ResCap, GMAC Mortgage, Ally Inc., GMAC Mortgage Group, Ally Bank and Ally IM (the Pipeline Security Agreement) in connection with these conditions. See *Transactions with Ally Bank,* below, for additional information regarding the MMLPSA agreements.

Transactions with Ally Bank

Under the terms of our Broker Agreement with Ally Bank, we act in a broker capacity and provide loan processing services to Ally Bank to support its origination and purchase of loans, as well as loan closing services. The Broker Agreement has no mandatory expiration date and can be terminated by either party with 30 days notice. Under the terms of the Broker Agreement, loans meeting the underwriting standards of Ally Bank are originated (funded) by Ally Bank, while loans not meeting those standards may be originated by us and sold directly into the secondary market. We also provide certain representations and warranties and indemnifications to Ally Bank with respect to brokered loans. The Broker Agreement was amended April 30, 2012 and is effective May 1, 2o12.

Under the terms of the MMLPSA with Ally Bank, we purchase first- and second-lien mortgage loans held-for-sale from Ally Bank. We sell and deliver such mortgage loans into the secondary market primarily through Fannie Mae and Freddie Mac securitizations and Ginnie Mae insured securitizations. The MMLPSA has no mandatory expiration date and can be terminated on 30 days notice by Ally Bank or immediately if agreed by both parties. Under the MMLPSA, we purchase loans from Ally Bank and recognize gains or losses on the sale of mortgage loans as they are sold by us into the secondary market. Loans purchased by us pursuant to the MMLPSA include mortgage loans originated by third parties and purchased by Ally Bank (correspondent lending); loans originated directly by Ally Bank; and mortgage loans originated by us and sold to Ally Bank pursuant to a loan sale agreement (the Client Agreement). Effective May 1, 2012, the MMLPSA and Client Agreement were amended and restated. Under the terms of the New MMLPSA, effective May 2012, we have an obligation to purchase all FHA and VA Ginnie Mae insurable loans originated or purchased by Ally Bank. We will no longer purchase Fannie Mae and Freddie Mac eligible loans that Ally Bank originates or purchases. Loans purchased under the New MMLPSA are on a nonrecourse, service released basis. To the extent any loan purchased by us under the new MMLPSA is determined to be ineligible or uninsurable for purposes of Ginnie Mae certification, Ally Bank will cure the defect, if curable, or repurchase the loan at the current unpaid principal balance plus accrued interest.

We were counterparty to a forward flow agreement for mortgage loans held-for-sale and interest rate lock commitments held by Ally Bank that ultimately were sold to us under the MMLPSA. The forward flow agreement transferred the exposure to changes in fair value of Ally Bank's mortgage loans held-for-sale and interest rate lock commitments to us. We hedged our exposure to the forward flow agreement consistent with the hedging of our own mortgage loans held-for-sale and interest rate lock commitments. The forward flow agreement was terminated effective April 30, 2012.

We were counterparty to a MSR Total Return Swap (the MSR Swap) which transferred the total economic return of MSRs owned by Ally Bank to us in exchange for a variable payment based upon a fixed spread to LIBOR. The fixed spread to LIBOR is periodically evaluated against available market data. We hedged our exposure to the MSR Swap consistent with the hedging of our own MSRs. The MSR Swap was terminated effective April 30, 2012.

We were party to an ISDA 2002 Master Agreement with Ally Bank governing the forward flow agreement and MSR Swap. We also entered into an Agreement to Set Off Obligations (the Netting Agreement) which provided Ally Bank the right, but not the obligation, to set off any obligation that we had to Ally Bank against any obligation of Ally Bank to us. The ISDA 2002 Master Agreement and the Netting Agreement were terminated effective April 30, 2012.

Under the GSE servicer guides, the seller and servicer of mortgage loans equally share in customary representation and warranty obligations. We assume all of the representation and warranty obligations for loans we purchased from Ally Bank under the MMLPSA that we subsequently sell through an Agency securitization or otherwise sell into the secondary market. To the extent these loans were originated by third parties and purchased by Ally Bank and subsequently sold to us under the MMLPSA we pursue recovery of losses from the third parties under breach of customary representation and warranties. Pursuant to the Client Agreement, we also

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provide certain representations and warranties and indemnifications to Ally Bank with respect to those loan transactions. For loans that are not eligible to be sold to the GSEs that reach certain delinquency thresholds or which are otherwise in breach of sale representations and warranties contained in the Client Agreement, we repurchase loans from Ally Bank at their carrying cost.

GMAC Mortgage is designated as subservicer for loans held by Ally Bank and loans sold to us under the MMLPSA where Ally Bank retained the servicing rights (Servicing Agreement). Under the Servicing Agreement, GMAC Mortgage performs all customary mortgage loan servicing activities, including but not limited to, collection of borrower remittances, loss mitigation and foreclosure processing activities. The term of the Servicing Agreement automatically renews for a one year term on an annual basis, unless notice of termination is provided by either party with 120 days prior notice. We receive subservice fees which are generally based on the average daily balance of subserviced loans which differ by loan type and delinquency status.

In the first quarter of 2008, Ally Bank purchased a portfolio of second-lien home equity loans from us. We provided an indemnification to Ally Bank whereby we reimburse Ally Bank at such time as any of the loans covered by this agreement are charged off, typically when the loan becomes 180 days delinquent. The indemnification expired in April 2012.

In connection with our Settlement obligations Ally Bank has agreed to participate in borrower relief programs and activities with respect to their loan portfolios. We have recorded a liability of $83.5 million at March 31, 2012, in connection with losses Ally Bank is expected to incur in connection with the programs. To the extent activities under the borrower relief programs are consistent with activities currently permitted under our sub-servicing agreement, Ally Bank will not seek to be reimbursed or indemnified for any losses it incurs in connection with these borrower relief activities. See Note 16 – Contingencies and Other Risks for additional information related to the Settlement.

18. Regulatory Matters

Certain subsidiaries associated with our mortgage and real estate operations are required to maintain regulatory net worth requirements. See Note 8 — Borrowings for additional information. Failure to meet minimum capital requirements can initiate certain mandatory actions by federal, state, and foreign agencies that could have a material effect on our results of operations and financial condition. These entities were in compliance with these requirements as of March 31, 2012.

Certain of our foreign subsidiaries operate in local markets as either banks or regulated finance companies and are subject to regulatory restrictions. These regulatory restrictions, among other things, require that our subsidiaries meet certain minimum capital requirements and may restrict dividend distributions and ownership of certain assets. As of March 31, 2012, compliance with these various regulations has not had a material adverse effect on our financial condition, results of operations or cash flows.

19. Subsequent Events

Events subsequent to March 31, 2012, were evaluated through May 1, 2012, the date on which these Condensed Consolidated Financial Statements were issued.

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RESCAP

Residential Capital, LLC
Report on First Quarter Review

Audit Committee Meeting

May 1, 2012

RESCAP

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This document is intended solely for the information and internal use of Residential Capital, LLC and is not intended to be and should not be distributed to any other parties.

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Attachment I – Draft of Management Representation Letter for Q1, dated May 1, 2012

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Status of First Quarter Review

As of April 30 (the mailing date of this report), our review of Residential Capital, LLC's ("ResCap" or the Company") condensed consolidated interim financial statements for the period ended March 31, 2012 is substantially complete.

The most significant items that remain open as of April 30 are:

- Final review of the interim financial statements
- Inquiries of Management regarding subsequent events and strategic alternatives
- Receipt of Management's signed representation letter
- Receipt of our signed engagement letter

This document provides a summary of our status as of April 30. Matters discussed may change due to further analysis by Deloitte and Management, or additional matters may arise during the completion of our review procedures and through the date on which the financial statements are made available to the Company's bondholders. We will inform the Audit Committee of any significant matters that arise prior to the delivery of our review report.

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Review Results

In accordance with standards established by the American Institute of Certified Public Accountants (AICPA), we have prepared the following comments to assist you in fulfilling your obligation to oversee the financial reporting and disclosure process for which Management of ResCap is responsible.

Matters to be Communicated	Results
Our responsibility under the standards of the AICPA	Our responsibility under the standards of the AICPA with respect to a review of interim financial information has been described to you in our engagement letter dated April 20, 2012. As described in that letter, the objective of a review of interim financial information performed in accordance with interim review standards is to provide us with a basis for communicating whether we are aware of any material modifications that should be made to the interim financial information for it to conform with accounting principles generally accepted in the United States of America ("generally accepted accounting principles"). Based on the results of our review procedures to date, we are not aware of any material modifications that should be made to the Company's interim financial statements or disclosures for them to be in conformity with generally accepted accounting standards. Appendix A contains a draft of the interim review report we expect to issue.

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Review Results (cont.)

Matters to be Communicated	Results
Selected critical accounting estimates and other matters	We have comments on the following areas that Management has identified as critical accounting estimates, as well as other matters: **Mortgage Servicing Rights (MSRs)** The MSR asset value increased from $1.23 billion at December 31, 2011 to $1.25 billion at March 31, 2012. New production during the period resulted in a corresponding increase in the value of the asset. Changes in assumptions and other changes in fair value during the period did not have a material impact on the value of the MSR asset. Based on inquiries of Management and review of documentation, including MSR roll-forward schedules and Management's quarterly benchmarking presentation, we noted no significant changes to the methodology or process for developing assumptions used to estimate the MSR value. In addition, we have made inquiries of internal mortgage valuation specialists regarding their observations of market activity.

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Review Results (cont.)

Matters to be Communicated	Results
Selected critical accounting estimates and other matters	Representation and Warranty Reserves The balance of the representation and warranty reserve decreased from $825 million at December 31, 2011 to $811 million at March 31, 2012. Representation and warranty expense was $19 million for the three-months ended March 31, 2012, compared to $26 million for the three-months ended March 31, 2011. Management's process for determining the reserve takes into account historic and recent demand trends, interactions with the monolines, private-label investors, and other parties, and various other assumptions. During the quarter, the Company received a demand request from a private-label trustee/investor, which was considered by Management in the determination of the reserve. Actual losses may differ significantly from the amounts recorded, based on the behavior of the counterparties in the future, including potential settlements, and industry, legal, and other developments. Based on our inquiries of management and review of documentation, no significant changes to the methodology for determining the reserve were made during the quarter. Management has determined that reasonably possible losses over time related to litigation matters and potential repurchase obligations and related claims could be between zero and $4 billion over existing accruals.

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Review Results (cont.)

Matters to be Communicated	Results
Selected critical accounting estimates and other matters	**Litigation** As disclosed in Note 16 to the financial statements, the Company is subject to potential liability under various governmental proceedings, claims and legal actions that are pending or otherwise asserted. Management establishes reserves for such claims as they become probable and are reasonably estimable. During Q1 2012, the Company updated its estimate of probable loss associated with settlements reached with the federal government and various state attorneys generals which resulted in no significant change to management's estimate of loss. Management has determined that reasonably possible losses over time related to the litigation matters and potential repurchase obligations and related claims could be between zero and $4 billion over existing accruals.
Transactions with affiliates	**Parent Company Debt Forgiveness and Amendments to Affiliate Agreements** During the quarter, Ally Financial Inc. contributed $196.5 million to ResCap through forgiveness of indebtedness. As disclosed in the Notes to the financial statements, the Company has or is in the process of amending/terminating certain affiliate agreements.

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Review Results (cont.)

Matters to be Communicated	Results
Selected critical accounting estimates and other matters	**Accounting for Income Taxes** At March 31, 2012, the Company's deferred tax asset was largely offset by a valuation allowance. Management has determined that the valuation allowance remains necessary, as the Company has not yet demonstrated the ability to generate taxable ordinary income or capital gains for a sustained period. There were no existing valuation allowances reversed or new valuation allowances recorded this quarter. We performed analytical review procedures on income tax related accounts and also reviewed the Company's schedules supporting the tax provision and related disclosures. Based on our inquiries of Management and review of documentation, no significant changes to the methodology for accounting for income taxes were made during the quarter.

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Review Results (cont.)

Matters to be Communicated	Results
Significant accounting policies	No accounting policies with a material impact were adopted in the quarter ended March 31, 2012, other than those matters disclosed in the notes to the condensed consolidated interim financial statements.
Going Concern	Having taken ResCap's financial condition and other factors into consideration, Management has concluded and disclosed in the interim financial statements, that there remains substantial doubt about the Company's ability to continue as a going concern. Management has enhanced its disclosure regarding the Company's ability to continue as a going concern and has disclosed that is determining whether it would be in the best interests of its creditors and other stakeholders to file for protection under the federal bankruptcy laws.
Control Related Matters - Significant deficiencies or material weaknesses relating to internal control	Management has separately reported the status of significant deficiencies to you.
Communication of the auditors' internal quality control procedures	We reported such information to you at your meetings on April 3 and April 24, 2012.

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Review Results (cont.)

Matters to be Communicated	Results
Audit adjustments, either individually or in the aggregate, that we believe could have a significant effect on the Company's financial reporting and disclosure process	Our review was performed to provide limited assurance on the interim financial statements and not to form an opinion about whether the financial statements are free of material misstatement, whether caused by error or fraud. We have been provided with the Company's Preliminary Materiality Analysis as of, and for the period ended, March 31, 2012, which includes matters identified during our review. We have compared Management's analysis to our own and agree with their conclusions.
Disagreements with Management about matters that could be significant to the entity's financial statements or our audit reports	Nothing to report.
Alternative treatments in U.S. GAAP for accounting policies and practices related to material items that have been discussed with Management	We had no discussions with Management regarding alternative accounting treatments within U.S. GAAP for policies and practices related to material items, including recognition, measurement, and disclosure considerations related to the accounting for specific transactions as well as general accounting policies, related to the quarter ended March 31, 2012.

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Appendix A
Draft of Interim Review Report

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To the Board of Directors of Residential Capital, LLC:

We have reviewed the condensed consolidated balance sheet of Residential Capital, LLC (the "Company") (a wholly-owned subsidiary of Ally Financial Inc.) as of March 31, 2012, and the related condensed consolidated statements of comprehensive income, changes in equity, and of cash flows for the three-month periods ended March 31, 2012 and March 31, 2011. This condensed financial information is the responsibility of the Company's management.

We conducted our reviews in accordance with standards established by the American Institute of Certified Public Accountants for reviews of interim financial information. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial information taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to such condensed consolidated interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America.

The accompanying condensed consolidated interim financial information has been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the condensed consolidated interim financial information, there remains substantial doubt about the Company's ability to continue as a going concern. Management's plans concerning this matter are also discussed in Note 1 to the condensed consolidated interim financial information.

We have previously audited, in accordance with generally accepted auditing standards as established by the Auditing Standards Board (United States), and in accordance with the auditing standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of the Company as of December 31, 2011, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for the year then ended (not presented herein); and in our report dated March 28, 2012, we expressed an unqualified opinion on those consolidated financial statements and included explanatory paragraphs that stated (1) that the Company has entered into a number of significant agreements and transactions with its affiliates and (2) that the Company's liquidity and capital needs, combined with conditions in the marketplace, raise substantial doubt about its ability to continue as a going concern. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 2011 is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

This report is intended solely for the information and use of management and the board of directors of the Company and is not intended to be and should not be used by anyone other than these specified parties.

May 1, 2012

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Appendix B
Overview of Interim Review Procedures

A review of interim financial information is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial information taken as a whole. Accordingly, we will not express an opinion on the interim financial information.

The objective of a review of interim financial information performed in accordance with standards established by the AICPA is to provide us with a basis for communicating whether we are aware of any material modifications that should be made to the interim financial information for it to conform with accounting principles generally accepted in the United States of America ("generally accepted accounting principles").

A review consists principally of performing analytical procedures and making inquiries of persons responsible for financial and accounting matters, and does not contemplate (a) tests of accounting records through inspection, observation, or confirmation; (b) tests of controls to evaluate their effectiveness; (c) the obtainment of corroborating evidence in response to inquiries; or (d) the performance of certain other procedures ordinarily performed in an audit. A review may bring to our attention significant matters affecting the interim financial information, but it does not provide assurance that we will become aware of all significant matters that would be identified in an audit.

A review also includes obtaining sufficient knowledge of the Company's business and its internal control as it relates to the preparation of both annual and interim financial information to:

- Identify the types of potential material misstatements in the interim financial information and consider the likelihood of their occurrence.
- Select the inquiries and analytical procedures that will provide us with a basis for communicating whether we are aware of any material modifications that should be made to the interim financial information for it to conform with generally accepted accounting principles.

A review is not designed to provide assurance on internal control or to identify significant deficiencies and material weaknesses in internal control.

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Appendix C
Summary of Audit Committee Communications

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Our formal communications will occur via periodic meetings with the Audit Committee at various stages during the year. In addition to our scheduled meetings, we are also available, at any time, to respond to Audit Committee members' questions. We anticipate the following topics will be discussed during the year:

	2012										2013		
Description of communications	M	A	M	J	J	A	S	O	N	D	J	F	M
Qualifications to serve ResCap		✓											
Status of interim review procedures			✓		❑			❑					
Results of interim review procedures			✓			❑			❑				
Required quarterly Audit Committee communications			✓			❑			❑				
Delivery of the audit service plan					❑								
Review estimated audit and audit related fees		✓											
Review progress of financial statement audit							❑			❑			
Required fraud inquiries							❑						
Review results of financial statement audit												❑	
Review independence of audit firm												❑	
Required annual Audit Committee communications												❑	

✓ Communication completed ❑ Scheduled communication

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May 1, 2012

Deloitte & Touche LLP
200 Renaissance Center, Suite 3900
Detroit, Michigan 48243

We are providing this letter in connection with your review of the condensed consolidated balance sheet of Residential Capital, LLC (the "Company" or "ResCap") as of March 31, 2012, and the related condensed consolidated statements of comprehensive income, changes in equity, and of cash flows for the three-month periods ended March 31, 2012 and March 31, 2011, for the purpose of determining whether any material modifications should be made to the condensed consolidated interim financial statements for them to conform with accounting principles generally accepted in the United States of America ("generally accepted accounting principles" or "GAAP").

We confirm that we are responsible for the following:

a. The fair presentation in the condensed consolidated interim financial statements in conformity with GAAP

b. The design, implementation and maintenance of programs and controls to prevent and detect fraud

c. Establishing and maintaining effective internal control over financial reporting.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, as of May 1, 2012, the following representations made to you during your review.

1. The interim financial statements referred to above have been prepared and presented in conformity with GAAP applicable to condensed consolidated interim financial information for a non-SEC (private) reporting entity.

2. Note 1 to the condensed consolidated financial statements discloses all pertinent facts related to the Company's ability to continue as a going concern.

3. Although management has determined that there is substantial doubt about the Company's ability to continue as a going concern, we have determined that the condensed consolidated financial statements should be prepared on a going concern basis. Management's plans for continuing as a going concern are disclosed in Note 1 to the condensed consolidated financial statements. Management and the Board have not approved a plan of liquidation and nor is liquidation of the Company anticipated. Additionally, Management has not filed for bankruptcy.

4. The Company has made available to you all relevant information and access granted in the

terms of the audit engagement letter including:

a. Financial records and related data

b. Minutes of the meetings of the Board of Directors and Audit Committee; or drafts of minutes in cases where final minutes have not been approved; or agendas and meeting materials of meetings in cases where draft minutes have not yet been prepared

c. Regulatory examination reports, supervisory correspondence or agreements, enforcement actions, and similar materials from applicable regulatory agencies (particularly, communications concerning supervisory actions or noncompliance with, or deficiencies in, rules and regulations). Further, we have advised you of any regulatory examination in progress or completed for which reports have not yet been issued.

5. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices. Further, we have advised you of any regulatory examination in progress or completed for which reports have not yet been issued.

6. We have completed our procedures to evaluate the accuracy and completeness of the disclosures in our interim financial statements. There are no disclosures that while required by GAAP have been omitted from our condensed consolidated interim financial statements.

7. We have disclosed to you any significant change in the results, design, or operation of internal control over financial reporting as it relates to the preparation of the condensed consolidated interim financial information that has occurred during the most-recent fiscal quarter.

8. We have no knowledge of any fraud or suspected fraud affecting the Company involving

   a. Management

   b. Employees who have significant roles in the Company's internal control over financial reporting.

   c. Others where the fraud could have a material effect on the condensed consolidated interim financial statements which has not been previously disclosed.

9. We have disclosed to you our knowledge of any allegations of fraud or suspected fraud affecting the Company received in communications from employees, former employees, analysts, regulators, or others.

10. There are no unasserted claims or assessments that legal counsel has advised us are probable of assertion and must be disclosed in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 450, *Contingencies.*

11. Significant assumptions used by us with respect to our critical accounting estimates are reasonable.

Except where otherwise stated below, immaterial matters less than $2,500,000 collectively are not considered to be exceptions that require disclosure for the purpose of the following

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representations. This amount is not necessarily indicative of amounts that would require adjustment to or disclosure in the financial statements.

12. There are no transactions that have not been properly recorded in the accounting records underlying the condensed consolidated interim financial information.

13. The Company has no plans or intentions that may affect the carrying value or classification of assets and liabilities.

14. The following, to the extent applicable, have been appropriately identified, properly recorded, and disclosed in the condensed consolidated interim financial statements:

    a. Related-party transactions and associated amounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements, and guarantees or other commitments (written or oral)

    b. Guarantees, whether written or oral, under which the Company is contingently liable.

15. In preparing the condensed consolidated interim financial statements in conformity with GAAP, management uses estimates. All estimates have been disclosed in the condensed consolidated interim financial statements for which known information available prior to the issuance of the condensed consolidated interim financial statements indicates that both of the following criteria are met:

    a. It is at least reasonably possible that the estimate of the effect on the financial statements of a condition, situation, or set of circumstances that existed at the date of the financial statements will change in the near term due to one or more future confirming events

    b. The effect of the change would be material to the financial statements.

16. There are no:

    a. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the condensed consolidated interim financial statements or as a basis for recording a loss contingency, except as disclosed in Note 16 to the condensed consolidated interim financial statements.

    b. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by FASB ASC 450, *Contingencies*.

17. The Company has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral, other than as disclosed in the condensed consolidated interim financial statements.

18. Except for the deferral of certain semi-annual interest payments as disclosed in Notes 1 and 8 to the condensed consolidated financial statements, the Company has complied with all aspects of contractual agreements that may have an effect on the condensed consolidated interim financial statements in the event of noncompliance.

Loans and Receivables

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19. The Company has properly classified loans on the condensed consolidated interim balance sheets as held-for-sale or held-for-investment, based on the Company's intent with respect to those loans. Specifically, the Company classifies those loans that management has the intent to sell as held-for-sale. Loans for which the Company has the intent and ability to hold for the foreseeable future or until maturity are classified as held-for-investment.

20. All impaired loans receivables have been properly recorded and disclosed in the condensed consolidated interim financial statements.

21. Risks associated with concentrations (including but not limited to those related to high risk mortgage loans), based on information known to management, that meet all of the following criteria have been disclosed in the condensed consolidated interim financial statements:

    a. The concentration exists at the date of the condensed consolidated interim financial statements

    b. The concentration makes the Company vulnerable to the risk of a near-term severe impact

    It is at least reasonably possible that the events that could cause the severe impact will occur in the near term.

Capitalized Servicing Rights

22. For transfers of financial assets where the right to service the transferred assets was retained, we have performed the servicing of these assets in accordance with the terms and provisions of the applicable agreement that governs the servicing of these assets.

Transfers and Servicing of Financial Assets and Extinguishment of Liabilities

23. The Company has accounted for all transfers of financial assets in accordance with FASB ASC 860, *Transfers and Servicing*, or previously applicable guidance as appropriate. The Company has taken no actions and no events have occurred that would necessitate a change in the accounting for the transfers of financial assets.

24. Provision has been made for any loss that is probable from representation and warranty obligations associated with the sale of mortgage loans. We believe that such estimate is reasonable based on available information.

Derivative Instruments

25. The Company has properly identified all derivative instruments and any financial instruments that contain embedded derivatives. The Company's hedging activities, if any, are in accordance with its documented and approved hedging and risk management policies, and all appropriate hedge documentation was in place at the inception of the hedge in accordance with FASB ASC 815, *Derivatives and Hedging*.

26. Financial instruments with significant individual or group concentration of credit risk have been properly identified, properly recorded and disclosed in the condensed consolidated interim financial statements.

Taxes

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27. The valuation allowance has been determined pursuant to the provisions of FASB ASC 740, *Income Taxes*, including the Company's estimation of future taxable income, and is adequate to reduce the total deferred tax asset to an amount that will more likely than not be realized.

Other Liabilities

28. We are subject to potential liability under laws and government regulations, various claims, and legal actions that are pending or may be asserted against us. We are named as defendants in a number of legal actions and are, from time to time, involved in regulatory proceedings arising in connection with our various businesses. Some of the pending actions purport to be class actions. We establish reserves for litigation and regulatory matters when payments associated with the claims become probable and the costs can be reasonably estimated. The actual costs of resolving these claims may be substantially higher or lower than the amounts reserved for these claims. Provision has been made for all losses that are probable and estimable.

    We have appropriately disclosed all such matters, where the possibility of loss is more than remote, in Note 16 to the condensed consolidated interim financial statements and have accrued our best estimate of the losses to be incurred as a result of these matters as of March 31, 2012 to the extent the loss is probable and estimable. Except as disclosed in Note 16, there are no unasserted claims or assessments that legal counsel has advised us are probable of assertion and must be disclosed in accordance with FASB ASC 450, *Contingencies*.

29. We believe it is reasonably possible that losses beyond amounts currently reserved for the litigation matters and potential repurchase obligations and related claims could occur, and such losses could have a material adverse impact on our results of operations, financial position, or cash flows. We currently estimate that the Company's reasonably possible losses over time related to the litigation matters and potential repurchase obligations and related claims could be between $0 and $4 billion over existing accruals.

30. A provision has been made by the Company for any loss that is probable and estimable from foreclosure related matters or exposures in accordance with GAAP. We believe that such estimate is reasonable based on available information and that the liabilities, related loss contingencies, and expected outcome of uncertainties have been adequately described in the financial statements.

Other

31. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, line of credit, or similar arrangements have been properly disclosed in the condensed consolidated interim financial statements.

32. Agreements (whether written, oral, or implied) to repurchase loans, real estate, or other assets previously sold have been properly disclosed in the condensed consolidated interim financial statements.

33. With regard to the fair value measurements and disclosures of certain assets, liabilities, and specific components of equity, we believe that:

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a. The measurement methods, including the related assumptions, used in determining fair value, consistent with market participant assumptions where available without undue cost and effort, were appropriate and consistently applied in accordance with GAAP.

b. The completeness and adequacy of the disclosures related to fair values are in conformity with GAAP. The Company has appropriately classified its assets and liabilities into the appropriate levels (Levels 1, 2 and 3) as described in the condensed consolidated interim financial statements, as prescribed by FASB ASC 820, *Fair Value Measurements and Disclosures*.

c. No events have occurred after March 31, 2012 but before the date of this letter that require adjustment to the fair value measurements and disclosures included in the condensed consolidated interim financial statements.

We have identified the significant assumptions and factors influencing the measurement of fair value as described in the condensed consolidated interim financial statements. The significant assumptions used in measuring fair value, taken individually and as a whole, provide a reasonable basis for the fair value measurements and disclosures in the condensed consolidated financial statements. The assumptions are reflective of management's intent and ability to carry out specific courses of action and the significant assumptions used are consistent with the Company's plans.

The methods and significant assumptions used to determine fair values of financial instruments are disclosed in the condensed consolidated interim financial statements. The descriptions are accurate and complete and the methods and the assumptions used result in a measure of fair value appropriate for financial statement measurement and disclosure purposes in accordance with GAAP.

34. We have disclosed to you all changes to affiliate agreements that may have a material impact on the Company.

35. To the best of our knowledge and belief, all events that have occurred subsequent to the balance-sheet date and through the date of this letter have been disclosed in the condensed consolidated interim financial statements.

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Thomas F. Marano
Chairman and Chief Executive Officer
Residential Capital, LLC

James M. Whitlinger
Chief Financial Officer
Residential Capital, LLC

Catherine M. Dondzila
Controller and Chief Accounting Officer
Residential Capital, LLC

David J. DeBrunner
Controller and Chief Accounting Officer
Ally Financial, Inc.

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ResCap

Executive Session:

i. Management
ii. Deloitte
iii. Audit Director

ResCap Audit Committee Meeting

May 1, 2012

Exhibit 83

MINUTES of a Special Meeting the Board of Residential Capital, LLC ("ResCap" or the "Company"), held on due notice at 1290 Avenue of the Americas, New York, New York, on January 25, 2012, at 12:24 p.m. (ET).

PRESENT: Steven M. Abreu
Jonathan Ilany
John E. Mack
Thomas F. Marano
Edward F. Smith III
Pamela E. West
James M. Whitlinger

constituting all of the Board. Mr. Smith participated by telephone.

Invited guest in attendance was Tammy Hamzehpour.

Invited advisers in attendance were Michael Connolly and Joseph T. Moldovan from Morrison Cohen LLP, and Nilene R. Evans, Gary S. Lee, Larren M. Nashelsky, Jamie A. Levitt, Anna T. Pinedo and James R. Tanenbaum from Morrison & Foerster LLP.

Additional invited guests in attendance were William J. Nolan and Mark Renzi from FTI Consultants, Inc.

The Chairman, Mr. Marano, presided; he requested that Ms Evans record the minutes.

Mr. Marano immediately moved the meeting into Executive Session.

REDACTED

REDACTED

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 5:30 p.m.

DATED January 25, 2012.

Nilene R. Evans

Nilene R. Evans, Recording Secretary

Exhibit 84

MINUTES of a Special Meeting of the Board of Residential Capital, LLC ("ResCap" or the "Company"), held by teleconference on due notice on May 9, 2012, at 3:00 p.m. (ET).

PRESENT: Steven M. Abreu
John E. Mack
Thomas F. Marano
Edward F. Smith III
Pamela E. West
James M. Whitlinger

constituting a quorum of the Board. Mr. Jonathan Ilany was unable to attend the meeting.

Invited guests in attendance were Jeffrey M. Cancelliere, Tammy Hamzehpour, and Cathy L. Quenneville.

Invited advisers in attendance were Nilene R. Evans, Gary S. Lee, Larren M. Nashelsky, and James R. Tanenbaum from Morrison & Foerster LLP; David Lerner and Joseph T. Moldovan from Morrison Cohen LLP; and Mark A. Renzi from FTI Consulting, Inc. (collectively, the "advisers").

The Chairman, Mr. Marano, presided and the Secretary, Ms. Quenneville, recorded.

REDACTED

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REDACTED

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 4:00 p.m. The charts presented at this meeting are on file with the Secretary.

DATED May 9, 2012.

Secretary

CONFIDENTIAL - PROFESSIONALS' EYES ONLY

Exhibit 85

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AMENDED AND RESTATED RMBS TRUST SETTLEMENT AGREEMENT

This Amended and Restated RMBS Trust Settlement Agreement is entered into as of August 15, 2012, by and between Residential Capital, LLC and its direct and indirect subsidiaries (collectively, "ResCap" or the "Debtors"), on the one hand, and the Institutional Investors (as defined below), on the other hand (the "Settlement Agreement"), and amends and restates in its entirety the RMBS Trust Settlement Agreement entered into as of May 13, 2012, by and between ResCap, on the one hand, and the Institutional Investors, on the other hand. Each of ResCap and the Institutional Investors may be referred to herein as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, certain ResCap entities were the Seller, Depositor, Servicer and/or Master Servicer for the securitizations identified on the attached Exhibit A (the "Settlement Trusts");

WHEREAS, certain ResCap entities are parties to certain applicable Pooling and Servicing Agreements, Assignment and Assumption Agreements, Indentures, Mortgage Loan Purchase Agreements and/or other agreements governing the Settlement Trusts (the "Governing Agreements"), and certain ResCap entities have, at times, acted as Master Servicer and/or Servicer for the Settlement Trusts pursuant to certain of the Governing Agreements;

WHEREAS, pursuant to the Governing Agreements, certain ResCap entities have contributed or sold loans into the Settlement Trusts (the "Mortgage Loans");

WHEREAS, the Institutional Investors have alleged that certain loans held by the Settlement Trusts were originally contributed in breach of representations and warranties contained in the Governing Agreements, allowing the Investors in such Settlement Trusts to seek to compel the trustee or indenture trustee (each, a "Trustee") to take certain actions with respect to those loans, and further have asserted past and continuing covenant breaches and defaults by various ResCap entities under the Governing Agreements;

WHEREAS, the Institutional Investors have indicated their intent under the Governing Agreements for each Settlement Trust in which the Institutional Investors collectively hold or are authorized investment managers for holders of at least 25% of a particular tranche of the Securities (as defined below) held by such Settlement Trust either to seek action by the Trustee for such Settlement Trust or to pursue claims, including but not limited to claims to compel ResCap to cure the alleged breaches of representations and warranties, and ResCap disputes such claims and allegations of breach and waives no rights, and preserves all of its defenses, with respect to such allegations and putative cure requirements;

WHEREAS, the Institutional Investors are jointly represented by Gibbs & Bruns, LLP ("Gibbs & Bruns") and Ropes & Gray LLP ("Ropes & Gray") and have, through counsel, engaged in arm's length settlement negotiations with ResCap that included the exchange of confidential materials;

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WHEREAS, ResCap filed petitions for relief under chapter 11 of the Bankruptcy Code (the "Chapter 11 Cases") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court");

WHEREAS, ResCap and the Institutional Investors have reached agreement concerning all claims of the Settlement Trusts under the Governing Agreements; and

WHEREAS, the Parties therefore enter into this Settlement Agreement to set forth their mutual understandings and agreements for terms for resolving the disputes regarding the Governing Agreements:

AGREEMENT

NOW, THEREFORE, after good faith, arm's length negotiations without collusion, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to the following terms:

ARTICLE I. DEFINITIONS.

As used in this Settlement Agreement, in addition to the terms otherwise defined herein, the following terms shall have the meanings set forth below (the definitions to be applicable to both the singular and the plural forms of each term defined if both forms of such term are used in this Settlement Agreement). Any capitalized terms not defined in this Settlement Agreement shall have the definition given to them in the Governing Agreements.

Section 1.01 "Bankruptcy Code" shall mean title 11 of the United States Code.

Section 1.02 "Covered Trusts" means the Settlement Trusts listed in Exhibit D hereto and any other Settlement Trusts for which the Institutional Investors in the aggregate hold, and/or are authorized investment managers for holders of, 25% or more of the voting rights in one or more classes of notes, bonds and/or certificates backed by mortgage loans held by the Trusts.

Section 1.03 "Depositor Entity" means, for each individual Settlement Trust, the entity from the following list that the Governing Agreements define as the "Company" for that Settlement Trust, including but not limited to: Residential Funding Mortgage Securities I, Inc., Residential Funding Mortgage Securities II, Inc., Residential Asset Securities Corp., Residential Accredit Loans, Inc., and Residential Asset Mortgage Products, Inc.

Section 1.04 "Direction" shall mean the direction by the Institutional Investors, to the extent permitted by the Governing Agreements, directing any Trustee to take or refrain from taking any action; *provided*, *however*, that in no event shall the Institutional Investors be required to provide a Trustee with any security or indemnity for action or inaction taken at the direction of the Institutional Investors and the Institutional Investors shall not be required to directly or indirectly incur any costs, fees, or expenses to compel any action or inaction by a Trustee, except that the Institutional Investors shall continue to retain contingency counsel.

Section 1.05 "Effective Date" shall have the meaning ascribed in Section 2.01.

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Section 1.06 "Governmental Authority" shall mean any United States or foreign government, any state or other political subdivision thereof, any entity exercising executive, legislative, judicial, regulatory, or administrative functions of or pertaining to the foregoing, or any other authority, agency, department, board, commission, or instrumentality of the United States, any State of the United States or any political subdivision thereof or any foreign jurisdiction, and any court, tribunal, or arbitrator(s) of competent jurisdiction, and any United States or foreign governmental or non-governmental self-regulatory organization, agency, or authority (including the New York Stock Exchange, Nasdaq, and the Financial Industry Regulatory Authority).

Section 1.07 "Institutional Investors" shall mean the authorized investment managers and Investors identified in the attached signature pages.

Section 1.08 "Investors" shall mean all certificateholders, bondholders and noteholders in the Settlement Trusts, and their successors in interest, assigns, pledgees, and/or transferees.

Section 1.09 "Net Losses" means, with respect to any Settlement Trust, the amount of net losses for such Settlement Trust that have been or are estimated to be borne by that trust from its inception date to its expected date of termination, as determined by the Expert (as defined in Exhibit B) in accordance with the methodology described in Exhibit B. For the avoidance of doubt, a loss on a mortgage loan that has been reimbursed or indemnified by reason of applicable policies of mortgage or bond insurance shall be considered a loss on a mortgage loan and included within the calculation of "Net Losses."

Section 1.10 "Person" shall mean any individual, corporation, company, partnership, limited liability company, joint venture, association, trust, or other entity, including a Governmental Authority.

Section 1.11 "Petition Date" means the date on which ResCap files petitions under chapter 11 of the Bankruptcy Code.

Section 1.12 "Plan" shall mean a chapter 11 plan of reorganization for the Debtors.

Section 1.13 "Purchaser" means Nationstar Mortgage LLC or any other successful bidder for any or all of the Debtors' mortgage loan origination and servicing platform.

Section 1.14 "Scheduling Order" shall mean the Revised Joint Omnibus Scheduling Order and Provisions for Other Relief Regarding (I) Debtors' Motion Pursuant to Fed. R. Bankr. P. 9019 for Approval of RMBS Trust Settlement Agreements, and (II) the Trustees' Limited Objection to the Sale Motion, entered by the Bankruptcy Court on July 31, 2012.

Section 1.15 "Securities" shall mean securities, notes, bonds, certificates, and/or other instruments backed by mortgage loans held by Settlement Trusts.

Section 1.16 "Seller Entity" means, for each Settlement Trust, the entity from the following list that the Governing Agreements define as the "Seller" for that Trust, including but

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not limited to: Residential Funding Company LLC (f/k/a Residential Funding Corporation) and GMAC Mortgage LLC (f/k/a GMAC Mortgage Corporation).

ARTICLE II. SETTLEMENT PROCESS.

Section 2.01 Effective Date. This Settlement Agreement shall be effective immediately except as to the granting of allowed claims to the Accepting Trusts (as defined below in Section 5.01) and the releases set forth herein. The claims allowance and releases shall only be effective, with respect to a specific Accepting Trust on the date on which a Trustee accepts the settlement with respect to such Settlement Trust (the "Effective Date"). However, for the sake of clarity, the Debtors' obligations hereunder are subject to the approval of this Settlement Agreement by the Court.

Section 2.02 Bankruptcy Court Approval. The Debtors (a) orally presented this Settlement Agreement in court on the Petition Date, including the agreed amount of the Total Allowed Claim (as defined below in Section 5.01), and (b) shall comply with the schedule for the approval of this Settlement Agreement set forth in the Scheduling Order. The Trustee for each Settlement Trust may accept the offer of a compromise contemplated by this Settlement Agreement on behalf of such Settlement Trust, within the time set forth in the Scheduling Order, by a writing substantially in the form of acceptance included in the proposed order for approval of this Settlement Agreement to be submitted to the Bankruptcy Court.

Section 2.03 Standing. The Debtors agree that the Institutional Investors are parties in interest in the chapter 11 cases of ResCap for the purposes of enforcing rights and complying with obligations under this Settlement Agreement. The Parties further agree that they will not oppose any effort of the Institutional Investors or any other Investor(s) in seeking status as a party in interest in the Chapter 11 Cases.

ARTICLE III. REPRESENTATIONS AND WARRANTIES.

Section 3.01 Holdings and Authority. As of May 13, 2012, lead counsel to the Institutional Investors, Gibbs & Bruns, has represented to ResCap that the Institutional Investors have or advise clients who have aggregate holdings of greater than 25% of the voting rights in one or more classes of the Securities issued by each of the Settlement Trusts identified on the attached Exhibit D. Each Institutional Investor represents that (i) it has the authority to take the actions contemplated by this Settlement Agreement, to the extent that it has the authority with respect to any other entities, account holders, or accounts for which or on behalf of which it is signing this Settlement Agreement, and (ii) it holds, or is the authorized investment manager for the holders of, the Securities listed in Exhibit D hereto, in the respective amounts set forth therein by CUSIP number, that such schedule was accurate as of the date set forth for the respective institution, and that since the date set forth for the Institutional Investor, the Institutional Investor has not, in the aggregate, materially decreased the Institutional Investor's holdings in the Securities. The Parties agree that the aggregate amounts of Securities collectively held by the Institutional Investors for each Settlement Trust may be disclosed publicly, but that the individual holdings of the Institutional Investors shall remain confidential, subject to review only by ResCap, the Bankruptcy Court, the Office of the United States Trustee,

the Trustees, and the official committee of unsecured creditors appointed in the Chapter 11 Cases.

Section 3.02 Holdings Retention. As of May 13, 2012, the Institutional Investors collectively held Securities representing in aggregate 25% of the voting rights in one or more classes of Securities of not less than 290 of the Settlement Trusts. The Institutional Investors, collectively, shall maintain holdings aggregating 25% of the voting rights in one or more classes of Securities of not less than 235 of the Covered Trusts ("Requisite Holdings") until the earliest of: (i) confirmation of a plan of reorganization, (ii) December 31, 2012, (iii) a Consenting Claimant Termination Event, or (iv) a Debtor Termination Event (as the terms in subsections (iii) and (iv) were defined in the plan support agreement agreed to by the Parties); *provided, however,* that any reduction in Requisite Holdings caused by: (a) sales by Maiden Lane I and Maiden Lane III; or (b) exclusion of one or more trusts due to the exercise of voting rights by a third party guarantor or financial guaranty provider, shall not be considered in determining whether the Requisite Holdings threshold has been met. If the Requisite Holdings are not maintained, ResCap shall have the right to terminate the Settlement Agreement, but ResCap shall not terminate the Settlement Agreement before it has conferred in good faith with the Institutional Investors concerning whether termination is warranted. For the avoidance of doubt, other than as set forth above, this Settlement Agreement shall not restrict the right of any Institutional Investor to sell or exchange any Securities issued by a Settlement Trust free and clear of any encumbrance. The Institutional Investors will not sell any of the Securities for the purpose of avoiding their obligations under this Settlement Agreement, and each Institutional Investor (except Maiden Lane I and Maiden Lane III) commits to maintain at least one position in one of the Securities in one of the Settlement Trusts until the earliest of the dates set forth above. If the Debtor reaches a similar agreement to this with another bondholder group, the Debtor will include a substantially similar proportionate holdings requirement in that agreement as contained herein.

ARTICLE IV. DIRECTION TO TRUSTEES AND INDENTURE TRUSTEES.

Section 4.01 Direction to Trustees and Indenture Trustees. The relevant Institutional Investors for each Settlement Trust shall, by the time of the filing of a motion to approve this Settlement Agreement, provide the relevant Trustee with Direction to accept the settlement and compromises set forth herein. The Institutional Investors hereby agree to confer in good faith with ResCap as to any further or other Direction that may be reasonably necessary to effectuate the settlement contemplated herein, including filing motions and pleadings with the Bankruptcy Court and making statements in open court in support of the Debtors' restructuring.

Section 4.02 No Inconsistent Directions. Except for providing Directions in accordance with Section 4.01, the Institutional Investors agree that (i) between the date hereof and the Effective Date, with respect to the Securities issued by the Settlement Trusts, they will not, individually or collectively, direct, vote for, or take any other action that they may have the right or the option to take under the Governing Agreements or to join with any other Investors or the Trustee of any note, bond or other security issued by the Settlement Trusts, to cause the Trustees to enforce (or seek derivatively to enforce) any representations and warranties regarding the Mortgage Loans or the servicing of the Mortgage Loans, and (ii) to the extent that any of the Institutional Investors have already taken any such action, the applicable Institutional Investor

will promptly rescind or terminate such action. Nothing in the foregoing shall restrict the ability of the Institutional Investors to demand that any Investor who seeks to direct the Trustee for a Settlement Trust post any indemnity or bond required by the Governing Agreements for the applicable Settlement Trust.

Section 4.03 Amendments to Governing Agreements Regarding Financing of Advances. The Institutional Investors agree to use commercially reasonable efforts (which shall not require the giving of any indemnity or other payment obligation or expenditure of out-of-pocket funds) to negotiate any request by the Debtors or the Trustees for any Settlement Trusts with respect to which the servicing rights are being assumed and assigned to the Purchaser, and if any Trustee shall require a vote of the certificate or note holders with respect thereto, shall vote in favor of (to the extent agreement is reached) any amendment to the relevant Governing Agreements and related documents requested by the Debtors in order to permit "Advances" (as it or any similar term may be defined in the Governing Agreements) to be financeable and to make such other amendments thereto as may be reasonably requested by the Debtors in accordance with any agreement to acquire all or substantially all of the Debtors' servicing assets, so long as such changes would not cause material financial detriment to the Settlement Trusts, their respective trustees, certificate or note holders, or the Institutional Investors.

ARTICLE V. ALLOWANCE OF CLAIM.

Section 5.01 The Allowed Claim. ResCap hereby makes an irrevocable offer to settle, expiring at 5:00 p.m. prevailing New York time on the date that is set forth in the Scheduling Order, with each of the Settlement Trusts (the Settlement Trusts that timely agree to the terms of this Settlement Agreement being the "Accepting Trusts"). In consideration for such agreement, ResCap will provide a general unsecured claim of $8,700,000,000 in the aggregate against the Seller Entities and the Depositor Entities (as the Depositor Entities are jointly liable for such claim), and which claim is subject to the HoldCo Election (as defined below) right (the "Total Allowed Claim"), all of which shall be allocated and implemented as provided in Section 6.01. For the avoidance of doubt, the Total Allowed Claim shall be allocated among the Accepting Trusts, subject to the provisions of this Settlement Agreement. Subject to the provisions of this Settlement Agreement, the Accepting Trusts shall be allowed an aggregate claim in an amount calculated as set forth below (such claim, including any claim provided pursuant to the HoldCo Election, the "Allowed Claim"), which aggregate claim shall be allocated to each Accepting Trust pursuant to Article VI herein. The amount of the Allowed Claim shall equal (i) $8,700,000,000, less (ii) $8,700,000,000 multiplied by the percentage represented by (a) the total dollar amount of original principal balance for the Settlement Trusts not accepting the offer outlined above, divided by (b) the total dollar amount of original principal balance for all Settlement Trusts.

Section 5.02 Waiver of Setoff and Recoupment. By accepting the offer to settle contained in Section 5.01, each Accepting Trust irrevocably waives any right to setoff and/or recoupment such Accepting Trust may have against ResCap, subject to the exclusions set forth in Section 8.06 of this agreement.

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ARTICLE VI. ALLOCATION OF ALLOWED CLAIM.

Section 6.01 The Allocation of the Allowed Claim. Each Accepting Trust shall, subject to the HoldCo Election, be allocated a share of the Allowed Claim against its Seller Entity (each, an "Allocated Seller Claim") and its Depositor Entity (each, an "Allocated Depositor Claim" and each Allocated Depositor Claim together with the Allocated Seller Claim as to a particular Accepting Trust, subject to the HoldCo Election, an "Allocated Claim"), calculated as set forth on Exhibit B hereto.

Section 6.02 HoldCo Election. At any time prior to confirmation of a chapter 11 plan in the Chapter 11 Cases, each Accepting Trust shall have the option to, by written notice to the Debtors, make one or more elections (each, a "HoldCo Election"), with respect to all or any portion of the amount of each Accepting Trust's Allocated Claim (subject to an aggregate cap equal to 20% of such Accepting Trust's Allocated Claim), to receive in lieu of such elected portion a general unsecured claim against Residential Capital, LLC ("HoldCo"). For each Accepting Trust as to which a HoldCo Election is made, such Accepting Trust shall have an allowed claim against HoldCo in the amount of the HoldCo Election(s) so made (subject to the aggregate cap described above) (the "Allowed Holdco Claim") and the amount of the Allocated Seller Claim and Allocated Depositor Claim of that Accepting Trust shall be reduced by the amount of such Trust's Allowed HoldCo Claim.

Section 6.03 In the event the Bankruptcy Court does not approve the Allowed Claim as to a particular Seller Entity, Depositor Entity, or the HoldCo, after giving effect to the HoldCo Election, the settlement shall remain in full force with respect to any other Seller Entity, Depositor Entity, or HoldCo (pursuant to the HoldCo Election), as applicable; *provided, however*, that if the Allowed Claim in the amounts proposed herein is not approved as to any of the Seller Entities, Depositor Entities, or HoldCo (pursuant to the HoldCo Election), the Institutional Investors shall have the right to terminate this Settlement Agreement upon written notice to the Debtors; *provided, further*, that in the event that the Bankruptcy Court does not approve the Allowed Claim as to a particular Seller Entity, Depositor Entity, or HoldCo (pursuant to the HoldCo Election), that particular Seller Entity, Depositor Entity, or, in the case of disapproval of the HoldCo Election, HoldCo shall not receive any release, waiver, or discharge of any Released Claims pursuant to Article VII.

Section 6.04 Legal Fees.

(a) ResCap and the Institutional Investors agree that Gibbs & Bruns and Ropes & Gray shall, on the Effective Date, be allocated legal fees as follows, as an integrated and nonseverable part of this Settlement Agreement. First, Gibbs & Bruns and Ropes & Gray, as counsel to the Institutional Investors, shall be allocated by ResCap without conveyance to the Trustees the percentages of the Allowed Claim set forth on the fee schedule attached hereto as Exhibit C, without requirement of submitting any form of estate retention or fee application, for their work relating to these cases and the settlement. Second, the Debtors and Institutional Investors may further agree at any time, that the Debtors may pay Gibbs & Bruns and Ropes & Gray in cash, in an amount that Gibbs & Bruns and Ropes & Gray respectively agree is equal to the cash value of their respective portions of the Allowed Claim, and in any such event, no estate retention

application, fee application or further order of the Bankruptcy Court shall be required as a condition of the Debtors making such agreed allocation. Third, the Debtors agree and the settlement approval order shall provide that the amount of the Allowed Claim payable to Gibbs & Bruns and Ropes & Gray may be reduced to a separate claim stipulation for convenience of the parties.

(b) In the event that, prior to acceptance of this compromise by a Trustee for a Settlement Trust other than a Covered Trust, counsel to Investors in such Settlement Trust cause a direction to be given by more than 25% of the holders of a tranche of such Settlement Trust to accept this compromise, then the same provisions as contained in Section 6.02(a) shall apply to such counsel, solely as to the amounts allocated to such Settlement Trust. Such counsel shall be entitled to a share of the fee for such trust equal to the ratio of (a) 25% minus the percentage of such tranche held by Institutional Investors divided by (b) 25%. Counsel would be required to identify itself and satisfy the Debtors and Institutional Investors as to the holdings of client-investors and that counsel caused such directions.

ARTICLE VII. RELEASES.

Section 7.01 Releases. Except as set forth in Article VIII, as of the Effective Date, with respect to each and every Accepting Trust, and in exchange for the Allowed Claim, the Institutional Investors, Accepting Trusts, Trustees in respect of such trusts, and any Persons claiming by, through or on behalf of such Accepting Trust or the Trustees of such trusts (including Investors claiming derivatively) (collectively, the "Releasors"), irrevocably and unconditionally grant a full, final, and complete release, waiver, and discharge of all alleged or actual claims, demands to repurchase, demands to cure, demands to substitute, counterclaims, defenses, rights of setoff, rights of rescission, liens, disputes, liabilities, losses, debts, costs, expenses, obligations, demands, claims for accountings or audits, alleged events of default, damages, rights, and causes of action of any kind or nature whatsoever, whether asserted or unasserted, known or unknown, suspected or unsuspected, fixed or contingent, in contract, tort, or otherwise, secured or unsecured, accrued or unaccrued, whether direct or derivative, arising under law or equity, against ResCap and its officers, directors, and employees (but in no case does this section apply to Ally Financial Inc. ("AFI") or any person who is an officer or director of AFI) that arise under the Governing Agreements. Such released claims include, but are not limited to, claims arising out of and/or relating to (i) the origination and sale of mortgage loans to the Accepting Trusts (including, without limitation, the liability of any Debtors that are party to a Pooling and Servicing Agreement with respect to representations and warranties made in connection with such sale or with respect to the noticing and enforcement of any remedies in respect of alleged breaches of such representations and warranties) (collectively, the "Origination-Related Provisions"), (ii) the documentation of the Mortgage Loans held by the Accepting Trusts including with respect to allegedly defective, incomplete, or non-existent documentation, as well as issues arising out of or relating to recordation, title, assignment, or any other matter relating to legal enforceability of a Mortgage or Mortgage Note, or any alleged failure to provide notice of such defective, incomplete or non-existent documentation, (iii) the servicing of the Mortgage Loans held by the Accepting Trusts (including any claim relating to the timing of collection efforts or foreclosure efforts, loss mitigation, transfers to subservicers, advances or servicing advances) (the "Servicing Claims"), but only to the extent assumed

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pursuant to Section 365 of the Bankruptcy Code by an assignee to the applicable Debtor in its capacity as Master Servicer or Servicer under any Governing Agreement (the "Assumed Servicing Claims"), (iv) any duty of a debtor as master servicer, servicer or sub-servicer to notice and enforce remedies in respect of alleged breaches of representations and warranties (together with the Assumed Servicing Claims, the "Released Servicing Claims"), (v) setoff or recoupment under the Governing Agreements against ResCap with respect to the Origination-Related Provisions or the Released Servicing Claims, and (vi) any loan seller that either sold loans to ResCap or AFI that were sold and transferred to such Accepting Trust or sold loans directly to such Accepting Trust, in all cases prior to the Petition Date (collectively, all such claims being defined as the "Released Claims"). For the avoidance of doubt, this release does not include individual direct claims for securities fraud or other disclosure-related claims arising from the purchase or sale of Securities.

Section 7.02 Release of Claims Against Investors, Accepting Trusts, and Trustees. Except as set forth in Article VIII, as of the Effective Date, ResCap irrevocably and unconditionally grants to the Accepting Trusts, Trustees in respect of such trusts, and Investors in such trusts, as well as such Accepting Trusts', Trustees' and Investors' respective officers, directors, and employees, a full final, and complete release, waiver, and discharge of all alleged or actual claims from any claim it may have under or arising out of the Governing Agreements.

Section 7.03 Agreement Not to Pursue Relief from the Stay. The Institutional Investors agree that neither they nor their successors in interest, assigns, pledges, delegates, affiliates, subsidiaries, and/or transferees, will seek relief from the automatic stay imposed by section 362 of the Bankruptcy Code in order to institute, continue or otherwise prosecute any action relating to the Released Claims; provided, however, nothing contained herein shall preclude the Institutional Investors or their advised clients from seeking any such relief with respect to direct claims for securities fraud or other disclosure-related claims arising from the purchase or sale of Securities. ResCap reserves its rights and defenses therewith.

Section 7.04 Inclusion of Accepting Trusts and Trustees in Plan Release and Exculpation Provisions. The Accepting Trusts and the Trustees in respect of any such Accepting Trust and their respective counsel shall be entitled to the benefit of any releases and plan exculpation provisions, if any, included in the Plan, which provisions shall be no less favorable than the releases and plan exculpation provisions extended to similarly situated creditors or parties in interest who are parties to any plan support agreement with ResCap.

ARTICLE VIII. CLAIMS NOT RELEASED

Section 8.01 Administration of the Mortgage Loans. The releases and waivers in Article VII herein do not include: (i) claims that first arise after the Effective Date and are based in whole or in part on any actions, inactions, or practices of the Master Servicer, Servicer, or Subservicer as to the servicing of the Mortgage Loans held by the Accepting Trusts, and (ii) any Servicing Claim that is not an Assumed Servicing Claim and for which the Court finds a cure or rejection claim exists pursuant to Section 365 of the Bankruptcy Code (it being understood that such cure or rejection claims, if any, are not intended to be affected by such releases and waivers).

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Section 8.02 Financial-Guaranty Provider Rights and Obligations. To the extent that any third party guarantor or financial-guaranty provider with respect to any Settlement Trust has rights or obligations independent of the rights or obligations of the Investors, the Trustees, or the Settlement Trusts, the releases and waivers in Article VII are not intended to and shall not release such rights.

Section 8.03 Settlement Agreement Rights. The Parties do not release or waive any rights or claims against each other to enforce the terms of this Settlement Agreement or the Allowed Claim.

Section 8.04 Disclosure Claims. The releases and waivers in Article VII do not include any claims based on improper disclosures under federal or state securities law.

Section 8.05 Reservation of Rights. Notwithstanding anything in this Settlement Agreement to the contrary, the Institutional Investors have not waived their right to file an objection to a motion of the holders of the ResCap 9 5/8% bonds requesting payment of any interest on account of their ResCap 9 5/8% bond claims that may be due and owing after the Petition Date.

Section 8.06 HoldCo Election. Notwithstanding anything in this Agreement, the right to make a HoldCo Election set forth in Section 6.02 is not released by this Agreement.

ARTICLE IX. RELEASE OF UNKNOWN CLAIMS.

Each of the Parties acknowledges that it has been advised by its attorneys concerning, and is familiar with, California Civil Code Section 1542 and expressly waives any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to the provisions of the California Civil Code Section 1542, including that provision itself, which reads as follows:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH, IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

The Parties acknowledge that inclusion of the provisions of this Article IX to this Settlement Agreement was a material and separately bargained for element of this Settlement Agreement.

ARTICLE X. OTHER PROVISIONS

Section 10.01 Voluntary Agreement. Each Party acknowledges that it has read all of the terms of this Settlement Agreement, has had an opportunity to consult with counsel of its own choosing or voluntarily waived such right and enters into this Settlement Agreement voluntarily and without duress.

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Section 10.02 No Admission of Breach or Wrongdoing. ResCap has denied and continues to deny any breach, fault, liability, or wrongdoing. This denial includes, but is not limited to, breaches of representations and warranties, violations of state or federal securities laws, and other claims sounding in contract or tort in connection with any securitizations, including those for which ResCap was the Seller, Servicer and/or Master Servicer. Neither this Settlement Agreement, whether or not consummated, any proceedings relating to this Settlement Agreement, nor any of the terms of the Settlement Agreement, whether or not consummated, shall be construed as, or deemed to be evidence of, an admission or concession on the part of ResCap with respect to any claim or of any breach, liability, fault, wrongdoing, or damage whatsoever, or with respect to any infirmity in any defense that ResCap has or could have asserted.

Section 10.03 No Admission Regarding Claim Status. ResCap expressly states that in the event this Settlement Agreement is not consummated or is terminated prior to the Effective Date, then neither this Settlement Agreement, nor any proceedings relating to this Settlement Agreement, nor any of the terms of the Settlement Agreement, shall be construed as, or deemed to be evidence of, an admission or concession on the part of ResCap that any claims asserted by the Institutional Investors are not contingent, unliquidated or disputed. The Institutional Investors expressly state that in the event this Settlement Agreement is not consummated or is terminated prior to the Effective Date, neither this Settlement Agreement, nor any proceedings relating to this Settlement Agreement, nor any of the terms of the Settlement Agreement, shall be construed as, or deemed to be evidence of, an admission or concession on the part of the Institutional Investors that any claims asserted by the Institutional Investors and Trustees are not limited to the amounts set forth in this Settlement Agreement or are of any particular priority.

Section 10.04 Counterparts. This Settlement Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same Settlement Agreement. Delivery of a signature page to this Settlement Agreement by facsimile or other electronic means shall be effective as delivery of the original signature page to this Settlement Agreement.

Section 10.05 Joint Drafting. This Settlement Agreement shall be deemed to have been jointly drafted by the Parties, and in construing and interpreting this Settlement Agreement, no provision shall be construed and interpreted for or against any of the Parties because such provision or any other provision of the Settlement Agreement as a whole is purportedly prepared or requested by such Party.

Section 10.06 Entire Agreement. This document contains the entire agreement between the Parties, and may only be modified, altered, amended, or supplemented in writing signed by the Parties or their duly appointed agents. All prior agreements and understandings between the Parties concerning the subject matter hereof are superseded by the terms of this Settlement Agreement.

Section 10.07 Specific Performance. It is understood that money damages are not a sufficient remedy for any breach of this Settlement Agreement, and the Parties shall have the right, in addition to any other rights and remedies contained herein, to seek specific performance, injunctive, or other equitable relief from the Bankruptcy Court as a remedy for any such breach.

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The Parties hereby agree that specific performance shall be their only remedy for any violation of this Agreement.

Section 10.08 Authority. Each Party represents and warrants that each Person who executes this Settlement Agreement on its behalf is duly authorized to execute this Settlement Agreement on behalf of the respective Party, and that such Party has full knowledge of and has consented to this Settlement Agreement.

Section 10.09 No Third Party Beneficiaries. There are no third party beneficiaries of this Settlement Agreement.

Section 10.10 Headings. The headings of all sections of this Settlement Agreement are inserted solely for the convenience of reference and are not a part of and are not intended to govern, limit, or aid in the construction or interpretation of any term or provision hereof.

Section 10.11 Notices. All notices or demands given or made by one Party to the other relating to this Settlement Agreement shall be in writing and either personally served or sent by registered or certified mail, postage paid, return receipt requested, overnight delivery service, or by electronic mail transmission, and shall be deemed to be given for purposes of this Settlement Agreement on the earlier of the date of actual receipt or three days after the deposit thereof in the mail or the electronic transmission of the message. Unless a different or additional address for subsequent notices is specified in a notice sent or delivered in accordance with this Section, such notices or demands shall be sent as follows:

To: Institutional Investors
c/o Kathy Patrick
Gibbs & Bruns LLP
1100 Louisiana
Suite 5300
Houston, TX 77002
Tel: 713-650-8805
Email: kpatrick@gibbsbruns.com
-and-
Keith H. Wofford
D. Ross Martin
Ropes & Gray LLP
1211 Avenue of the Americas
New York, NY 10036
Tel: 212-841-5700
Email: keith.wofford@ropesgray.com
ross.martin@ropesgray.com

To: ResCap
c/o Gary S. Lee
Jamie A. Levitt
Morrison & Foerster LLP

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1290 Avenue of the Americas
New York, NY 10104
Tel: 212-468-8000
Email: glee@mofo.com
jlevitt@mofo.com

Section 10.12 Disputes. This Settlement Agreement, and any disputes arising under or in connection with this Settlement Agreement, are to be governed by and construed in accordance with the laws of the State of New York, without giving effect to the choice of laws principles thereof. Further, by its execution and delivery of this Settlement Agreement, each of the Parties hereto hereby irrevocably and unconditionally agrees that the United States District Court for the Southern District of New York shall have jurisdiction to enforce this Settlement Agreement, *provided*, *however*, that, upon commencement of the Chapter 11 Cases, the Bankruptcy Court shall have exclusive jurisdiction of all matters arising out of or in connection with this Settlement Agreement.

Section 10.13 The Parties have agreed to include the following statement in the proposed order attached to the Debtors' motion to approve this Settlement Agreement: "Nothing contained in the RMBS Trust Settlement Agreement, the order approving the RMBS Trust Settlement Agreement, and any associated expert reports, including exhibits, schedules, declarations, and other documents attached thereto or referenced therein, or in any declarations, pleadings, or other documents or evidence submitted to, or filed in, the Bankruptcy Court in connection therewith, shall be construed as an admission of, or to prejudice in any way, Ally Financial Inc. and its non-Debtor direct and indirect subsidiaries and affiliates (collectively, "Ally") and may not be used as evidence against Ally in any court proceeding."

Section 10.14 Notwithstanding anything to the contrary in this Settlement Agreement, nothing herein is intended to or shall be deemed to amend any of the Governing Agreements for any Settlement Trust.

[REST OF PAGE INTENTIONALLY LEFT BLANK]

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Dated the 15th day of August, 2012.

Gibbs & Bruns LLP on behalf of the
Institutional Investors

Signature: Kathy Patrick

Name: Kathy Patrick

Title: Partner

ny-1054163

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Dated the 15th day of August, 2012.

Residential Capital, LLC
for itself and its direct and indirect subsidiaries

Signature: _____

Name: Tammy Hamzehpour

Title: General Counsel

Exhibit A- Trusts

Deal Name	Original Issue Balance (in Thousands)	Deal Name	Original Issue Balance (in Thousands)
2004-AR1	635.0	2004-QS12	424.3
2004-AR2	510.1	2004-QS13	129.2
2004-GH1	224.1	2004-QS14	212.9
2004-HE1	1,292.3	2004-QS15	213.7
2004-HE2	711.5	2004-QS16	534.7
2004-HE3	977.3	2004-QS2	292.3
2004-HE4	1,018.0	2004-QS3	207.8
2004-HE5	700.0	2004-QS4	320.6
2004-HI1	235.0	2004-QS5	293.7
2004-HI2	275.0	2004-QS6	156.5
2004-HI3	220.0	2004-QS7	449.2
2004-HLTV1	175.0	2004-QS8	271.0
2004-HS1	477.1	2004-QS9	105.1
2004-HS2	604.1	2004-RP1	199.5
2004-HS3	284.0	2004-RS1	1,400.0
2004-J1	401.0	2004-RS10	1,250.0
2004-J2	400.6	2004-RS11	925.0
2004-J3	350.0	2004-RS12	975.0
2004-J4	600.1	2004-RS2	875.0
2004-J5	551.9	2004-RS3	600.0
2004-J6	408.0	2004-RS4	1,100.0
2004-KR1	2,000.0	2004-RS5	1,050.0
2004-KR2	1,250.0	2004-RS6	1,000.0
2004-KS1	950.0	2004-RS7	1,183.7
2004-KS10	986.0	2004-RS8	900.0
2004-KS11	692.7	2004-RS9	950.0
2004-KS12	541.8	2004-RZ1	485.0
2004-KS2	990.0	2004-RZ2	475.0
2004-KS3	675.0	2004-RZ3	360.0
2004-KS4	1,000.0	2004-RZ4	276.6
2004-KS5	1,175.0	2004-S1	307.7
2004-KS6	1,000.0	2004-S2	362.0
2004-KS7	850.0	2004-S3	228.3
2004-KS8	600.0	2004-S4	460.3
2004-KS9	600.0	2004-S5	423.5
2004-PS1	100.1	2004-S6	527.2
2004-QA1	201.3	2004-S7	105.3
2004-QA2	365.1	2004-S8	311.0
2004-QA3	320.1	2004-S9	645.9
2004-QA4	290.2	2004-SA1	250.1
2004-QA5	325.1	2004-SL1	632.9
2004-QA6	720.3	2004-SL2	499.0
2004-QS1	319.9	2004-SL3	222.5
2004-QS10	216.6	2004-SL4	206.5
2004-QS11	217.5	2004-SP1	233.7

Deal Name	Original Issue Balance (in Thousands)	Deal Name	Original Issue Balance (in Thousands)
2004-SP2	145.1	2005-KS8	1,165.8
2004-SP3	306.9	2005-KS9	487.0
2004-VFT	820.7	2005-NC1	870.8
2005-AA1	265.6	2005-QA1	296.7
2005-AF1	235.5	2005-QA10	621.8
2005-AF2	296.9	2005-QA11	525.1
2005-AHL1	463.7	2005-QA12	285.2
2005-AHL2	434.2	2005-QA13	560.2
2005-AHL3	488.8	2005-QA2	501.0
2005-AR1	399.8	2005-QA3	500.0
2005-AR2	458.4	2005-QA4	525.2
2005-AR3	523.7	2005-QA5	241.8
2005-AR4	386.1	2005-QA6	575.5
2005-AR5	597.2	2005-QA7	575.0
2005-AR6	592.0	2005-QA8	519.5
2005-EFC1	1,101.5	2005-QA9	650.5
2005-EFC2	679.3	2005-QO1	711.1
2005-EFC3	731.9	2005-QO2	425.1
2005-EFC4	707.8	2005-QO3	500.6
2005-EFC5	693.3	2005-QO4	797.0
2005-EFC6	672.7	2005-QO5	1,275.1
2005-EFC7	698.2	2005-QS1	214.6
2005-EMX1	792.8	2005-QS10	265.7
2005-EMX2	620.4	2005-QS11	213.6
2005-EMX3	674.5	2005-QS12	528.9
2005-EMX4	492.6	2005-QS13	639.2
2005-EMX5	380.0	2005-QS14	615.8
2005-HE1	991.1	2005-QS15	431.5
2005-HE2	1,113.5	2005-QS16	428.0
2005-HE3	988.0	2005-QS17	540.1
2005-HI1	240.0	2005-QS2	213.0
2005-HI2	240.0	2005-QS3	475.6
2005-HI3	224.9	2005-QS4	211.7
2005-HS1	853.8	2005-QS5	214.0
2005-HS2	577.5	2005-QS6	265.1
2005-HSA1	278.8	2005-QS7	370.0
2005-J1	525.5	2005-QS8	104.1
2005-KS1	708.8	2005-QS9	371.0
2005-KS10	1,299.2	2005-RP1	343.1
2005-KS11	1,339.3	2005-RP2	301.1
2005-KS12	1,117.2	2005-RP3	282.5
2005-KS2	543.4	2005-RS1	975.0
2005-KS3	413.5	2005-RS2	725.0
2005-KS4	411.1	2005-RS3	741.3
2005-KS5	401.8	2005-RS4	522.4
2005-KS6	596.2	2005-RS5	497.5
2005-KS7	387.6	2005-RS6	1,183.2

Deal Name	Original Issue Balance (in Thousands)	Deal Name	Original Issue Balance (in Thousands)
2005-RS7	493.0	2006-HI4	272.7
2005-RS8	660.0	2006-HI5	247.5
2005-RS9	1,179.0	2006-HLTV1	229.9
2005-RZ1	203.8	2006-HSA1	461.4
2005-RZ2	333.7	2006-HSA2	447.9
2005-RZ3	340.0	2006-HSA3	201.0
2005-RZ4	411.2	2006-HSA4	402.1
2005-S1	463.1	2006-HSA5	295.6
2005-S2	260.9	2006-J1	550.0
2005-S3	183.1	2006-KS1	840.1
2005-S4	259.4	2006-KS2	977.5
2005-S5	258.2	2006-KS3	1,125.9
2005-S6	412.9	2006-KS4	687.8
2005-S7	311.7	2006-KS5	687.1
2005-S8	312.3	2006-KS6	529.1
2005-S9	366.6	2006-KS7	532.7
2005-SA1	295.2	2006-KS8	535.9
2005-SA2	500.8	2006-KS9	1,197.1
2005-SA3	675.2	2006-NC1	536.8
2005-SA4	850.5	2006-NC2	745.2
2005-SA5	355.3	2006-NC3	504.9
2005-SL1	370.5	2006-QA1	603.9
2005-SL2	168.9	2006-QA10	375.5
2005-SP1	831.0	2006-QA11	372.4
2005-SP2	490.2	2006-QA2	394.0
2005-SP3	285.7	2006-QA3	398.5
2006-AR1	508.7	2006-QA4	304.4
2006-AR2	373.0	2006-QA5	695.6
2006-EFC1	593.2	2006-QA6	625.8
2006-EFC2	387.6	2006-QA7	588.2
2006-EMX1	424.6	2006-QA8	795.1
2006-EMX2	550.1	2006-QA9	369.2
2006-EMX3	773.6	2006-QH1	337.9
2006-EMX4	661.7	2006-QO1	901.2
2006-EMX5	580.2	2006-QO10	895.7
2006-EMX6	620.5	2006-QO2	665.5
2006-EMX7	495.3	2006-QO3	644.8
2006-EMX8	698.6	2006-QO4	843.2
2006-EMX9	728.8	2006-QO5	1,071.6
2006-HE1	1,274.2	2006-QO6	1,290.3
2006-HE2	626.2	2006-QO7	1,542.4
2006-HE3	1,142.3	2006-QO8	1,288.1
2006-HE4	1,159.1	2006-QO9	895.6
2006-HE5	1,244.5	2006-QS1	323.8
2006-HI1	214.2	2006-QS10	533.6
2006-HI2	237.4	2006-QS11	751.5
2006-HI3	223.2	2006-QS12	541.3

Deal Name	Original Issue Balance (in Thousands)	Deal Name	Original Issue Balance (in Thousands)
2006-QS13	641.0	2006-SP3	291.9
2006-QS14	753.7	2006-SP4	303.9
2006-QS15	538.6	2007-EMX1	692.9
2006-QS16	752.1	2007-HE1	1,185.9
2006-QS17	537.0	2007-HE2	1,240.9
2006-QS18	1,181.9	2007-HE3	350.6
2006-QS2	881.7	2007-HI1	255.0
2006-QS3	969.8	2007-HSA1	546.8
2006-QS4	752.3	2007-HSA2	1,231.4
2006-QS5	698.0	2007-HSA3	796.4
2006-QS6	858.8	2007-KS1	415.6
2006-QS7	537.5	2007-KS2	961.5
2006-QS8	966.3	2007-KS3	1,270.3
2006-QS9	540.1	2007-KS4	235.9
2006-RP1	293.0	2007-QA1	410.1
2006-RP2	317.0	2007-QA2	367.0
2006-RP3	290.4	2007-QA3	882.4
2006-RP4	357.4	2007-QA4	243.5
2006-RS1	1,173.6	2007-QA5	504.1
2006-RS2	785.6	2007-QH1	522.3
2006-RS3	741.6	2007-QH2	348.4
2006-RS4	887.5	2007-QH3	349.5
2006-RS5	382.6	2007-QH4	401.0
2006-RS6	372.2	2007-QH5	497.5
2006-RZ1	483.8	2007-QH6	597.0
2006-RZ2	368.6	2007-QH7	347.0
2006-RZ3	688.3	2007-QH8	560.1
2006-RZ4	851.8	2007-QH9	594.4
2006-RZ5	505.1	2007-QO1	625.1
2006-S1	367.1	2007-QO2	529.3
2006-S10	1,087.7	2007-QO3	296.3
2006-S11	623.2	2007-QO4	502.8
2006-S12	1,204.3	2007-QO5	231.2
2006-S2	260.6	2007-QS1	1,297.4
2006-S3	337.8	2007-QS10	435.8
2006-S4	313.9	2007-QS11	305.8
2006-S5	678.1	2007-QS2	536.7
2006-S6	599.6	2007-QS3	971.6
2006-S7	469.7	2007-QS4	746.9
2006-S8	416.3	2007-QS5	432.7
2006-S9	442.3	2007-QS6	808.3
2006-SA1	275.1	2007-QS7	803.3
2006-SA2	791.3	2007-QS8	651.8
2006-SA3	350.9	2007-QS9	707.0
2006-SA4	282.3	2007-RP1	334.4
2006-SP1	275.9	2007-RP2	263.3
2006-SP2	348.1	2007-RP3	346.6

Deal Name	Original Issue Balance (in Thousands)
2007-RP4	239.2
2007-RS1	478.3
2007-RS2	376.8
2007-RZ1	329.3
2007-S1	522.5
2007-S2	472.2
2007-S3	575.3
2007-S4	314.5
2007-S5	524.8
2007-S6	707.7
2007-S7	419.1
2007-S8	488.8
2007-S9	172.4
2007-SA1	310.8
2007-SA2	385.1
2007-SA3	363.8
2007-SA4	414.9
2007-SP1	346.6
2007-SP2	279.3
2007-SP3	298.1
Grand Total	**220,987.7**

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EXHIBIT B

ALLOCATION OF ALLOWED CLAIM

1. The Allowed Claim shall be allocated amongst the Accepting Trusts by the Trustees pursuant to the determination of a qualified financial advisor (the "Expert") who will make any determinations and perform any calculations required in connection with the allocation of the Allowed Claim among the Accepting Trusts. To the extent that the collateral in any Accepting Trust is divided by the Governing Agreements into groups of loans ("Loan Groups") so that ordinarily only certain classes of investors benefit from the proceeds of particular Loan Groups, those Loan Groups shall be deemed to be separate Accepting Trusts for purposes of the allocation and distribution methodologies set forth below. The Expert is to apply the following allocation formulas:

(i) *First*, the Expert shall calculate the amount of Net Losses for each Accepting Trust as a percentage of the sum of the Net Losses for all Accepting Trusts (such amount, the "Net Loss Percentage");

(ii) *Second*, the Expert shall calculate the "Allocated Depositor Claim" for each Accepting Trust by multiplying (A) the amount of the Allowed Claim by (B) the Net Loss Percentage for such Accepting Trust, expressed as a decimal; provided that the Expert shall be entitled to make adjustments to the Allocated Depositor Claim of each Accepting Trust to ensure that the effects of rounding do not cause the sum of the Allocated Depositor Claims for all Accepting Trusts to exceed the amount of the Allowed Claim; and

(iii) *Third*, the Expert shall calculate the "Allocated Seller Claim" for each Accepting Trust by multiplying (A) the amount of the Allowed Claim by (B) the Net Loss Percentage for such Accepting Trust, expressed as a decimal; provided that the Expert shall be entitled to make adjustments to the Allocated Seller Claim of each Accepting Trust to ensure that the effects of rounding do not cause the sum of the Allocated Seller Claims for all Accepting Trusts to exceed the amount of the Allowed Claim.

(iv) Any HoldCo Claim provided to an Accepting Trust making one or more HoldCo Elections, and any reduction to the Allocated Depositor Claim and Allocated Seller Claim of that Accepting Trust, shall be calculated pursuant to Section 6.02.

(v) For the avoidance of doubt, and subject to the HoldCo Election, each Accepting Trust shall receive an Allocated Claim only against its Seller Entity, which Allocated Claim its Depositor Entity is jointly liable for.

(vi) If applicable, the Expert shall calculate the portion of the Allocated Claim that relates to principal-only certificates or notes and the portion of the Allocated Claim that relates to all other certificates or notes.

2. All distributions from the Estate to an Accepting Trust on account of any Allocated Claim shall be treated as Subsequent Recoveries, as that term is defined in the Governing Agreement for that trust; provided that if the Governing Agreement for a particular Accepting

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Trust does not include the term "Subsequent Recovery," the distribution resulting from the Allocated Claim shall be distributed as though it was unscheduled principal available for distribution on that distribution date; *provided, however*, that should the Bankruptcy Court determine that a different treatment is required to conform the distributions to the requirements of the Governing Agreements, that determination shall govern and shall not constitute a material change to this Settlement Agreement.

3. Notwithstanding any other provision of any Governing Agreement, the Debtors and all Servicers agree that neither the Master Servicer nor any Subservicer shall be entitled to receive any portion of any distribution resulting from any Allocated Claim for any purpose, including without limitation the satisfaction of any Servicing Advances, it being understood that the Master Servicer's other entitlements to payments, and to reimbursement or recovery, including of Advances and Servicing Advances, under the terms of the Governing Agreements shall not be affected by this Settlement Agreement except as expressly provided here. To the extent that as a result of the distribution resulting from an Allocated Claim in a particular Accepting Trust a principal payment would become payable to a class of REMIC residual interests, whether on the distribution of the amount resulting from the Allocated Claim or on any subsequent distribution date that is not the final distribution date under the Governing Agreement for such Accepting Trust, such payment shall be maintained in the distribution account and the relevant Trustee shall distribute it on the next distribution date according to the provisions of this section.

4. In addition, after any distribution resulting from an Allocated Claim pursuant to section 3 above, the relevant Trustee will allocate the amount of the distribution for that Accepting Trust in the reverse order of previously allocated Realized Losses, to increase the Class Certificate Balance, Component Balance, Component Principal Balance, or Note Principal Balance, as applicable, of each class of Certificates or Notes (or Components thereof) (other than any class of REMIC residual interests) to which Realized Losses have been previously allocated, but in each case by not more than the amount of Realized Losses previously allocated to that class of Certificates or Notes (or Components thereof) pursuant to the Governing Agreements. For the avoidance of doubt, for Accepting Trusts for which the Credit Support Depletion Date shall have occurred prior to the allocation of the amount of the Allocable Share in accordance with the immediately preceding sentence, in no event shall the foregoing allocation be deemed to reverse the occurrence of the Credit Support Depletion Date in such Accepting Trusts. Holders of such Certificates or Notes (or Components thereof) will not be entitled to any payment in respect of interest on the amount of such increases for any interest accrual period relating to the distribution date on which such increase occurs or any prior distribution date. Any such increase shall be applied pro rata to the Certificate Balance, Component Balance, Component Principal Balance, or Note Principal Balance of each Certificate or Note of each class. For the avoidance of doubt, this section 4 is intended only to increase Class Certificate Balances, Component Balances, Component Principal Balances, and Note Principal Balances, as provided for herein, and shall not affect any distributions resulting from Allocated Claims provided for in section 3 above.

5. Nothing in this Settlement Agreement amends or modifies in any way any provisions of any Governing Agreement. To the extent any credit enhancer or financial guarantee insurer receives a distribution on account of the Allowed Claim, such distribution shall be credited at least dollar for dollar against the amount of any claim it files against the Debtor that does not arise under the Governing Agreements.

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6. In no event shall the distribution to an Accepting Trust as a result of any Allocated Claim be deemed to reduce the collateral losses experienced by such Accepting Trust.

Exhibit C -- Fee Schedule

Percentage of the Allowed Claim (being the sum of the Allocated Allow Claims) allocable to trusts which accept the settlement, subject to adjustment pursuant to section 6.02(b) for trusts other than original "Covered Trusts."

Gibbs & Bruns, L.L.P.: 4.75%

Ropes & Gray LLP:

If Effective Date of Plan occurs on or before Sept. 2, 2012, 0.475%

If Effective Date of Plan occurs after Sept. 2, 2012 and on or before Dec. 2, 2012, 0.7125%

If Effective Date of Plan occurs after Dec. 3, 2012 and on or before May 2, 2013, 0.855%

If Effective Date of Plan occurs after May 2, 2013, 0.95%

Deal Name	Cusip	Sum Of Original Face	Sum Of Current Face
GMACM 2004-AR1	36185NX54	$112,473,000.00	$18,850,721.55
GMACM 2004-AR1	36185NX70	$66,361,100.00	$11,581,008.18
GMACM 2004-AR1	36185NX39	$59,525,000.00	$8,175,172.37
GMACM 2004-AR1	36185NX88	$11,279,800.00	$1,494,687.97
GMACM 2004-AR1	36185NX62	$14,902,800.00	$779,440.52
GMACM 2004-AR1	36185NX96	$0.00	$0.00
GMACM 2004-AR2	36185N3U2	$32,000,000.00	$5,702,662.00
GMACM 2004-AR2	36185N3V0	$25,000,000.00	$5,517,771.53
GMACM 2004-AR2	36185N4A5	$2,000,000.00	$441,421.73
GMACM 2004-AR2	36185N3T5	$600,000.00	$118,037.31
GMACM 2004-HE2	361856DD6	$20,085,000.00	$5,653,540.45
GMACM 2004-HE3	361856DG9	$113,600,000.00	$42,412,025.20
GMACM 2004-HE4	361856DR5	$152,334,918.00	$152,334,917.38
GMACM 2004-HE5	361856DX2	$20,000,000.00	$9,798,206.17
GMACM 2004-HE5	361856DY0	$7,000,000.00	$3,139,785.06
GMACM 2004-J1	36185NW48	$6,014,000.00	$3,426,858.69
GMACM 2004-J1	36185NW55	$2,406,000.00	$1,370,971.40
GMACM 2004-J1	36185NV64	$2,005,000.00	$1,286,938.57
GMACM 2004-J3	36185N3F5	$14,008,000.00	$21,022,980.38
GMACM 2004-J3	36185N2Z2	$17,680,250.00	$12,943,219.33
GMACM 2004-J3	36185N3B4	$10,420,086.00	$10,420,086.00
GMACM 2004-J3	36185N3G3	$2,000,000.00	$884,010.74
GMACM 2004-J4	36185N4K3	$33,900,000.00	$51,395,233.90
GMACM 2004-J4	36185N4J6	$26,000,000.00	$34,448,182.05
GMACM 2004-J5	36185N5C0	$14,500,000.00	$14,500,000.00
GMACM 2004-J5	36185N5B2	$11,250,000.00	$7,263,675.06
GMACM 2004-JR1	36185NS43	$28,311,915.00	$43,238,535.34
GMACM 2004-JR1	36185NS35	$10,000,000.00	$8,686,073.08
GMACM 2004-VF1	36186FAA4	$330,778,998.00	$52,795,821.54
GMACM 2005-AA1	76112BNN6	$50,000,000.00	$10,022,410.39

Deal Name	Cusip	Sum Of Original Face	Sum Of Current Face
GMACM 2005-AF1	36185MAJ1	$30,935,205.00	$17,992,750.89
GMACM 2005-AF1	36185MAK8	$58,719,000.00	$7,860,050.53
GMACM 2005-AF1	36185MAN2	$1,000,000.00	$1,479,905.60
GMACM 2005-AF2	36185MDE9	$202,283,350.00	$69,096,264.77
GMACM 2005-AR1	76112BKN9	$53,559,000.00	$14,272,877.71
GMACM 2005-AR1	76112BKS8	$7,796,000.00	$5,462,481.28
GMACM 2005-AR1	76112BKP4	$16,390,000.00	$4,684,637.43
GMACM 2005-AR1	76112BKK5	$10,000,000.00	$687,431.34
GMACM 2005-AR1	76112BKQ2	$277,340.00	$90,952.47
GMACM 2005-AR2	36185N6Q8	$37,293,000.00	$14,492,493.16
GMACM 2005-AR2	36185N6N5	$1,500,000.00	$475,829.57
GMACM 2005-AR2	36185N6M7	$2,100,000.00	$373,455.48
GMACM 2005-AR3	36185N7L8	$100,617,387.26	$33,343,345.49
GMACM 2005-AR3	36185N7H7	$50,000,000.00	$3,690,962.79
GMACM 2005-AR3	36185N6Y1	$23,756,000.00	$3,078,751.10
GMACM 2005-AR3	36185N7M6	$5,000,000.00	$1,656,937.55
GMACM 2005-AR3	36185N7E4	$1,000,000.00	$1,000,000.00
GMACM 2005-AR3	36185N7D6	$9,516,000.00	$925,595.37
GMACM 2005-AR4	76112BUG3	$56,000,000.00	$20,747,040.06
GMACM 2005-AR4	76112BUD0	$14,512,000.00	$1,717,517.74
GMACM 2005-AR4	76112BUM0	$3,933,000.00	$1,298,661.68
GMACM 2005-AR4	76112BUK4	$2,592,000.00	$836,696.62
GMACM 2005-AR5	76112BYD6	$35,000,000.00	$13,182,471.99
GMACM 2005-AR5	76112BYF1	$5,905,000.00	$2,475,640.32
GMACM 2005-AR5	76112BYB0	$600,000.00	$231,853.88
GMACM 2005-AR6	36185MBJ0	$81,693,026.00	$30,858,233.47
GMACM 2005-AR6	36185MBN1	$44,030,945.00	$22,277,176.61
GMACM 2005-AR6	36185MBG6	$48,131,000.00	$15,396,021.72
GMACM 2005-AR6	36185MBL5	$27,986,000.00	$12,501,009.30
GMACM 2005-HE1	361856EC7	$45,000,000.00	$20,883,629.47

Deal Name	Cusip	Sum Of Original Face	Sum Of Current Face
GMACM 2005-HE1	361856EB9	$35,100,000.00	$16,289,231.06
GMACM 2005-HE2	36185MAF9	$44,000,000.00	$26,323,988.66
GMACM 2005-HE2	36185MAD4	$5,000,000.00	$2,666,379.03
GMACM 2005-HE3	361856EH6	$2,500,000.00	$1,351,643.25
GMACM 2005-J1	36185MCP5	$24,000,000.00	$24,000,000.00
GMACM 2005-J1	36185MCL4	$20,000,000.00	$18,348,106.59
GMACM 2005-J1	36185MCJ9	$20,000,000.00	$17,253,639.71
GMACM 2005-J1	36185MBY7	$13,650,000.00	$2,595,782.18
GMACM 2006-AR1	36185MDQ2	$112,902,000.00	$47,427,857.23
GMACM 2006-AR1	36185MDN9	$8,840,000.00	$3,784,623.44
GMACM 2006-AR2	36185MFB3	$30,697,840.00	$9,100,819.00
GMACM 2006-HE1	361856ER4	$49,485,000.00	$21,833,699.68
GMACM 2006-HE2	38011AAC8	$25,150,000.00	$16,046,139.33
GMACM 2006-HE3	38012TAD4	$16,316,000.00	$9,448,665.27
GMACM 2006-HE3	38012TAB8	$8,620,000.00	$3,248,873.04
GMACM 2006-HE3	38012TAC6	$1,360,000.00	$787,581.94
GMACM 2006-HE4	38012UAA7	$104,119,000.00	$49,113,268.16
GMACM 2006-HE4	38012UAB5	$91,100,000.00	$42,972,163.13
GMACM 2006-HE4	38012UAC3	$45,000,000.00	$21,226,644.80
GMACM 2006-HLTV	36185HEJ8	$20,500,000.00	$20,250,000.00
GMACM 2006-HLTV	36185HEH2	$9,700,000.00	$138,887.96
GMACM 2006-J1	36185MEG3	$15,000,000.00	$14,127,453.31
GMACM 2006-J1	36185MEB4	$58,877,000.00	$10,286,054.12
GMACM 2007-HE1	36186KAD7	$14,000,000.00	$14,000,000.00
GMACM 2007-HE1	36186KAB1	$4,731,000.00	$770,700.89
GMACM 2007-HE2	36186LAG8	$51,541,000.00	$31,164,661.06
GMACM 2007-HE2	36186LAD5	$5,000,000.00	$3,023,288.36
GMACM 2007-HE2	36186LAC7	$2,550,000.00	$1,541,877.06
GMACM 2007-HE2	36186LAB9	$90,000.00	$54,419.27
GMACM 2007-HE3	36186MAC5	$36,960,000.00	$18,812,695.41

Deal Name	Cusip	Sum Of Original Face	Sum Of Current Face
GMACM 2007-HE3	36186MAA9	$35,735,000.00	$13,454,365.26
RAAC 2004-SP1	7609855V9	$49,812,000.00	$5,700,976.26
RAAC 2004-SP1	7609855Y3	$2,337,000.00	$704,462.52
RAAC 2004-SP2	7609857N5	$1,000,000.00	$55,326.52
RAAC 2004-SP3	76112BEN6	$12,769,000.00	$12,769,000.00
RAAC 2004-SP3	76112BES5	$30,000,000.00	$5,442,471.66
RAAC 2005-RP1	76112BJR2	$7,000,000.00	$7,000,000.00
RAAC 2005-RP2	76112BXN5	$66,360,000.00	$640,466.76
RAAC 2005-RP3	76112BP95	$4,000,000.00	$4,000,000.00
RAAC 2005-SP1	76112BQL7	$31,117,000.00	$27,013,250.19
RAAC 2005-SP1	76112BQS2	$2,180,500.00	$3,285,426.60
RAAC 2005-SP1	76112BQN3	$57,000,000.00	$757,348.91
RAAC 2005-SP1	76112BSA9	$1,500,000.00	$343,937.96
RAAC 2005-SP1	76112BRE2	$323,000.00	$233,120.85
RAAC 2005-SP2	76112BF54	$113,800,000.00	$23,201,012.00
RAAC 2005-SP2	76112BE48	$13,000,000.00	$3,365,502.68
RAAC 2005-SP2	76112BF70	$4,291,000.00	$1,579,709.70
RAAC 2005-SP2	76112BE71	$1,551,000.00	$1,551,000.00
RAAC 2005-SP3	76112BS43	$2,600,000.00	$2,455,539.56
RAAC 2006-RP1	76112B2W9	$8,000,000.00	$8,000,000.00
RAAC 2006-RP1	76112B3R9	$42,483,000.00	$5,659,607.67
RAAC 2006-RP1	76112B2V1	$2,880,055.00	$2,880,055.00
RAAC 2006-RP2	74919MAA4	$132,274,000.00	$24,870,249.66
RAAC 2006-RP3	74919RAA3	$151,820,000.00	$37,512,966.12
RAAC 2006-RP3	74919RAE5	$15,000,000.00	$15,000,000.00
RAAC 2006-RP4	74919TAA9	$105,576,520.00	$28,972,532.49
RAAC 2006-RP4	74919TAB7	$20,700,000.00	$20,700,000.00
RAAC 2006-SP1	76112B3D0	$3,200,000.00	$752,301.25
RAAC 2006-SP2	74919PAB5	$35,409,000.00	$9,478,791.84
RAAC 2006-SP3	74919QAD9	$4,364,000.00	$4,364,000.00

Deal Name	Cusip	Sum Of Original Face	Sum Of Current Face
RAAC 2006-SP4	74919VAH9	$5,000,000.00	$5,000,000.00
RAAC 2007-RP1	74977YAA7	$184,091,000.00	$67,091,939.37
RAAC 2007-RP1	74977YAB5	$11,800,000.00	$11,800,000.00
RAAC 2007-RP2	74919WAA2	$74,860,000.00	$25,790,180.45
RAAC 2007-RP2	74919WAB0	$9,800,000.00	$9,800,000.00
RAAC 2007-RP3	74978BAA6	$60,200,000.00	$22,780,459.57
RAAC 2007-RP3	74978BAB4	$6,900,000.00	$6,900,000.00
RAAC 2007-RP3	74978FAA7	$14,400,000.00	$5,672,315.02
RAAC 2007-RP4	74919LAD0	$35,700,000.00	$17,303,135.56
RAAC 2007-RP4	74919LAE8	$16,513,000.00	$16,513,000.00
RAAC 2007-SP1	74978AAC4	$51,211,000.00	$51,211,000.00
RAAC 2007-SP2	74919XAE2	$13,000,000.00	$13,000,000.00
RAAC 2007-SP2	74919XAF9	$3,653,660.00	$3,653,660.00
RAAC 2007-SP3	74978FAA7	$117,076,000.00	$46,117,492.22
RALI 2004-QA1	76110HRM3	$19,000,000.00	$789,690.45
RALI 2004-QA2	76110HVU0	$25,000,000.00	$3,499,008.16
RALI 2004-QA3	76110HXR5	$10,657,000.00	$1,861,483.53
RALI 2004-QA4	76110HZP7	$6,095,900.00	$3,326,557.02
RALI 2004-QA4	76110HZH5	$10,564,000.00	$1,362,671.05
RALI 2004-QA4	76110HZQ5	$3,143,400.00	$1,229,988.93
RALI 2004-QA5	76110HC72	$37,338,000.00	$2,260,669.39
RALI 2004-QA5	76110HC98	$100,000.00	$5,188.91
RALI 2004-QA6	76110HH85	$18,350,000.00	$4,765,681.90
RALI 2004-QA6	76110HH28	$70,320,000.00	$4,456,586.56
RALI 2004-QR1	76110HB57	$108,346,390.00	$13,542,294.00
RALI 2004-QS1	76110HQF9	$36,482,573.00	$3,351,246.65
RALI 2004-QS1	76110HQA0	$1,700,000.00	$1,290,523.04
RALI 2004-QS10	76110HWK1	$216,614,427.00	$54,544,002.09
RALI 2004-QS10	76110HWG0	$21,200,000.00	$33,543,864.51
RALI 2004-QS10	76110HWC9	$50,000,000.00	$3,696,417.31

Deal Name	Cusip	Sum Of Original Face	Sum Of Current Face
RALI 2004-QS11	76110HXC8	$217,512,005.00	$56,892,689.34
RALI 2004-QS11	76110HWX3	$19,000,000.00	$16,747,700.57
RALI 2004-QS11	76110HWV7	$13,000,000.00	$13,000,000.00
RALI 2004-QS11	76110HWU9	$40,633,600.00	$3,411,076.00
RALI 2004-QS11	76110HWW5	$3,380,000.00	$283,741.48
RALI 2004-QS13	76110HYH6	$129,166,655.00	$28,131,284.43
RALI 2004-QS13	76110HYF0	$3,600,000.00	$827,786.04
RALI 2004-QS16	76110HJ59	$121,835,000.00	$19,351,250.94
RALI 2004-QS16	76110HJ91	$17,500,000.00	$15,779,390.45
RALI 2004-QS16	76110HK24	$3,200,000.00	$728,620.56
RALI 2004-QS2	76110HQM4	$95,777,000.00	$21,124,010.62
RALI 2004-QS2	76110HQS1	$6,870,000.00	$5,137,689.94
RALI 2004-QS2	76110HQG7	$38,831,040.00	$4,380,787.00
RALI 2004-QS2	76110HQT9	$3,215,800.00	$2,510,081.95
RALI 2004-QS3	76110HRA9	$11,800,000.00	$2,322,241.08
RALI 2004-QS4	76110HSG5	$7,694,900.00	$5,699,173.40
RALI 2004-QS4	76110HSA8	$29,543,500.00	$5,170,290.87
RALI 2004-QS4	76110HSH3	$3,686,800.00	$2,744,461.69
RALI 2004-QS4	76110HRV3	$690,000.00	$81,890.07
RALI 2004-QS5	76110HSU4	$12,438,900.00	$12,438,900.00
RALI 2004-QS5	76110HSR1	$16,725,000.00	$2,370,928.64
RALI 2004-QS5	76110HSW0	$2,805,000.00	$389,577.36
RALI 2004-QS6	76110HTG4	$2,000,000.00	$448,522.46
RALI 2004-QS7	76110HTW9	$15,000,000.00	$15,000,000.00
RALI 2004-QS7	76110HTV1	$40,457,000.00	$2,607,829.90
RALI 2004-QS7	76110HTX7	$2,000,000.00	$890,694.16
RALI 2004-QS8	76110HUT4	$25,174,900.00	$7,265,375.54
RALI 2004-QS8	76110HUR8	$3,500,000.00	$5,379,589.02
RALI 2004-QS8	76110HUN7	$9,630,166.00	$726,675.12
RALI 2004-QS8	76110HUL1	$150,000.00	$12,805.31

Deal Name	Cusip	Sum Of Original Face	Sum Of Current Face
RALI 2004-QS9	76110HVH9	$51,542,000.00	$11,523,385.30
RALI 2005-QA1	76110HM63	$70,000,000.00	$11,644,941.30
RALI 2005-QA10	761118GE2	$74,247,000.00	$35,330,729.37
RALI 2005-QA10	761118GD4	$63,450,000.00	$28,434,595.73
RALI 2005-QA10	761118GL6	$12,077,000.00	$332,539.02
RALI 2005-QA12	761118MY1	$32,839,000.00	$10,055,832.86
RALI 2005-QA12	761118NB0	$24,031,000.00	$9,296,623.99
RALI 2005-QA12	761118MZ8	$24,000,000.00	$6,139,991.23
RALI 2005-QA12	761118NC8	$4,050,000.00	$1,592,391.26
RALI 2005-QA13	761118PE2	$197,550,000.00	$80,522,480.40
RALI 2005-QA13	761118PF9	$375,000.00	$127,465.58
RALI 2005-QA2	76110HT90	$38,817,000.00	$12,132,243.89
RALI 2005-QA3	76110H2H1	$84,790,900.00	$19,011,586.77
RALI 2005-QA3	76110H2K4	$31,402,800.00	$7,949,443.21
RALI 2005-QA3	76110H2P3	$17,924,800.00	$2,937,306.19
RALI 2005-QA3	76110H2L2	$8,765,600.00	$2,774,968.65
RALI 2005-QA4	76110H4L0	$87,930,000.00	$33,362,341.52
RALI 2005-QA4	76110H4F3	$13,225,000.00	$3,556,000.19
RALI 2005-QA4	76110H4K2	$9,868,000.00	$3,317,258.50
RALI 2005-QA4	76110H4G1	$96,000.00	$23,602.35
RALI 2005-QA5	76110H5A3	$44,000,000.00	$2,530,640.80
RALI 2005-QA5	76110H5C9	$3,859,900.00	$1,427,833.31
RALI 2005-QA6	76110H6E4	$20,612,560.00	$4,993,573.00
RALI 2005-QA6	76110H5Z8	$3,882,000.00	$798,192.82
RALI 2005-QA6	76110H6F1	$230,000.00	$230,000.00
RALI 2005-QA7	76110H7B9	$84,350,000.00	$30,476,596.74
RALI 2005-QA7	76110H7D5	$5,000,000.00	$1,806,555.90
RALI 2005-QA7	76110H7J2	$3,500,000.00	$373,818.85
RALI 2005-QA8	761118BP2	$101,397,000.00	$26,691,765.84
RALI 2005-QA8	761118BS6	$54,000,000.00	$19,664,315.85

Deal Name	Cusip	Sum Of Original Face	Sum Of Current Face
RALI 2005-QA8	761118BW7	$10,025,000.00	$3,443,924.79
RALI 2005-QA9	761118FM5	$42,390,000.00	$18,981,051.78
RALI 2005-QA9	761118FJ2	$41,501,000.00	$11,412,169.14
RALI 2005-QA9	761118FG8	$27,700,000.00	$7,774,410.12
RALI 2005-QO1	761118EN4	$99,400,000.00	$29,924,469.79
RALI 2005-QO1	761118EP9	$6,330,000.00	$1,905,653.50
RALI 2005-QO2	761118HU5	$111,860,000.00	$35,809,815.74
RALI 2005-QO3	761118KU1	$129,849,000.00	$44,254,225.46
RALI 2005-QO3	761118KV9	$36,156,400.00	$11,762,228.18
RALI 2005-QO4	761118NN4	$131,410,000.00	$47,913,396.79
RALI 2005-QO4	761118NP9	$35,953,000.00	$11,792,949.44
RALI 2005-QO5	761118QM3	$257,979,000.00	$98,220,567.34
RALI 2005-QS1	76110HP78	$214,597,361.00	$76,877,951.15
RALI 2005-QS1	76110HN88	$80,000,000.00	$22,370,403.00
RALI 2005-QS1	76110HP45	$40,410,000.00	$11,299,850.02
RALI 2005-QS10	761118CZ9	$13,283,000.00	$10,134,410.76
RALI 2005-QS10	761118CW6	$25,000,000.00	$9,824,052.31
RALI 2005-QS10	761118CX4	$25,000,000.00	$7,277,629.12
RALI 2005-QS11	761118CL0	$213,644,237.00	$87,832,932.66
RALI 2005-QS11	761118CE6	$36,149,700.00	$32,452,216.90
RALI 2005-QS11	761118CK2	$369,202.00	$196,701.21
RALI 2005-QS12	761118ED6	$528,901,122.00	$212,688,469.65
RALI 2005-QS12	761118DN5	$37,460,154.00	$21,107,151.66
RALI 2005-QS12	761118DR6	$10,410,000.00	$9,774,428.07
RALI 2005-QS12	761118DU9	$10,560,000.00	$594,177.68
RALI 2005-QS12	761118EC8	$1,137,106.00	$583,655.71
RALI 2005-QS13	761118HJ0	$639,169,632.00	$277,360,657.31
RALI 2005-QS13	761118HA9	$42,460,154.00	$23,880,480.72
RALI 2005-QS13	761118HC5	$68,400,000.00	$17,944,983.83
RALI 2005-QS13	761118GW2	$41,885,000.00	$8,871,234.82

Deal Name	Cusip	Sum Of Original Face	Sum Of Current Face
RALI 2005-QS13	761118HH4	$3,199,626.00	$1,615,561.81
RALI 2005-QS13	761118GX0	$1,300,000.00	$535,461.24
RALI 2005-QS14	761118JQ2	$484,882,069.00	$178,984,271.76
RALI 2005-QS14	761118JJ8	$99,999,999.68	$36,579,683.96
RALI 2005-QS14	761118JG4	$125,510,000.00	$34,169,004.34
RALI 2005-QS14	761118JH2	$46,530,000.00	$21,227,525.11
RALI 2005-QS15	761118KL1	$431,500,310.00	$174,527,325.85
RALI 2005-QS15	761118KG2	$66,099,000.00	$32,667,405.47
RALI 2005-QS15	761118KJ6	$18,861,000.00	$7,825,497.29
RALI 2005-QS15	761118KK3	$8,301,530.00	$4,268,196.42
RALI 2005-QS16	761118MP0	$427,980,012.00	$176,537,054.01
RALI 2005-QS16	761118MC9	$25,450,000.00	$23,333,695.90
RALI 2005-QS16	761118MN5	$2,596,273.00	$1,372,835.35
RALI 2005-QS17	761118QC5	$540,112,378.00	$216,187,505.47
RALI 2005-QS17	761118PY8	$103,032,000.00	$35,783,851.00
RALI 2005-QS17	761118PZ5	$53,366,200.00	$15,208,445.59
RALI 2005-QS17	761118PQ5	$13,165,000.00	$11,751,935.12
RALI 2005-QS17	761118PS1	$10,000,000.00	$8,543,063.86
RALI 2005-QS17	761118QB7	$5,958,254.00	$3,045,665.67
RALI 2005-QS17	761118PU6	$1,500,000.00	$293,127.89
RALI 2005-QS2	76110HQ69	$53,001,600.00	$14,062,105.00
RALI 2005-QS3	76110HY86	$103,981,675.00	$27,427,074.84
RALI 2005-QS3	76110HX79	$173,143,700.00	$23,192,814.82
RALI 2005-QS3	76110HX87	$24,048,000.00	$22,501,858.82
RALI 2005-QS3	76110HX53	$10,990,200.00	$9,840,588.13
RALI 2005-QS3	76110HX61	$15,000,000.00	$2,009,268.73
RALI 2005-QS5	76110H2X6	$81,000,000.00	$20,210,307.25
RALI 2005-QS5	76110H2Z1	$58,392,577.00	$14,745,643.72
RALI 2005-QS6	76110H5F2	$118,400,000.00	$24,716,937.00
RALI 2005-QS6	76110H5L9	$8,844,000.00	$8,287,892.76

Deal Name	Cusip	Sum Of Original Face	Sum Of Current Face
RALI 2005-QS6	76110H5J4	$13,083,333.00	$5,929,652.65
RALI 2005-QS6	76110H5M7	$250,000.00	$234,280.10
RALI 2005-QS7	761118AH1	$99,840,000.00	$38,586,890.82
RALI 2005-QS7	761118AE8	$22,827,000.00	$21,309,278.84
RALI 2005-QS7	761118AA6	$20,100,000.00	$4,967,334.76
RALI 2005-QS9	761118AZ1	$12,098,000.00	$11,225,892.70
RALI 2005-QS9	761118AV0	$42,000,000.00	$9,277,846.07
RALI 2006-Q10	751153AA5	$19,410,000.00	$11,084,423.82
RALI 2006-QA1	761118TB4	$147,482,000.00	$65,247,325.86
RALI 2006-QA1	761118SZ2	$50,000,000.00	$12,606,050.84
RALI 2006-QA1	761118TD0	$9,800,000.00	$3,304,827.88
RALI 2006-QA10	74922NAB5	$91,295,092.00	$38,214,542.99
RALI 2006-QA10	74922NAA7	$35,728,269.00	$13,459,710.78
RALI 2006-QA2	761118TU2	$27,106,000.00	$13,682,175.07
RALI 2006-QA2	761118TR9	$25,000,000.00	$10,435,351.77
RALI 2006-QA2	761118TN8	$25,849,397.00	$10,099,810.44
RALI 2006-QA3	75114RAD7	$65,500,000.00	$19,946,268.36
RALI 2006-QA4	748939AA3	$55,340,405.00	$19,362,187.54
RALI 2006-QA5	75115BAB5	$100,000,000.00	$34,840,508.38
RALI 2006-QA5	75115BAA7	$48,463,281.00	$17,088,242.50
RALI 2006-QA6	74922MAA9	$69,181,483.00	$22,240,617.04
RALI 2006-QA6	74922MAB7	$15,000,000.00	$5,362,548.77
RALI 2006-QA6	74922MAC5	$6,370,000.00	$2,277,295.71
RALI 2006-QA7	751152AA7	$122,384,675.00	$40,803,254.28
RALI 2006-QA8	74922QAA0	$73,678,889.00	$25,312,045.04
RALI 2006-QA8	74922QAB8	$25,000,000.00	$9,542,936.62
RALI 2006-QA9	75115VAA3	$27,007,000.00	$9,931,577.59
RALI 2006-QH1	75115GAA6	$15,000,000.00	$8,515,112.78
RALI 2006-QO1	761118RM2	$105,602,000.00	$51,300,225.35
RALI 2006-QO1	761118RN0	$89,680,800.00	$29,684,643.50

Deal Name	Cusip	Sum Of Original Face	Sum Of Current Face
RALI 2006-QO1	761118RJ9	$78,443,000.00	$24,013,603.76
RALI 2006-QO1	761118RG5	$5,400,000.00	$838,109.67
RALI 2006-QO1	761118RK6	$10,496,000.00	$0.03
RALI 2006-QO10	751153AA5	$99,395,000.00	$56,761,261.83
RALI 2006-QO10	751153AB3	$81,000,000.00	$41,396,225.42
RALI 2006-QO2	761118VY1	$265,842,000.00	$94,138,538.93
RALI 2006-QO2	761118VZ8	$99,413,600.00	$38,595,980.48
RALI 2006-QO3	761118WP9	$164,541,000.00	$70,431,593.54
RALI 2006-QO3	761118WQ7	$34,747,000.00	$16,745,355.27
RALI 2006-QO4	75114GAC3	$5,470,000.00	$2,647,461.19
RALI 2006-QO5	75114HAD9	$66,000,000.00	$35,286,331.22
RALI 2006-QO5	75114HAK3	$11,000,000.00	$9,974,691.10
RALI 2006-QO5	75114HAH0	$29,397,000.00	$7,731,231.07
RALI 2006-QO5	75114HAE7	$10,800,000.00	$4,274,581.07
RALI 2006-QO6	75114NAA2	$532,153,000.00	$268,255,921.95
RALI 2006-QO6	75114NAB0	$249,055,000.00	$127,674,640.47
RALI 2006-QO7	751150AD5	$80,751,000.00	$48,796,184.34
RALI 2006-QO7	751150AH6	$64,378,000.00	$46,855,661.04
RALI 2006-QO7	751150AJ2	$37,954,000.00	$32,438,418.87
RALI 2006-QO7	751150AA1	$12,000,000.00	$7,142,533.74
RALI 2006-QO8	75115FAS9	$15,000,000.00	$13,791,616.34
RALI 2006-QO9	75115HAN6	$548,514,000.00	$257,600,151.69
RALI 2006-QO9	75114PAC3	$85,000,000.00	$79,706,842.10
RALI 2006-QO9	75114PAA7	$1,700,000.00	$0.00
RALI 2006-QS1	761118SB5	$22,000,000.00	$5,271,753.67
RALI 2006-QS10	751155AP7	$66,810,666.00	$29,334,407.16
RALI 2006-QS10	751155AN2	$15,810,666.00	$6,941,953.19
RALI 2006-QS10	751155BE1	$5,293,385.00	$2,509,526.92
RALI 2006-QS11	75115EAA1	$75,000,000.00	$27,080,806.88
RALI 2006-QS11	75115EAU7	$17,284,000.00	$13,187,758.02

Deal Name	Cusip	Sum Of Original Face	Sum Of Current Face
RALI 2006-QS11	75115EAJ2	$5,521,342.00	$2,490,944.03
RALI 2006-QS12	751151AA9	$85,000,000.00	$25,462,526.17
RALI 2006-QS12	751151AD3	$25,177,000.00	$18,110,058.92
RALI 2006-QS12	751151AV3	$40,744,973.00	$17,225,512.65
RALI 2006-QS12	751151AU5	$20,000,000.00	$8,455,282.29
RALI 2006-QS12	751151AH4	$10,300,000.00	$7,059,103.39
RALI 2006-QS12	751151AG6	$7,000,000.00	$2,647,360.10
RALI 2006-QS12	751151AZ4	$2,005,760.00	$907,193.10
RALI 2006-QS13	75115DAA3	$126,039,000.00	$54,810,097.54
RALI 2006-QS13	75115DAK1	$3,338,000.00	$2,543,031.36
RALI 2006-QS14	74922GAP9	$75,000,000.00	$37,600,223.93
RALI 2006-QS14	74922GAE4	$15,384,616.00	$6,240,381.48
RALI 2006-QS14	74922GAK0	$5,547,285.00	$3,920,867.58
RALI 2006-QS15	74922YAH8	$538,578,792.00	$208,420,463.44
RALI 2006-QS15	74922YAA3	$32,000,000.00	$14,218,626.83
RALI 2006-QS15	74922YAE5	$14,697,000.00	$10,796,952.80
RALI 2006-QS15	74922YAG0	$1,839,075.00	$868,551.15
RALI 2006-QS15	74922YAD7	$251,000.00	$212,376.61
RALI 2006-QS16	74922LAA1	$155,025,250.00	$71,509,273.88
RALI 2006-QS16	74922LAG8	$500,000.00	$210,221.71
RALI 2006-QS17	74922SAA6	$27,500,000.00	$13,065,317.92
RALI 2006-QS18	74922RAH3	$256,013,950.00	$119,929,539.25
RALI 2006-QS18	74922RAC4	$116,032,000.00	$42,573,048.93
RALI 2006-QS18	74922RAF7	$50,000,000.00	$29,161,054.63
RALI 2006-QS18	74922RAM2	$23,171,000.00	$10,120,686.65
RALI 2006-QS18	74922RAU4	$4,914,900.00	$2,225,640.34
RALI 2006-QS18	74922RAR1	$4,660,000.00	$1,663,671.74
RALI 2006-QS18	74922RAP5	$2,690,000.00	$960,359.87
RALI 2006-QS18	74922RAW0	$355,377.00	$131,256.12
RALI 2006-QS18	74922RAS9	$190,116.00	$70,230.52

Deal Name	Cusip	Sum Of Original Face	Sum Of Current Face
RALI 2006-QS2	761118UY2	$100,000,000.00	$60,908,920.86
RALI 2006-QS2	761118VA3	$106,430,000.00	$26,481,615.06
RALI 2006-QS2	761118UQ9	$29,500,000.00	$8,330,539.80
RALI 2006-QS2	761118UL0	$8,550,000.00	$5,156,304.28
RALI 2006-QS3	761118XL7	$88,458,000.00	$22,276,987.61
RALI 2006-QS4	749228AA0	$25,553,000.00	$20,021,007.78
RALI 2006-QS4	749228AJ1	$22,950,000.00	$8,116,379.87
RALI 2006-QS4	749228AF9	$10,000,000.00	$3,081,460.09
RALI 2006-QS5	75114TAE1	$33,909,000.00	$25,685,427.28
RALI 2006-QS5	75114TAC5	$40,000,000.00	$23,719,955.70
RALI 2006-QS5	75114TAD3	$20,000,000.00	$15,149,622.39
RALI 2006-QS5	75114TAG6	$40,000,000.00	$11,937,084.15
RALI 2006-QS6	74922EAA7	$80,000,000.00	$28,624,734.00
RALI 2006-QS6	74922EAN9	$16,669,000.00	$5,609,641.33
RALI 2006-QS6	74922EAQ2	$3,550,000.00	$1,779,842.27
RALI 2006-QS6	74922EAB5	$450,000.00	$147,346.81
RALI 2006-QS7	748940AA1	$139,600,000.00	$66,316,587.90
RALI 2006-QS7	748940AD5	$19,000,000.00	$2,229,816.56
RALI 2006-QS8	75115AAA9	$116,485,000.00	$56,007,745.08
RALI 2006-QS8	75115AAC5	$26,500,000.00	$19,632,216.64
RALI 2006-QS8	75115AAB7	$11,095,000.00	$8,219,601.67
RALI 2006-QS8	75115AAD3	$51,255,000.00	$7,551,577.51
RALI 2006-QS9	75115CAG2	$10,755,650.00	$8,440,367.10
RALI 2006-QS9	75115CAA5	$43,000,000.00	$7,531,962.67
RALI 2006-QS9	75115CAL1	$12,000,000.00	$4,250,967.47
RALI 2007-QA1	74923GAA1	$72,495,000.00	$25,552,691.63
RALI 2007-QA2	74922PAA2	$40,000,000.00	$12,631,088.43
RALI 2007-QA2	74922PAC8	$990,054.00	$396,607.77
RALI 2007-QA4	74923YAA2	$128,000,000.00	$46,308,406.45
RALI 2007-QA5	749236AE5	$36,360,960.00	$24,506,067.00

Deal Name	Cusip	Sum Of Original Face	Sum Of Current Face
RALI 2007-QH1	74922HAA0	$71,968,000.00	$44,264,673.62
RALI 2007-QH1	74922HAB8	$17,551,200.00	$10,795,050.00
RALI 2007-QH2	74922JAA6	$30,079,200.00	$18,122,445.00
RALI 2007-QH2	74922JAB4	$29,862,600.00	$17,991,945.01
RALI 2007-QH3	74922WAA7	$112,327,000.00	$70,667,905.38
RALI 2007-QH4	74922TAB2	$55,482,400.00	$36,363,577.04
RALI 2007-QH4	74922TAA4	$48,200,000.00	$31,590,638.47
RALI 2007-QH5	75116EAB8	$49,048,800.00	$31,653,442.00
RALI 2007-QH5	75116EAA0	$30,000,000.00	$19,360,377.15
RALI 2007-QH6	74922AAA5	$146,600,000.00	$96,850,905.58
RALI 2007-QH6	74922AAB3	$56,000,000.00	$36,996,253.00
RALI 2007-QH7	75115LAA5	$45,957,480.00	$30,899,122.00
RALI 2007-QH9	749241AA3	$102,885,000.00	$78,363,668.81
RALI 2007-QO1	75115YAA7	$102,083,000.00	$59,735,302.14
RALI 2007-QO2	75116AAA8	$88,030,000.00	$51,729,339.74
RALI 2007-QO2	75116AAB6	$15,110,400.00	$1,961,764.00
RALI 2007-QO3	74923TAA3	$63,615,000.00	$38,905,015.60
RALI 2007-QO3	74923TAC9	$8,675,000.00	$616,980.44
RALI 2007-QO4	74923LAB8	$53,700,000.00	$32,730,845.05
RALI 2007-QO4	74923LAC6	$11,325,000.00	$6,902,734.06
RALI 2007-QO4	74923LAA0	$3,250,000.00	$1,980,917.06
RALI 2007-QO4	74923LAD4	$7,625,000.00	$1,405,484.34
RALI 2007-QS1	74922KAW5	$430,044,970.00	$230,346,205.11
RALI 2007-QS1	74922KAH8	$186,220,000.00	$102,623,571.92
RALI 2007-QS1	74922KAB1	$34,499,000.00	$25,666,406.90
RALI 2007-QS1	74922KAQ8	$28,309,600.00	$13,441,990.34
RALI 2007-QS1	74922KAX3	$12,521,309.00	$5,952,887.73
RALI 2007-QS1	74922KAA3	$15,000,000.00	$4,871,042.36
RALI 2007-QS1	74922KAD7	$5,000,000.00	$3,949,705.88
RALI 2007-QS1	74922KAV7	$1,462,542.00	$746,434.93

Deal Name	Cusip	Sum Of Original Face	Sum Of Current Face
RALI 2007-QS10	74924DAA7	$1,385,000.00	$831,511.26
RALI 2007-QS11	74925GAA9	$1,925,000.00	$1,060,502.07
RALI 2007-QS2	74923CAD4	$10,000,000.00	$5,087,390.51
RALI 2007-QS2	74923CAC6	$3,200,000.00	$2,452,121.99
RALI 2007-QS3	75116BAB4	$240,000,000.00	$119,345,672.00
RALI 2007-QS3	75116BAE8	$39,000,000.00	$30,661,109.71
RALI 2007-QS4	74923HAX9	$49,758,800.00	$23,545,932.49
RALI 2007-QS4	74923HAE1	$39,661,000.00	$20,632,988.04
RALI 2007-QS4	74923HAM3	$39,390,000.00	$19,192,252.08
RALI 2007-QS4	74923HAT8	$23,203,000.00	$18,859,618.00
RALI 2007-QS4	74923HBA8	$9,976,000.00	$3,319,478.46
RALI 2007-QS5	74923JAB3	$100,000,000.00	$67,741,718.36
RALI 2007-QS5	74923JAH0	$60,132,000.00	$35,121,337.54
RALI 2007-QS6	75116CAA4	$143,200,000.00	$76,856,023.56
RALI 2007-QS6	75116CAM8	$52,229,464.00	$34,031,437.58
RALI 2007-QS6	74923WAK4	$55,127,000.00	$29,693,716.77
RALI 2007-QS6	75116CAF3	$25,213,000.00	$18,947,451.15
RALI 2007-QS6	75116CBW5	$20,000,000.00	$9,250,604.24
RALI 2007-QS6	75116CCP9	$12,000,000.00	$2,343,699.33
RALI 2007-QS7	74923WAD0	$43,289,000.00	$35,231,826.19
RALI 2007-QS7	74923WAE8	$47,398,500.00	$22,308,609.97
RALI 2007-QS8	74922UAG8	$149,706,000.00	$84,999,326.00
RALI 2007-QS8	74922UAD5	$67,500,000.00	$54,127,001.26
RALI 2007-QS8	74922UAB9	$80,869,000.00	$48,267,531.82
RALI 2007-QS8	74922UAA1	$75,345,750.00	$44,970,920.70
RALI 2007-QS8	74922UAC7	$48,500,000.00	$38,891,252.76
RALI 2007-QS8	74922UAK9	$10,585,000.00	$5,107,615.58
RALI 2007-QS8	74922UAH6	$9,000,000.00	$4,879,220.92
RALI 2007-QS8	74922UAN3	$3,876,000.00	$3,266,816.52
RALI 2007-QS9	75116FBH1	$125,543,462.00	$73,847,619.44

Deal Name	Cusip	Sum Of Original Face	Sum Of Current Face
RAMP 2004-RS1	760985M81	$18,787,000.00	$10,504,735.65
RAMP 2004-RS1	760985M73	$15,620,000.00	$8,714,738.52
RAMP 2004-RS1	760985N49	$16,250,000.00	$8,099,314.24
RAMP 2004-RS10	76112BDT4	$7,100,000.00	$7,100,000.00
RAMP 2004-RS10	76112BED8	$5,000,000.00	$4,466,167.04
RAMP 2004-RS10	76112BDV9	$250,000.00	$201,745.48
RAMP 2004-RS10	76112BDS6	$10,285,000.00	$193,886.84
RAMP 2004-RS11	76112BFJ4	$3,000,000.00	$1,602,696.08
RAMP 2004-RS11	76112BFK1	$2,000,000.00	$949,025.56
RAMP 2004-RS12	76112BFV7	$6,000,000.00	$6,000,000.00
RAMP 2004-RS12	76112BGG9	$4,500,000.00	$4,500,000.00
RAMP 2004-RS12	76112BGF1	$2,500,000.00	$2,500,000.00
RAMP 2004-RS12	76112BGD6	$5,000,000.00	$1,970,412.37
RAMP 2004-RS2	760985Q38	$37,636,000.00	$27,858,421.88
RAMP 2004-RS2	760985Q46	$8,000,000.00	$3,405,596.23
RAMP 2004-RS2	760985Q61	$4,000,000.00	$2,052,757.42
RAMP 2004-RS2	760985Q79	$1,813,000.00	$811,954.38
RAMP 2004-RS3	760985V32	$31,030,000.00	$23,136,930.34
RAMP 2004-RS4	7609852X8	$39,042,000.00	$27,967,608.06
RAMP 2004-RS4	7609853J8	$16,100,000.00	$8,295,682.31
RAMP 2004-RS4	7609852Y6	$17,000,000.00	$6,525,918.21
RAMP 2004-RS5	7609854A6	$35,000,000.00	$32,700,643.15
RAMP 2004-RS5	7609854H1	$12,000,000.00	$3,336,677.45
RAMP 2004-RS5	7609854G3	$5,000,000.00	$2,493,091.93
RAMP 2004-RS5	7609854K4	$5,000,000.00	$1,323,313.48
RAMP 2004-RS5	7609854L2	$2,500,000.00	$38,743.75
RAMP 2004-RS6	7609855B3	$9,600,000.00	$9,600,000.00
RAMP 2004-RS6	7609855L1	$15,000,000.00	$7,309,699.69
RAMP 2004-RS6	7609855M9	$10,000,000.00	$2,601,383.85
RAMP 2004-RS6	7609855A5	$498,000.00	$78,442.97

Deal Name	Cusip	Sum Of Original Face	Sum Of Current Face
RAMP 2004-RS7	7609857E5	$7,000,000.00	$6,974,642.27
RAMP 2004-RS7	7609857K1	$23,500,000.00	$5,391,788.00
RAMP 2004-RS7	7609857F2	$2,000,000.00	$969,387.95
RAMP 2004-RS7	7609857D7	$2,500,000.00	$823,092.17
RAMP 2004-RS8	76112BAE0	$12,558,000.00	$12,558,000.00
RAMP 2004-RS8	76112BAM2	$15,000,000.00	$11,845,975.74
RAMP 2004-RS9	76112BCM0	$10,000,000.00	$7,502,690.65
RAMP 2004-RS9	76112BCG3	$5,000,000.00	$4,983,526.53
RAMP 2004-RS9	76112BCQ1	$4,200,000.00	$953,082.87
RAMP 2004-RZ1	760985U25	$71,100,000.00	$7,012,288.47
RAMP 2004-RZ1	760985T92	$19,533,000.00	$6,722,418.53
RAMP 2004-RZ1	760985T84	$8,304,000.00	$5,611,962.62
RAMP 2004-RZ1	760985U58	$6,487,000.00	$2,272,796.22
RAMP 2004-RZ1	760985U33	$2,000,000.00	$671,187.13
RAMP 2004-RZ1	760985U66	$2,000,000.00	$584,166.15
RAMP 2004-RZ2	7609854S7	$7,500,000.00	$2,706,475.59
RAMP 2004-RZ3	76112BBK5	$7,125,000.00	$7,125,000.00
RAMP 2004-RZ3	76112BAZ3	$6,500,000.00	$6,500,000.00
RAMP 2004-RZ3	76112BAY6	$6,000,000.00	$1,437,110.87
RAMP 2004-RZ4	76112BHF0	$5,000,000.00	$286,682.17
RAMP 2004-SL1	760985W98	$59,393,000.00	$4,451,324.10
RAMP 2004-SL1	760985W72	$19,207,000.00	$4,203,462.56
RAMP 2004-SL1	760985X30	$7,537,000.00	$4,086,504.89
RAMP 2004-SL1	760985W80	$26,100,000.00	$2,352,360.99
RAMP 2004-SL1	760985Z53	$3,913,200.00	$1,434,146.17
RAMP 2004-SL1	760985Z61	$1,750,000.00	$641,356.48
RAMP 2004-SL1	760985Z79	$1,206,600.00	$442,206.18
RAMP 2004-SL1	760985W31	$4,456,000.00	$324,387.89
RAMP 2004-SL1	760985W56	$3,800,000.00	$117,989.18
RAMP 2004-SL1	760985W49	$12,430,000.00	$72,000.97

Deal Name	Cusip	Sum Of Original Face	Sum Of Current Face
RAMP 2004-SL2	7609856D8	$76,187,665.00	$12,461,237.03
RAMP 2004-SL2	7609856L0	$10,585,236.00	$5,865,707.85
RAMP 2004-SL2	7609856A4	$37,152,866.00	$596,695.63
RAMP 2004-SL3	76112BBQ2	$76,115,000.00	$10,383,340.35
RAMP 2004-SL3	76112BBS8	$31,380,000.00	$5,993,322.42
RAMP 2004-SL3	76112BBR0	$18,005,000.00	$2,180,343.75
RAMP 2004-SL3	76112BBZ2	$2,449,000.00	$1,694,219.49
RAMP 2004-SL3	76112BBP4	$12,967,000.00	$442,622.92
RAMP 2004-SL4	76112BGP9	$23,390,000.00	$5,758,786.10
RAMP 2004-SL4	76112BGM6	$16,560,000.00	$2,199,077.62
RAMP 2004-SL4	76112BGU8	$2,065,900.00	$1,333,007.01
RAMP 2004-SL4	76112BGK0	$9,000,000.00	$270,565.02
RAMP 2005-EFC1	76112BRN2	$7,000,000.00	$7,000,000.00
RAMP 2005-EFC1	76112BRM4	$6,000,000.00	$6,000,000.00
RAMP 2005-EFC1	76112BRQ5	$4,000,000.00	$4,000,000.00
RAMP 2005-EFC2	76112BVW7	$2,686,000.00	$1,446,627.80
RAMP 2005-EFC2	76112BVP2	$8,423,000.00	$1,411,499.91
RAMP 2005-EFC2	76112BVQ0	$1,331,000.00	$1,331,000.00
RAMP 2005-EFC3	76112BYU8	$10,347,000.00	$10,347,000.00
RAMP 2005-EFC3	76112BYY0	$6,000,000.00	$6,000,000.00
RAMP 2005-EFC3	76112BYV6	$4,069,272.00	$4,069,272.00
RAMP 2005-EFC3	76112BYT1	$9,626,000.00	$3,911,256.23
RAMP 2005-EFC3	76112BZA1	$2,708,000.00	$2,708,000.00
RAMP 2005-EFC3	76112BZB9	$4,625,000.00	$164,013.99
RAMP 2005-EFC4	76112BC40	$7,000,000.00	$7,000,000.00
RAMP 2005-EFC4	76112BC99	$4,000,000.00	$4,000,000.00
RAMP 2005-EFC4	76112BC32	$53,237,500.00	$290,553.86
RAMP 2005-EFC5	76112BH94	$10,000,000.00	$10,000,000.00
RAMP 2005-EFC5	76112BH60	$6,000,000.00	$6,000,000.00
RAMP 2005-EFC5	76112BH86	$5,000,000.00	$5,000,000.00

Deal Name	Cusip	Sum Of Original Face	Sum Of Current Face
RAMP 2005-EFC5	76112BH52	$4,315,000.00	$4,315,000.00
RAMP 2005-EFC5	76112BH29	$43,812,500.00	$2,678,499.47
RAMP 2005-EFC5	76112BH45	$1,150,000.00	$1,150,000.00
RAMP 2005-EFC6	76112BK25	$8,000,000.00	$8,000,000.00
RAMP 2005-EFC6	76112BJ84	$2,000,000.00	$110,644.68
RAMP 2005-EFC7	76112BR69	$35,000,000.00	$12,084,337.06
RAMP 2005-NC1	76112BQ94	$62,423,000.00	$25,177,881.59
RAMP 2005-RS1	76112BHX1	$10,000,000.00	$10,000,000.00
RAMP 2005-RS1	76112BJH4	$10,000,000.00	$7,377,835.23
RAMP 2005-RS1	76112BJG6	$9,690,000.00	$5,983,691.73
RAMP 2005-RS1	76112BHY9	$4,165,000.00	$2,546,583.13
RAMP 2005-RS1	76112BHW3	$8,139,000.00	$2,335,511.15
RAMP 2005-RS1	76112BHZ6	$2,300,000.00	$2,167,784.09
RAMP 2005-RS1	76112BJB7	$1,500,000.00	$594,015.49
RAMP 2005-RS2	76112BKE9	$3,938,000.00	$3,938,000.00
RAMP 2005-RS2	76112BKF6	$3,688,000.00	$3,603,074.99
RAMP 2005-RS2	76112BKC3	$390,000.00	$390,000.00
RAMP 2005-RS3	76112BLH1	$10,487,000.00	$10,487,000.00
RAMP 2005-RS3	76112BLP3	$5,587,000.00	$5,587,000.00
RAMP 2005-RS3	76112BLK4	$4,906,000.00	$4,906,000.00
RAMP 2005-RS3	76112BLJ7	$4,625,000.00	$4,625,000.00
RAMP 2005-RS3	76112BLN8	$2,000,000.00	$2,000,000.00
RAMP 2005-RS4	76112BPA2	$14,660,000.00	$6,228,978.94
RAMP 2005-RS4	76112BPC8	$5,000,000.00	$5,000,000.00
RAMP 2005-RS4	76112BPF1	$3,000,000.00	$3,000,000.00
RAMP 2005-RS4	76112BPE4	$2,500,000.00	$2,500,000.00
RAMP 2005-RS5	76112BPU8	$20,289,000.00	$12,169,437.02
RAMP 2005-RS5	76112BPX2	$11,500,000.00	$11,500,000.00
RAMP 2005-RS5	76112BPY0	$8,750,000.00	$8,750,000.00
RAMP 2005-RS5	76112BPW4	$3,000,000.00	$3,000,000.00

Deal Name	Cusip	Sum Of Original Face	Sum Of Current Face
RAMP 2005-RS5	76112BPZ7	$2,500,000.00	$2,500,000.00
RAMP 2005-RS5	76112BQA1	$2,500,000.00	$2,500,000.00
RAMP 2005-RS6	76112BTS9	$4,300,000.00	$4,300,000.00
RAMP 2005-RS6	76112BTU4	$944,044.00	$944,044.00
RAMP 2005-RS7	76112BWV8	$40,000,000.00	$40,000,000.00
RAMP 2005-RS7	76112BWU0	$2,000,000.00	$15,006.49
RAMP 2005-RS8	76112BZF0	$178,300,000.00	$18,079,197.61
RAMP 2005-RS8	76112BZK9	$10,000,000.00	$10,000,000.00
RAMP 2005-RS8	76112BZL7	$3,983,000.00	$3,983,000.00
RAMP 2005-RS8	76112BZM5	$3,650,000.00	$3,333,200.24
RAMP 2005-RS9	76112BL81	$10,000,000.00	$8,144,162.23
RAMP 2005-RZ1	76112BMC1	$3,075,000.00	$2,098,810.64
RAMP 2005-RZ3	76112BA42	$7,350,000.00	$7,350,000.00
RAMP 2005-RZ3	76112BZZ6	$5,613,000.00	$5,613,000.00
RAMP 2005-RZ3	76112BZY9	$7,026,430.00	$950,568.84
RAMP 2005-RZ4	76112BN48	$10,000,000.00	$9,281,295.50
RAMP 2005-RZ4	76112BM72	$26,754,000.00	$5,856,793.31
RAMP 2005-SL1	76112BMS6	$76,216,000.00	$20,669,574.90
RAMP 2005-SL1	76112BMQ0	$34,244,200.00	$5,363,872.76
RAMP 2005-SL1	76112BMR8	$19,354,700.00	$3,673,290.70
RAMP 2005-SL1	76112BMX5	$4,076,800.00	$2,888,121.24
RAMP 2005-SL1	76112BMY3	$3,520,100.00	$1,920,074.18
RAMP 2005-SL1	76112BMM9	$2,475,000.00	$166,513.03
RAMP 2005-SL2	76112BUZ1	$22,145,000.00	$6,373,354.89
RAMP 2005-SL2	76112BUW8	$24,780,000.00	$4,107,671.07
RAMP 2005-SL2	76112BVE7	$3,802,100.00	$2,445,045.16
RAMP 2005-SL2	76112BVF4	$3,039,400.00	$1,963,527.92
RAMP 2005-SL2	76112BUX6	$7,350,000.00	$1,926,493.93
RAMP 2005-SL2	76112BUY4	$2,519,000.00	$657,614.11
RAMP 2005-SL2	76112BUV0	$7,000,000.00	$303,221.92

Deal Name	Cusip	Sum Of Original Face	Sum Of Current Face
RAMP 2005-SL2	76112BVB3	$1,390,306.00	$184,320.85
RAMP 2006-EFC1	76112BW22	$5,490,000.00	$5,490,000.00
RAMP 2006-EFC1	76112BW30	$4,941,000.00	$2,258,349.62
RAMP 2006-EFC2	749238AB7	$28,640,000.00	$1,517,991.00
RAMP 2006-NC1	76112BW97	$132,750,000.00	$26,358,652.87
RAMP 2006-NC1	76112BX21	$16,044,500.00	$16,044,500.00
RAMP 2006-NC1	76112BX39	$5,640,000.00	$5,640,000.00
RAMP 2006-NC2	75156TAB6	$177,000,000.00	$54,784,911.58
RAMP 2006-NC2	75156TAC4	$8,650,000.00	$8,650,000.00
RAMP 2006-NC2	75156TAD2	$4,720,000.00	$4,720,000.00
RAMP 2006-NC2	75156TAE0	$4,180,000.00	$4,180,000.00
RAMP 2006-NC2	75156TAF7	$3,000,000.00	$1,661,418.67
RAMP 2006-NC3	76112B4M9	$67,650,000.00	$24,337,082.03
RAMP 2006-RS1	76112BT83	$142,400,000.00	$40,984,787.83
RAMP 2006-RS1	76112BU32	$10,000,000.00	$9,480,809.20
RAMP 2006-RS2	76112B2C3	$214,820,000.00	$58,010,800.41
RAMP 2006-RS2	76112B2E9	$4,400,000.00	$4,400,000.00
RAMP 2006-RS2	76112B2F6	$3,800,000.00	$2,623,297.82
RAMP 2006-RS3	75156VAC9	$75,000,000.00	$46,815,957.76
RAMP 2006-RS4	75156WAC7	$114,300,000.00	$78,293,576.05
RAMP 2006-RS4	75156WAD5	$34,312,810.00	$34,312,810.00
RAMP 2006-RS4	75156WAF0	$10,000,000.00	$8,272,962.37
RAMP 2006-RS5	75156YAC3	$60,000,000.00	$33,902,496.85
RAMP 2006-RS6	75156QAD8	$30,000,000.00	$24,735,661.96
RAMP 2006-RS6	75156QAC0	$29,896,749.00	$23,103,490.41
RAMP 2006-RZ1	76112BY87	$66,402,000.00	$9,462,919.04
RAMP 2006-RZ1	76112BZ29	$8,000,000.00	$8,000,000.00
RAMP 2006-RZ1	76112BZ78	$4,000,000.00	$1,457,622.54
RAMP 2006-RZ2	75156UAB3	$30,044,000.00	$11,208,239.22
RAMP 2006-RZ3	75156MAB1	$73,066,000.00	$37,281,085.61

Deal Name	Cusip	Sum Of Original Face	Sum Of Current Face
RAMP 2006-RZ3	75156MAD7	$28,200,000.00	$28,200,000.00
RAMP 2006-RZ3	75156MAE5	$2,000,000.00	$2,000,000.00
RAMP 2006-RZ3	75156MAF2	$7,000,000.00	$1,654,046.15
RAMP 2006-RZ4	75156XAB7	$190,256,318.55	$107,160,858.53
RAMP 2006-RZ4	75156XAD3	$46,910,000.00	$46,910,000.00
RAMP 2006-RZ4	75156XAE1	$30,080,000.00	$30,080,000.00
RAMP 2006-RZ4	75156XAF8	$18,480,000.00	$6,906,503.91
RAMP 2006-RZ4	75156XAC5	$4,340,620.00	$4,340,620.00
RAMP 2006-RZ5	749239AD1	$6,400,000.00	$4,341,988.16
RAMP 2007-RS1	74923RAC3	$124,951,000.00	$122,382,552.82
RAMP 2007-RS1	74923RAD1	$52,287,000.00	$52,287,000.00
RAMP 2007-RS2	75157DAB0	$11,000,000.00	$11,000,000.00
RAMP 2007-RS2	75157DAA2	$92,422,000.00	$1,357,531.55
RAMP 2007-RZ1	74923PAB9	$645,000.00	$568,928.73
RASC 2004-KS1	74924PAM4	$15,000,000.00	$5,688,468.09
RASC 2004-KS1	74924PAE2	$5,600,000.00	$5,600,000.00
RASC 2004-KS1	74924PAJ1	$5,600,000.00	$2,170,170.60
RASC 2004-KS1	74924PAH5	$1,200,000.00	$432,225.48
RASC 2004-KS1	74924PAN2	$250,000.00	$27,172.46
RASC 2004-KS10	76110WF84	$13,614,000.00	$10,272,334.60
RASC 2004-KS10	76110WG34	$7,000,000.00	$4,282,973.02
RASC 2004-KS10	76110WG26	$9,000,000.00	$248,459.26
RASC 2004-KS12	76110WK88	$5,180,000.00	$3,701,602.32
RASC 2004-KS2	76110WWF9	$7,500,000.00	$7,500,000.00
RASC 2004-KS2	76110WWG7	$4,650,000.00	$2,488,695.18
RASC 2004-KS2	76110WWJ1	$5,375,000.00	$2,221,100.75
RASC 2004-KS2	76110WWK8	$4,925,000.00	$2,035,147.86
RASC 2004-KS2	76110WWN2	$5,000,000.00	$1,910,537.87
RASC 2004-KS2	76110WWH5	$4,000,000.00	$1,646,616.79
RASC 2004-KS2	76110WWP7	$5,000,000.00	$640,050.65

Deal Name	Cusip	Sum Of Original Face	Sum Of Current Face
RASC 2004-KS2	76110WWE2	$2,500,000.00	$497,509.89
RASC 2004-KS2	76110WWQ5	$4,000,000.00	$485,550.23
RASC 2004-KS3	76110WWY8	$8,750,000.00	$8,750,000.00
RASC 2004-KS3	76110WXF8	$8,375,000.00	$4,453,747.86
RASC 2004-KS3	76110WXG6	$10,000,000.00	$1,261,444.30
RASC 2004-KS3	76110WXH4	$4,000,000.00	$684,922.67
RASC 2004-KS3	76110WWX0	$1,150,000.00	$263,332.71
RASC 2004-KS4	76110WXR2	$9,700,000.00	$9,700,000.00
RASC 2004-KS5	76110WYM2	$22,000,000.00	$13,257,445.50
RASC 2004-KS5	76110WYD2	$6,500,000.00	$6,500,000.00
RASC 2004-KS5	76110WYF7	$8,500,000.00	$4,163,788.62
RASC 2004-KS5	76110WYG5	$6,000,000.00	$2,950,022.79
RASC 2004-KS5	76110WYN0	$10,000,000.00	$1,839,241.73
RASC 2004-KS5	76110WYC4	$3,000,000.00	$1,206,793.58
RASC 2004-KS5	76110WYP5	$14,500,000.00	$865,310.17
RASC 2004-KS6	76110WZX7	$30,000,000.00	$17,747,971.60
RASC 2004-KS6	76110WZN9	$6,617,000.00	$6,617,000.00
RASC 2004-KS6	76110WZY5	$10,000,000.00	$2,074,463.58
RASC 2004-KS6	76110WZU3	$3,750,000.00	$1,977,420.69
RASC 2004-KS6	76110WZV1	$2,750,000.00	$1,855,137.45
RASC 2004-KS6	76110WZP4	$3,000,000.00	$1,638,231.02
RASC 2004-KS8	76110WD52	$3,700,000.00	$2,100,986.84
RASC 2004-KS8	76110WC79	$3,000,000.00	$1,522,638.57
RASC 2004-KS8	76110WC95	$2,300,000.00	$1,461,157.45
RASC 2004-KS9	76110WE69	$11,000,000.00	$11,000,000.00
RASC 2004-KS9	76110WF35	$55,700,000.00	$3,580,968.41
RASC 2004-KS9	76110WE51	$9,000,000.00	$2,798,705.96
RASC 2005-AHL1	76110W4G8	$3,564,000.00	$3,564,000.00
RASC 2005-AHL1	76110W4E3	$3,000,000.00	$3,000,000.00
RASC 2005-AHL1	76110W4K9	$2,112,000.00	$1,073,321.57

Deal Name	Cusip	Sum Of Original Face	Sum Of Current Face
RASC 2005-AHL1	76110W4J2	$500,000.00	$500,000.00
RASC 2005-AHL1	76110W4D5	$16,500,000.00	$225,410.86
RASC 2005-AHL2	76110W5G7	$12,150,000.00	$12,150,000.00
RASC 2005-AHL2	76110W5J1	$2,200,000.00	$2,200,000.00
RASC 2005-AHL2	76110W5K8	$1,500,000.00	$1,500,000.00
RASC 2005-AHL3	76110W6L5	$49,000,000.00	$8,762,120.45
RASC 2005-EMX1	76110WQ66	$7,500,000.00	$2,441,957.10
RASC 2005-EMX2	76110W2G0	$8,274,837.00	$8,274,837.00
RASC 2005-EMX2	76110W2J4	$6,839,000.00	$6,839,000.00
RASC 2005-EMX3	75405MAK0	$5,000,000.00	$5,000,000.00
RASC 2005-EMX3	75405MAF1	$1,000,000.00	$978,212.49
RASC 2005-EMX4	76110W6E1	$10,000,000.00	$8,958,505.52
RASC 2005-EMX4	76110W5X0	$24,140,000.00	$608,980.59
RASC 2005-KS1	76110WM37	$12,350,000.00	$10,255,314.10
RASC 2005-KS10	75405WAC6	$12,372,000.00	$12,372,000.00
RASC 2005-KS10	75405WAF9	$6,500,000.00	$6,500,000.00
RASC 2005-KS10	75405WAH5	$6,500,000.00	$6,500,000.00
RASC 2005-KS10	75405WAE2	$5,160,000.00	$5,160,000.00
RASC 2005-KS10	75405WAJ1	$5,000,000.00	$4,260,613.89
RASC 2005-KS10	75405WAG7	$4,000,000.00	$4,000,000.00
RASC 2005-KS10	75405WAB8	$5,000,000.00	$335,253.03
RASC 2005-KS11	76110W7D2	$7,000,000.00	$7,000,000.00
RASC 2005-KS11	76110W7E0	$5,750,000.00	$5,750,000.00
RASC 2005-KS11	76110W7A8	$23,969,000.00	$518,815.34
RASC 2005-KS12	753910AB4	$167,090,000.00	$21,262,557.03
RASC 2005-KS12	753910AD0	$5,535,000.00	$5,535,000.00
RASC 2005-KS12	753910AC2	$5,087,000.00	$5,087,000.00
RASC 2005-KS2	76110WN69	$10,000,000.00	$8,517,521.32
RASC 2005-KS3	76110WS31	$3,000,000.00	$2,774,174.72
RASC 2005-KS3	76110WS72	$1,600,000.00	$1,107,505.79

Deal Name	Cusip	Sum Of Original Face	Sum Of Current Face
RASC 2005-KS3	76110WS98	$1,000,000.00	$215,051.64
RASC 2005-KS4	76110WU61	$11,427,000.00	$8,646,818.79
RASC 2005-KS4	76110WU87	$500,000.00	$500,000.00
RASC 2005-KS4	76110WV37	$1,000,000.00	$81,229.91
RASC 2005-KS5	76110WW77	$2,762,000.00	$2,762,000.00
RASC 2005-KS5	76110WW69	$5,406,000.00	$2,619,680.96
RASC 2005-KS5	76110WX43	$2,198,000.00	$2,198,000.00
RASC 2005-KS5	76110WX35	$1,811,000.00	$1,811,000.00
RASC 2005-KS5	76110WX50	$1,702,000.00	$778,032.96
RASC 2005-KS6	76110WY75	$4,000,000.00	$4,000,000.00
RASC 2005-KS6	76110WZ25	$3,500,000.00	$3,500,000.00
RASC 2005-KS6	76110WY91	$2,500,000.00	$2,500,000.00
RASC 2005-KS6	76110WY83	$1,750,000.00	$1,750,000.00
RASC 2005-KS6	76110WY67	$3,292,000.00	$1,349,242.59
RASC 2005-KS7	76110W2Z8	$4,001,000.00	$4,001,000.00
RASC 2005-KS7	76110W3C8	$4,000,000.00	$4,000,000.00
RASC 2005-KS7	76110W2X3	$3,402,000.00	$3,168,683.66
RASC 2005-KS7	76110W3B0	$2,000,000.00	$2,000,000.00
RASC 2005-KS7	76110W2Y1	$1,202,000.00	$1,202,000.00
RASC 2005-KS7	76110W2V7	$10,000,000.00	$0.00
RASC 2005-KS8	76110W3T1	$7,000,000.00	$7,000,000.00
RASC 2005-KS8	76110W3X2	$5,900,000.00	$5,900,000.00
RASC 2005-KS8	76110W3S3	$5,500,000.00	$5,500,000.00
RASC 2005-KS8	76110W3U8	$3,500,000.00	$3,500,000.00
RASC 2005-KS9	754058AL9	$3,250,000.00	$3,250,000.00
RASC 2005-KS9	754058AG0	$3,000,000.00	$3,000,000.00
RASC 2005-KS9	754058AF2	$1,779,941.00	$1,779,941.00
RASC 2005-KS9	754058AB1	$28,000,000.00	$0.00
RASC 2006-EMX1	75405KAG3	$3,140,000.00	$3,140,000.00
RASC 2006-EMX1	75405KAF5	$3,020,000.00	$3,020,000.00

Deal Name	Cusip	Sum Of Original Face	Sum Of Current Face
RASC 2006-EMX1	75405KAB4	$8,400,000.00	$1,118,039.34
RASC 2006-EMX2	75406AAC3	$16,596,000.00	$16,596,000.00
RASC 2006-EMX2	75406AAB5	$60,139,000.00	$13,559,341.24
RASC 2006-EMX2	75406AAD1	$6,000,000.00	$6,000,000.00
RASC 2006-EMX3	76113ABZ3	$240,966,000.00	$81,498,726.85
RASC 2006-EMX4	75406DAC7	$50,000,000.00	$35,660,535.05
RASC 2006-EMX5	74924QAC4	$50,000,000.00	$40,627,360.38
RASC 2006-EMX6	754065AC4	$22,070,000.00	$21,903,194.98
RASC 2006-EMX6	754065AE0	$11,800,000.00	$11,800,000.00
RASC 2006-EMX6	754065AF7	$5,250,000.00	$1,977,875.46
RASC 2006-EMX7	74924TAC8	$49,437,000.00	$49,437,000.00
RASC 2006-EMX8	74924UAC5	$41,325,000.00	$41,325,000.00
RASC 2006-EMX8	74924UAB7	$62,403,000.00	$15,957,746.09
RASC 2006-EMX9	74924VAC3	$19,350,000.00	$19,350,000.00
RASC 2006-EMX9	74924VAD1	$10,000,000.00	$10,000,000.00
RASC 2006-KS1	76113AAF8	$26,783,000.00	$26,783,000.00
RASC 2006-KS1	76113AAE1	$66,000,000.00	$15,482,646.26
RASC 2006-KS1	76113AAG6	$12,581,240.00	$12,581,240.00
RASC 2006-KS1	76113AAH4	$5,000,000.00	$5,000,000.00
RASC 2006-KS1	76113AAK7	$4,500,000.00	$4,500,000.00
RASC 2006-KS2	75406BAF4	$23,500,000.00	$23,500,000.00
RASC 2006-KS2	75406BAE7	$14,230,000.00	$14,230,000.00
RASC 2006-KS2	75406BAC1	$35,996,000.00	$8,724,635.75
RASC 2006-KS2	75406BAG2	$7,000,000.00	$7,000,000.00
RASC 2006-KS2	75406BAJ6	$2,500,000.00	$743,081.43
RASC 2006-KS3	76113ABJ9	$13,000,000.00	$13,000,000.00
RASC 2006-KS3	76113ABL4	$12,700,000.00	$12,700,000.00
RASC 2006-KS3	76113ABH3	$25,860,000.00	$7,629,300.26
RASC 2006-KS3	76113ABM2	$7,500,000.00	$7,500,000.00
RASC 2006-KS4	75406EAC5	$32,000,000.00	$17,265,755.42

Deal Name	Cusip	Sum Of Original Face	Sum Of Current Face
RASC 2006-KS4	75406EAD3	$17,038,000.00	$17,038,000.00
RASC 2006-KS5	75406VAC7	$84,000,000.00	$68,431,902.21
RASC 2006-KS5	75406VAD5	$26,928,000.00	$26,928,000.00
RASC 2006-KS5	75406VAE3	$12,300,000.00	$12,300,000.00
RASC 2006-KS6	75406WAC5	$36,634,000.00	$30,637,551.16
RASC 2006-KS6	75406WAE1	$9,000,000.00	$9,000,000.00
RASC 2006-KS6	75406WAG6	$8,887,000.00	$5,977,851.33
RASC 2006-KS6	75406WAF8	$2,000,000.00	$2,000,000.00
RASC 2006-KS7	75406XAC3	$44,647,000.00	$38,240,894.29
RASC 2006-KS8	74924RAC2	$83,565,000.00	$83,565,000.00
RASC 2006-KS8	74924RAD0	$58,063,000.00	$58,063,000.00
RASC 2006-KS8	74924RAE8	$20,112,000.00	$20,112,000.00
RASC 2006-KS8	74924RAF5	$18,183,000.00	$9,175,572.46
RASC 2006-KS9	75406YAC1	$65,000,000.00	$65,000,000.00
RASC 2006-KS9	75406YAB3	$15,000,000.00	$5,748,734.94
RASC 2007-KS1	74924SAC0	$13,600,000.00	$13,600,000.00
RASC 2007-KS1	74924SAF3	$2,200,000.00	$1,165,088.05
RASC 2007-KS2	74924WAC1	$20,515,000.00	$20,515,000.00
RASC 2007-KS2	74924WAB3	$2,500,000.00	$2,053,337.73
RASC 2007-KS3	74924YAC7	$59,000,000.00	$59,000,000.00
RASC 2007-KS3	74924YAB9	$50,082,000.00	$46,323,949.39
RASC 2007-KS4	74924NAB3	$17,500,000.00	$17,500,000.00
RASC 2007-KS4	74924NAA5	$50,210,000.00	$1,632,885.32
RASC 2007-KS4	74924NAF4	$800,000.00	$595,300.37
RFMS2 2004-HI1	76110VPR3	$12,774,000.00	$5,375,864.86
RFMS2 2004-HI1	76110VPT9	$6,615,000.00	$1,456,111.01
RFMS2 2004-HI1	76110VPU6	$3,400,000.00	$751,602.81
RFMS2 2004-HI1	76110VPV4	$2,350,000.00	$519,490.16
RFMS2 2004-HI1	76110VPS1	$2,000,000.00	$431,477.93
RFMS2 2004-HI1	76110VPW2	$1,125,000.00	$248,692.11

Deal Name	Cusip	Sum Of Original Face	Sum Of Current Face
RFMS2 2004-HI2	76110VQS0	$20,161,000.00	$9,843,248.50
RFMS2 2004-HS1	76110VQC5	$15,000,000.00	$3,704,850.20
RFMS2 2004-HS2	76110VQM3	$89,000,000.00	$4,891,352.74
RFMS2 2004-HS2	76110VQJ0	$10,000,000.00	$1,279,156.28
RFMS2 2005-HI1	76110VRD2	$8,000,000.00	$5,222,408.91
RFMS2 2005-HI2	76110VRJ9	$10,154,000.00	$9,898,144.21
RFMS2 2005-HI2	76110VRK6	$1,000,000.00	$462,390.21
RFMS2 2005-HI3	76110VSG4	$12,425,000.00	$12,425,000.00
RFMS2 2005-HI3	76110VSF6	$2,325,000.00	$2,325,000.00
RFMS2 2005-HS1	76110VRX8	$75,000.00	$75,000.00
RFMS2 2005-HSA1	76110VSY5	$20,544,000.00	$17,135,868.39
RFMS2 2006-HI1	76110VTV0	$17,614,000.00	$2,344,608.40
RFMS2 2006-HI1	76110VUE6	$2,850,000.00	$1,546,289.62
RFMS2 2006-HI2	437185AC5	$1,200,000.00	$839,102.88
RFMS2 2006-HI3	43718NAC6	$28,586,000.00	$20,121,732.33
RFMS2 2006-HI4	43718MAD6	$15,000,000.00	$15,000,000.00
RFMS2 2006-HSA1	76110VTF5	$167,000.00	$136,765.03
RFMS2 2006-HSA1	76110VTE8	$155,000.00	$118,648.19
RFMS2 2006-HSA2	76110VTR9	$14,715,000.00	$11,361,763.69
RFMS2 2006-HSA2	76110VTQ1	$7,095,000.00	$7,095,000.00
RFMS2 2006-HSA2	76110VTS7	$982,000.00	$188,532.63
RFMS2 2006-HSA2	76110VTP3	$125,000.00	$104,019.92
RFMS2 2006-HSA3	76113JAA0	$28,340,000.00	$3,990,692.56
RFMS2 2007-HI1	43718WAC6	$7,550,000.00	$7,550,000.00
RFMS2 2007-HSA2	43710RAG6	$44,000,000.00	$41,351,102.76
RFMS2 2007-HSA2	43710RAF8	$35,478,000.00	$35,478,000.00
RFMS2 2007-HSA3	43710WAF7	$31,124,000.00	$29,517,173.99
RFMS2 2007-HSA3	43710WAE0	$15,000,000.00	$15,000,000.00
RFMSI 2004-S1	76111XFD0	$18,000,000.00	$27,489,967.95
RFMSI 2004-S1	76111XFP3	$923,100.00	$518,269.40

Deal Name	Cusip	Sum Of Original Face	Sum Of Current Face
RFMSI 2004-S4	76111XHA4	$21,141,000.00	$19,887,000.00
RFMSI 2004-S4	76111XHD8	$19,898,000.00	$10,033,772.06
RFMSI 2004-S4	76111XHZ9	$4,314,300.00	$2,392,797.85
RFMSI 2004-S4	76111XJB0	$616,400.00	$341,867.88
RFMSI 2004-S5	76111XJW4	$16,913,000.00	$25,493,807.08
RFMSI 2004-S6	76111XNB5	$155,008,185.00	$24,602,302.03
RFMSI 2004-S6	76111XLX9	$17,415,332.00	$12,180,540.23
RFMSI 2004-S6	76111XLZ4	$10,553,000.00	$10,553,000.00
RFMSI 2004-S7	76111XNQ2	$105,288.00	$41,243.93
RFMSI 2004-S8	76111XNZ2	$15,300,000.00	$23,090,241.73
RFMSI 2004-S8	76111XNU3	$15,000,000.00	$10,793,439.93
RFMSI 2004-S9	76111XRD7	$32,000,000.00	$24,057,029.27
RFMSI 2004-S9	76111XRB1	$19,800,000.00	$19,800,000.00
RFMSI 2004-S9	76111XRL9	$127,000,000.00	$19,672,338.67
RFMSI 2004-S9	76111XRG0	$3,660,000.00	$562,571.06
RFMSI 2005-S1	76111XSK0	$203,320,667.00	$30,158,419.03
RFMSI 2005-S1	76111XRX3	$100,000,000.00	$14,886,339.31
RFMSI 2005-S2	76111XTR4	$23,903,000.00	$20,013,781.66
RFMSI 2005-S3	76111XUG6	$89,368,000.00	$14,799,184.98
RFMSI 2005-S5	76111XWT6	$12,310,000.00	$10,396,236.97
RFMSI 2005-S6	76111XXN8	$28,000,000.00	$23,795,750.59
RFMSI 2005-S6	76111XXR9	$24,475,000.00	$8,742,085.13
RFMSI 2005-S6	76111XXQ1	$58,900,000.00	$7,977,883.09
RFMSI 2005-S7	76111XZR7	$30,690,000.00	$5,421,925.58
RFMSI 2005-S7	76111XA29	$1,547,234.00	$710,499.12
RFMSI 2005-S7	76111XZV8	$2,015,000.00	$355,985.03
RFMSI 2005-S8	76111XC76	$29,879,000.00	$27,926,722.41
RFMSI 2005-S8	76111XC50	$100,000,000.00	$25,497,258.50
RFMSI 2005-S8	76111XC68	$12,673,000.00	$12,673,000.00
RFMSI 2005-S9	76111XF65	$366,598,962.00	$132,761,150.93

Deal Name	Cusip	Sum Of Original Face	Sum Of Current Face
RFMSI 2005-S9	76111XF24	$15,000,000.00	$15,000,000.00
RFMSI 2005-S9	76111XE90	$10,000,000.00	$14,091,189.32
RFMSI 2005-S9	76111XE33	$49,879,000.00	$13,928,476.46
RFMSI 2005-S9	76111XF57	$3,504,096.00	$1,510,686.83
RFMSI 2005-S9	76111XF99	$5,300,000.00	$733,021.98
RFMSI 2005-SA1	76111XTF0	$75,000,000.00	$15,048,069.15
RFMSI 2005-SA1	76111XTB9	$50,000,000.00	$5,413,251.20
RFMSI 2005-SA1	76111XTC7	$21,040,000.00	$2,277,896.16
RFMSI 2005-SA2	76111XVL4	$33,760,000.00	$11,277,484.98
RFMSI 2005-SA2	76111XVJ9	$10,075,000.00	$6,473,238.80
RFMSI 2005-SA2	76111XVE0	$7,455,000.00	$1,761,469.27
RFMSI 2005-SA2	76111XVG5	$1,000,000.00	$1,000,000.00
RFMSI 2005-SA3	76111XVZ3	$69,930,000.00	$20,570,507.34
RFMSI 2005-SA3	76111XWE9	$35,000,000.00	$11,344,114.94
RFMSI 2005-SA3	76111XWF6	$10,804,000.00	$6,833,798.54
RFMSI 2005-SA4	76111XYD9	$82,781,000.00	$41,979,229.93
RFMSI 2005-SA4	76111XYJ6	$69,500,000.00	$27,032,890.62
RFMSI 2005-SA4	76111XYH0	$65,000,000.00	$25,776,283.51
RFMSI 2005-SA4	76111XYF4	$17,530,000.00	$7,659,100.73
RFMSI 2005-SA4	76111XYC1	$16,000,000.00	$4,054,256.97
RFMSI 2005-SA4	76111XYE7	$1,833,000.00	$929,536.11
RFMSI 2005-SA5	76111XZB2	$97,687,000.00	$43,172,570.45
RFMSI 2005-SA5	76111XZA4	$70,173,900.00	$22,568,835.50
RFMSI 2005-SA5	76111XZC0	$11,000,000.00	$4,324,195.78
RFMSI 2006-KS6	75406WAD3	$31,498,000.00	$31,498,000.00
RFMSI 2006-S1	76111XJ61	$8,500,000.00	$1,024,211.35
RFMSI 2006-S1	76111XK44	$2,294,732.00	$947,656.99
RFMSI 2006-S10	74958DAA6	$220,000,000.00	$82,616,854.29
RFMSI 2006-S10	74958DAH1	$127,923,000.00	$20,766,069.93
RFMSI 2006-S10	74958DAG3	$15,000,000.00	$13,174,729.68

Deal Name	Cusip	Sum Of Original Face	Sum Of Current Face
RFMSI 2006-S10	74958DAL2	$1,773,523.00	$367,640.85
RFMSI 2006-S10	74958DAJ7	$599,347.00	$258,177.41
RFMSI 2006-S11	74958FAA1	$200,000,000.00	$75,832,800.10
RFMSI 2006-S11	74958FAD5	$7,393,000.00	$6,474,198.55
RFMSI 2006-S11	74958FAB9	$24,931,000.00	$3,476,388.82
RFMSI 2006-S11	74958FAE3	$1,448,359.00	$457,764.98
RFMSI 2006-S12	74958EAX4	$727,804,417.00	$274,928,982.46
RFMSI 2006-S12	74958EAD8	$50,000,000.00	$50,000,000.00
RFMSI 2006-S12	74958EAC0	$183,485,000.00	$27,882,303.15
RFMSI 2006-S12	74958EAV8	$112,277,350.00	$15,528,660.52
RFMSI 2006-S12	74958EAF3	$15,000,000.00	$15,000,000.00
RFMSI 2006-S12	74958EAJ5	$46,926,805.00	$12,084,524.62
RFMSI 2006-S12	74958EAY2	$524,821.00	$250,679.73
RFMSI 2006-S12	74958EAW6	$492,311.00	$218,341.13
RFMSI 2006-S12	74958EAU0	$209,746.00	$41,544.01
RFMSI 2006-S2	76111XM75	$260,567,948.00	$104,032,333.11
RFMSI 2006-S2	76111XM42	$45,141,000.00	$37,393,781.29
RFMSI 2006-S2	76111XM26	$14,000,000.00	$19,290,394.90
RFMSI 2006-S2	76111XL76	$8,500,000.00	$1,735,032.06
RFMSI 2006-S2	76111XM34	$1,000,000.00	$1,264,657.95
RFMSI 2006-S2	76111XM67	$658,812.00	$267,989.95
RFMSI 2006-S3	76111XQ22	$337,775,843.00	$138,668,781.55
RFMSI 2006-S3	76111XP56	$50,000,000.00	$13,594,001.60
RFMSI 2006-S3	76111XN90	$7,500,000.00	$8,781,254.61
RFMSI 2006-S3	76111XP98	$163,797.00	$103,372.29
RFMSI 2006-S4	762010AE6	$10,032,000.00	$10,032,000.00
RFMSI 2006-S4	762010AB2	$28,000,000.00	$5,667,759.06
RFMSI 2006-S4	762010AL0	$2,574,100.00	$1,149,800.80
RFMSI 2006-S4	762010AK2	$1,092,000.00	$1,016,832.20
RFMSI 2006-S5	74957EAX5	$678,078,630.00	$254,742,719.66

Deal Name	Cusip	Sum Of Original Face	Sum Of Current Face
RFMSI 2006-S5	74957EAF4	$39,131,000.00	$35,650,071.62
RFMSI 2006-S5	74957EAR8	$57,000,000.00	$29,996,388.60
RFMSI 2006-S5	74957EAE7	$19,184,000.00	$17,798,440.17
RFMSI 2006-S5	74957EAN7	$5,930,000.00	$5,343,306.42
RFMSI 2006-S5	74957EAQ0	$5,373,000.00	$973,873.79
RFMSI 2006-S5	74957EAM9	$1,000,000.00	$901,063.48
RFMSI 2006-S5	74957EAW7	$1,669,734.00	$517,425.44
RFMSI 2006-S6	74957VAT6	$599,553,773.00	$207,283,871.15
RFMSI 2006-S6	74957VAQ2	$32,849,000.00	$27,437,794.59
RFMSI 2006-S6	74957VAM1	$69,999,999.93	$22,616,534.52
RFMSI 2006-S6	74957VAJ8	$22,000,000.00	$6,868,488.98
RFMSI 2006-S6	74957VAS8	$2,070,240.00	$595,397.14
RFMSI 2006-S7	74958AAD6	$32,786,000.00	$29,373,428.34
RFMSI 2006-S7	74958AAH7	$30,000,000.00	$26,877,356.81
RFMSI 2006-S7	74958AAC8	$104,247,000.00	$17,062,077.17
RFMSI 2006-S7	74958AAJ3	$6,000,000.00	$5,328,507.22
RFMSI 2006-S7	74958AAL8	$1,570,946.00	$615,948.38
RFMSI 2006-S8	74957XAF2	$37,400,000.00	$35,769,546.93
RFMSI 2006-S8	74957XAN5	$50,080,000.00	$9,585,917.80
RFMSI 2006-S8	74957XAQ8	$8,546,000.00	$1,838,300.20
RFMSI 2006-S8	74957XAV7	$773,947.00	$234,817.81
RFMSI 2006-S9	749577AL6	$19,147,000.00	$18,794,123.35
RFMSI 2006-S9	749577AC6	$15,000,000.00	$2,468,178.10
RFMSI 2006-S9	749577AN2	$205,694.00	$98,123.79
RFMSI 2006-SA1	76111XG72	$80,815,000.00	$37,619,977.46
RFMSI 2006-SA1	76111XG98	$14,500,000.00	$6,102,313.33
RFMSI 2006-SA2	749574AC3	$40,778,220.00	$17,460,725.05
RFMSI 2006-SA2	749574AG4	$21,795,000.00	$10,394,314.81
RFMSI 2006-SA3	749575AA4	$15,363,000.00	$6,375,525.75
RFMSI 2006-SA3	749575AD8	$7,000,000.00	$5,895,166.88

Deal Name	Cusip	Sum Of Original Face	Sum Of Current Face
RFMSI 2006-SA3	749575AG1	$17,420,000.00	$5,769,644.21
RFMSI 2006-SA3	749575AJ5	$5,000,000.00	$2,007,792.86
RFMSI 2006-SA4	74958CAB6	$16,995,000.00	$6,156,025.83
RFMSI 2007-S1	749581AL8	$15,000,000.00	$13,367,809.87
RFMSI 2007-S1	749581AJ3	$8,000,000.00	$3,497,457.02
RFMSI 2007-S2	749583AJ9	$30,000,000.00	$28,039,031.17
RFMSI 2007-S2	749583AY6	$27,978,000.00	$21,010,285.72
RFMSI 2007-S2	749583AH3	$10,973,000.00	$10,366,382.22
RFMSI 2007-S3	74958BAH5	$28,115,000.00	$22,934,450.48
RFMSI 2007-S3	74958BAM4	$20,000,000.00	$16,065,109.52
RFMSI 2007-S3	74958BAQ5	$26,200,000.00	$3,933,879.89
RFMSI 2007-S4	74958YAB8	$72,244,357.00	$27,978,918.04
RFMSI 2007-S4	74958YAN2	$10,000,000.00	$8,517,878.90
RFMSI 2007-S4	74958YAE2	$2,150,000.00	$771,919.61
RFMSI 2007-S5	749580AB2	$100,000,000.00	$39,944,339.80
RFMSI 2007-S5	749580AC0	$51,497,000.00	$26,996,308.06
RFMSI 2007-S6	762009AL2	$53,000,000.00	$22,201,811.18
RFMSI 2007-S6	762009AK4	$4,000,000.00	$1,475,398.94
RFMSI 2007-S6	762009AR9	$18,899.43	$8,479.71
RFMSI 2007-S7	76200RAV0	$170,622,000.00	$97,354,764.97
RFMSI 2007-S7	76200RAC2	$75,000,000.00	$41,919,876.53
RFMSI 2007-S8	76200QAA8	$2,500,000.00	$1,304,277.38
RFMSI 2007-S9	74958VAA6	$78,440,000.00	$38,019,490.47
RFMSI 2007-SA1	74958WAC0	$66,660,000.00	$25,350,819.97
RFMSI 2007-SA1	74958WAF3	$46,363,200.00	$22,996,709.00
RFMSI 2007-SA1	74958WAA4	$2,800,000.00	$1,059,401.63
RFMSI 2007-SA2	74958XAF1	$27,804,800.00	$13,901,970.00
RFMSI 2007-SA2	74958XAC8	$19,478,400.00	$8,132,804.42
RFMSI 2007-SA2	74958XAB0	$14,000,000.00	$5,526,124.30
RFMSI 2007-SA3	74958TAJ2	$38,625,000.00	$17,386,053.08

Deal Name	Cusip	Sum Of Original Face	Sum Of Current Face
RFMSI 2007-SA3	74958TAB9	$20,895,000.00	$10,585,687.94
RFMSI 2007-SA4	74959AAF0	$73,536,400.00	$39,676,725.48
RFMSI 2007-SA4	74959AAB9	$35,000,000.00	$17,040,241.21
RFSC 2004-RP1A	760985S44	$7,000,000.00	$1,265,075.64
RFSC 2004-RP1A	760985S36	$14,577,000.00	$0.00

Exhibit 86

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AMENDED AND RESTATED RMBS TRUST SETTLEMENT AGREEMENT

This Amended and Restated RMBS Trust Settlement Agreement is entered into as of August 15, 2012, by and between Residential Capital, LLC and its direct and indirect subsidiaries (collectively, "ResCap" or the "Debtors"), on the one hand, and the Institutional Investors (as defined below), on the other hand (the "Settlement Agreement"), and amends and restates in its entirety the RMBS Trust Settlement Agreement entered into as of May 13, 2012, by and between ResCap, on the one hand, and the Institutional Investors, on the other hand. Each of ResCap and the Institutional Investors may be referred to herein as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, certain ResCap entities were the Seller, Depositor, Servicer and/or Master Servicer for the securitizations identified on the attached Exhibit A (the "Settlement Trusts");

WHEREAS, certain ResCap entities are parties to certain applicable Pooling and Servicing Agreements, Assignment and Assumption Agreements, Indentures, Mortgage Loan Purchase Agreements and/or other agreements governing the Settlement Trusts (the "Governing Agreements"), and certain ResCap entities have, at times, acted as Master Servicer and/or Servicer for the Settlement Trusts pursuant to certain of the Governing Agreements;

WHEREAS, pursuant to the Governing Agreements, certain ResCap entities have contributed or sold loans into the Settlement Trusts (the "Mortgage Loans");

WHEREAS, the Institutional Investors have alleged that certain loans held by the Settlement Trusts were originally contributed in breach of representations and warranties contained in the Governing Agreements, allowing the Investors in such Settlement Trusts to seek to compel the trustee or indenture trustee (each, a "Trustee") to take certain actions with respect to those loans, and further have asserted past and continuing covenant breaches and defaults by various ResCap entities under the Governing Agreements;

WHEREAS, the Institutional Investors have indicated their intent under the Governing Agreements for each Settlement Trust in which the Institutional Investors collectively hold or are authorized investment managers for holders of at least 25% of a particular tranche of the Securities (as defined below) held by such Settlement Trust either to seek action by the Trustee for such Settlement Trust or to pursue claims, including but not limited to claims to compel ResCap to cure the alleged breaches of representations and warranties, and ResCap disputes such claims and allegations of breach and waives no rights, and preserves all of its defenses, with respect to such allegations and putative cure requirements;

WHEREAS, the Institutional Investors are jointly represented by Talcott Franklin P.C. ("Talcott Franklin"); Miller, Johnson, Snell & Cummiskey, P.L.C. ("Miller Johnson"); and Carter Ledyard & Milburn LLP ("Carter Ledyard") and have, through counsel, engaged in arm's length settlement negotiations with ResCap that included the exchange of confidential materials;

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WHEREAS, ResCap filed petitions for relief under chapter 11 of the Bankruptcy Code (the "Chapter 11 Cases") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court");

WHEREAS, ResCap and the Institutional Investors have reached agreement concerning all claims of the Settlement Trusts under the Governing Agreements; and

WHEREAS, the Parties therefore enter into this Settlement Agreement to set forth their mutual understandings and agreements for terms for resolving the disputes regarding the Governing Agreements:

AGREEMENT

NOW, THEREFORE, after good faith, arm's length negotiations without collusion, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to the following terms:

ARTICLE I. DEFINITIONS.

As used in this Settlement Agreement, in addition to the terms otherwise defined herein, the following terms shall have the meanings set forth below (the definitions to be applicable to both the singular and the plural forms of each term defined if both forms of such term are used in this Settlement Agreement). Any capitalized terms not defined in this Settlement Agreement shall have the definition given to them in the Governing Agreements.

Section 1.01 "Bankruptcy Code" shall mean title 11 of the United States Code.

Section 1.02 "Covered Trusts" means the Settlement Trusts listed in Exhibit D hereto and any other Settlement Trusts for which the Institutional Investors in the aggregate hold, and/or are authorized investment managers for holders of, 25% or more of the voting rights in one or more classes of notes, bonds and/or certificates backed by mortgage loans held by the Trusts.

Section 1.03 "Depositor Entity" means, for each individual Settlement Trust, the entity from the following list that the Governing Agreements define as the "Company" for that Settlement Trust, including but not limited to: Residential Funding Mortgage Securities I, Inc., Residential Funding Mortgage Securities II, Inc., Residential Asset Securities Corp., Residential Accredit Loans, Inc., and Residential Asset Mortgage Products, Inc.

Section 1.04 "Direction" shall mean the direction by the Institutional Investors, to the extent permitted by the Governing Agreements, directing any Trustee to take or refrain from taking any action; *provided, however*, that in no event shall the Institutional Investors be required to provide a Trustee with any security or indemnity for action or inaction taken at the direction of the Institutional Investors and the Institutional Investors shall not be required to directly or indirectly incur any costs, fees, or expenses to compel any action or inaction by a Trustee, except that the Institutional Investors shall continue to retain contingency counsel.

Section 1.05 "Effective Date" shall have the meaning ascribed in Section 2.01.

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Section 1.06 "Governmental Authority" shall mean any United States or foreign government, any state or other political subdivision thereof, any entity exercising executive, legislative, judicial, regulatory, or administrative functions of or pertaining to the foregoing, or any other authority, agency, department, board, commission, or instrumentality of the United States, any State of the United States or any political subdivision thereof or any foreign jurisdiction, and any court, tribunal, or arbitrator(s) of competent jurisdiction, and any United States or foreign governmental or non-governmental self-regulatory organization, agency, or authority (including the New York Stock Exchange, Nasdaq, and the Financial Industry Regulatory Authority).

Section 1.07 "Institutional Investors" shall mean the authorized investment managers and Investors identified in the attached signature pages.

Section 1.08 "Investors" shall mean all certificateholders, bondholders and noteholders in the Settlement Trusts, and their successors in interest, assigns, pledgees, and/or transferees.

Section 1.09 "Net Losses" means, with respect to any Settlement Trust, the amount of net losses for such Settlement Trust that have been or are estimated to be borne by that trust from its inception date to its expected date of termination, as determined by the Expert (as defined in Exhibit B) in accordance with the methodology described in Exhibit B. For the avoidance of doubt, a loss on a mortgage loan that has been reimbursed or indemnified by reason of applicable policies of mortgage or bond insurance shall be considered a loss on a mortgage loan and included within the calculation of "Net Losses."

Section 1.10 "Person" shall mean any individual, corporation, company, partnership, limited liability company, joint venture, association, trust, or other entity, including a Governmental Authority.

Section 1.11 "Petition Date" means the date on which ResCap files petitions under chapter 11 of the Bankruptcy Code.

Section 1.12 "Plan" shall mean a chapter 11 plan of reorganization for the Debtors.

Section 1.13 "Purchaser" means Nationstar Mortgage LLC or any other successful bidder for any or all of the Debtors' mortgage loan origination and servicing platform.

Section 1.14 "Scheduling Order" shall mean the Revised Joint Omnibus Scheduling Order and Provisions for Other Relief Regarding (I) Debtors' Motion Pursuant to Fed. R. Bankr. P. 9019 for Approval of RMBS Trust Settlement Agreements, and (II) the Trustees' Limited Objection to the Sale Motion, entered by the Bankruptcy Court on July 31, 2012.

Section 1.15 "Securities" shall mean securities, notes, bonds, certificates, and/or other instruments backed by mortgage loans held by Settlement Trusts.

Section 1.16 "Seller Entity" means, for each Settlement Trust, the entity from the following list that the Governing Agreements define as the "Seller" for that Trust, including but

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not limited to: Residential Funding Company LLC (f/k/a Residential Funding Corporation) and GMAC Mortgage LLC (f/k/a GMAC Mortgage Corporation).

ARTICLE II. SETTLEMENT PROCESS.

Section 2.01 Effective Date. This Settlement Agreement shall be effective immediately except as to the granting of allowed claims to the Accepting Trusts (as defined below in Section 5.01) and the releases set forth herein. The claims allowance and releases shall only be effective, with respect to a specific Accepting Trust on the date on which a Trustee accepts the settlement with respect to such Settlement Trust (the "Effective Date"). However, for the sake of clarity, the Debtors' obligations hereunder are subject to the approval of this Settlement Agreement by the Court.

Section 2.02 Bankruptcy Court Approval. The Debtors (a) orally presented this Settlement Agreement in court on the Petition Date, including the agreed amount of the Total Allowed Claim (as defined below in Section 5.01), and (b) shall comply with the schedule for the approval of this Settlement Agreement set forth in the Scheduling Order. The Trustee for each Settlement Trust may accept the offer of a compromise contemplated by this Settlement Agreement on behalf of such Settlement Trust, within the time set forth in the Scheduling Order, by a writing substantially in the form of acceptance included in the proposed order for approval of this Settlement Agreement to be submitted to the Bankruptcy Court.

Section 2.03 Standing. The Debtors agree that the Institutional Investors are parties in interest in the chapter 11 cases of ResCap for the purposes of enforcing rights and complying with obligations under this Settlement Agreement. The Parties further agree that they will not oppose any effort of the Institutional Investors or any other Investor(s) in seeking status as a party in interest in the Chapter 11 Cases.

ARTICLE III. REPRESENTATIONS AND WARRANTIES.

Section 3.01 Holdings and Authority. As of August 15, 2012, lead counsel to the Institutional Investors, Talcott Franklin, has represented to ResCap that the Institutional Investors hold Securities representing in aggregate 25% of the voting rights in one or more classes of the Securities issued by each of the Settlement Trusts identified on the attached Exhibit D. Each Institutional Investor represents that (i) it has the authority to take the actions contemplated by this Settlement Agreement, to the extent that it has the authority with respect to any other entities, account holders, or accounts for which or on behalf of which it is signing this Settlement Agreement, and (ii) it holds, or is the authorized investment manager for the holders of, the Securities listed in Exhibit D hereto, in the respective amounts set forth therein by CUSIP number, that such schedule was accurate as of the date set forth for the respective institution, and that since the date set forth for the Institutional Investor, the Institutional Investor has not, in the aggregate, materially decreased the Institutional Investor's holdings in the Securities. The Parties agree that the aggregate amounts of Securities collectively held by the Institutional Investors for each Settlement Trust may be disclosed publicly, but that the individual holdings of the Institutional Investors shall remain confidential, subject to review only by ResCap, the Bankruptcy Court, the Office of the United States Trustee, the Trustees, and the official committee of unsecured creditors appointed in the Chapter 11 Cases.

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Section 3.02 Holdings Retention. As of August 15, 2012, the Institutional Investors hold Securities representing in aggregate 25% of the voting rights in one or more classes of the Securities issued by each of the Settlement Trusts identified on the attached Exhibit D. The Institutional Investors, collectively, shall maintain holdings aggregating 25% of the voting rights in one or more classes of Securities of not less than 80% of the Covered Trusts ("Requisite Holdings") until the earliest of: (i) confirmation of a plan of reorganization, (ii) December 31, 2012, (iii) a Consenting Claimant Termination Event, or (iv) a Debtor Termination Event (as the terms in subsections (iii) and (iv) were defined in the plan support agreement agreed to by the Parties); *provided, however,* that any reduction in Requisite Holdings caused by exclusion of one or more trusts due to the exercise of voting rights by a third party guarantor or financial guaranty provider, shall not be considered in determining whether the Requisite Holdings threshold has been met. If the Requisite Holdings are not maintained, ResCap shall have the right to terminate the Settlement Agreement, but ResCap shall not terminate the Settlement Agreement before it has conferred in good faith with the Institutional Investors concerning whether termination is warranted. For the avoidance of doubt, other than as set forth above, this Settlement Agreement shall not restrict the right of any Institutional Investor to sell or exchange any Securities issued by a Settlement Trust free and clear of any encumbrance. The Institutional Investors will not sell any of the Securities for the purpose of avoiding their obligations under this Settlement Agreement, and each Institutional Investor commits to maintain at least one position in one of the Securities in one of the Settlement Trusts until the earliest of the dates set forth above. If the Debtor reaches a similar agreement to this with another bondholder group, the Debtor will include a substantially similar proportionate holdings requirement in that agreement as contained herein.

ARTICLE IV. DIRECTION TO TRUSTEES AND INDENTURE TRUSTEES.

Section 4.01 Direction to Trustees and Indenture Trustees. The relevant Institutional Investors for each Settlement Trust shall, by the time of the filing of a motion to approve this Settlement Agreement, provide the relevant Trustee with Direction to accept the settlement and compromises set forth herein. The Institutional Investors hereby agree to confer in good faith with ResCap as to any further or other Direction that may be reasonably necessary to effectuate the settlement contemplated herein, including filing motions and pleadings with the Bankruptcy Court and making statements in open court in support of the Debtors' restructuring.

Section 4.02 No Inconsistent Directions. Except for providing Directions in accordance with Section 4.01, the Institutional Investors agree that (i) between the date hereof and the Effective Date, with respect to the Securities issued by the Settlement Trusts, they will not, individually or collectively, direct, vote for, or take any other action that they may have the right or the option to take under the Governing Agreements or to join with any other Investors or the Trustee of any note, bond or other security issued by the Settlement Trusts, to cause the Trustees to enforce (or seek derivatively to enforce) any representations and warranties regarding the Mortgage Loans or the servicing of the Mortgage Loans, and (ii) to the extent that any of the Institutional Investors have already taken any such action, the applicable Institutional Investor will promptly rescind or terminate such action. Nothing in the foregoing shall restrict the ability of the Institutional Investors to demand that any Investor who seeks to direct the Trustee for a Settlement Trust post any indemnity or bond required by the Governing Agreements for the applicable Settlement Trust.

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Section 4.03 Amendments to Governing Agreements Regarding Financing of Advances. The Institutional Investors agree to use commercially reasonable efforts (which shall not require the giving of any indemnity or other payment obligation or expenditure of out-of-pocket funds) to negotiate any request by the Debtors or the Trustees for any Settlement Trusts with respect to which the servicing rights are being assumed and assigned to the Purchaser, and if any Trustee shall require a vote of the certificate or note holders with respect thereto, shall vote in favor of (to the extent agreement is reached) any amendment to the relevant Governing Agreements and related documents requested by the Debtors in order to permit "Advances" (as it or any similar term may be defined in the Governing Agreements) to be financeable and to make such other amendments thereto as may be reasonably requested by the Debtors in accordance with any agreement to acquire all or substantially all of the Debtors' servicing assets, so long as such changes would not cause material financial detriment to the Settlement Trusts, their respective trustees, certificate or note holders, or the Institutional Investors.

ARTICLE V. ALLOWANCE OF CLAIM.

Section 5.01 The Allowed Claim. ResCap hereby makes an irrevocable offer to settle, expiring at 5:00 p.m. prevailing New York time on the date that is set forth in the Scheduling Order, with each of the Settlement Trusts (the Settlement Trusts that timely agree to the terms of this Settlement Agreement being the "Accepting Trusts"). In consideration for such agreement, ResCap will provide a general unsecured claim of $8,700,000,000 in the aggregate against the Seller Entities and the Depositor Entities (as the Depositor Entities are jointly liable for such claim), and which claim is subject to the HoldCo Election (as defined below) right (the "Total Allowed Claim"), all of which shall be allocated and implemented as provided in Section 6.01. For the avoidance of doubt, the Total Allowed Claim shall be allocated among the Accepting Trusts, subject to the provisions of this Settlement Agreement. Subject to the provisions of this Settlement Agreement, the Accepting Trusts shall be allowed an aggregate claim in an amount calculated as set forth below (such claim, including any claim provided pursuant to the HoldCo Election, the "Allowed Claim"), which aggregate claim shall be allocated to each Accepting Trust pursuant to Article VI herein. The amount of the Allowed Claim shall equal (i) $8,700,000,000, less (ii) $8,700,000,000 multiplied by the percentage represented by (a) the total dollar amount of original principal balance for the Settlement Trusts not accepting the offer outlined above, divided by (b) the total dollar amount of original principal balance for all Settlement Trusts.

Section 5.02 Waiver of Setoff and Recoupment. By accepting the offer to settle contained in Section 5.01, each Accepting Trust irrevocably waives any right to setoff and/or recoupment such Accepting Trust may have against ResCap, subject to the exclusions set forth in Section 8.06 of this agreement.

ARTICLE VI. ALLOCATION OF ALLOWED CLAIM.

Section 6.01 The Allocation of the Allowed Claim. Each Accepting Trust shall, subject to the HoldCo Election, be allocated a share of the Allowed Claim against its Seller Entity (each, an "Allocated Seller Claim") and its Depositor Entity (each, an "Allocated Depositor Claim" and each Allocated Depositor Claim together with the Allocated Seller Claim as to a particular

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Accepting Trust, subject to the HoldCo Election, an "Allocated Claim"), calculated as set forth on Exhibit B hereto.

Section 6.02 HoldCo Election. At any time prior to confirmation of a chapter 11 plan in the Chapter 11 Cases, each Accepting Trust shall have the option to, by written notice to the Debtors, make one or more elections (each, a "HoldCo Election"), with respect to all or any portion of the amount of each Accepting Trust's Allocated Claim (subject to an aggregate cap equal to 20% of such Accepting Trust's Allocated Claim), to receive in lieu of such elected portion a general unsecured claim against Residential Capital, LLC ("HoldCo"). For each Accepting Trust as to which a HoldCo Election is made, such Accepting Trust shall have an allowed claim against HoldCo in the amount of the HoldCo Election(s) so made (subject to the aggregate cap described above) (the "Allowed Holdco Claim") and the amount of the Allocated Seller Claim and Allocated Depositor Claim of that Accepting Trust shall be reduced by the amount of such Trust's Allowed HoldCo Claim.

Section 6.03 In the event the Bankruptcy Court does not approve the Allowed Claim as to a particular Seller Entity, Depositor Entity, or the HoldCo, after giving effect to the HoldCo Election, the settlement shall remain in full force with respect to any other Seller Entity, Depositor Entity, or HoldCo (pursuant to the HoldCo Election), as applicable; *provided, however*, that if the Allowed Claim in the amounts proposed herein is not approved as to any of the Seller Entities, Depositor Entities, or HoldCo (pursuant to the HoldCo Election), the Institutional Investors shall have the right to terminate this Settlement Agreement upon written notice to the Debtors; *provided, further*, that in the event that the Bankruptcy Court does not approve the Allowed Claim as to a particular Seller Entity, Depositor Entity, or HoldCo (pursuant to the HoldCo Election), that particular Seller Entity, Depositor Entity, or, in the case of disapproval of the HoldCo Election, HoldCo shall not receive any release, waiver, or discharge of any Released Claims pursuant to Article VII.

Section 6.04 Legal Fees.

(a) ResCap and the Institutional Investors agree that Talcott Franklin, Miller Johnson, and Carter Leydard shall, on the Effective Date, be allocated legal fees as follows, as an integrated and nonseverable part of this Settlement Agreement. First, Talcott Franklin, Miller Johnson, and Carter Leydard, as counsel to the Institutional Investors, shall be allocated by ResCap without conveyance to the Trustees the percentages of the Allowed Claim set forth on the fee schedule attached hereto as Exhibit C, without requirement of submitting any form of estate retention or fee application, for their work relating to these cases and the settlement. Second, the Debtors and Institutional Investors may further agree at any time, that the Debtors may pay Talcott Franklin, Miller Johnson, and Carter Leydard in cash, in an amount that Talcott Franklin, Miller Johnson, and Carter Leydard respectively agree is equal to the cash value of their respective portions of the Allowed Claim, and in any such event, no estate retention application, fee application or further order of the Bankruptcy Court shall be required as a condition of the Debtors making such agreed allocation. Third, the Debtors agree and the settlement approval order shall provide that the amount of the Allowed Claim payable to Talcott Franklin, Miller Johnson, and Carter Leydard may be reduced to a separate claim stipulation for convenience of the parties.

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(b) In the event that, prior to acceptance of this compromise by a Trustee for a Settlement Trust other than a Covered Trust, counsel to Investors in such Settlement Trust cause a direction to be given by more than 25% of the holders of a tranche of such Settlement Trust to accept this compromise, then the same provisions as contained in Section 6.02(a) shall apply to such counsel, solely as to the amounts allocated to such Settlement Trust. Such counsel shall be entitled to a share of the fee for such trust equal to the ratio of (a) 25% minus the percentage of such tranche held by Institutional Investors divided by (b) 25%. Counsel would be required to identify itself and satisfy the Debtors and Institutional Investors as to the holdings of client-investors and that counsel caused such directions.

ARTICLE VII. RELEASES.

Section 7.01 Releases. Except as set forth in Article VIII, as of the Effective Date, with respect to each and every Accepting Trust, and in exchange for the Allowed Claim, the Institutional Investors, Accepting Trusts, Trustees in respect of such trusts, and any Persons claiming by, through or on behalf of such Accepting Trust or the Trustees of such trusts (including Investors claiming derivatively) (collectively, the "Releasors"), irrevocably and unconditionally grant a full, final, and complete release, waiver, and discharge of all alleged or actual claims, demands to repurchase, demands to cure, demands to substitute, counterclaims, defenses, rights of setoff, rights of rescission, liens, disputes, liabilities, losses, debts, costs, expenses, obligations, demands, claims for accountings or audits, alleged events of default, damages, rights, and causes of action of any kind or nature whatsoever, whether asserted or unasserted, known or unknown, suspected or unsuspected, fixed or contingent, in contract, tort, or otherwise, secured or unsecured, accrued or unaccrued, whether direct or derivative, arising under law or equity, against ResCap and its officers, directors, and employees (but in no case does this section apply to Ally Financial Inc. ("AFI") or any person who is an officer or director of AFI) that arise under the Governing Agreements. Such released claims include, but are not limited to, claims arising out of and/or relating to (i) the origination and sale of mortgage loans to the Accepting Trusts (including, without limitation, the liability of any Debtors that are party to a Pooling and Servicing Agreement with respect to representations and warranties made in connection with such sale or with respect to the noticing and enforcement of any remedies in respect of alleged breaches of such representations and warranties) (collectively, the "Origination-Related Provisions"), (ii) the documentation of the Mortgage Loans held by the Accepting Trusts including with respect to allegedly defective, incomplete, or non-existent documentation, as well as issues arising out of or relating to recordation, title, assignment, or any other matter relating to legal enforceability of a Mortgage or Mortgage Note, or any alleged failure to provide notice of such defective, incomplete or non-existent documentation, (iii) the servicing of the Mortgage Loans held by the Accepting Trusts (including any claim relating to the timing of collection efforts or foreclosure efforts, loss mitigation, transfers to subservicers, advances or servicing advances) (the "Servicing Claims"), but only to the extent assumed pursuant to Section 365 of the Bankruptcy Code by an assignee to the applicable Debtor in its capacity as Master Servicer or Servicer under any Governing Agreement (the "Assumed Servicing Claims"), (iv) any duty of a debtor as master servicer, servicer or sub-servicer to notice and enforce remedies in respect of alleged breaches of representations and warranties (together with the Assumed Servicing Claims, the "Released Servicing Claims"), (v) setoff or recoupment

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under the Governing Agreements against ResCap with respect to the Origination-Related Provisions or the Released Servicing Claims, and (vi) any loan seller that either sold loans to ResCap or AFI that were sold and transferred to such Accepting Trust or sold loans directly to such Accepting Trust, in all cases prior to the Petition Date (collectively, all such claims being defined as the "Released Claims"). For the avoidance of doubt, this release does not include individual direct claims for securities fraud or other disclosure-related claims arising from the purchase or sale of Securities.

Section 7.02 Release of Claims Against Investors, Accepting Trusts, and Trustees. Except as set forth in Article VIII, as of the Effective Date, ResCap irrevocably and unconditionally grants to the Accepting Trusts, Trustees in respect of such trusts, and Investors in such trusts, as well as such Accepting Trusts', Trustees' and Investors' respective officers, directors, and employees, a full final, and complete release, waiver, and discharge of all alleged or actual claims from any claim it may have under or arising out of the Governing Agreements.

Section 7.03 Agreement Not to Pursue Relief from the Stay. The Institutional Investors agree that neither they nor their successors in interest, assigns, pledges, delegates, affiliates, subsidiaries, and/or transferees, will seek relief from the automatic stay imposed by section 362 of the Bankruptcy Code in order to institute, continue or otherwise prosecute any action relating to the Released Claims; provided, however, nothing contained herein shall preclude the Institutional Investors or their advised clients from seeking any such relief with respect to direct claims for securities fraud or other disclosure-related claims arising from the purchase or sale of Securities. ResCap reserves its rights and defenses therewith.

Section 7.04 Inclusion of Accepting Trusts and Trustees in Plan Release and Exculpation Provisions. The Accepting Trusts and the Trustees in respect of any such Accepting Trust and their respective counsel shall be entitled to the benefit of any releases and plan exculpation provisions, if any, included in the Plan, which provisions shall be no less favorable than the releases and plan exculpation provisions extended to similarly situated creditors or parties in interest who are parties to any plan support agreement with ResCap.

ARTICLE VIII. CLAIMS NOT RELEASED

Section 8.01 Administration of the Mortgage Loans. The releases and waivers in Article VII herein do not include: (i) claims that first arise after the Effective Date and are based in whole or in part on any actions, inactions, or practices of the Master Servicer, Servicer, or Subservicer as to the servicing of the Mortgage Loans held by the Accepting Trusts, and (ii) any Servicing Claim that is not an Assumed Servicing Claim and for which the Court finds a cure or rejection claim exists pursuant to Section 365 of the Bankruptcy Code (it being understood that such cure or rejection claims, if any, are not intended to be affected by such releases and waivers).

Section 8.02 Financial-Guaranty Provider Rights and Obligations. To the extent that any third party guarantor or financial-guaranty provider with respect to any Settlement Trust has rights or obligations independent of the rights or obligations of the Investors, the Trustees, or the Settlement Trusts, the releases and waivers in Article VII are not intended to and shall not release such rights.

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Section 8.03 Settlement Agreement Rights. The Parties do not release or waive any rights or claims against each other to enforce the terms of this Settlement Agreement or the Allowed Claim.

Section 8.04 Disclosure Claims. The releases and waivers in Article VII do not include any claims based on improper disclosures under federal or state securities law.

Section 8.05 Reservation of Rights. Notwithstanding anything in this Settlement Agreement to the contrary, the Institutional Investors have not waived their right to file an objection to a motion of the holders of the ResCap 9 5/8% bonds requesting payment of any interest on account of their ResCap 9 5/8% bond claims that may be due and owing after the Petition Date.

Section 8.06 HoldCo Election. Notwithstanding anything in this Agreement, the right to make a HoldCo Election set forth in Section 6.02 is not released by this Agreement.

ARTICLE IX. RELEASE OF UNKNOWN CLAIMS.

Each of the Parties acknowledges that it has been advised by its attorneys concerning, and is familiar with, California Civil Code Section 1542 and expressly waives any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to the provisions of the California Civil Code Section 1542, including that provision itself, which reads as follows:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH, IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

The Parties acknowledge that inclusion of the provisions of this Article IX to this Settlement Agreement was a material and separately bargained for element of this Settlement Agreement.

ARTICLE X. OTHER PROVISIONS

Section 10.01 Voluntary Agreement. Each Party acknowledges that it has read all of the terms of this Settlement Agreement, has had an opportunity to consult with counsel of its own choosing or voluntarily waived such right and enters into this Settlement Agreement voluntarily and without duress.

Section 10.02 No Admission of Breach or Wrongdoing. ResCap has denied and continues to deny any breach, fault, liability, or wrongdoing. This denial includes, but is not limited to, breaches of representations and warranties, violations of state or federal securities laws, and other claims sounding in contract or tort in connection with any securitizations, including those for which ResCap was the Seller, Servicer and/or Master Servicer. Neither this Settlement Agreement, whether or not consummated, any proceedings relating to this Settlement Agreement, nor any of the terms of the Settlement Agreement, whether or not consummated,

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shall be construed as, or deemed to be evidence of, an admission or concession on the part of ResCap with respect to any claim or of any breach, liability, fault, wrongdoing, or damage whatsoever, or with respect to any infirmity in any defense that ResCap has or could have asserted.

Section 10.03 No Admission Regarding Claim Status. ResCap expressly states that in the event this Settlement Agreement is not consummated or is terminated prior to the Effective Date, then neither this Settlement Agreement, nor any proceedings relating to this Settlement Agreement, nor any of the terms of the Settlement Agreement, shall be construed as, or deemed to be evidence of, an admission or concession on the part of ResCap that any claims asserted by the Institutional Investors are not contingent, unliquidated or disputed. The Institutional Investors expressly state that in the event this Settlement Agreement is not consummated or is terminated prior to the Effective Date, neither this Settlement Agreement, nor any proceedings relating to this Settlement Agreement, nor any of the terms of the Settlement Agreement, shall be construed as, or deemed to be evidence of, an admission or concession on the part of the Institutional Investors that any claims asserted by the Institutional Investors and Trustees are not limited to the amounts set forth in this Settlement Agreement or are of any particular priority.

Section 10.04 Counterparts. This Settlement Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same Settlement Agreement. Delivery of a signature page to this Settlement Agreement by facsimile or other electronic means shall be effective as delivery of the original signature page to this Settlement Agreement.

Section 10.05 Joint Drafting. This Settlement Agreement shall be deemed to have been jointly drafted by the Parties, and in construing and interpreting this Settlement Agreement, no provision shall be construed and interpreted for or against any of the Parties because such provision or any other provision of the Settlement Agreement as a whole is purportedly prepared or requested by such Party.

Section 10.06 Entire Agreement. This document contains the entire agreement between the Parties, and may only be modified, altered, amended, or supplemented in writing signed by the Parties or their duly appointed agents. All prior agreements and understandings between the Parties concerning the subject matter hereof are superseded by the terms of this Settlement Agreement.

Section 10.07 Specific Performance. It is understood that money damages are not a sufficient remedy for any breach of this Settlement Agreement, and the Parties shall have the right, in addition to any other rights and remedies contained herein, to seek specific performance, injunctive, or other equitable relief from the Bankruptcy Court as a remedy for any such breach. The Parties hereby agree that specific performance shall be their only remedy for any violation of this Agreement.

Section 10.08 Authority. Each Party represents and warrants that each Person who executes this Settlement Agreement on its behalf is duly authorized to execute this Settlement Agreement on behalf of the respective Party, and that such Party has full knowledge of and has consented to this Settlement Agreement.

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Section 10.09 No Third Party Beneficiaries. There are no third party beneficiaries of this Settlement Agreement.

Section 10.10 Headings. The headings of all sections of this Settlement Agreement are inserted solely for the convenience of reference and are not a part of and are not intended to govern, limit, or aid in the construction or interpretation of any term or provision hereof.

Section 10.11 Notices. All notices or demands given or made by one Party to the other relating to this Settlement Agreement shall be in writing and either personally served or sent by registered or certified mail, postage paid, return receipt requested, overnight delivery service, or by electronic mail transmission, and shall be deemed to be given for purposes of this Settlement Agreement on the earlier of the date of actual receipt or three days after the deposit thereof in the mail or the electronic transmission of the message. Unless a different or additional address for subsequent notices is specified in a notice sent or delivered in accordance with this Section, such notices or demands shall be sent as follows:

To: Institutional Investors
c/o Talcott Franklin P.C.
208 N. Market Street
Suite 200
Dallas, TX 75202
Tel: 214-736-8730
Email: tal@talcottfranklin.com
-and-
Miller, Johnson, Snell & Cummiskey, P.L.C.
250 Monroe Avenue NW
Suite 800
P.O. Box 306
Grand Rapids, MI 49501-0306
Tel: 618-831-1748
Email: sarbt@millerjohnson.com
-and-
Carter Ledyard & Milburn LLP
2 Wall Street
New York, New York 10005
Tel: 212-238-8607
Email: gadsden@clm.com

To: ResCap
c/o Gary S. Lee
Jamie A. Levitt
Morrison & Foerster LLP
1290 Avenue of the Americas
New York, NY 10104
Tel: 212-468-8000

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Email: glee@mofo.com
jlevitt@mofo.com

Section 10.12 Disputes. This Settlement Agreement, and any disputes arising under or in connection with this Settlement Agreement, are to be governed by and construed in accordance with the laws of the State of New York, without giving effect to the choice of laws principles thereof. Further, by its execution and delivery of this Settlement Agreement, each of the Parties hereto hereby irrevocably and unconditionally agrees that the United States District Court for the Southern District of New York shall have jurisdiction to enforce this Settlement Agreement, *provided*, *however*, that, upon commencement of the Chapter 11 Cases, the Bankruptcy Court shall have exclusive jurisdiction of all matters arising out of or in connection with this Settlement Agreement.

Section 10.13 The Parties have agreed to include the following statement in the proposed order attached to the Debtors' motion to approve this Settlement Agreement: "Nothing contained in the RMBS Trust Settlement Agreement, the order approving the RMBS Trust Settlement Agreement, and any associated expert reports, including exhibits, schedules, declarations, and other documents attached thereto or referenced therein, or in any declarations, pleadings, or other documents or evidence submitted to, or filed in, the Bankruptcy Court in connection therewith, shall be construed as an admission of, or to prejudice in any way, Ally Financial Inc. and its non-Debtor direct and indirect subsidiaries and affiliates (collectively, "Ally") and may not be used as evidence against Ally in any court proceeding."

Section 10.14 Notwithstanding anything to the contrary in this Settlement Agreement, nothing herein is intended to or shall be deemed to amend any of the Governing Agreements for any Settlement Trust.

[REST OF PAGE INTENTIONALLY LEFT BLANK]

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Dated the 15th day of August, 2012.

Talcott Franklin P.C. on behalf of the
Institutional Investors

Signature:

Name: Talcott J. Franklin

Title: Principal, Talcott Franklin P.C.

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Dated the 15th day of August, 2012.

Residential Capital, LLC
for itself and its direct and indirect subsidiaries

Signature: Tammy Hamzehpour

Name: Tammy Hamzehpour

Title: General Counsel

ny-1054596

Exhibit A- Trusts

Deal Name	Original Issue Balance (in Thousands)	Deal Name	Original Issue Balance (in Thousands)
2004-AR1	635.0	2004-QS12	424.3
2004-AR2	510.1	2004-QS13	129.2
2004-GH1	224.1	2004-QS14	212.9
2004-HE1	1,292.3	2004-QS15	213.7
2004-HE2	711.5	2004-QS16	534.7
2004-HE3	977.3	2004-QS2	292.3
2004-HE4	1,018.0	2004-QS3	207.8
2004-HE5	700.0	2004-QS4	320.6
2004-HI1	235.0	2004-QS5	293.7
2004-HI2	275.0	2004-QS6	156.5
2004-HI3	220.0	2004-QS7	449.2
2004-HLTV1	175.0	2004-QS8	271.0
2004-HS1	477.1	2004-QS9	105.1
2004-HS2	604.1	2004-RP1	199.5
2004-HS3	284.0	2004-RS1	1,400.0
2004-J1	401.0	2004-RS10	1,250.0
2004-J2	400.6	2004-RS11	925.0
2004-J3	350.0	2004-RS12	975.0
2004-J4	600.1	2004-RS2	875.0
2004-J5	551.9	2004-RS3	600.0
2004-J6	408.0	2004-RS4	1,100.0
2004-KR1	2,000.0	2004-RS5	1,050.0
2004-KR2	1,250.0	2004-RS6	1,000.0
2004-KS1	950.0	2004-RS7	1,183.7
2004-KS10	986.0	2004-RS8	900.0
2004-KS11	692.7	2004-RS9	950.0
2004-KS12	541.8	2004-RZ1	485.0
2004-KS2	990.0	2004-RZ2	475.0
2004-KS3	675.0	2004-RZ3	360.0
2004-KS4	1,000.0	2004-RZ4	276.6
2004-KS5	1,175.0	2004-S1	307.7
2004-KS6	1,000.0	2004-S2	362.0
2004-KS7	850.0	2004-S3	228.3
2004-KS8	600.0	2004-S4	460.3
2004-KS9	600.0	2004-S5	423.5
2004-PS1	100.1	2004-S6	527.2
2004-QA1	201.3	2004-S7	105.3
2004-QA2	365.1	2004-S8	311.0
2004-QA3	320.1	2004-S9	645.9
2004-QA4	290.2	2004-SA1	250.1
2004-QA5	325.1	2004-SL1	632.9
2004-QA6	720.3	2004-SL2	499.0
2004-QS1	319.9	2004-SL3	222.5
2004-QS10	216.6	2004-SL4	206.5
2004-QS11	217.5	2004-SP1	233.7

Deal Name	Original Issue Balance (in Thousands)	Deal Name	Original Issue Balance (in Thousands)
2004-SP2	145.1	2005-KS8	1,165.8
2004-SP3	306.9	2005-KS9	487.0
2004-VFT	820.7	2005-NC1	870.8
2005-AA1	265.6	2005-QA1	296.7
2005-AF1	235.5	2005-QA10	621.8
2005-AF2	296.9	2005-QA11	525.1
2005-AHL1	463.7	2005-QA12	285.2
2005-AHL2	434.2	2005-QA13	560.2
2005-AHL3	488.8	2005-QA2	501.0
2005-AR1	399.8	2005-QA3	500.0
2005-AR2	458.4	2005-QA4	525.2
2005-AR3	523.7	2005-QA5	241.8
2005-AR4	386.1	2005-QA6	575.5
2005-AR5	597.2	2005-QA7	575.0
2005-AR6	592.0	2005-QA8	519.5
2005-EFC1	1,101.5	2005-QA9	650.5
2005-EFC2	679.3	2005-QO1	711.1
2005-EFC3	731.9	2005-QO2	425.1
2005-EFC4	707.8	2005-QO3	500.6
2005-EFC5	693.3	2005-QO4	797.0
2005-EFC6	672.7	2005-QO5	1,275.1
2005-EFC7	698.2	2005-QS1	214.6
2005-EMX1	792.8	2005-QS10	265.7
2005-EMX2	620.4	2005-QS11	213.6
2005-EMX3	674.5	2005-QS12	528.9
2005-EMX4	492.6	2005-QS13	639.2
2005-EMX5	380.0	2005-QS14	615.8
2005-HE1	991.1	2005-QS15	431.5
2005-HE2	1,113.5	2005-QS16	428.0
2005-HE3	988.0	2005-QS17	540.1
2005-HI1	240.0	2005-QS2	213.0
2005-HI2	240.0	2005-QS3	475.6
2005-HI3	224.9	2005-QS4	211.7
2005-HS1	853.8	2005-QS5	214.0
2005-HS2	577.5	2005-QS6	265.1
2005-HSA1	278.8	2005-QS7	370.0
2005-J1	525.5	2005-QS8	104.1
2005-KS1	708.8	2005-QS9	371.0
2005-KS10	1,299.2	2005-RP1	343.1
2005-KS11	1,339.3	2005-RP2	301.1
2005-KS12	1,117.2	2005-RP3	282.5
2005-KS2	543.4	2005-RS1	975.0
2005-KS3	413.5	2005-RS2	725.0
2005-KS4	411.1	2005-RS3	741.3
2005-KS5	401.8	2005-RS4	522.4
2005-KS6	596.2	2005-RS5	497.5
2005-KS7	387.6	2005-RS6	1,183.2

Deal Name	Original Issue Balance (in Thousands)	Deal Name	Original Issue Balance (in Thousands)
2005-RS7	493.0	2006-HI4	272.7
2005-RS8	660.0	2006-HI5	247.5
2005-RS9	1,179.0	2006-HLTV1	229.9
2005-RZ1	203.8	2006-HSA1	461.4
2005-RZ2	333.7	2006-HSA2	447.9
2005-RZ3	340.0	2006-HSA3	201.0
2005-RZ4	411.2	2006-HSA4	402.1
2005-S1	463.1	2006-HSA5	295.6
2005-S2	260.9	2006-J1	550.0
2005-S3	183.1	2006-KS1	840.1
2005-S4	259.4	2006-KS2	977.5
2005-S5	258.2	2006-KS3	1,125.9
2005-S6	412.9	2006-KS4	687.8
2005-S7	311.7	2006-KS5	687.1
2005-S8	312.3	2006-KS6	529.1
2005-S9	366.6	2006-KS7	532.7
2005-SA1	295.2	2006-KS8	535.9
2005-SA2	500.8	2006-KS9	1,197.1
2005-SA3	675.2	2006-NC1	536.8
2005-SA4	850.5	2006-NC2	745.2
2005-SA5	355.3	2006-NC3	504.9
2005-SL1	370.5	2006-QA1	603.9
2005-SL2	168.9	2006-QA10	375.5
2005-SP1	831.0	2006-QA11	372.4
2005-SP2	490.2	2006-QA2	394.0
2005-SP3	285.7	2006-QA3	398.5
2006-AR1	508.7	2006-QA4	304.4
2006-AR2	373.0	2006-QA5	695.6
2006-EFC1	593.2	2006-QA6	625.8
2006-EFC2	387.6	2006-QA7	588.2
2006-EMX1	424.6	2006-QA8	795.1
2006-EMX2	550.1	2006-QA9	369.2
2006-EMX3	773.6	2006-QH1	337.9
2006-EMX4	661.7	2006-QO1	901.2
2006-EMX5	580.2	2006-QO10	895.7
2006-EMX6	620.5	2006-QO2	665.5
2006-EMX7	495.3	2006-QO3	644.8
2006-EMX8	698.6	2006-QO4	843.2
2006-EMX9	728.8	2006-QO5	1,071.6
2006-HE1	1,274.2	2006-QO6	1,290.3
2006-HE2	626.2	2006-QO7	1,542.4
2006-HE3	1,142.3	2006-QO8	1,288.1
2006-HE4	1,159.1	2006-QO9	895.6
2006-HE5	1,244.5	2006-QS1	323.8
2006-HI1	214.2	2006-QS10	533.6
2006-HI2	237.4	2006-QS11	751.5
2006-HI3	223.2	2006-QS12	541.3

Deal Name	Original Issue Balance (in Thousands)	Deal Name	Original Issue Balance (in Thousands)
2006-QS13	641.0	2006-SP3	291.9
2006-QS14	753.7	2006-SP4	303.9
2006-QS15	538.6	2007-EMX1	692.9
2006-QS16	752.1	2007-HE1	1,185.9
2006-QS17	537.0	2007-HE2	1,240.9
2006-QS18	1,181.9	2007-HE3	350.6
2006-QS2	881.7	2007-HI1	255.0
2006-QS3	969.8	2007-HSA1	546.8
2006-QS4	752.3	2007-HSA2	1,231.4
2006-QS5	698.0	2007-HSA3	796.4
2006-QS6	858.8	2007-KS1	415.6
2006-QS7	537.5	2007-KS2	961.5
2006-QS8	966.3	2007-KS3	1,270.3
2006-QS9	540.1	2007-KS4	235.9
2006-RP1	293.0	2007-QA1	410.1
2006-RP2	317.0	2007-QA2	367.0
2006-RP3	290.4	2007-QA3	882.4
2006-RP4	357.4	2007-QA4	243.5
2006-RS1	1,173.6	2007-QA5	504.1
2006-RS2	785.6	2007-QH1	522.3
2006-RS3	741.6	2007-QH2	348.4
2006-RS4	887.5	2007-QH3	349.5
2006-RS5	382.6	2007-QH4	401.0
2006-RS6	372.2	2007-QH5	497.5
2006-RZ1	483.8	2007-QH6	597.0
2006-RZ2	368.6	2007-QH7	347.0
2006-RZ3	688.3	2007-QH8	560.1
2006-RZ4	851.8	2007-QH9	594.4
2006-RZ5	505.1	2007-QO1	625.1
2006-S1	367.1	2007-QO2	529.3
2006-S10	1,087.7	2007-QO3	296.3
2006-S11	623.2	2007-QO4	502.8
2006-S12	1,204.3	2007-QO5	231.2
2006-S2	260.6	2007-QS1	1,297.4
2006-S3	337.8	2007-QS10	435.8
2006-S4	313.9	2007-QS11	305.8
2006-S5	678.1	2007-QS2	536.7
2006-S6	599.6	2007-QS3	971.6
2006-S7	469.7	2007-QS4	746.9
2006-S8	416.3	2007-QS5	432.7
2006-S9	442.3	2007-QS6	808.3
2006-SA1	275.1	2007-QS7	803.3
2006-SA2	791.3	2007-QS8	651.8
2006-SA3	350.9	2007-QS9	707.0
2006-SA4	282.3	2007-RP1	334.4
2006-SP1	275.9	2007-RP2	263.3
2006-SP2	348.1	2007-RP3	346.6

Deal Name	Original Issue Balance (in Thousands)
2007-RP4	239.2
2007-RS1	478.3
2007-RS2	376.8
2007-RZ1	329.3
2007-S1	522.5
2007-S2	472.2
2007-S3	575.3
2007-S4	314.5
2007-S5	524.8
2007-S6	707.7
2007-S7	419.1
2007-S8	488.8
2007-S9	172.4
2007-SA1	310.8
2007-SA2	385.1
2007-SA3	363.8
2007-SA4	414.9
2007-SP1	346.6
2007-SP2	279.3
2007-SP3	298.1
Grand Total	**220,987.7**

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EXHIBIT B

ALLOCATION OF ALLOWED CLAIM

1. The Allowed Claim shall be allocated amongst the Accepting Trusts by the Trustees pursuant to the determination of a qualified financial advisor (the "Expert") who will make any determinations and perform any calculations required in connection with the allocation of the Allowed Claim among the Accepting Trusts. To the extent that the collateral in any Accepting Trust is divided by the Governing Agreements into groups of loans ("Loan Groups") so that ordinarily only certain classes of investors benefit from the proceeds of particular Loan Groups, those Loan Groups shall be deemed to be separate Accepting Trusts for purposes of the allocation and distribution methodologies set forth below. The Expert is to apply the following allocation formulas:

(i) *First*, the Expert shall calculate the amount of Net Losses for each Accepting Trust as a percentage of the sum of the Net Losses for all Accepting Trusts (such amount, the "Net Loss Percentage");

(ii) *Second*, the Expert shall calculate the "Allocated Depositor Claim" for each Accepting Trust by multiplying (A) the amount of the Allowed Claim by (B) the Net Loss Percentage for such Accepting Trust, expressed as a decimal; provided that the Expert shall be entitled to make adjustments to the Allocated Depositor Claim of each Accepting Trust to ensure that the effects of rounding do not cause the sum of the Allocated Depositor Claims for all Accepting Trusts to exceed the amount of the Allowed Claim; and

(iii) *Third*, the Expert shall calculate the "Allocated Seller Claim" for each Accepting Trust by multiplying (A) the amount of the Allowed Claim by (B) the Net Loss Percentage for such Accepting Trust, expressed as a decimal; provided that the Expert shall be entitled to make adjustments to the Allocated Seller Claim of each Accepting Trust to ensure that the effects of rounding do not cause the sum of the Allocated Seller Claims for all Accepting Trusts to exceed the amount of the Allowed Claim.

(iv) Any HoldCo Claim provided to an Accepting Trust making one or more HoldCo Elections, and any reduction to the Allocated Depositor Claim and Allocated Seller Claim of that Accepting Trust, shall be calculated pursuant to Section 6.02.

(v) For the avoidance of doubt, and subject to the HoldCo Election, each Accepting Trust shall receive an Allocated Claim only against its Seller Entity, which Allocated Claim its Depositor Entity is jointly liable for.

(vi) If applicable, the Expert shall calculate the portion of the Allocated Claim that relates to principal-only certificates or notes and the portion of the Allocated Claim that relates to all other certificates or notes.

2. All distributions from the Estate to an Accepting Trust on account of any Allocated Claim shall be treated as Subsequent Recoveries, as that term is defined in the Governing Agreement for that trust; provided that if the Governing Agreement for a particular Accepting

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Trust does not include the term "Subsequent Recovery," the distribution resulting from the Allocated Claim shall be distributed as though it was unscheduled principal available for distribution on that distribution date; *provided, however*, that should the Bankruptcy Court determine that a different treatment is required to conform the distributions to the requirements of the Governing Agreements, that determination shall govern and shall not constitute a material change to this Settlement Agreement.

3. Notwithstanding any other provision of any Governing Agreement, the Debtors and all Servicers agree that neither the Master Servicer nor any Subservicer shall be entitled to receive any portion of any distribution resulting from any Allocated Claim for any purpose, including without limitation the satisfaction of any Servicing Advances, it being understood that the Master Servicer's other entitlements to payments, and to reimbursement or recovery, including of Advances and Servicing Advances, under the terms of the Governing Agreements shall not be affected by this Settlement Agreement except as expressly provided here. To the extent that as a result of the distribution resulting from an Allocated Claim in a particular Accepting Trust a principal payment would become payable to a class of REMIC residual interests, whether on the distribution of the amount resulting from the Allocated Claim or on any subsequent distribution date that is not the final distribution date under the Governing Agreement for such Accepting Trust, such payment shall be maintained in the distribution account and the relevant Trustee shall distribute it on the next distribution date according to the provisions of this section.

4. In addition, after any distribution resulting from an Allocated Claim pursuant to section 3 above, the relevant Trustee will allocate the amount of the distribution for that Accepting Trust in the reverse order of previously allocated Realized Losses, to increase the Class Certificate Balance, Component Balance, Component Principal Balance, or Note Principal Balance, as applicable, of each class of Certificates or Notes (or Components thereof) (other than any class of REMIC residual interests) to which Realized Losses have been previously allocated, but in each case by not more than the amount of Realized Losses previously allocated to that class of Certificates or Notes (or Components thereof) pursuant to the Governing Agreements. For the avoidance of doubt, for Accepting Trusts for which the Credit Support Depletion Date shall have occurred prior to the allocation of the amount of the Allocable Share in accordance with the immediately preceding sentence, in no event shall the foregoing allocation be deemed to reverse the occurrence of the Credit Support Depletion Date in such Accepting Trusts. Holders of such Certificates or Notes (or Components thereof) will not be entitled to any payment in respect of interest on the amount of such increases for any interest accrual period relating to the distribution date on which such increase occurs or any prior distribution date. Any such increase shall be applied pro rata to the Certificate Balance, Component Balance, Component Principal Balance, or Note Principal Balance of each Certificate or Note of each class. For the avoidance of doubt, this section 4 is intended only to increase Class Certificate Balances, Component Balances, Component Principal Balances, and Note Principal Balances, as provided for herein, and shall not affect any distributions resulting from Allocated Claims provided for in section 3 above.

5. Nothing in this Settlement Agreement amends or modifies in any way any provisions of any Governing Agreement. To the extent any credit enhancer or financial guarantee insurer receives a distribution on account of the Allowed Claim, such distribution shall be credited at least dollar for dollar against the amount of any claim it files against the Debtor that does not arise under the Governing Agreements.

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6. In no event shall the distribution to an Accepting Trust as a result of any Allocated Claim be deemed to reduce the collateral losses experienced by such Accepting Trust.

Exhibit C -- Fee Schedule

Percentage of the Allowed Claim (being the sum of the Allocated Allowed Claims) allocable to trusts that accept the settlement, subject to adjustment pursuant to section 6.02(b) for trusts other than original "Covered Trusts."

If Effective Date of Plan occurs on or before Sept. 2, 2012, 5.225%

If Effective Date of Plan occurs after Sept. 2, 2012 and on or before Dec. 2, 2012, 5.4625%

If Effective Date of Plan occurs after Dec. 3, 2012 and on or before May 2, 2013, 5.605%

If Effective Date of Plan occurs after May 2, 2013, 5.7%

All fees shall be allocated between: (i) Talcott Franklin P.C.; (ii) Miller, Johnson, Snell & Cummiskey, P.L.C.; and (iii) Carter Ledyard & Milburn LLP, based on lodestar as calculated per agreement between co-counsel.

Deal Name	Cusip	Class	Group Class Sum	Original Class Face
GMACM 2004-J2	36185N2C3	A6	$14,062,500.00	$14,062,500.00
GMACM 2005-AF1	36185MAS1	M1	$4,946,000.00	$6,946,000.00
GMACM 2005-AR3	36185N7J3	4A4	$4,000,000.00	$4,000,000.00
GMACM 2005-HE1	361856ED5	A1VN	$16,970,000.00	$28,762,000.00
RAAC 2004-SP3	76112BET3	MII1	$3,485,000.00	$3,485,000.00
RAAC 2005-RP1	76112BJQ4	M1	$7,000,000.00	$28,000,000.00
RAAC 2005-RP3	76112BP87	M1	$15,289,000.00	$22,839,000.00
RAAC 2005-SP2	76112BF62	2M1	$2,000,000.00	$7,356,000.00
RAAC 2005-SP3	76112BS50	M1	$12,590,000.00	$12,590,000.00
RAAC 2006-RP1	76112B2W9	M2	$6,914,000.00	$14,914,000.00
RAAC 2006-RP2	74919MAB2	M1	$2,660,000.00	$8,000,000 ** Pending Verification
RAAC 2006-SP1	76112B3F5	M1	$9,069,000.00	$21,069,000.00
RAAC 2006-SP1	76112B3G3	M2	$11,449,000.00	$17,173,000.00
RAAC 2006-SP4	74919VAC0	A3	$15,000,000.00	$47,545,000.00
RAAC 2007-RP4	74919LAE8	M1	$9,000,000.00	$25,513,000.00
RAAC 2007-SP2	74919XAH5	M2	$5,000,000.00	$17,961,000.00
RAAC 2007-SP2	74919XAG7	M1	$17,049,000.00	$23,049,000.00
RAAC 2007-SP3	74978FAB5	M1	$8,000,000.00	$24,496,000.00
RALI 2004-QA3	76110HXU8	M1	$6,401,000.00	$6,401,000.00
RALI 2004-QA6	76110HJ26	M1	$14,408,900.00	$14,408,900.00
RALI 2004-QR1	76110HB99	A5	$20,054,123.00	$20,054,123.00
RALI 2004-QS1	76110HQA0	M2	$1,568,600.00	$3,518,600.00
RALI 2004-QS10	76110HWF2	A4	$58,278,444.00	$69,278,444.00
RALI 2004-QS12	76110HYY9	M1	$2,500,000.00	$9,546,300.00
RALI 2004-QS14	76110HA41	AV	$212,904,630.00	$212,904,630.00
RALI 2004-QS15	76110HE47	A1	$122,235,023.00	$122,235,023.00
RALI 2004-QS15	76110HF46	AV	$213,702,042.00	$213,702,042.00
RALI 2004-QS16	76110HJ67	1A2	$7,500,000.00	$15,000,000.00
RALI 2004-QS2	76110HQP7	AV	$292,339,189.00	$292,339,189.00
RALI 2004-QS3	76110HRC5	AV	$207,818,903.00	$207,818,903.00
RALI 2004-QS5	76110HSY6	A8	$21,109,053.00	$21,109,053.00
RALI 2004-QS5	76110HTA7	AV	$293,661,892.00	$293,661,892.00
RALI 2004-QS8	76110HUY3	AV	$271,022,934.00	$271,022,934.00
RALI 2005-QA12	761118NC8	NB5	$15,959,000.00	$41,969,000.00
RALI 2005-QA7	76110H7J2	M1	$5,300,000.00	$14,664,000.00
RALI 2005-QA9	761118FG8	CBI1	$46,241,000.00	$82,941,000.00

Deal Name	Cusip	Class	Group Class Sum	Original Class Face
RALI 2005-QS1	76110HP45	A5	$25,378,000.00	$76,378,000.00
RALI 2005-QS10	761118DB1	AP	$1,864,997.00	$1,864,997.00
RALI 2005-QS13	761118HC5	2A3	$40,050,000.00	$130,000,000.00
RALI 2005-QS13	761118GX0	1A6	$29,500,000.00	$73,261,000.00
RALI 2005-QS13	761118HB7	2A2	$82,000,000.00	$139,000,000.00
RALI 2005-QS14	761118JH2	2A1	$43,918,000.00	$115,613,000.00
RALI 2005-QS14	761118JM1	1AP	$1,302,649.00	$1,302,649.00
RALI 2005-QS14	761118JP4	2AP	$7,998,674.00	$7,998,674.00
RALI 2005-QS15	761118KH0	2A	$25,000,000.00	$43,296,000.00
RALI 2005-QS16	761118MA3	A1	$50,000,000.00	$132,500,000.00
RALI 2005-QS16	761118MF2	A6	$14,504,565.00	$14,504,565.00
RALI 2005-QS16	761118MJ4	A9	$94,233,000.00	$94,233,000.00
RALI 2005-QS17	761118PS1	A3	$10,000,000.00	$25,000,000.00
RALI 2005-QS17	761118PU6	A5	$20,057,500.00	$38,457,500.00
RALI 2005-QS17	761118PR3	A2	$25,000,000.00	$25,000,000.00
RALI 2005-QS17	761118PT9	A4	$25,000,000.00	$25,000,000.00
RALI 2005-QS17	761118PV4	A6	$21,443,500.00	$21,443,500.00
RALI 2005-QS2	76110HR35	AV	$212,988,702.00	$212,988,702.00
RALI 2005-QS3	76110HX61	1A21	$98,000,000.00	$167,418,000.00
RALI 2005-QS3	76110HY60	1AV	$371,599,754.00	$371,599,754.00
RALI 2005-QS4	76110H3V9	AV	$211,687,240.00	$211,687,240.00
RALI 2005-QS5	76110H2Z1	A3	$83,591,000.00	$83,591,000.00
RALI 2005-QS6	76110H5P0	AP	$902,809.00	$902,809.00
RALI 2005-QS6	76110H5K1	A5	$12,787,000.00	$12,787,000.00
RALI 2005-QS6	76110H5Q8	AV	$265,144,243.00	$265,144,243.00
RALI 2005-QS9	761118AU2	A1	$35,000,000.00	$133,249,500.00
RALI 2006-QH1	75115GAA6	A1	$74,315,000.00	$192,035,000.00
RALI 2006-QO1	761118RM2	3A1	$82,758,000.00	$309,242,000.00
RALI 2006-QO5	75114HAJ6	3A3	$16,094,000.00	$32,687,000.00
RALI 2006-QS1	761118SE9	A6	$11,343,992.00	$11,343,992.00
RALI 2006-QS1	761118SJ8	AP	$2,784,565.00	$2,784,565.00
RALI 2006-QS10	751155AG7	A7	$24,638,000.00	$24,638,000.00
RALI 2006-QS12	751151AX9	2A18	$40,072,903.00	$49,972,903.00
RALI 2006-QS13	75115DAK1	1A10	$16,000,000.00	$19,338,000.00
RALI 2006-QS14	74922GAT1	A18	$30,113,677.00	$30,113,677.00
RALI 2006-QS16	74922LAL7	A11	$15,040,000.00	$15,540,000.00

Deal Name	Cusip	Class	Group Class Sum	Original Class Face
RALI 2006-QS16	74922LAD5	A4	$43,131,000.00	$43,131,000.00
RALI 2006-QS16	74922LAH6	A8	$6,092,000.00	$6,092,000.00
RALI 2006-QS17	74922SAD0	A4	$21,500,000.00	$45,000,000.00
RALI 2006-QS17	74922SAE8	A5	$177,061,000.00	$187,061,000.00
RALI 2006-QS17	74922SAH1	A8	$28,792,000.00	$28,792,000.00
RALI 2006-QS18	74922RAX8	3AV	$104,211,499.00	$104,211,499.00
RALI 2006-QS2	761118VF2	2AP	$1,618,278.00	$1,623,637.00
RALI 2006-QS2	761118VD7	1AP	$3,239,836.00	$3,240,432.00
RALI 2006-QS2	761118UK2	1A4	$14,457,800.00	$14,457,800.00
RALI 2006-QS2	761118VG0	2AV	$131,448,942.00	$131,448,942.00
RALI 2006-QS2	761118UR7	1A10	$60,000,000.00	$105,672,000.00
RALI 2006-QS3	761118XP8	1A11	$49,722,000.00	$49,722,000.00
RALI 2006-QS4	749228AH5	A8	$32,000,000.00	$41,010,000.00
RALI 2006-QS4	749228AN2	AP	$1,376,144.00	$1,376,144.00
RALI 2006-QS5	75114TAC5	A3	$39,129,000.00	$96,590,000.00
RALI 2006-QS5	75114TAF8	A6	$21,193,500.00	$43,630,000.00
RALI 2006-QS6	74922EAR0	1A16	$12,623,750.00	$47,495,000.00
RALI 2006-QS6	74922EAQ2	1A15	$12,819,000.00	$16,769,000.00
RALI 2006-QS6	74922EAL3	1A11	$53,101,000.00	$53,101,000.00
RALI 2006-QS6	74922EAX7	2AV	$106,652,100.00	$106,652,100.00
RALI 2006-QS7	748940AE3	A5	$76,050,000.00	$193,750,000.00
RALI 2006-QS7	748940AC7	A3	$67,018,000.00	$75,009,000.00
RALI 2006-QS8	75115AAE1	A5	$348,750,000.00	$348,750,000.00
RALI 2006-QS9	75115CAD9	1A4	$9,000,000.00	$15,354,000.00
RALI 2006-QS9	75115CAF4	1A6	$25,000,000.00	$25,000,000.00
RALI 2007-QA1	74923GAB9	A2	$13,670,000.00	$13,670,000.00
RALI 2007-QH3	74922WAA7	A1	$50,000,000.00	$198,727,000.00
RALI 2007-QH3	74922WAC3	A3	$20,000,000.00	$49,682,000.00
RALI 2007-QH4	74922TAC0	A3	$56,537,000.00	$56,537,000.00
RALI 2007-QH9	749241AA3	A1	$120,220,000.00	$452,924,200.00
RALI 2007-QO2	75116AAA8	A1	$102,221,000.00	$388,219,000.00
RALI 2007-QO3	74923TAA3	A1	$77,329,000.00	$162,302,000.00
RALI 2007-QO4	74923LAB8	A1A	$44,479,000.00	$146,700,000.00
RALI 2007-QO4	74923LAA0	A1	$74,176,000.00	$125,568,000.00
RALI 2007-QS1	74922KAB1	1A2	$104,191,250.00	$166,706,000.00
RALI 2007-QS1	74922KAR6	2A10	$60,194,000.00	$88,250,000.00

Deal Name	Cusip	Class	Group Class Sum	Original Class Face
RALI 2007-QS1	74922KAN5	2A7	$2,000,000.00	$2,558,600.00
RALI 2007-QS2	74923CAA0	A1	$17,775,000.00	$20,000,000.00
RALI 2007-QS2	74923CAB8	A2	$8,770,000.00	$8,800,000.00
RALI 2007-QS3	75116BAA6	A1	$254,000,000.00	$300,000,000.00
RALI 2007-QS3	75116BAD0	A4	$19,620,000.00	$19,620,000.00
RALI 2007-QS5	74923JAH0	A8	$40,000,000.00	$100,132,000.00
RALI 2007-QS5	74923JAA5	A1	$32,782,000.00	$73,592,000.00
RALI 2007-QS6	75116CBW5	A45	$32,105,874.00	$56,475,000.00
RALI 2007-QS6	74922UAE3	A5	$30,000,000.00	$35,643,000.00
RALI 2007-QS6	75116CAN6	A13	$6,267,536.00	$6,267,536.00
RALI 2007-QS8	74922UAH6	A8	$19,375,000.00	$48,375,000.00
RALI 2008-QR1	74925FAD5	1A4	$9,300,000.00	$14,920,000.00
RAMP 2004-RS1	760985P54	MII6	$3,500,000.00	$13,500,000.00
RAMP 2004-RS10	76112BEF3	MII4	$7,000,000.00	$21,400,000.00
RAMP 2004-RS10	76112BEC0	MII1	$30,000,000.00	$68,900,000.00
RAMP 2004-RS11	76112BFL9	M4	$5,500,000.00	$18,500,000.00
RAMP 2004-RS11	76112BFJ4	M2	$21,000,000.00	$48,563,000.00
RAMP 2004-RS11	76112BFM7	M5	$10,875,000.00	$13,875,000.00
RAMP 2004-RS2	760985R37	MII1	$14,000,000.00	$46,500,000.00
RAMP 2004-RS2	760985Q79	MI3	$1,500,000.00	$4,813,000.00
RAMP 2004-RS2	760985R45	MII2	$20,000,000.00	$36,000,000.00
RAMP 2004-RS3	760985V81	M3	$5,000,000.00	$10,500,000.00
RAMP 2004-RS4	7609853J8	MII2	$21,000,000.00	$37,100,000.00
RAMP 2004-RS4	7609853H2	MII1	$45,200,000.00	$64,400,000.00
RAMP 2004-RS5	7609854B4	AI6	$11,000,000.00	$40,000,000.00
RAMP 2004-RS5	7609854H1	MII2	$10,500,000.00	$30,875,000.00
RAMP 2004-RS5	7609854J7	MII3	$4,000,000.00	$8,125,000.00
RAMP 2004-RS6	7609855M9	MII2	$11,250,000.00	$33,250,000.00
RAMP 2004-RS6	7609855N7	MII3	$4,375,000.00	$8,750,000.00
RAMP 2004-RS7	7609857F2	AI6	$22,500,000.00	$40,000,000.00
RAMP 2004-RS8	76112BAD2	AI4	$15,000,000.00	$47,894,000.00
RAMP 2004-RS8	76112BAP5	MII3	$8,375,000.00	$12,375,000.00
RAMP 2004-RS9	76112BCQ1	MII4	$4,000,000.00	$15,200,000.00
RAMP 2004-RS9	76112BCF5	AI4	$16,300,000.00	$56,800,000.00
RAMP 2004-RS9	76112BCG3	AI5	$15,000,000.00	$37,700,000.00
RAMP 2004-RS9	76112BCH1	AI6	$15,357,000.00	$27,500,000.00

Deal Name	Cusip	Class	Group Class Sum	Original Class Face
RAMP 2004-RS9	76112BCP3	MII3	$15,200,000.00	$15,200,000.00
RAMP 2004-RZ2	7609854S7	AI4	$11,530,000.00	$43,700,000.00
RAMP 2004-RZ4	76112BHM5	M6	$700,000.00	$2,100,000.00
RAMP 2004-RZ4	76112BHQ6	B	$2,800,000.00	$2,800,000.00
RAMP 2005-EFC1	76112BRR3	M6	$5,262,000.00	$17,262,000.00
RAMP 2005-EFC2	76112BVW7	M8	$3,000,000.00	$10,186,000.00
RAMP 2005-EFC2	76112BVU1	M6	$7,889,000.00	$10,889,000.00
RAMP 2005-EFC4	76112BC73	M4	$6,196,000.00	$13,196,000.00
RAMP 2005-EFC6	76112BK41	M3	$12,500,000.00	$17,000,000.00
RAMP 2005-RS1	76112BHX1	AI5	$8,100,000.00	$27,843,000.00
RAMP 2005-RS4	76112BPF1	M5	$4,875,000.00	$7,875,000.00
RAMP 2005-RS6	76112BTX8	M6	$9,500,000.00	$16,800,000.00
RAMP 2005-RS6	76112BTV2	M4	$16,000,000.00	$21,000,000.00
RAMP 2005-RS7	76112BWX4	M2	$3,750,000.00	$12,250,000.00
RAMP 2005-RS7	76112BXA3	M5	$2,500,000.00	$5,000,000.00
RAMP 2005-RS7	76112BWY2	M3	$5,000,000.00	$6,500,000.00
RAMP 2005-RS7	76112BXB1	M6	$4,750,000.00	$4,750,000.00
RAMP 2005-RS8	76112BZJ2	M1	$20,000,000.00	$20,283,000.00
RAMP 2005-RZ1	76112BMB3	M4	$4,100,000.00	$4,100,000.00
RAMP 2005-RZ2	76112BWJ5	M3	$3,800,000.00	$7,547,000.00
RAMP 2005-RZ2	76112BWG1	M1	$10,000,000.00	$18,615,000.00
RAMP 2005-RZ2	76112BWL0	M5	$8,050,000.00	$8,050,000.00
RAMP 2005-RZ3	76112BZY9	A2	$36,100,000.00	$116,001,000.00
RAMP 2006-EFC1	76112BV80	M2	$10,980,000.00	$21,960,000.00
RAMP 2006-EFC2	749238AF8	M2	$6,600,000.00	$13,200,000.00
RAMP 2006-EFC2	749238AE1	M1	$15,000,000.00	$15,000,000.00
RAMP 2006-NC1	76112BX47	M2	$6,800,000.00	$16,500,000.00
RAMP 2006-NC3	76112B4R8	M3	$3,500,000.00	$10,140,000.00
RAMP 2006-NC3	76112B4Q0	M2	$10,000,000.00	$17,680,000.00
RAMP 2006-RS2	76112B2E9	M1	$5,000,000.00	$18,400,000.00
RAMP 2006-RS4	75156WAE3	M1	$14,875,000.00	$35,613,000.00
RAMP 2006-RS5	75156YAC3	A3	$44,776,000.00	$104,776,000.00
RAMP 2006-RS5	75156YAE9	M1	$5,725,000.00	$10,725,000.00
RAMP 2006-RZ1	76112BZ45	M3	$5,000,000.00	$9,750,000.00
RAMP 2006-RZ1	76112BZ52	M4	$9,000,000.00	$9,000,000.00
RAMP 2006-RZ2	75156UAE7	M2	$4,000,000.00	$11,812,000.00

Deal Name	Cusip	Class	Group Class Sum	Original Class Face
RAMP 2006-RZ2	75156UAD9	M1	$6,000,000.00	$13,688,000.00
RAMP 2006-RZ3	75156MAF2	M3	$6,620,000.00	$15,620,000.00
RAMP 2006-RZ5	749239AE9	A3	$12,760,000.00	$32,720,000.00
RAMP 2006-RZ5	749239AH2	M3	$10,960,000.00	$10,960,000.00
RASC 2004-KS1	74924PAN2	MII2	$17,250,000.00	$35,750,000.00
RASC 2004-KS10	76110WG67	M4	$4,500,000.00	$10,000,000.00
RASC 2004-KS10	76110WG59	M3	$8,000,000.00	$15,000,000.00
RASC 2004-KS12	76110WL20	M3	$3,500,000.00	$8,200,000.00
RASC 2004-KS12	76110WL79	SB	$8,250,228.00	$8,250,228.00
RASC 2004-KS2	76110WWP7	M22	$4,500,000.00	$38,500,000.00
RASC 2004-KS3	76110WXF8	MII1	$16,500,000.00	$30,875,000.00
RASC 2004-KS6	76110WZW9	MI3	$1,000,000.00	$4,000,000.00
RASC 2004-KS6	76110WZN9	AI5	$6,000,000.00	$20,617,000.00
RASC 2004-KS6	76110WZY5	MII2	$13,500,000.00	$42,000,000.00
RASC 2004-KS6	76110WZV1	MI2	$2,750,000.00	$5,500,000.00
RASC 2004-KS8	76110WD52	MII1	$7,800,000.00	$25,600,000.00
RASC 2004-KS9	76110WE77	AI6	$4,000,000.00	$15,000,000.00
RASC 2004-KS9	76110WE51	AI4	$11,750,000.00	$21,100,000.00
RASC 2005-AHL2	76110W5J1	M2	$3,526,000.00	$13,626,000.00
RASC 2005-AHL2	76110W5K8	M3	$2,605,000.00	$9,605,000.00
RASC 2005-AHL3	76110W6L5	A2	$58,490,000.00	$187,495,000.00
RASC 2005-AHL3	76110W6P6	M2	$13,025,786.00	$15,500,000.00
RASC 2005-EMX1	76110WQ90	M5	$3,000,000.00	$10,800,000.00
RASC 2005-EMX1	76110WQ82	M4	$5,800,000.00	$10,800,000.00
RASC 2005-EMX1	76110WR24	M6	$10,800,000.00	$10,800,000.00
RASC 2005-EMX1	76110WR40	SB	$7,210,111.00	$7,210,111.00
RASC 2005-EMX2	76110W2L9	M5	$4,175,000.00	$10,592,000.00
RASC 2005-EMX2	76110W2N5	M7	$3,800,000.00	$9,308,000.00
RASC 2005-EMX2	76110W2P0	M8	$3,500,000.00	$8,345,000.00
RASC 2005-EMX2	76110W2M7	M6	$8,950,000.00	$9,950,000.00
RASC 2005-EMX2	76110W2S4	SB	$21,510,156.00	$21,510,156.00
RASC 2005-EMX3	75405MAJ3	M4	$4,000,000.00	$12,250,000.00
RASC 2005-EMX4	76110W6A9	M2	$5,000,000.00	$18,540,000.00
RASC 2005-KS10	75405WAG7	M3	$7,614,931.00	$25,799,000.00
RASC 2005-KS11	76110W7G5	M4	$6,161,000.00	$22,080,000.00
RASC 2005-KS11	76110W7D2	M1	$16,680,000.00	$49,680,000.00

Deal Name	Cusip	Class	Group Class Sum	Original Class Face
RASC 2005-KS12	753910AG3	M4	$9,208,000.00	$20,125,000.00
RASC 2005-KS2	76110WN77	M2	$10,000,000.00	$28,875,000.00
RASC 2005-KS3	76110WS64	M6	$3,481,000.00	$7,481,000.00
RASC 2005-KS4	76110WU61	M1	$9,740,000.00	$20,927,000.00
RASC 2005-KS4	76110WU87	M3	$6,363,000.00	$7,873,000.00
RASC 2005-KS8	76110W3U8	M4	$7,500,000.00	$21,000,000.00
RASC 2005-KS9	754058AJ4	M6	$3,750,000.00	$7,750,000.00
RASC 2006-EMX2	75406AAB5	A2	$51,000,000.00	$203,139,000.00
RASC 2006-EMX2	75406AAE9	M2	$6,375,000.00	$21,375,000.00
RASC 2006-EMX2	75406AAD1	M1	$9,085,000.00	$23,085,000.00
RASC 2006-EMX2	75406AAG4	M4	$8,115,000.00	$11,115,000.00
RASC 2006-EMX3	76113ACG4	M6	$5,000,000.00	$13,600,000.00
RASC 2006-EMX3	76113ACA7	A3	$16,260,000.00	$29,750,000.00
RASC 2006-EMX4	75406DAF0	M2	$7,500,000.00	$25,002,000.00
RASC 2006-EMX6	754065AC4	A3	$37,752,000.00	$106,095,000.00
RASC 2006-EMX6	754065AD2	A4	$24,011,000.00	$39,011,000.00
RASC 2006-EMX8	74924UAL5	M6	$3,500,000.00	$12,045,000.00
RASC 2006-EMX8	74924UAH4	M3	$8,000,000.00	$16,060,000.00
RASC 2006-EMX9	74924VAL3	M6	$3,000,000.00	$11,020,000.00
RASC 2006-KS2	75406BAG2	M3	$5,000,000.00	$20,000,000.00
RASC 2006-KS2	75406BAK3	M6	$5,000,000.00	$15,500,000.00
RASC 2006-KS2	75406BAH0	M4	$11,000,000.00	$18,000,000.00
RASC 2006-KS3	76113ABL4	M1	$15,000,000.00	$43,700,000.00
RASC 2006-KS3	76113ABP5	M4	$8,000,000.00	$20,700,000.00
RASC 2006-KS4	75406EAE1	M1	$15,000,000.00	$26,614,000.00
RASC 2006-KS4	75406EAF8	M2	$16,000,000.00	$24,863,000.00
RASC 2006-KS5	75406VAG8	M3	$4,000,000.00	$14,350,000.00
RASC 2006-KS5	75406VAH6	M4	$4,000,000.00	$12,950,000.00
RASC 2006-KS6	75406WAF8	M2	$6,508,000.00	$18,508,000.00
RASC 2006-KS7	75406XAM1	M8	$2,000,000.00	$7,700,000.00
RASC 2006-KS7	75406XAE9	M1	$17,175,000.00	$21,175,000.00
RASC 2007-KS1	74924SAK2	M6	$2,250,000.00	$6,768,000.00
RASC 2007-KS1	74924SAH9	M4	$3,900,000.00	$7,826,000.00
RASC 2007-KS1	74924SAC0	A3	$35,455,000.00	$79,455,000.00
RASC 2007-KS2	74924WAF4	M1	$14,374,990.00	$42,000,000.00
RASC 2007-KS2	74924WAD9	AI4	$25,000,000.00	$65,200,000.00

Deal Name	Cusip	Class	Group Class Sum	Original Class Face
RASC 2007-KS3	74924YAF0	M1S	$37,181,000.00	$56,069,000.00
RASC 2007-KS4	74924NAB3	A2	$11,775,000.00	$29,400,000.00
RFMS2 2004-HS1	76110VQE1	AII	$63,000,000.00	$172,125,000.00
RFMS2 2006-HI1	76110VUE6	M8	$2,877,000.00	$5,727,000.00
RFMSI 2004-S2	76111XFY4	IA6	$17,500,000.00	$17,500,000.00
RFMSI 2004-S3	76111XGT4	M2	$456,600.00	$456,600.00
RFMSI 2004-S5	76111XKC6	1AV	$322,312,635.00	$322,312,635.00
RFMSI 2004-S6	76111XLY7	2A4	$1,111,000.00	$1,111,000.00
RFMSI 2004-S6	76111XMX8	1AV	$175,743,890.00	$175,743,890.00
RFMSI 2004-S6	76111XMZ3	2AV	$196,429,039.00	$196,429,039.00
RFMSI 2004-S8	76111XPB3	AV	$311,005,474.00	$311,005,474.00
RFMSI 2004-S9	76111XQE6	1A2	$35,700,000.00	$35,700,000.00
RFMSI 2004-S9	76111XRJ4	1AV	$518,853,762.00	$518,853,762.00
RFMSI 2005-S1	76111XSH7	1AV	$259,777,920.00	$259,777,920.00
RFMSI 2005-S2	76111XTV5	A6	$11,600,000.00	$23,484,000.00
RFMSI 2005-S4	76111XUW1	AV	$259,355,464.00	$259,355,464.00
RFMSI 2005-S5	76111XWW9	AP	$472,373.00	$472,374.00
RFMSI 2005-S5	76111XWX7	AV	$258,235,737.00	$258,235,737.00
RFMSI 2005-S6	76111XXT5	AV	$412,859,719.00	$412,859,719.00
RFMSI 2005-S8	76111XC84	AP	$1,370,905.00	$1,370,905.00
RFMSI 2005-S9	76111XE82	A8	$4,486,000.00	$15,986,000.00
RFMSI 2005-S9	76111XE66	A6	$32,000,000.00	$32,000,000.00
RFMSI 2006-S11	74958FAC7	A3	$2,360,000.00	$4,643,000.00
RFMSI 2006-S12	74958EAT3	3A10	$11,625,000.00	$11,625,000.00
RFMSI 2006-S12	74958EAZ9	3AV	$364,207,747.00	$364,207,747.00
RFMSI 2006-S3	76111XN74	A1	$66,950,000.00	$76,950,000.00
RFMSI 2006-S4	762010AE6	A5	$12,000,000.00	$40,487,000.00
RFMSI 2006-S4	762010AM8	AV	$153,917,718.00	$313,917,718.00
RFMSI 2006-S4	762010AG1	A7	$20,200,000.00	$30,300,000.00
RFMSI 2006-S7	74958AAM6	AV	$180,000,000.00	$469,651,185.00
RFMSI 2006-S8	74957XAC9	A3	$25,000,000.00	$25,000,000.00
RFMSI 2006-S8	74957XAG0	A7	$6,250,000.00	$6,250,000.00
RFMSI 2006-S8	74957XAD7	A4	$2,866,667.00	$2,866,667.00
RFMSI 2006-SA3	749575AD8	2A3	$26,150,000.00	$33,150,000.00
RFMSI 2007-S1	749581AL8	A7	$22,000,000.00	$82,000,000.00
RFMSI 2007-S2	749583AD2	A4	$39,000,000.00	$65,000,000.00

Deal Name	Cusip	Class	Group Class Sum	Original Class Face
RFMSI 2007-S2	749583AA8	A1	$35,058,000.00	$35,058,000.00
RFMSI 2007-S3	74958BAK8	1A4	$20,000,000.00	$20,000,000.00
RFMSI 2007-S5	749580AA4	A1	$250,000,000.00	$250,000,000.00
RFMSI 2007-S6	762009AK4	1A10	$13,500,000.00	$43,184,000.00
RFMSI 2007-S6	762009BB3	2A4	$25,000,000.00	$50,233,000.00
RFMSI 2007-S9	74958VAB4	1A2	$1,425,000.00	$5,400,000.00
RFMSI 2007-SA1	74958WAG1	4A	$38,604,000.00	$38,604,000.00
RFSC 2001-RM2	760985FR7	A1	$35,249,800.00	$75,249,800.00

Exhibit 87

B 10 Modified (Official Form 10) (12/11)

Claim #5847 Date Filed: 11/16/2012

UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

PROOF OF CLAIM

Name of Debtor: **Residential Capital, LLC**

Case Number: **12-12020**

NOTE: *This form should not be used to make a claim for an administrative expense* ***(other than a claim asserted under 11 U.S.C. § 503(b)(9))*** *arising after the commencement of the case. A "request" for payment of an administrative expense* ***(other than a claim asserted under 11 U.S.C. § 503(b)(9))*** *may be filed pursuant to 11 U.S.C § 503.*

Name of Creditor (the person or other entity to whom the debtor owes money or property):
MBIA Insurance Corporation

☐ Check this box if this claim amends a previously filed claim.

Court Claim Number:_____
(*If known*)

Filed on:_____

Name and address where notices should be sent:
MBIA Insurance Corporation
c/o Cadwalader, Wickersham & Taft LLP
Attn: Gregory M. Petrick, Esq.
One World Financial Center
New York, New York 10281

- and -

MBIA Insurance Corporation
Attn: David Glehan
113 King Street
Armonk, New York 10504

Telephone number: (212) 504-6000 email: gregory.petrick@cwt.com

☐ Check this box if you are aware that anyone else has filed a proof of claim relating to this claim. Attach copy of statement giving particulars.

Name and address where payment should be sent (if different from above):
MBIA Insurance Corporation
Attn: David Glehan
113 King Street
Armonk, New York 10504
Telephone number: (914) 765-3225 email: david.glehan@mbia.com

1. Amount of Claim as of Date Case Filed: Not less than $2.2 billion. See Annex.
If all or part of the claim is secured, complete item 4.
If all or part of the claim is entitled to priority, complete item 5.
☑ Check this box if the claim includes interest or other charges in addition to the principal amount of the claim. Attach a statement that itemizes interest or charges.

2. Basis for Claim: See Annex
(See instruction #2)

3. Last four digits of any number by which creditor identifies debtor:	**3a. Debtor may have scheduled account as:**	**3b. Uniform Claim Identifier (optional):**
__ __ __ __	_____ (See instruction #3a)	_____ (See instruction #3b)

4. Secured Claim (See instruction #4)
Check the appropriate box if the claim is secured by a lien on property or a right of setoff, attach required redacted documents, and provide the requested information.

Nature of property or right of setoff: ☐ Real Estate ☐ Motor Vehicle ☐ Other
Describe:
Value of Property: $_____ **Annual Interest Rate**_____**%** ☐ Fixed ☐ Variable
(when case was filed)
Amount of arrearage and other charges, as of the time case was filed, included in secured claim, if any: $_____ **Basis for perfection:** _____
Amount of Secured Claim: $_____ **Amount Unsecured: $**_____

6. Claim Pursuant to 11 U.S.C. § 503(b)(9):
Indicate the amount of your claim arising from the value of any goods received by the Debtor within 20 days before May 14, 2012, the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim.
$_____ (See instruction #6)

7. Credits. The amount of all payments on this claim has been credited for the purpose of making this proof of claim. (See instruction #7)

8. Documents: Attached are **redacted** copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. If the claim is secured, box 4 has been completed, and **redacted** copies of documents providing evidence of perfection of a security interest are attached. *(See instruction #8, and the definition of "redacted".)*

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

If the documents are not available, please explain:

9. Signature: (See instruction #9) Check the appropriate box.
☑ I am the creditor. ☐ I am the creditor's authorized agent. (Attach copy of power of attorney, if any.) ☐ I am the trustee, or the debtor, or their authorized agent. (See Bankruptcy Rule 3004.) ☐ I am a guarantor, surety, indorser, or other codebtor. (See Bankruptcy Rule 3005.)

I declare under penalty of perjury that the information provided in this claim is true and correct to the best of my knowledge, information, and reasonable belief.

Print Name: **David Glehan**
Title: **Managing Director**
Company: **MBIA Insurance Corporation**
(Signature) (Date) 11/13/12
Address and telephone number (if different from notice address above):
113 King Street
Armonk, New York 10504
Telephone number: **(914) 765-3225** Email: **david.glehan@mbia.com**

5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any part of the claim falls into one of the following categories, check the box specifying the priority and state the amount.

☐ Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B).
☐ Wages, salaries, or commissions (up to $11,725*) earned within 180 days before the case was filed or the debtor's business ceased, whichever is earlier – 11 U.S.C. §507 (a)(4).
☐ Contributions to an employee benefit plan – 11 U.S.C. §507 (a)(5).
☐ Up to $2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. §507(a)(7).
☐ Taxes or penalties owed to governmental units – 11U.S.C. §507 (a)(8).
☐ Other – Specify applicable paragraph of 11 U.S.C. §507 (a)(__).

Amount entitled to priority:

$_____

* *Amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.*

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KURTZMAN CARSON CONSULTANTS

COURT USE ONLY

Penalty for presenting fraudulent claim: Fine of up to $500,000 or imprisonment for up to 5 years, or bot'

B 10 Modified (Official Form 10) (12/11) cont.

INSTRUCTIONS FOR PROOF OF

1212020121116000000000169

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	
	Chapter 11
RESIDENTIAL CAPITAL, LLC,	**Case No. 12-12020 (MG)**
Debtor.	

ANNEX TO PROOF OF CLAIM HELD BY MBIA INSURANCE CORPORATION

This is an Annex to the proof of claim (the "Proof of Claim") filed by MBIA Insurance Corporation ("MBIA"), 113 King Street, Armonk, New York 10504. MBIA is the holder of claims (collectively, the "Claim") against Residential Capital LLC ("ResCap," and together with its affiliated debtors and debtors in possession in the above-captioned chapter 11 cases, the "Debtors") described on the Proof of Claim to which this Annex relates and as set forth in further detail herein. As detailed herein, MBIA, a financial guaranty insurer for certain residential mortgage-backed securities sponsored by certain of the Debtors, asserts an unsecured claim of not less than $2.2 billion against ResCap[1] relating to MBIA's claims for fraudulent inducement of the Insurance Agreements, material breach of contract in respect of the Insurance Agreements, breach of the Debtors' repurchase obligations to repurchase loans and breaches of servicing obligations, and the Debtors' obligation to reimburse or indemnify MBIA for all liabilities, losses, costs, and expenses incurred in connection with the foregoing.

THIS ANNEX (INCLUDING THE EXHIBITS ATTACHED HERETO) CONSTITUTES A PART OF THE PROOF OF CLAIM AND IS INCORPORATED THEREIN BY REFERENCE. Copies of the supporting transaction documents relating to the Claim set forth below and referenced in Exhibit A hereto are voluminous and are readily available to the Debtors. MBIA will furnish the Debtors with copies of any pertinent transaction documents upon request or as otherwise required by order of the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court").

1. Background of MBIA Claims

(a) The Eight ResCap Securitizations

MBIA is the plaintiff in two civil actions currently pending against Residential Funding Company, LLC ("RFC") and GMAC Mortgage LLC ("GMAC Mortgage," and together with

[1] MBIA has filed claims against the following Debtors: ResCap; Residential Funding Company, LLC; GMAC Mortgage LLC; Residential Funding Mortgage Securities II, Inc.; Residential Asset Mortgage Products, Inc.; and Homecomings Financial, LLC.

RFC, the "ResCap Securitization Sponsors"), respectively: MBIA Ins. Corp. v. Residential Funding Co., LLC, Index No. 603552/2008 (Sup. Ct. N.Y. Co.) (the "RFC Action") and MBIA Ins. Corp. v. GMAC Mortgage, LLC, Index No. 600837/2010 (Sup. Ct. N.Y. Co.) (the "GMAC Mortgage Action"). The actions relate to certain financial guaranty insurance policies issued by MBIA between October 28, 2004 and May 30, 2007 in connection with eight home equity loan RMBS securitizations, five of which RFC sponsored (the "RFC Securitizations"), and three of which GMAC Mortgage sponsored (the "GMAC Mortgage Securitizations"). MBIA also provided financial guaranty insurance for another transaction relating to the Debtors, referred to as GSR 2007-HEL1 (the "GSR Securitization," and together with the RFC Securitizations and the GMAC Mortgage Securitizations, the "Securitizations"), although MBIA had not commenced any litigation with respect to the GSR Securitization prior to the commencement of the Debtors' chapter 11 cases and the imposition of the automatic stay. A series of agreements governed each of the Securitizations, including, without limitation, (i) Insurance Agreements entered into by and among MBIA and the ResCap Securitization Sponsors, (ii) Purchase Agreements entered into by and among the ResCap Securitization Sponsors and depositors (and incorporated by reference into the Insurance Agreements) and (iii) Servicing Agreements entered into by and among the ResCap Securitization Sponsors and the Trustee. The collateral underlying the Securitizations consisted primarily of Home Equity Lines of Credit ("HELOCs") and Closed End Second Loans ("CES"). As of September 30, 2012, in accordance with its obligations under the insurance policies, MBIA has made payments and incurred other expenses related to the Securitizations in excess of $1.65 billion. That number will continue to grow as the transactions continue to run toward their maturity dates. Additional pertinent details relating to the Securitizations, including the operative documents regarding MBIA's financial guaranty insurance, are set forth in Exhibits A and B, attached hereto.

(b) MBIA's Claims Against the ResCap Securitization Sponsors

Beginning in late 2007, MBIA learned that the mortgage loans underlying the RFC Securitizations were experiencing extraordinary delinquency rates, which resulted in a significant amount of charge-offs (when a servicer determines that value of a loan is less than the loan amount, the servicer writes down that portion of the loan as a loss), and ultimately triggered MBIA's obligation to make claims payments for the benefit of RMBS investors. MBIA conducted a review of certain loans in the RFC Securitizations and concluded that numerous mortgage loans underlying the RFC Securitizations should not have been included in the transactions because they evidence breaches of RFC's representations and warranties to MBIA. In 2009, MBIA obtained similar information with respect to the GMAC Mortgage Securitizations (and the GSR Securitization, discussed in further detail below). The insurance and purchase agreements provided MBIA with various remedies to address the ResCap Securitization Sponsors' breaches of their representations and warranties. One such remedy was the repurchase or "put back" remedy, which provided MBIA with the right to demand that the ResCap Securitization Sponsors repurchase any mortgage loan where the loan evidences a breach of a representation or warranty that materially and adversely affected MBIA's interest in the mortgage loan. However, despite the overwhelming evidence entitling MBIA to its repurchase remedy, the ResCap Securitization Sponsors refused to repurchase the vast majority of mortgage loans as requested by MBIA. See First Amended Complaint, MBIA Ins. Corp. v. Residential Funding Co., LLC, Index No. 603552/2008 (Sup. Ct. N.Y. Co.) (the "RFC Complaint," attached hereto as Exhibit C), ¶¶ 91-104; Complaint MBIA Ins. Corp. v. GMAC

Mortgage, LLC, Index No. 600837/2010 (Sup. Ct. N.Y. Co.) (the "GMAC Mortgage Complaint," attached hereto as Exhibit D), ¶¶ 44-152.

MBIA ultimately commenced two civil actions against the ResCap Securitization Sponsors. Copies of the currently operative complaints in each of the RFC Action and the GMAC Mortgage Action are attached hereto as Exhibits C and D and are incorporated herein by reference as a further explanation of the bases for MBIA's claims. Although the two actions are currently stayed, they are more procedurally advanced than any similar litigation against the Debtors. Prior to the imposition of the automatic stay arising out of the Debtors' chapter 11 filings, MBIA completed fact discovery in the RFC Action and the parties exchanged their initial expert reports. In the GMAC Mortgage Action, substantial discovery had occurred, but had not yet been completed, prior to the imposition of the automatic stay. Further, in both the RFC and GMAC Mortgage Actions, MBIA has already defeated motions to dismiss the respective complaints. As demonstrated below, the evidence obtained to date through discovery in the litigations overwhelmingly substantiates MBIA's claims.

(c) MBIA's Claims Relating to the GSR Securitization

The structure of the GSR Securitization differs from that of the other Securitizations in that RFC first sold the underlying mortgage loans to a third party, affiliates of which in turn served as the depositor and sponsor for the transaction. MBIA has essentially the same claims against RFC in connection with the GSR Securitization as it does in connection with the RFC Securitizations: fraudulent inducement, pervasive breach of contractual representations and warranties, and breach of RFC's contractual obligation to repurchase mortgage loans.

RFC provided pre-transaction loan-level information that it knew would be passed on to MBIA for the purpose of inducing MBIA to issue financial guaranty insurance for the GSR Securitization, including loan tapes, schedules of pool-wide loan characteristics, and prospectus supplement information regarding the mortgage loans and the underwriting standards pursuant to which they were originated or acquired. RFC also made express representations and warranties to MBIA in the transaction documents regarding loan-level characteristics and the characteristics of the loan pool as a whole, and agreed to repurchase all defective loans identified by MBIA. Discovery will uncover the same type of overwhelming evidence that has been produced in the RFC Action and the GMAC Mortgage Action concerning RFC's flawed underwriting and origination processes. Thus, based on these facts, MBIA has claims against RFC.

(d) MBIA's Claims Against Homecomings Financial, LLC

MBIA also holds claims against Homecomings Financial, LLC, f/k/a Homecomings Financial Network, Inc. ("Homecomings") (i) for aiding and abetting the ResCap Securitization Sponsors' fraud by originating loans that were not in substantial compliance with the ResCap Securitization Sponsors' underwriting guidelines or with the representations and warranties contained in the transaction documents, and (ii) for servicing breaches Homecomings committed as a sub-servicer for the Securitization Sponsors. Homecomings, a wholly-owned subsidiary of RFC and an indirect wholly-owned subsidiary of ResCap, specialized in the origination and sub-servicing of home equity loans and thus constituted an integral part of ResCap's single, integrated mortgage business. ResCap, through RFC, exercised complete domination over

Homecomings and controlled its day-to-day operations. Homecomings both originated and sub-serviced a significant percentage of the loans at issue in the RFC Action, and it also originated loans at issue in the GMAC Mortgage Action. Homecomings provided substantial assistance to the fraud committed by the ResCap Securitization Sponsors by systematically originating loans that did not comply with the ResCap Securitization Sponsors' underwriting guidelines or with the ResCap Securitization Sponsors' representations and warranties contained in the transaction documents. Homecomings originated these non-compliant loans with actual knowledge that the ResCap Securitization Sponsors would fraudulently induce financial guaranty insurers like MBIA to insure securities backed by these non-compliant loans. As one of RFC's primary sub-servicers, Homecomings also contributed to RFC's failure to fulfill its obligations under the operative servicing agreements, including RFC's failures to properly monitor, service and administer the loans.

2. **Claim Detail**

(a) Claims Related to the Insurance Agreements

MBIA seeks combined rescissory and compensatory damages that reflect the total approximate insurance claims that MBIA has paid to date, and is expected to pay in the future, for the benefit of RMBS investors in connection with the Securitizations. MBIA also seeks punitive damages against the ResCap Securitization Sponsors.

(i) Rescissory Damages

MBIA has a claim for rescissory damages with respect to its fraudulent inducement and material breach of contract claims in the amount of MBIA's claims paid (and expected to be paid) plus interest, minus the premiums that MBIA received.

(ii) Compensatory Damages

MBIA has a claim for compensatory damages plus interest with respect to its claims that the ResCap Securitization Sponsors breached their obligations to repurchase loans that evidence breaches of representations and warranties, which breaches materially and adversely affect MBIA's interest in the loans.

(iii) Punitive Damages

MBIA has claims for punitive damages, in respect of the fraudulent inducement claims, and consequential damages plus interest relating to all of the foregoing claims.

(b) Servicing Claims

MBIA holds servicing claims against RFC and Homecomings.

(c) Reimbursement or Indemnification of Costs

(i) Legal Basis for Claims

Pursuant to the insurance agreements concerning the RFC Securitizations and the GMAC Mortgage Securitizations, the ResCap Securitization Sponsors are obligated to reimburse MBIA for "any and all charges, fees, costs and expenses that [MBIA] may reasonably pay or incur, including, but not limited to, reasonable attorneys' and accountants' fees and expenses, in connection with (i) the enforcement, defense or preservation of any rights in respect of any of the Transaction Documents [as defined therein], including defending, monitoring or participating in any litigation or proceeding (including any insolvency or bankruptcy proceeding in respect of any Transaction [as defined therein] participant or any affiliate thereof) relating to any of the Transaction Documents, any party to any of the Transaction Documents, in its capacity as such a party, or the Transaction." See, e.g., Section 3.03(c) of Insurance Agreement, dated as of July 28, 2006, among MBIA, RFC, Home Equity Loan Trust 2006-HSA4, and Residential Funding Mortgage Securities II, Inc.

Moreover, the ResCap Securitization Sponsors agreed to "protect, indemnify and save harmless" MBIA "from and against any and all claims, losses, liabilities (including penalties), actions, suits, judgments, demands, damages, costs or reasonable expenses (including, without limitation, reasonable fees and expenses of attorneys, consultants and auditors and reasonable costs of investigations) or obligations whatsoever paid by" MBIA relating to "the breach by [the ResCap Securitization Sponsors] of any representation or warranty . . . or covenant under any of the Transaction Documents [as defined therein]." See, e.g., Section 3.04(a) of Insurance Agreement, dated as of July 28, 2006, among MBIA, RFC, Home Equity Loan Trust 2006-HSA4, and Residential Funding Mortgage Securities II, Inc.

The amount of fees and expenses incurred by MBIA will continue to increase until the resolution of MBIA's claims.

3. **MBIA May Assert the Full Amount of its Claims at Multiple Debtor Entities**

(a) MBIA's Claims Against The ResCap Securitization Sponsors For Aiding and Abetting One Another

In addition to the claims alleged in the complaints, each of RFC and GMAC Mortgage are liable for aiding and abetting each other's fraud against MBIA. RFC and GMAC Mortgage have admitted that they were part of a single, integrated mortgage business. See, e.g., Affidavit of James Whitlinger, Chief Financial Officer of Residential Capital, LLC, in Support of Chapter 11 Petitions and First Day Pleadings [Docket No. 6] (the "Whitlinger Affidavit"), at ¶ 190 ("the mortgage loan origination, servicing and related securitization operations of AFI are an integrated business involving the Debtors and Ally Bank"). Thus, the fraud committed by RFC with respect to its Securitizations was aided and abetted by GMAC Mortgage, and vice versa. As a result, MBIA is entitled to assert the full amount of its allowed claims – an amount in excess of $2.2 billion – in each of the RFC and GMAC Mortgage estates for losses incurred, and expected to be incurred, in the GMAC Mortgage and RFC Securitizations.

(b) MBIA's Claims Against ResCap

MBIA also holds alter ego and aiding and abetting claims against ResCap. ResCap was, at all relevant times, the alter ego of the ResCap Securitization Sponsors. ResCap exercised complete domination of the ResCap Securitization Sponsors in respect to the Securitizations, and ResCap's domination was used to commit a fraud or wrong against MBIA, which resulted in MBIA's injury. For example:

1. ResCap used the ResCap Securitization Sponsors as vehicles to shield itself from potential liability, knowing that the ResCap Securitization Sponsors' fraudulent schemes would eventually collapse and leave the ResCap Securitization Sponsors unable to comply with their obligations to the victims, including MBIA, of the fraud perpetrated by the RFC Securitization Sponsors.

2. ResCap carried out virtually all of its RMBS business through the ResCap Securitization Sponsors.

3. ResCap operated the ResCap Securitization Sponsors and their affiliates as a single enterprise.

4. ResCap completely dominated the day-to-day operations of the ResCap Securitization Sponsors.

5. ResCap operated the ResCap Securitization Sponsors to benefit ResCap.

6. ResCap and the ResCap Securitization Sponsors used common office space and shared personnel.

7. The ResCap Securitization Sponsors were instrumentalities of ResCap and they lacked corporate independence.

8. ResCap was the sole and controlling member of the ResCap Securitization Sponsors.

9. ResCap and its officers did not distinguish between ResCap and the ResCap Securitization Sponsors.

All of these facts are supported by Whitlinger Affidavit, as well as other pleadings filed in these cases and evidence obtained in discovery in the RFC Action and the GMAC Mortgage Action, and other discovery expected to be obtained, which establish that ResCap and Ally Bank conducted a fully integrated, unitary mortgage business.[2]

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[2] See, e.g., Whitlinger Affidavit, at ¶ 190 ("the mortgage loan origination, servicing and related securitization operations of AFI are an integrated business involving the Debtors and Ally Bank"); Debtors' Motion for Interim and Final Orders Under Bankruptcy Code Sections 105(a) and 363(b) Authorizing Residential Capital, LLC to Enter into a Shared Services Agreement with Ally Financial Inc. Nunc Pro Tunc to the Petition Date for the Continued Receipt and Provision of Shared Services Necessary for the Operation of the Debtors' Businesses [Docket No. 41],at ¶ 11 ("in the ordinary course

ResCap further is liable to MBIA for aiding and abetting the fraud perpetrated by the ResCap Securitization Sponsors. ResCap had "actual knowledge" of the fraud perpetrated by the ResCap Securitization Sponsors and provided them with "substantial assistance" in their fraud. Among other things, ResCap oversaw and controlled day-to-day operations of the ResCap Securitization Sponsors and provided extensive managerial and strategic assistance to them. For example, in early 2007, ResCap managers participated in numerous meetings with RFC employees concerning RFC's acquisition practices, underwriting standards and securitization plans. As such, ResCap was aware of the details of RFC's fraudulent scheme. Instead of putting an end to the fraudulent scheme, ResCap assisted and encouraged RFC with its strategy to sell as many of the risky non-compliant loans in its inventory as quickly as possible into securitizations.

The Debtors have acknowledged that their RMBS creditors hold alter ego claims against ResCap that "could cause ResCap to be liable for the [ResCap Securitization Sponsors'] and [ResCap Securitization Depositors'] repurchase obligations." See Debtors' Supplemental Motion Pursuant to Fed. R. Bankr. P. 9019 For Approval of the RMBS Settlement Agreements [Docket No. 1176], at ¶ 20. Indeed, ResCap's liability extends beyond just repurchase claims to all of MBIA's claims on account of its domination of the ResCap Securitization Sponsors and complete disregard for formal corporate distinctions, as discussed above.

(c) MBIA's Claims Against The ResCap Securitization Depositors

MBIA also holds claims against each of Residential Funding Mortgage Securities II, Inc. and Residential Asset Mortgage Products, Inc. (together, the "ResCap Securitization Depositors"). Pursuant to the Insurance Agreements (see, e.g., Section 3.08 of 2006-HSA4 Insurance Agreement) and as the Debtors acknowledge in section 5.01 of the Third Amended and Restated RMBS Trust Settlement Agreement, dated September 21, 2012, by and between the Debtors and the Institutional Investors (as defined therein), the "Depositor Entities," which include the ResCap Securitization Depositors, are jointly and severally liable for the RMBS-related claims asserted against the ResCap Securitization Sponsors. Thus, MBIA may assert the full amount of its claims against each of the ResCap Securitization Depositors.

4. **Reservation of Rights**

(a) Without limiting any of the foregoing, MBIA reserves all of its rights to assert claims for interest (including, without limitation, at the default rate), fees, costs, charges, expenses, disbursements, liabilities, losses, damages, indemnification, reimbursement and/or contribution, and other amounts, including, without limitation, legal fees and expenses (including, without limitation, in connection with the preparation, filing and prosecution of the Proof of Claim), that exist or arise as of or after the date of the filing of the Proof of Claim, whether prior to, on or subsequent to the Petition Date, in each case to the extent or as may be permitted, provided and/or contemplated in the transaction documents and under applicable law.

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of business, ResCap, AFI and certain of their affiliates provided various financial, operational and administrative services to each other . . . . Historically, the[se] services . . . were provided on an undocumented basis").

(b) In filing its Proof of Claim, MBIA expressly reserves all rights and causes of action, including, without limitation, contingent or unliquidated rights that it may have against ResCap. This description and classification of claims by MBIA is not a concession or admission as to the correct characterization or treatment of any such claims or a waiver of any rights of MBIA. MBIA expressly reserves all rights to assert that all or a portion of the claims described herein may be entitled to administrative priority. Furthermore, MBIA expressly reserves all rights to amend, modify and/or supplement the Proof of Claim in any respect, including, without limitation, with respect to the filing of an amended proof of claim for the purpose of fixing and liquidating any contingent or unliquidated claim set forth herein, or to file additional proofs of claim for additional claims, including, without limitation, claims for interest, fees and related expenses (including, without limitation, attorneys' fees) that are not ascertainable at this time.

(c) MBIA's Proof of Claim is filed without prejudice to the filing by MBIA of additional proofs of claim or requests for payment with respect to any other indebtedness, liability or obligation of any of the Debtors. MBIA does not, by its Proof of Claim or any amendment or other action, waive any rights with respect to any scheduled claim.

(d) By filing the Proof of Claim, MBIA does not waive any rights under chapter 5 of the Bankruptcy Code.

(e) In executing and filing its Proof of Claim, MBIA does not submit itself to the jurisdiction of the Bankruptcy Court for any purpose other than with respect to its Claim against ResCap and does not waive or release: (i) its rights and remedies against any other person or entity that may be liable for all or part of the Claim set forth herein, whether an affiliate or subsidiary of ResCap, an assignee, guarantor or otherwise; (ii) any obligation owed to it, or any right to any security that may be determined to be held by it or for its benefit; (iii) any past, present or future defaults (or events of default) by the Debtors or others; or (iv) any right to the subordination, in favor of MBIA, of indebtedness or liens held by other creditors of the Debtors. The filing of the Proof of Claim is not, and shall not be construed as, an election of remedies or limitation of rights or remedies.

(f) Nothing contained in the Proof of Claim nor any subsequent appearance, pleading, claim or suit is intended to be a waiver or release of: (i) the right of MBIA to have final orders in non-core matters (or any other matters over which the Bankruptcy Court does not have jurisdiction to enter a final order) entered only after de novo review by a district court judge; (ii) the right of MBIA to a jury trial in any proceeding so triable herein or, in any case, any controversy or proceeding related hereto; (iii) the right of MBIA to have the reference withdrawn by the United States District Court for the Southern District of New York in any matter subject to mandatory or discretionary withdrawal; (iv) the right of MBIA to have any unliquidated portions of the Claim determined by applicable nonbankruptcy courts; or (v) any other rights, claims, actions, defenses, setoffs or recoupments to which MBIA is or may be entitled under agreements, documents or instruments, in law or equity, all of which rights, claims, actions, defenses, setoffs and recoupments are expressly reserved.

5. **Notices**

All notices with respect to the Claim should be sent to:

MBIA Insurance Corporation
Attn: David Glehan
113 King Street
Armonk, New York 10504
Phone: (914) 765-3225
Facsimile: (914) 765-3259

with copies to:

Cadwalader, Wickersham & Taft LLP
One World Financial Center
New York, New York 10281
Attention: Gregory M. Petrick, Esq.
Ingrid Bagby, Esq.
Phone: (212) 504-6000
Facsimile: (212) 504-6666

-and-

Cadwalader, Wickersham & Taft LLP
700 Sixth Street, N.W.
Washington, DC 20001
Attention: Mark C. Ellenberg
Phone: (202) 862-2200
Facsimile: (202) 862-2400

Dated: November 16, 2012

Exhibit A

A. The RFC Securitizations

Between July 28, 2006 and May 30, 2007, MBIA issued five financial guaranty insurance policies in connection with the RFC Securitizations. The following is a summary of the RFC Securitizations, including, among other things, their closing dates, the aggregate initial loan balance, the type of collateral, the total losses suffered to date, and the amount that MBIA has paid to date.

- **2006-HSA4** is a securitization transaction that was issued on or about July 28, 2006, containing 8,954 HELOCs with an approximate original collateral balance of $400,118,372. As of September 30, 2012, MBIA had paid more than $88 million in claims and expenses associated with 2006-HSA4. The securitization to date has experienced cumulative losses in excess of $123 million representing 31% of the original collateral balance.

- **2006-HSA5** is a securitization transaction that was issued on or about September 28, 2006, containing 5,124 HELOCs with an approximate original collateral balance of $294,177,689. As of September 30, 2012, MBIA had paid more than $85 million in claims and expenses associated with 2006-HSA5. The securitization to date has experienced cumulative losses in excess of $111 million representing 38% of the original collateral balance.

- **2007-HSA1** is a securitization transaction that was issued on or about February 27, 2007, containing 9,484 HELOCs with an approximate original collateral balance of $546,774,309. As of September 30, 2012, MBIA had paid more than $190 million in claims and expenses associated with 2007-HSA1. The securitization to date has experienced cumulative losses in excess of $239 million representing 44% of the original collateral balance.

- **2007-HSA2** is a securitization transaction that was issued on or about April 27, 2007, containing 24,092 CES with an approximate original collateral balance of $1,300,997,943. As of September 30, 2012, MBIA had paid more than $584 million in claims and expenses associated with 2007-HSA2. The securitization to date has experienced cumulative losses in excess of $701 million representing 54% of the original collateral balance.

- **2007-HSA3** is a securitization transaction that was issued on or about May 30, 2007, containing two mortgage-loan pools: 11,268 CES with an approximate original collateral balance of $827,796,388 and 4,146 HELOCs with an approximate initial mortgage loan principal balance of $239,848,000. As of September 30, 2012, MBIA had paid more than $325 million in claims and expenses associated with 2007-HSA3. The securitization to date has experienced

cumulative losses in excess of $407 million representing 48% of the original collateral balance.

All five transactions received investment grade shadow ratings from the Rating Agencies, including shadow ratings issued by S&P of BBB- for 2006-HSA4, 2006-HSA5 and 2007-HSA1, and shadow ratings of BBB for 2007-HSA2 and 2007-HSA3, and shadow ratings issued by Moody's of Baa2 for all five RFC Securitizations.

B. The GMAC Mortgage Securitizations

Between October 28, 2004 and March 3, 2007, MBIA issued three financial guaranty insurance policies in connection with the GMAC Mortgage Securitizations. The following is a summary of the GMAC Mortgage Securitizations, including, among other things, their closing dates, the aggregate initial loan balance, the type of collateral, the total losses suffered to date, and the amount that MBIA has paid to date.

- **2004-HE4** is a securitization transaction that was issued on or about October 28, 2004, containing 42,753 loans, mostly HELOCs, with an approximate original collateral balance of $1,000,000,000. As of September 30, 2012, MBIA had paid more than $27 million in claims and expenses associated with 2004-HSE4. The securitization to date has experienced cumulative losses in excess of $94 million representing 9% of the original collateral balance.

- **2006-HE4** is a securitization that was issued on or about September 27, 2006, containing 31,475 loans, mostly HELOCs, with an approximate original collateral balance of $1,141,931,562. As of September 30, 2012, MBIA had paid more than $182 million in claims and expenses associated with 2006-HE4. The securitization to date has experienced cumulative losses in excess of $304 million representing 27% of the original collateral balance.

- **2007-HE1** is a securitization transaction that was issued on or about March 29, 2007, containing 22,132 loans, mostly CES, with an approximate original collateral balance of $1,185,871,169. As of September 30, 2012, MBIA had paid more than $116 million in claims and expenses associated with 2007-HE1. The securitization to date has experienced cumulative losses in excess of $205 million representing 17% of the original collateral balance.

All three transactions received investment grade shadow ratings from the Rating Agencies, including shadow ratings issued by S&P of BBB- for 2004-HE4, BBB- for 2006-HE4, and BBB for 2007-HE1, and shadow ratings issued by Moody's of Baa1 for 2004-HE4, Baa3 for 2006-HE4, and Baa3 for 2007-HE1.

C. The GSR Securitization

On April 17, 2007, MBIA issued a financial guaranty insurance policy in connection with the GSR Securitization. The following is a summary of the GSR Securitization, including,

among other things, its closing date, the aggregate initial loan balance, the type of collateral, the total losses suffered to date, and the amount that MBIA has paid to date.

- **GSR 2007-HEL1** is a securitization transaction that was issued on or about April 17, 2007, containing 2,707 loans, mostly CES, with an approximate original collateral balance of $137,276,021. As of June 30, 2012, MBIA had paid more than $49 million in claims and expenses associated with GSR 2007-HEL1. The securitization to date has experienced cumulative losses in excess of $54 million representing 41% of the original collateral balance.

Exhibit B
Index of Relevant Transaction Documents

2006 HSA4 Transaction

1. Prospectus, dated July 19, 2006, and Preliminary Prospectus Supplement, dated July 21, 2006, relating to the issuance and sale of the Notes.

2. Prospectus, dated July 19, 2006, and Prospectus Supplement, dated July 27, 2006, relating to the issuance and sale of the Notes.

3. Home Equity Loan Purchase Agreement, dated as of July 28, 2006, between Residential Funding Company, LLC ("RFC"), as seller, and Residential Funding Mortgage Securities II, Inc. ("RFMSII"), as purchaser.

4. Amended and Restated Trust Agreement, dated as of July 28, 2006, between RFMSII and Wilmington Trust Company, as owner trustee (the "Owner Trustee"), together with the Certificates issued thereunder.

5. Servicing Agreement, dated as of July 28, 2006, among RFC, as master servicer, Home Equity Loan Trust 2006-HSA4, as issuer, (the "HSA4 Issuer") and JPMorgan Chase Bank, National Association, as indenture trustee (the "HSA4 Trustee").

6. Indenture, dated as of July 28, 2006, between the HSA4 Trustee and the HSA4 Issuer, together with the Notes issued thereunder.

7. Underwriting Agreement, dated as of July 21, 2006, among RFC, RFMSII and Citigroup Global Markets, Inc. ("Citigroup").

8. Custodial Agreement, dated as of July 28, 2006, among RFC, the HSA4 Trustee and Wells Fargo Bank, National Association, as custodian ("Wells Fargo").

9. Note Guaranty Insurance Policy (Policy Number 48335), issued by MBIA, dated as of July 28, 2006.

10. Insurance Agreement, dated as of July 28, 2006, among MBIA, the HSA4 Issuer, RFMSII and RFC, relating to the Policy.

11. Indemnification Agreement, dated as of July 28, 2006, by and among MBIA, RFC, RFMSII, Citigroup, as an underwriter and Residential Funding Securities, LLC ("RFS"), as an underwriter.

12. Premium Letter, dated as of July 28, 2006, between MBIA and RFC, relating to the Policy.

2006-HSA5 Transaction

1. Prospectus, dated September 19, 2006, and Preliminary Prospectus Supplement, dated September 19, 2006, relating to the issuance and sale of the Notes.

2. Prospectus, dated September 25, 2006, and Prospectus Supplement, dated September 25, 2006, relating to the issuance and sale of the Notes.

3. Home Equity Loan Purchase Agreement, dated as of September 28, 2006, between RFC, as seller, and RFMSII, as purchaser.

4. Amended and Restated Trust Agreement, dated as of September 28, 2006, between RFMSII and the Owner Trustee, together with the Certificates issued thereunder.

5. Servicing Agreement, dated as of September 28, 2006, among RFC, as master servicer, Home Equity Loan Trust 2006-HSA5, as issuer, (the "HSA5 Issuer") and JPMorgan Chase Bank, National Association, as indenture trustee (the "HSA5 Trustee").

6. Indenture, dated as of September 28, 2006, between the HSA5 Trustee and the HSA5 Issuer, together with the Notes issued thereunder.

7. Underwriting Agreement, dated as of September 19, 2006, among RFC, RFMSII and Goldman, Sachs & Co. ("Goldman").

8. Custodial Agreement, dated as of September 28, 2006, among RFC, the HSA5 Trustee and Wells Fargo.

9. Note Guaranty Insurance Policy (Policy Number 48572), issued by MBIA, dated as of September 28, 2006.

10. Insurance Agreement, dated as of September 28, 2006, among MBIA, the HSA5 Issuer, RFMSII and RFC, relating to the Policy.

11. Indemnification Agreement, dated as of September 28, 2006, by and among MBIA, RFC, RFMSII, Goldman, as an underwriter and RFS, as an underwriter.

12. Premium Letter, dated as of September 28, 2006, between MBIA and RFC, relating to the Policy.

2007-HSA1 Transaction

1. Prospectus, dated December 15, 2006, and Preliminary Prospectus Supplement, dated February 20, 2007, relating to the issuance and sale of the Notes.

2. Prospectus, dated December 15, 2006, and Prospectus Supplement, dated February 23, 2007, relating to the issuance and sale of the Notes.

3. Home Equity Loan Purchase Agreement, dated as of February 27, 2007, between RFC, as seller, and RFMSII, as purchaser.

4. Amended and Restated Trust Agreement, dated as of February 27, 2007, between RFMSII and the Owner Trustee, together with the Certificates issued thereunder.

5. Servicing Agreement, dated as of February 27, 2007, among RFC, as master servicer, Home Equity Loan Trust 2007-HSA1, as issuer, (the "HSA1 Issuer") and LaSalle Bank National Association, as indenture trustee (the "HSA1 Trustee").

6. Indenture, dated as of February 27, 2007, between the HSA1 Trustee and the HSA1 Issuer, together with the Notes issued thereunder.

7. Underwriting Agreement, dated as of February 20, 2007, among RFC, RFMSII and RFS.

8. Custodial Agreement, dated as of February 27, 2007, among RFC, the HSA1 Trustee and Wells Fargo.

9. Note Guaranty Insurance Policy (Policy Number 492240), issued by MBIA, dated as of February 27, 2007.

10. Insurance Agreement, dated as of February 27, 2007, among MBIA, the HSA1 Issuer, RFMSII and RFC, relating to the Policy.

11. Indemnification Agreement, dated as of February 27, 2007, by and among MBIA, RFC, RFMSII, Deutsche Bank Securities Inc., as an underwriter and RFS, as an underwriter.

12. Premium Letter, dated as of February 27, 2007, between MBIA and RFC, relating to the Policy.

2007-HSA2 Transaction

1. Prospectus, dated April 23, 2007, and Preliminary Prospectus Supplement, dated April 23, 2007, relating to the issuance and sale of the certificates.

2. Prospectus, dated April 23, 2007, and Prospectus Supplement, dated April 25, 2007, relating to the issuance and sale of the certificates.

3. Underwriting Agreement, dated as of April 23, 2007, among RFC, RFMSII and RFS.

4. Pooling and Servicing Agreement, dated as of April 1, 20076, among RFC, as master servicer, RFMSII, as depositor and LaSalle Bank National Association, as trustee (the "HSA2 Trustee"), and the Class A Certificates issued thereunder.

5. Custodial Agreement, dated as of April 1, 2007, among RFC, the HSA2 Trustee and Wells Fargo.

6. Assignment and Assumption Agreement, dated as of April 27, 2007, between RFC, as Seller, and RFMSII, as purchaser.

7. Financial Guaranty Insurance Policy (Policy Number 495140), issued by MBIA, dated as of April 27, 2007.

8. Insurance Agreement, dated as of April 27, 2007, among MBIA, RFMSII and RFC, relating to the Policy.

9. Indemnification Agreement, dated as of April 25, 2007, by and among MBIA, RFC, RFMSII, Greenwich Capital Markets, Inc., as an underwriter, Citigroup, as an Underwriter and RFS, as an underwriter.

10. Premium Letter, dated as of April 27, 2007, between MBIA and RFC, relating to the Policy.

2007-HSA3 Transaction

1. Prospectus, dated April 23, 2007, and Preliminary Prospectus Supplement, dated May 22, 2007, relating to the issuance and sale of the Notes.

2. Prospectus, dated April 23, 2007, and Prospectus Supplement, dated May 25, 2007, relating to the issuance and sale of the Notes.

3. Home Equity Loan Purchase Agreement, dated as of May 30, 2007, between RFC, as seller, and RFMSII, as purchaser.

4. Amended and Restated Trust Agreement, dated as of May 30, 2007, between RFMSII and the Owner Trustee, together with the Certificates issued thereunder.

5. Servicing Agreement, dated as of May 30, 2007, among RFC, as master servicer, Home Equity Loan Trust 2007-HSA3, as issuer, (the "HSA3 Issuer") and LaSalle Bank National Association, as indenture trustee (the "HSA3 Trustee").

6. Indenture, dated as of May 30, 2007, between the HSA3 Trustee and the HSA3 Issuer, together with the Notes issued thereunder.

7. Underwriting Agreement, dated as of May 22, 2007, among RFC, RFMSII and RFS.

8. Custodial Agreement, dated as of May 30, 2007, among RFC, the HSA1 Trustee and Wells Fargo.

9. Note Guaranty Insurance Policy (Class I Notes)(Policy Number 496850), issued by MBIA, dated as of May 30, 2007.

10. Note Guaranty Insurance Policy (Class A-II Notes)(Policy Number 496860), issued by MBIA, dated as of May 30, 2007.

11. Insurance Agreement, dated as of May 30, 2007, among MBIA, the HSA3 Issuer, RFMSII and RFC, relating to the Policy.

12. Indemnification Agreement, dated as of May 30, 2007, by and among MBIA, RFC, RFMSII, Credit Suisse Securities (USA) LLC, as an underwriter and RFS, as an underwriter.

13. Premium Letter, dated as of May 30, 2007, between MBIA and RFC, relating to the Policy.

GMACM 2004-HE4 Transaction

1. Prospectus, dated August 12, 2004, and Prospectus Supplement, dated October 25, 2004, relating to the issuance and sale of the Notes.

2. Mortgage Loan Purchase Agreement, dated as of October 28, 2004, among GMAC Mortgage Corporation ("GMACM") and Walnut Grove Mortgage Loan Trust 2003-A ("Walnut Grove"), as sellers, Residential Asset Mortgage Products, Inc. ("RAMP"), as purchaser, GMACM Home Equity Loan Trust 2004-HE4, as issuer (the "2004-HE4 Issuer") and Wells Fargo Bank, N.A., as indenture trustee (the "2004-HE4 Trustee"), together with each Subsequent Transfer Agreement thereto.

3. Trust Agreement, dated as of October 28, 2004, between RAMP and the Owner Trustee, together with the Certificates issued thereunder.

4. Servicing Agreement, dated as of October 28, 2004, among GMACM, as servicer, the 2004-HE4 Issuer and the 2004-HE4 Trustee.

5. Indenture, dated as of October 28, 2004, between the 2004-HE4 Trustee and the 2004-HE4 Issuer, together with the Notes issued thereunder.

6. Underwriting Agreement, dated as of October 25, 2004, among GMACM, RAMP and Bear, Stearns & Co. Inc. ("Bear Stearns").

7. Custodial Agreement, dated as of October 28, 2004, among GMACM, the 2004-HE4 Trustee and GMAC Bank, as custodian ("GMAC Bank").

8. Note Guaranty Insurance Policy (Policy Number 45174), issued by MBIA, dated as of October 28, 2004.

9. Insurance Agreement, dated as October 1, 2004, among MBIA, the 2004-HE4 Issuer, RAMP, GMACM, Walnut Grove, the Owner Trustee and the 2004-HE4 Trustee, relating to the Policy.

10. Indemnification Agreement, dated as of October 25, 2004, by and among MBIA, GMACM, RAMP, Bear Stearns, as underwriter and as representative of Greenwich Capital Markets, Inc. and Lehman Brothers Inc. and RFS as an underwriter.

11. Premium Letter, dated as of October 28, 2004, between MBIA and GMACM, relating to the Policy.

GMACM 2006-HE4 Transaction

1. Prospectus, dated August 9, 2006, and Preliminary Prospectus Supplement, dated September 21, 2006, relating to the issuance and sale of the Notes.

2. Prospectus, dated August 9, 2006, and Prospectus Supplement, dated September 25, 2006, relating to the issuance and sale of the Notes.

3. Mortgage Loan Purchase Agreement, dated as of September 27, 2006 among GMACM and Walnut Grove, as sellers, RAMP, as purchaser, GMACM Home Equity Loan Trust 2006-HE4, as issuer (the "2006-HE4 Issuer") and JPMorgan Chase Bank, National Association, as indenture trustee (the "2006-HE4 Trustee"), together with each Subsequent Transfer Agreement thereto.

4. Trust Agreement, dated as of September 27, 2006, between RAMP and the Owner Trustee, together with the Certificates issued thereunder.

5. Servicing Agreement, dated as of September 27, 2006, among GMACM, as servicer, the 2006-HE4 Issuer and the 2006-HE4 Trustee.

6. Indenture, dated as of September 27, 2006, between the 2006-HE4 Trustee and the 2006-HE4 Issuer, together with the Notes issued thereunder.

7. Underwriting Agreement, dated as of September 21, 2006, among GMACM, RAMP and Bear, Stearns & Co. Inc. ("Bear Stearns").

8. Custodial Agreement, dated as of September 27, 2006, among GMACM, the 2006-HE4 Trustee and GMAC Bank.

9. Note Guaranty Insurance Policy (Policy Number 48573), issued by MBIA, dated as of September 27, 2006.

10. Insurance Agreement, dated as September 1, 2006, among MBIA, the 2006-HE4 Issuer, RAMP, GMACM, Walnut Grove, the Owner Trustee and the 2006-HE4 Trustee, relating to the Policy.

11. Indemnification Agreement, dated as of September 25, 2006, by and among MBIA, GMACM, RAMP, Bear Stearns, as underwriter and as representative of J.P. Morgan Securities Inc., Greenwich Capital Markets, Inc. and Deutsche Bank Securities, Inc. and RFS as an underwriter.

12. Premium Letter, dated as of September 27, 2006, between MBIA and GMACM, relating to the Policy.

GMACM 2007-HE1 Transaction

1. Prospectus, dated December 4, 2006, and Preliminary Prospectus Supplement, dated March 22, 2007, relating to the issuance and sale of the Notes.

2. Prospectus, dated December 4, 2006, and Prospectus Supplement, dated March 28, 2007, relating to the issuance and sale of the Notes.

3. Mortgage Loan Purchase Agreement, dated as of March 29, 2007, among GMACM and Walnut Grove, as sellers, RAMP, as purchaser, GMACM Home Equity Loan Trust 2007-HE1, as issuer (the "HE1 Issuer") and The Bank of New York Trust Company, N.A., as indenture trustee (the "HE1 Trustee"), together with each Subsequent Transfer Agreement thereto.

4. Trust Agreement, dated as of March 29, 2007, between RAMP and the Owner Trustee, together with the Certificates issued thereunder.

5. Servicing Agreement, dated as of March 29, 2007, among GMACM, as servicer, the HE1 Issuer and the HE1 Trustee.

6. Indenture, dated as of March 29, 2007, between the HE1 Trustee and the HE1 Issuer, together with the Notes issued thereunder.

7. Underwriting Agreement, dated as of March 26, 2007, among GMACM, RAMP and J.P. Morgan Securities Inc. ("JPMorgan").

8. Custodial Agreement, dated as of March 29, 2007, among GMACM, the HE1 Trustee and GMAC Bank.

9. Note Guaranty Insurance Policy (Policy Number 493870), issued by MBIA, dated as of March 29, 2007.

10. Insurance Agreement, dated as March 1, 2007, among MBIA, the HE1 Issuer, RAMP, GMACM, Walnut Grove, the Owner Trustee and the HE1 Trustee, relating to the Policy.

11. Indemnification Agreement, dated as of March 28, 2007, by and among MBIA, GMACM, RAMP, JPMorgan, as underwriter and as representative of Greenwich Capital Markets, Inc. and RFS as an underwriter.

12. Premium Letter, dated as of March 29, 2007, between MBIA and GMACM, relating to the Policy.

<u>GSR 2007-HEL1 Transaction</u>

1. Master Home Equity Lines of Credit Purchase and Servicing Agreement, dated as of December 1, 2006, between RFC, as seller and servicer, and Goldman Sachs Mortgage Company ("GSMC"), as purchaser.

2. Prospectus Supplement, dated April 16, 2007, the Prospectus, dated February 13, 2007 and the Free Writing Prospectus Supplement, dated April 5, 2007, relating to the issuance and sale of the Notes.

3. Amended and Restated Trust Agreement, dated as of April 17, 2007, among GS Mortgage Securities Corp., as depositor (the "Depositor"), Wilmington Trust Company, as owner trustee (the "Owner Trustee") and Deutsche Bank National Trust Company, as indenture trustee (the "HEL1 Trustee")

4. Indenture, dated as of April 17, 2007, between GSR Trust 2007-HEL1 (the "HEL1 Issuer") and the HEL1 Trustee, together with the Notes issued thereunder.

5. Sale and Servicing Agreement, dated as of April 17, 2007, among the Depositor, the HEL1 Issuer, the HEL1 Trustee, RFC, as original loan seller and servicer, and GSMC, as sponsor.

6. Underwriting Agreement, dated as of April 5, 2007, between the Depositor and Goldman, Sachs & Co. ("Goldman Sachs").

7. Custodial Agreement, dated as of April 17, 2007, among the HEL1 Trustee, the Depositor, GSMC, as seller and sponsor, and Wells Fargo Bank, N.A., as custodian.

8. Administration Agreement, dated as of April 17, 2007, among the HEL1 Issuer, the HEL1 Trustee, the Owner Trustee and the Depositor.

9. Financial Guaranty Insurance Policy (Policy Number 494530), issued by MBIA, dated as of April 17, 2007.

10. Insurance Agreement, dated as of April 17, 2007, among MBIA, RFC, the HEL1 Issuer, GSMC, as sponsor, and the Depositor.

11. Indemnification Agreement, dated as of April 16, 2007, among MBIA, GSMC, as sponsor, the Depositor, and Goldman Sachs, as underwriter.

12. Premium Letter, dated as of April 17, 2007, between MBIA and GSMC, relating to the Policy.

Exhibit C
RFC COMPLAINT

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

MBIA INSURANCE CORPORATION, Plaintiff, -against- RESIDENTIAL FUNDING COMPANY, LLC, Defendant.	Index No. 603552/2008 (Fried, J.) **FIRST AMENDED COMPLAINT**

Plaintiff MBIA Insurance Corporation ("MBIA") for its First Amended Complaint against defendant Residential Funding Company, LLC ("RFC") alleges, on information and belief as to all facts other than as to itself, as follows:

NATURE OF THE ACTION

1. This action arises from defendant RFC's fraudulent inducement of plaintiff MBIA to provide financial guaranty insurance policies (each a "Policy" and, collectively, the "Policies") for five securitization transactions sponsored by RFC and RFC's pervasive breach of contract representations and warranties made to MBIA in connection with those five securitizations.

2. RFC, a Delaware limited liability company with its principal place of business in Minneapolis, Minnesota, is engaged in the business of, among other things, originating and acquiring residential mortgage loans and selling those loans through securitization programs. During 2006 and 2007, RFC sought to sell certain of its residential home equity loans by means of securitization transactions and approached MBIA to provide the Policies for certain of these securitization transactions. These Policies were intended to insure

timely payments of interest and ultimate principal to investors who purchased the securities that were issued through the securitization transactions.

3. Among other representations and warranties, RFC represented to MBIA that the mortgage loans underlying the securitization transactions were of a certain quality and had been underwritten in accordance with RFC's underwriting guidelines and policies. RFC made this representation to assure MBIA that for each individual mortgage loan there was a reasonable expectation that the borrower would be able to repay the mortgage debt.

4. In reality, and contrary to RFC's representations and warranties, the portfolios of mortgage loans that RFC included in the securitization transactions were of a fundamentally different quality and character than RFC represented to MBIA. A material number of mortgage loans included in the mortgage loan pools underlying the securitizations were made to borrowers who could not reasonably have been expected to be able to repay the mortgage loans, and the risks inherent in the portfolios were significantly higher than as represented to MBIA. Moreover, there were fundamental, material and consistent violations of RFC's underwriting guidelines and policies in connection with the underwriting of the mortgage loans that RFC included in the securitization transactions. The undisclosed and misrepresented risks were pervasive throughout the mortgage loan portfolios for the securitization transactions. Had MBIA been aware of the condition of the mortgage loan portfolios and RFC's material disregard of its underwriting guidelines and policies, MBIA would not have issued the Policies for the securitization transactions.

5. MBIA's agreement to issue the Policies with respect to the securitizations was based on representations and warranties from RFC that constituted an intentional scheme to defraud MBIA into providing financial guaranty insurance in connection with the securitization transactions sponsored by RFC. MBIA, as the financial guaranty insurer, has now paid hundreds

of millions of dollars in claims, and is now exposed to significant further liability incurred directly as a result of RFC's pervasive misrepresentations with respect to the mortgage loans.

6. Subsequent to its fraud in inducing MBIA into writing the policies, RFC also has breached its contractual obligations and acted in bad faith by refusing to cure, repurchase or otherwise remedy the material deficiencies in respect of individual mortgage loans. In fact, RFC has stopped responding altogether to MBIA's requests that RFC repurchase such deficient mortgage loans and has repudiated the contractual remedy process, thereby repudiating its obligations under the contracts.

PARTIES

7. Plaintiff MBIA Insurance Corporation is a New York stock insurance corporation with its principal place of business in Armonk, New York.

8. Defendant Residential Funding Company, LLC is a Delaware limited liability company with its principal place of business in Minneapolis, Minnesota. Residential Funding Company, LLC is successor-in-interest to Residential Funding Corporation, a Delaware corporation with its principal place of business in Minneapolis, Minnesota.

JURISDICTION AND VENUE

9. This Court has jurisdiction over this proceeding pursuant to CPLR § 301.

10. RFC is a registered limited liability company within the State of New York, has appointed an agent for service of process and has consented to the jurisdiction of Courts within the State. RFC transacts business within the State. Further, actions that led to the transactions that give rise to the claims in this Complaint occurred within the State.

11. Venue is proper in this Court pursuant to CPLR § 503. RFC has designated New York County as its county of residence in the State of New York. Further, RFC has agreed that courts in the State of New York located in the City and County of New York are

the appropriate venue for all actions arising out of the transactions that give rise to the claims in the Complaint. Moreover, substantial activities relating to the transactions that give rise to the claims in the Complaint occurred within New York County.

FACTUAL ALLEGATIONS

A. RFC

12. RFC is engaged in the acquisition of residential mortgage loans under several loan purchase programs from individual mortgage loan originators or sellers nationwide. RFC, through its affiliates, also originates residential mortgage loans. Further, RFC acts as a servicer for mortgage loans.

13. RFC's practice is to sell, by means of securitization transactions, mortgage loans that it has acquired, as well as mortgage loans it originated through its affiliates. RFC has sponsored securitizations of mortgage loans secured by first liens on one- to four- family residential properties since 1986. In 1995, RFC expanded its business to include second lien mortgage loans. From 2002 through the first quarter of 2007, RFC sponsored securitizations of 1,313,052 first lien mortgage loans with an aggregate principal balance of $243,493,046,962. During the same period, RFC sponsored securitizations of 338,441 second lien mortgage loans with an aggregate principal balance of $14,393,392,561.

14. As of December 4, 2008, RFC was a wholly-owned subsidiary of Residential Capital LLC ("ResCap"), a Delaware limited liability company, which was itself a wholly-owned subsidiary of GMAC LLC ("GMAC"), a Delaware limited liability company registered as a foreign limited liability company in the State of New York.

B. The Securitization Of Residential Mortgage Loans

15. Acquirers and originators of mortgage loans may sponsor securitization transactions to sell mortgage loans and to enable the acquisition or origination of additional

mortgage loans. Securitization is the act of using a financial asset, such as a mortgage loan, as security for another instrument.

16. Securitizations can take various forms. The most common form used for mortgage loans involves the creation of a trust, to which the sponsoring entity sells a portfolio of mortgage loans. The trust will then divide the cash flows from the portfolio of mortgage loans into various pieces or tranches and issue securities, which are sold to investors. Those pieces or tranches underlying the securities have different economic rights to principal and interest, among other things, and have different attributes of repayment risk. As the United States Securities and Exchange Commission ("SEC") has observed, in many instances the transfer of assets to the trust "is a two-step process: the financial assets are transferred by the sponsor first to an intermediate entity, often a limited purpose entity created by the sponsor for a securitization program and commonly called a depositor, and then the depositor will transfer the assets to the [trust] for the particular asset-backed transactions." SEC Release "Asset-Backed Securities" (Regulation AB), SEC Release Nos. 33-8518; 34-50905, 70 Fed. Reg. 1,506-1,631.

17. Because the mortgage loans, and their underlying cash flows, are sold to an entity, such as a trust, in connection with the securitization, the appointment of a servicer is also necessary. The servicer's primary responsibilities are (1) collecting mortgage payments on performing mortgage loans, (2) engaging in loss mitigation efforts to increase collection efforts on delinquent mortgage loans, (3) initiating foreclosure proceedings, (4) charging-off mortgage loans when appropriate, (5) reporting key information about the mortgage loans to the trustee for dissemination to the other transaction participants and (6) transferring collections to the trustee for distribution to the investors. The trustee is responsible for administering the funds of the trust, determining the adequacy of the trust's funds to satisfy the trust's obligations in connection with the securities issued by the trust and making payments to the investors.

18. Mortgage loans may consist of, among others, closed-end second lien mortgage loans ("Closed-End Mortgage Loans") and home equity lines of credit ("Home Equity Loans"). For Closed-End Mortgage Loans, a borrower receives the full borrowed amount of the loan at the time of origination. For Home Equity Loans, a borrower receives the right to draw upon a line of credit, which is collateralized by a mortgage lien, for a period of time after origination of the Home Equity Loan up to the full amount of the Home Equity Loan. The amount of a Home Equity Loan that has been drawn upon as of any date of determination is known as the "Utilization."

19. The financial viability of an investment in a securitization is based on the quality of the underlying mortgage loans. If, for instance, the lender that originated the mortgage loans employed substandard underwriting practices, risk increases. This risk manifests itself through delinquencies on mortgage loan payments eventually leading to defaults on these mortgage loans. After a mortgage loan is in default, if a servicer of a mortgage loan determines that the value of net recoveries to be achieved by foreclosing upon, or comparably converting, the mortgage loan are unlikely to equal or exceed the outstanding principal balance of the delinquent mortgage loan, plus certain costs and expenses related thereto, the servicer will charge-off such delinquent mortgage loan, meaning that the servicer will write down or recognize the outstanding principal balance of such mortgage loan as zero, without a corresponding payment or receipt of principal. These delinquencies, defaults and charge-offs have the potential to result in significant shortfalls of anticipated cash flows to the trust and, consequently, a shortfall in cash flows payable to the investors.

20. To increase marketability, lower interest costs and mitigate the risk to the investors of a potential shortfall in anticipated cash flows to the trust, many securitizations historically have included the purchase of a financial guaranty insurance policy from a financial

guaranty insurer, such as MBIA. Under the terms of such a policy, a financial guaranty insurer, in consideration of a premium and subject to the terms and conditions of the policy, will unconditionally and irrevocably guarantee to the investors that, in the event there is a shortfall in cash flows to the trust, the financial guaranty insurer will insure certain payments with respect to current interest and ultimate principal to the trustee for the benefit of the investors. In this way, the risk to the investors of a shortfall in the anticipated cash flows to the trust is mitigated, thus increasing the marketability and pricing of the securities.

21. To satisfy both the investors and the financial guaranty insurer as to the quality of a particular portfolio of mortgage loans, the sponsor of a securitization typically makes disclosures and representations regarding the quality and character of the underlying mortgage loans and the underwriting standards used to underwrite the mortgage loans. While these disclosures and representations do not entirely remove the risk of delinquency and/or charge-off, they are intended to assure the financial guaranty insurer that risks are known to the insurer and that the financial guaranty insurer does not face additional, hidden risks.

22. A sponsor's disclosures and representations in a residential mortgage-backed securitization are extremely important because of the sponsor's unique and special knowledge and expertise regarding the underwriting of mortgage loans. The sponsor's disclosures and representations regarding the quality and character of the mortgages included in the mortgage loan portfolios and the underwriting standards used to underwrite the mortgage loans are necessary because it is neither practical nor feasible for the financial guaranty insurer to review the many thousands of mortgage loans in the loan portfolios. Individual loan files are typically voluminous, containing mortgage applications, credit reports, income and employment verifications, the lender's internal documentation and many other forms of documentation necessary to support underwriting decisions. In addition, sponsors typically require a bid from a

financial guaranty insurer within a few days of the sponsor's initial solicitation, and the securitization's closing date is often only a few weeks later.

23. Because the review of all the loan files underlying a securitization is impractical and infeasible, a sponsor instead will provide to the financial guaranty insurer and the rating agencies, among others, schedules and data tapes that set forth general financial characteristics of the mortgage loans that will be transferred by the sponsor to the securitization trust. The rating agencies rely upon the data contained in the schedules and data tapes to create expected loan level default and loss assumptions. The loan level default and loss assumptions are then used to create cash flow projections – that is, estimates of potential losses – for the securitizations. The rating agencies then provide shadow ratings for the securitization transactions, which shadow ratings are based on the expected losses for the proposed securitization structure. A financial guaranty insurer must rely on the sponsor's representations and data with respect to the quality of the mortgage loan portfolio underlying the securitizations as well as the integrity of the sponsor's underwriting policies and practices. Further, the financial guaranty insurer must also rely on the shadow ratings provided by the ratings agencies, which are based on the same representations, warranties and data provided to the financial guaranty insurer. In addition, it is infeasible and impractical for a financial guaranty insurer to confirm based on schedules or data tapes whether a sponsor has underwritten the mortgage loans in compliance with its underwriting criteria. The sponsor's unique and special knowledge, and expertise regarding its underwriting practices, cannot be duplicated by the financial guaranty insurer, especially given the short timeframe in which the financial guaranty insurer is required to make an underwriting decision.

C. MBIA's Special Relationship Of Trust And Confidence With RFC

24. MBIA provided financial guaranty insurance policies for certain securitization transactions sponsored by RFC and its affiliates during 2003 and 2004. In late 2005 and early 2006, MBIA and RFC engaged in discussions about furthering their relationship and developing a program pursuant to which MBIA could issue financial guaranty insurance policies for securitization transactions sponsored by RFC. Because a financial guaranty insurer – like MBIA – is reliant on the integrity and veracity of the sponsor of a mortgage-backed securitization – like RFC – MBIA must trust and have confidence in the sponsor as part of its determination whether to issue a financial guaranty insurance policy for an individual securitization transaction. To further this relationship of trust and confidence with RFC, MBIA undertook a due diligence review of RFC, which included a credit and financial analysis of RFC and its affiliates.

25. In August 2005, MBIA visited RFC's offices in Minnesota to inspect RFC's operations and to discuss the development of a program pursuant to which MBIA could compete to issue financial guaranty insurance policies for securitization transactions sponsored by RFC. In June 2006, RFC sent MBIA financial statements for RFC, its affiliate, GMAC Mortgage, LLC ("GMAC Mortgage"), and its parent company, ResCap.

26. MBIA used this and other information provided by RFC to analyze the credit profiles and financial stability of RFC, its parent companies, including ResCap, and its affiliates. MBIA also analyzed the historical performance of securitizations sponsored by RFC and GMAC Mortgage, and evaluated RFC's corporate history, market share, management team, underwriting standards and servicing platform. In addition to publicly available information, MBIA relied on information provided by RFC to conduct its due diligence review and to analyze

whether to further a relationship of trust and confidence with RFC in respect of a program to provide financial guaranty insurance for RFC's securitization transactions.

27. On or about June 30, 2006, MBIA's Executive Credit Committee ("ECC") approved a program pursuant to which MBIA furthered its special relationship of trust and confidence with RFC. In that regard, the ECC authorized MBIA's underwriters to incur up to $8.5 billion of gross exposure to RFC and GMAC Mortgage, with the proviso that each proposed securitization transaction be reviewed and approved in accordance with MBIA's underwriting policies and procedures. The ECC delegated authority to review and approve individual securitization transactions to MBIA's Underwriting Committee. The ECC's approval of this program and its delegation of authority to the Underwriting Committee was based on MBIA's trust and confidence in RFC, which resulted from MBIA's discussions with and analysis of RFC during 2005 and early 2006.

28. Approximately two weeks after the ECC approved this program, RFC solicited MBIA to bid on the first of the five securitization transactions that are the subject of this action. The program was ultimately extended though June 30, 2007. The last of the securitization transactions at issue here closed on May 30, 2007.

D. The RFC Transactions

29. Starting in approximately July 2006 and pursuant to MBIA's Exposure Plan, RFC solicited MBIA to provide financial guaranty insurance policies for five securitizations sponsored by RFC: Home Equity Loan Trust 2006-HSA4 ("2006-HSA4"), Home Equity Loan Trust 2006-HSA5 ("2006-HSA5"), Home Equity Loan Trust 2007-HSA1 ("2007-HSA1"), Home Equity Loan Trust 2007-HSA2 ("2007-HSA2") and Home Equity Loan Trust 2007-HSA3 ("2007-HSA3" and, collectively with 2006-HSA4, 2006-HSA5, 2007-HSA1 and 2007-HSA2, the "RFC Transactions").

30. 2006-HSA4 is a securitization that was issued on or about July 28, 2006. The 2006-HSA4 mortgage loan pool consists of adjustable rate, revolving Home Equity Loans. Approximately 99.05% of the Home Equity Loans in the 2006-HSA4 mortgage loan pool are secured by second liens on one- to four- family residential properties with the remaining approximately 0.95% of the Home Equity Loans secured by first liens. As of July 1, 2006 (the "2006-HSA4 Cut-off Date"), the mortgage loan pool for 2006-HSA4 contained 8,954 Home Equity Loans with an approximate initial principal mortgage loan balance of $402,118,000 as of the 2006-HSA4 Cut-off Date. The weighted average amount of Utilization of the Home Equity Loans as of the 2006-HSA4 Cut-off Date was 77.89% of the available credit limit.

31. 2006-HSA5 is a securitization that was issued on or about September 28, 2006. The 2006-HSA5 mortgage loan pool consists of adjustable rate, revolving Home Equity Loans. Approximately 99.2% of the Home Equity Loans in the 2006-HSA5 mortgage loan pool are secured by second liens on one- to four- family residential properties with the remaining approximately 0.80% of the Home Equity Loans secured by first liens. As of September 1, 2006 (the "2006-HSA5 Cut-off Date"), the mortgage loan pool for 2006-HSA5 contained 5,124 Home Equity Loans with an approximate initial principal mortgage loan balance of $295,648,000 as of the 2006-HSA5 Cut-off Date. The weighted average amount of Utilization of the Home Equity Loans as of the 2006-HSA5 Cut-off Date was 87.98% of the available credit limit.

32. 2007-HSA1 is a securitization that was issued on or about February 27, 2007. The 2007-HSA1 mortgage loan pool consists of adjustable rate, revolving Home Equity Loans. Approximately 98.3% of the home equity loans in the 2007-HSA1 mortgage loan pool are secured by second liens on one- to four- family residential properties with the remaining approximately 1.7% of the Home Equity Loans secured by first liens. As of February 1, 2007 (the "2007-HSA1 Cut-off Date"), the mortgage loan pool for 2007-HSA1 contained 9,484 Home

Equity Loans with an approximate initial mortgage loan principal balance of $546,774,000 as of the 2007-HSA1 Cut-off Date. The weighted average amount of Utilization of the Home Equity Loans as of the 2007-HSA1 Cut-off Date was 85.84% of the available credit limit.

33. 2007-HSA2 is a securitization that was issued on or about April 27, 2007. The 2007-HSA2 mortgage loan pool consists of fixed rate Closed-End Mortgage Loans. Approximately 99.84% of the Closed-End Mortgage Loans in the 2007-HSA2 mortgage loan pool are secured by second liens on one- to four- family residential properties with the remaining approximately 0.16% of the Closed-End Mortgage Loans secured by first liens. As of April 1, 2007 (the "2007-HSA2 Cut-off Date"), the mortgage loan pool for 2007-HSA2 contained 24,092 Closed-End Mortgage Loans with an approximate initial mortgage loan principal balance of $1,300,997,943 as of the 2007-HSA2 Cut-off Date.

34. 2007-HSA3 is a securitization that was issued on or about May 30, 2007. The 2007-HSA3 mortgage loan pool contains two mortgage loan groups. One loan group ("2007-HSA3 Loan Group 1") contains 11,268 fixed rate Closed-End Mortgage Loans with an aggregate initial mortgage loan principal balance of $590,465,000 as of May 1, 2007 (the "2007-HSA3 Cut-off Date"). The other loan group ("2007-HSA3 Loan Group 2") contains 4,146 adjustable rate, revolving Home Equity Loans with an aggregate initial mortgage loan principal balance of $239,848,476 as of the 2007-HSA3 Cut-off Date. Approximately 99.87% of the 2007-HSA3 Loan Group 1 loans and 99.26% of the 2007-HSA3 Loan Group 2 loans are secured by second liens on one- to four- family residential properties with the remaining approximately 0.13% and 0.74% of the respective group mortgage loans secured by first liens. As of the 2007-HSA3 Cut-off Date, the weighted average amount of Utilization of the Home Equity Loans in 2007-HSA3 Loan Group 2 was 86.0% of the available credit limit.

35. RFC is the seller for the RFC Transactions. RFC was also the master servicer for the RFC Transactions and outsourced certain of its servicing functions to affiliated entities, which acted as subservicers. On November 2, 2009, RFC voluntarily relinquished its rights and responsibilities as master servicer and allowed MBIA to appoint a new master servicer. As such, neither RFC nor its subservicer affiliates were involved with the servicing of the mortgage loans after November 2, 2009.

E. RFC's Representations And Warranties

36. In connection with each RFC Transaction, MBIA and RFC entered into an Insurance Agreement pursuant to which MBIA issued a Policy for the RFC Transactions. The Policies increased the marketability of the securities by mitigating the risk to potential investors of any shortfalls in anticipated cash flows, which allowed for better pricing of the securities for RFC. These Insurance Agreements are: (1) an Insurance Agreement among MBIA, RFC, Home Equity Loan Trust 2006-HSA4 and Residential Funding Mortgage Securities II, Inc. ("RFMS II"), dated July 28, 2006 (the "2006-HSA4 Insurance Agreement"); (2) an Insurance Agreement among MBIA, RFC, Home Equity Loan Trust 2006-HSA5 and RFMS II, dated September 28, 2006 (the "2006-HSA5 Insurance Agreement"); (3) an Insurance Agreement among MBIA, RFC, Home Equity Loan Trust 2007-HSA1 and RFMS II, dated February 27, 2007 (the "2007-HSA1 Insurance Agreement"); (4) an Insurance Agreement among MBIA, RFC, Home Equity Loan Trust 2007-HSA2 and RFMS II, dated April 27, 2007 (the "2007-HSA2 Insurance Agreement"); and (5) an Insurance Agreement among MBIA, RFC, Home Equity Loan Trust 2007-HSA3 and RFMS II, dated May 30, 2007 (the "2007-HSA3 Insurance Agreement" and, collectively with the foregoing, the "Insurance Agreements").

37. RFC made numerous representations and warranties to MBIA in connection with each Insurance Agreement. RFC further made numerous representations and

warranties to the rating agencies that contributed to the issuance of incorrect shadow ratings by the rating agencies. These representations and warranties, as well as the shadow ratings, were a material inducement to MBIA to enter into the Policies.

38. Specifically, each Insurance Agreement incorporated by reference, for the benefit of MBIA, the representations and warranties contained in the respective "Transaction Documents," as that term was defined in the Insurance Agreements. The incorporation by reference of the Transaction Documents into the Insurance Agreements was intended to allow MBIA to itself rely upon any representation and warranty that RFC made to any other entities, such as investors, in connection with each of the RFC Transactions. For 2006-HSA4, 2006-HSA5, 2007-HSA1 and 2007-HSA3, the "Transaction Documents" included, among others, the purchase agreements that set forth the terms of the sale of the mortgage loans to the relevant trust in connection with the respective transaction (the "Purchase Agreements"); the servicing agreements that set forth the terms for servicing the mortgage loans in connection with the respective transaction (the "Servicing Agreements"); and offering materials provided to potential investors and filed with the SEC in connection with the respective transaction (the "Offering Documents"). For 2007-HSA2, the "Transaction Documents" included the assignment agreement ("2007-HSA2 Assignment Agreement"), which set forth the terms of the assignment of the mortgage loans to the 2007-HSA2 Trust, the pooling and servicing agreement ("2007-HSA2 PSA"), which set forth the terms for servicing the mortgage loans for 2007-HSA2, and the Offering Documents, among others. MBIA is an express third-party beneficiary of the Purchase Agreements, the Servicing Agreements, the 2007-HSA2 Assignment Agreement and the 2007-HSA2 PSA.

39. RFC also separately represented and warranted in the Insurance Agreements that "[t]he Offering Documents did not, as of the Closing Date, contain any untrue

statement of a material fact or omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading." Further, RFC represented that "[n]either the Transaction Documents . . . nor other material information relating to the [mortgage loans] . . . furnished to the Insurer by the Issuer in writing or in electronic form contains any statement of a material fact by the Issuer which was untrue or misleading in any material respect when made." Moreover, RFC represented and warranted that its financial statements were "complete and correct in all material respects, [] present fairly the financial condition and results of operations of RFC as of the dates and for the periods indicated and [] have been prepared in accordance with generally accepted accounting principles consistently applied . . . ."

40. By incorporating in the Insurance Agreements the representations and warranties in the Transaction Documents, RFC incorporated the following general representations and warranties regarding the underwriting of the mortgage loans contributed to the RFC Transactions, which were stated in the Purchase Agreements, the Servicing Agreements, the 2007-HSA2 Assignment Agreement and the 2007-HSA2 PSA, for the benefit of MBIA:

- **Compliance With Underwriting Guidelines:** All of the mortgage loans were underwritten in substantial compliance with the criteria set forth in the relevant program guide (the "Underwriting Guidelines").

- **Accurate Loan Information:** Certain information about the Home Equity Loans or the Closed-End Mortgage Loans was true and correct in all material respects when the information was furnished by RFC to MBIA and others.

- **CLTV Ratio:** As of the Cut-off Dates, the combined loan-to-value ratio of each Home Equity Loan or Closed-End Mortgage Loan was not in excess of 100%.

- **Proper Documentation:** Except for a few specifically identified instances, each Home Equity Loan file or Closed-End Mortgage Loan file was complete, and all of the required documents and instruments were contained therein.

- **Compliance With Applicable Laws:** The loan agreements and mortgage notes underlying the RFC Transactions complied, when made, in all material respects with local, state and federal laws, including anti-predatory lending laws.

- **No High Cost Or Covered Loans:** None of the Home Equity Loans or Closed-End Mortgage Loans were loans that, under applicable state or local law in effect at the time of origination of such loans, were referred to as (1) 'high cost' or 'covered' loans or (2) any other similar designation if the law imposes greater restriction or additional legal liability for residential mortgage loans with high interest rates, points and/or fees.

- **No Material Breach Or Default:** There was no material default, breach, violation or event of acceleration existing under the terms of any Mortgage Note or Mortgage and no event which, with notice and expiration of any grace or cure period, would constitute a material default, breach, violation or event of acceleration under the terms of any Mortgage Note or Mortgage, and no such material default, breach, violation or event of acceleration has been waived by the Seller or by any other entity involved in originating or servicing a mortgage loan.

These representations and warranties, among others, set forth the standards governing each mortgage loan contributed to the RFC Transactions, including, significantly, the standard that each mortgage loan had been underwritten in substantial compliance with RFC's Underwriting Guidelines.

41. RFC's Underwriting Guidelines specified criteria that the mortgage loans must meet depending upon the individual loan program and circumstances of each mortgage loan. In general, the Underwriting Guidelines stipulated what documentation was required to be included in the mortgage loan files for each loan product (which may include, depending upon the loan product, verifications of income, assets, closing funds and payment histories, among others) and criteria for eligibility, including tests for debt-to-income ("DTI") and combined loan-

to-value ("CLTV") ratios. The Underwriting Guidelines provided, for example, that for a borrower under a home equity loan program for a primary residence who applies for a loan based on the borrower's declaration of his or her income (a "stated income" loan) and has a Fair, Isaac & Co. ("FICO") credit score of 630, the maximum acceptable DTI would be 45%, the maximum CLTV would be 80%, the maximum loan amount would be $150,000 and a full appraisal of the property would be required.

42. An important variable affecting the applicable criteria for evaluating a loan under the Underwriting Guidelines was the level of documentation of a borrower's income. Under RFC's Underwriting Guidelines, a borrower could apply for a loan by providing "full documentation" or could apply through other reduced documentation programs such as "lite doc," "stated income," or "no doc" programs, among others. The principal difference with respect to these RFC loan programs was that for loan programs other than "full documentation," RFC would not undertake to independently verify a borrower's income, if required to be stated. However, despite differing levels of necessary verification, RFC's Underwriting Guidelines required that for all the loan programs, borrowers must have a history of receiving stable income from employment or other sources and a reasonable expectation that the income will continue for the foreseeable future. Moreover, if a borrower stated his or her income, even if RFC was not required to verify the income, RFC was required to determine that a borrower's stated income was at least reasonable for the borrower's type of employment, line of work and assets. In fact, for stated income loan programs, RFC's Underwriting Guidelines clearly state that "[e]mployment stability is a critical component in evaluating the Borrower's continuing ability to meet obligations" and that "[o]ther factors in the [loan] file, including but not limited to Borrowers employment and position disclosed, geographical location, assets, and liabilities must demonstrate the reasonableness of the income stated."

43. In addition to giving representations and warranties, RFC also provided information to MBIA with respect to the mortgage loans contributed to the RFC Transactions. This information included data tapes and schedules incorporated in the Offering Documents that contained representations regarding CLTV, DTI and FICO score statistics for mortgage loans for each RFC Transaction. RFC also conveyed information to MBIA during MBIA's discussions with RFC regarding the issuance of Policies for the RFC Transactions.

44. Because it was impractical and infeasible for MBIA to review the almost 60,000 mortgage loans contributed to the RFC Transactions, MBIA, like all financial guaranty insurers, required these representations and warranties from RFC to ensure that risks in the RFC Transactions were known and fully disclosed to MBIA and that MBIA would not face additional risks hidden in the mortgage loan pools by RFC. MBIA relied on RFC's representations and warranties and on RFC's unique and special knowledge and expertise regarding the mortgage loans in making its decisions to issue the Policies for the RFC Transactions.

45. RFC provided information to the rating agencies with respect to the mortgage loans contributed to the RFC Transactions. The rating agencies relied on this information to issue shadow ratings for the RFC Transactions. MBIA also relied on the shadow rating in making its decisions to issue the Policies for the RFC Transactions.

46. RFC further covenanted, represented and warranted that it would service the mortgage loans in each of the RFC Transactions in a manner consistent with its servicing guidelines and the Servicing Agreements and would employ, in its good faith business judgment, all its "normal and usual" procedures in servicing the mortgage loans. In return, RFC collected a servicing fee equal to 0.50% per annum of the outstanding principal balance of each serviced loan, payable monthly. In addition, RFC, as the master servicer for all of the RFC Transactions, took as its master servicing fee either a percentage of the principal balance of the underlying

mortgage loans or the interest from certain accounts created in connection with the transaction, depending on the specific structure of the individual RFC Transaction. As of November 2, 2009, RFC had collected approximately $32 million in servicing and master servicing fees in connection with the RFC Transactions.

F. RFC's Pervasive Breaches Of Its Representations And Warranties

47. The RFC Transactions have performed poorly. Delinquencies and defaults for mortgage loans in the RFC Transactions have been substantial, diminishing cash flow to the trusts, which has required and will continue to require MBIA to satisfy its obligations under the Insurance Agreements and the Policies by making payments to cover these shortfalls. As of December 2009, MBIA has paid approximately $871 million in claims in connection with the RFC Transactions.

48. In January 2008, MBIA became concerned about the high delinquencies and default rates in the RFC Transactions. Accordingly, MBIA requested that RFC provide MBIA and its representatives and agents access to certain documents with respect to the mortgage loans underlying the RFC Transactions. Specifically, MBIA requested access to all relevant documentation concerning the mortgage loans that were delinquent as of December 31, 2007, that is, those mortgage loans that became delinquent less than 18 months after the closing dates of the RFC Transactions. Pursuant to the Servicing Agreements and the Insurance Agreements, MBIA is entitled to reasonable access to the documentation regarding the mortgage loans.

49. In May 2008, MBIA requested access to additional mortgage loans for the RFC Transactions pursuant to the Servicing Agreements and the Insurance Agreements. RFC consistently thwarted MBIA's good faith efforts to obtain information regarding these additional mortgage loans by arbitrarily and unreasonably limiting the number of days that RFC would

permit MBIA to review the additional mortgage loan files in RFC's possession, by arbitrarily and unreasonably limiting the space available to MBIA's personnel for review of the additional mortgage loan files and by arbitrarily and unreasonably limiting the number of MBIA personnel allowed to review the additional mortgage loan files, among other actions. RFC established these arbitrary and unreasonable limitations in direct breach of its contractual obligations to provide MBIA with reasonable access to mortgage loan files. Many of the loan files provided by RFC were incomplete, in direct breach of RFC's representation and warranty that the mortgage loan files were complete, thus forcing MBIA to make supplemental requests to RFC regarding the same loan files. Further, despite MBIA's request, RFC arbitrarily and unnecessarily objected to providing MBIA with documents or information reflecting RFC's decisions or actions with respect to the servicing of delinquent or charged-off mortgage loans.

50. MBIA ultimately obtained access to 7,913 mortgage loans that became delinquent before November 30, 2008, which MBIA reviewed for compliance with RFC's representations and warranties to MBIA. Of these 7,913 mortgage loans, at least 7,019 – more than 88% of the mortgage loans that MBIA reviewed – were not originated or acquired in material compliance with RFC's representations and warranties.

51. As of December 25, 2009, a total of 21,237 mortgage loans, representing a staggering 34% of the mortgage loans underlying the RFC Transactions, had been charged-off or were delinquent.

52. MBIA's review uncovered that a significant percentage of the delinquent mortgage loans were in breach of one or more of RFC's representations and warranties with respect to the underwriting of the mortgage loans contributed to the RFC Transactions. The following examples are illustrative of the substantial number of mortgage loans in the RFC

Transactions and their non-compliance with RFC's representations and warranties in connection with the RFC Transactions:

a. On March 8, 2006, a loan with a principal balance of $55,000 was made to a borrower in Perris, California on a property with an original appraisal value of $225,000 and a senior loan balance of $440,000. The borrower stated his income to be $9,800 per month ($117,800 per year) as a dispatcher at a freight company. Further, the borrower could only demonstrate $22,270.80 in liquid assets, the majority of which was in a 401K retirement account. The stated income was unreasonable based on the borrower's employment and not substantiated by the borrower's credit/asset profile. In that regard, the borrower's credit profile indicated a prior bankruptcy filing, an existing loan against the borrower's 401K retirement account and an automobile repossession. (Loan # 10570977 – 2006-HSA4)

b. On November 30, 2006, a loan with a principal balance of $140,000 was made to a borrower in Newton, Massachusetts on a property with an original appraisal value of $740,000 and a senior loan balance of $513,567. The property subject to the loan was a non-owner occupied investment property. The borrower stated his income to be $41,666 per month ($500,000 per year) as the owner of a Wine/Spirits store. Further, the borrower did not demonstrate any liquid assets. The stated income was unreasonable based on the borrower's employment and not substantiated by the borrower's credit/asset profile. Notably, the borrower filed for bankruptcy in 2007 in connection with which the borrower claimed to have earned $0.00 for 2006. Further, the appraisal indicated the property failed to conform to legal standards and the loan file lacked any letter from the local authority regarding rebuilding. RFC Underwriting Guidelines require verification of 6 months of reserves for the monthly Principle, Interest, Taxes and Insurance ("PITI") payments for stated income loans on non-owner occupied investment properties yet there is no indication in the loan files that these reserves were identified or verified. Finally, RFC guidelines limit loans under the non-owner occupied loan program to $100,000, $40,000 less than was loaned. (Loan # 11169067 – 2007-HSA2).

c. On June 9, 2006, a loan with a principal balance of $132,000 was made to a borrower in Agoura Hills, California on a property with an original appraisal value of $660,000 and a senior loan balance of $528,000. This loan was originated as a loan for an owner-occupied property. The borrower owned his prior residence for

only three months, for which he provided a two month payment history. RFC's Underwriting Guidelines, however, require documentation of a minimum of one year mortgage or rental history, and no such documentation is included in the loan file. Moreover, the final loan application states monthly income of $21,700, and the initial application states rental income of $6,750. However, the underwriting transmittal states income of $14,500, and the final loan application states rental income of $3,000. Based on these lower values, the DTI for loan is 67.37% and exceeds the maximum DTI of 50% under RFC's Underwriting Guidelines. Notably, the borrower could only demonstrate $34,469.41 in liquid assets. (Loan # 10776379 – 2006-HSA5).

d. On March 16, 2007, a loan with a principal balance of $40,000 was made to a borrower in Bradenton, Florida on a property with an original appraisal value of $440,000 and a senior loan balance of $328,000. The borrower is retired and receives a fixed income that was stated as $6,450 per month. The borrower's FICO credit score of 688 required the DTI for the loan not to exceed 45%, however, the borrower's DTI was 55.93%. Because the borrower receives a fixed income, the borrower does not meet the residual income requirements for a higher DTI under RFC's Underwriting Guidelines. Further, the loan file lacks any evidence of 2 months of PITI reserves as required by RFC's Underwriting Guidelines. (Loan # 11434381 – 2007-HSA3).

e. On July 24, 2006, a loan with a principal balance of $29,500 was made to a borrower in Flint, Michigan on a property with an original appraisal value of $57,497 and a senior loan balance of $24,676. The borrower stated income of $3,700 per month and had a FICO score of 650. The CLTV for the mortgage loan was 94.2%. Pursuant to RFC's Underwriting Guidelines, the borrower was required to have monthly income of $4,000 and the CLTV for the loan could not exceed 80%. Further, the loan file lacks evidence of a full appraisal for the property as well as evidence of 2 months of PITI reserves, both of which are required by RFC's Underwriting Guidelines. (Loan # 11147061 – 2007-HSA1).

f. On November 12, 2006, a loan with a principal balance of $135,000.00 was made to a borrower in Scottsdale, Arizona on a property with an original appraisal value of $540,000.00 and a senior loan balance of $405,000.00. The borrower stated income of $11,000 per month as a sales manager at a concrete company, however, the borrower could only demonstrate assets of $11,491. The stated income was unreasonable based on the borrower's employment and not substantiated by the borrower's credit/asset profile. Notably, the borrower filed for bankruptcy in 2008 in

connection with which the borrower claimed to have actually earned $43,523 for 2006 and $20,401 for 2007. Additionally, the bank account used to verify the borrower's reserves is actually held in the name of the loan officer that issued the loan. (Loan # 11165457 – 2007-HSA3).

53. The mortgage loans identified above – examples of a much larger universe of non-compliant mortgage loans – all fail to comply with the general representations and warranties regarding the underwriting of the mortgage loans contributed to the RFC Transactions, which were stated in the Purchase Agreements, the Servicing Agreements, the 2007-HSA2 Assignment Agreement and the 2007-HSA2 PSA, for the benefit of MBIA and identified in paragraph 40, *supra*. These mortgage loans are illustrative of the pervasive breaches of RFC's representations to MBIA throughout the portfolios for the RFC Transactions. In that regard:

a. RFC breached its representation and warranty that the mortgage loans were underwritten in substantial compliance with RFC's Underwriting Guidelines. A significant number of mortgage loans have DTI ratios far in excess of RFC's Underwriting Guidelines, have CLTV ratios far in excess of RFC's Underwriting Guidelines and were made on the basis of "stated incomes" that were grossly unreasonable. In certain circumstances, CLTV ratios not only exceeded the permissible ratio pursuant to RFC's Underwriting Guidelines, but they even exceeded 100%, in breach of RFC's explicit representation and warranty in the Purchase Agreements and the 2007-HSA2 Assignment Agreement that the CLTV ratio for each of the mortgage loans was not in excess of 100%. Moreover, contrary to RFC's Underwriting Guidelines, RFC failed, with respect to a significant number of mortgage loans, to verify employment for mortgage loan borrowers where required to do so, failed to verify prior rental or mortgage payment history, approved mortgage loans with ineligible collateral, approved mortgage loans to borrowers with credit scores that are ineligible under the Underwriting Guidelines and closed mortgage loans without verifying that the borrower had sufficient funds or reserves as required by the Underwriting Guidelines.

b. RFC breached its representations and warranties that the mortgage loan files contained all necessary documents and complied with applicable law. Numerous mortgage loan files are missing

necessary mortgage loan documents and are missing certain disclosures, such as disclosures relating to loan transfers, which are necessary under applicable law. The absence of these documents from the loan files may greatly impede the ability of the trustees for the respective RFC Transactions to enforce their rights and remedies with respect to delinquent mortgages.

c. RFC breached its representation and warranty that the RFC Transactions would not contain high cost loans. In fact, RFC even contributed mortgage loans to the mortgage loan pools that violated either, or both, the federal Home Ownership and Equity Protection Act ("HOEPA") and state predatory lending laws. These laws are designed to protect borrowers from abusive lending practices. Among other violations of these laws, the mortgage loan pools include mortgage loans for which the finance charges were materially understated, the annual percentage rate ("APR") was materially understated or exceeded the maximum cap and high cost thresholds were exceeded. Notably, it is standard in the mortgage loan industry to test for HOEPA compliance by means of a simple mathematical calculation. RFC's failure to identify HOEPA violations indicates that RFC failed to perform the calculation, incompetently performed the calculation or performed the calculation but purposely ignored the result.

54. RFC also breached its representation and warranty in the Insurance Agreements that "[t]he Offering Documents did not, as of the Closing Date, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading." In the Offering Documents, RFC made a number of untrue statements of material fact, including that the mortgage loans contributed to the RFC Transactions were underwritten in compliance with RFC's Underwriting Guidelines, that the mortgage loans complied with local, state and federal laws and that the RFC Transactions did not contain high cost loans. These statements are materially false because a significant number of mortgage loans have DTI or CLTV ratios far in excess of RFC's Underwriting Guidelines, were made on the basis of "stated incomes" that were unreasonable or were originated in violation of federal and state predatory lending laws.

55. Moreover, the information RFC provided MBIA in the data tapes and the schedules included in the prospectus was materially false and misleading. RFC provided MBIA data tapes regarding each of the RFC Transactions on numerous occasions. Specifically:

a. On July 12, 2006, Lonnie Proechel of RFC sent a data tape to MBIA by e-mail with respect to mortgage loans included in the mortgage loan pool for 2006-HSA4 that included materially false and misleading information regarding the mortgage loans contributed to the 2006-HSA4 mortgage loan pool.

b. On August 1, 2006, Lonnie Proechel of RFC sent a data tape to MBIA by e-mail with respect to mortgage loans included in the mortgage loan pool for 2006-HSA5 that included materially false and misleading information regarding the mortgage loans contributed to the 2006-HSA5 mortgage loan pool.

c. On January 30, 2007, Jesse J. Roth of RFC sent a data tape to MBIA by e-mail with respect to mortgage loans included in the mortgage loan pool for 2007-HSA1 that included materially false and misleading information regarding the mortgage loans contributed to the 2007-HSA1 mortgage loan pool.

d. On March 1, 2007, Joseph Orning of RFC sent a preliminary data tape to MBIA by e-mail with respect to mortgage loans to be included in the mortgage loan pool for 2007-HSA2 that included materially false and misleading information regarding the mortgage loans contributed to the 2007-HSA2 mortgage loan pool. This preliminary data tape was supplemented with additional data tapes sent by Lonnie Prochel of RFC to MBIA by e-mail on April 4, 2007 that included materially false and misleading information regarding the mortgage loans contributed to the 2007-HSA2 mortgage loan pool.

e. On May 8, 2007, Jeffrey Blaschko of RFC sent data tapes to MBIA by e-mail with respect to mortgage loans included in the mortgage loan pool for 2007-HSA3 that included materially false and misleading information regarding the mortgage loans contributed to the 2007-HSA3 mortgage loan pool.

56. These data tapes and schedules indicated characteristics of the mortgage loans sold to the RFC Transactions; however, the data on these data tapes was materially false and misleading as a result of RFC's breaches of its representations and warranties. For example,

mortgage loan statistics such as DTI and CLTV were materially understated as a result of RFC's failure to underwrite the mortgage loans in compliance with its Underwriting Guidelines. Further, there was no way for MBIA to confirm based on schedules or data tapes whether RFC had underwritten the mortgage loans in compliance with its underwriting criteria. MBIA did not have the special and unique knowledge and expertise that RFC had regarding the mortgage loans.

57. RFC's breaches of its representations and warranties establish that the information conveyed to MBIA, including the schedules in the Offering Documents containing DTI and CLTV statistics for the mortgage loan pools, as well as specific loan information provided to MBIA by RFC, was materially false. Notably, the DTI and CLTV statistics for the mortgage loan pools contained in the Offering Documents are based on "stated incomes" and appraisals that are grossly inflated and unreasonable. Further, RFC's breaches of its representations and warranties establish that the information conveyed to the rating agencies was materially false, causing the rating agencies to issue incorrect shadow ratings for the RFC Transactions.

58. RFC has admitted to MBIA that it was aware that mortgage loans contributed to the mortgage loan pools for the RFC Transactions failed to comply with RFC's Underwriting Guidelines and, thus, were in breach of RFC's contractual representations and warranties. In that regard, RFC underwrote or purchased a significant number of non-compliant mortgage loans by purporting to grant "exceptions" to RFC's Underwriting Guidelines. The Underwriting Guidelines, however, only allowed RFC to make such exceptions in specifically defined and limited circumstances. For example, the Underwriting Guidelines state that certain loans with a DTI exceeding the standards for its individual loan program "may be eligible for purchase as an exception under a non-standard Loan Program or will be slotted to a Loan

Program that accepts higher DTIs regardless of credit grade." Further, RFC's Underwriting Guidelines required that a form – Form 1600 – be completed and approved for any exceptions made to the Underwriting Guidelines in connection with the underwriting or purchase of a mortgage loan.

59. For a significant number of non-compliant mortgage loans, RFC did not identify any specifically defined exception that was permitted under the Underwriting Guidelines. Further, for a significant number of mortgage loans, RFC failed to document the alleged exceptions on a Form 1600, as required by the Underwriting Guidelines. Instead, RFC engaged extensively in three improper underwriting practices that were not permitted under the Underwriting Guidelines. As a result of these practices, RFC deliberately contributed a significant number of non-compliant mortgage loans to the RFC Transactions.

60. The first improper practice engaged in by RFC was called a "negotiated commitment." In a "negotiated commitment," RFC prospectively entered into an agreement with a loan originator whereby RFC agreed that the loan originator could in the future originate mortgage loans that failed to comply with RFC's Underwriting Guidelines and that RFC would still purchase these mortgage loans, notwithstanding the fact that RFC understood that these mortgage loans would not comply with RFC's Underwriting Guidelines.

61. Even though RFC knew that mortgage loans acquired from the loan originators through the "negotiated commitments" did not comply with RFC's Underwriting Guidelines, RFC contributed these non-compliant mortgage loans to the mortgage loan pools underlying the RFC Transactions and falsely represented to MBIA that these mortgage loans, in fact, were underwritten in substantial compliance with RFC's Underwriting Guidelines. Further, RFC wrongfully attempted to justify its conduct by claiming that mortgage loans purchased in connection with "negotiated commitments" were excepted from the Underwriting Guidelines.

To the contrary, the Underwriting Guidelines, the Purchase Agreements, the 2007-HSA2 Assignment Agreement, the Insurance Agreements or the Offering Documents contain no provision permitting RFC to make exceptions to the Underwriting Guidelines on the basis of "negotiated commitments."

62. The second improper practice engaged in by RFC was called a "bulk purchase program." In a "bulk purchase program," RFC entered into a transaction with a loan seller – that is, an entity that owned mortgage loans – whereby RFC agreed to purchase a bulk amount of mortgage loans that had already been originated and were owned by that loan seller. In connection with these "bulk purchases," RFC did not undertake to "re-underwrite" or confirm that the mortgage loans being acquired complied with RFC's Underwriting Guidelines. Instead, RFC agreed with the loan seller that RFC would acquire mortgage loans from that loan seller regardless of whether the mortgage loans complied with RFC's Underwriting Guidelines. In many instances, the mortgage loans, in fact, did not comply with RFC's Underwriting Guidelines.

63. Notwithstanding that RFC knew that mortgage loans acquired through the "bulk purchase programs" did not comply with RFC's Underwriting Guidelines, RFC contributed these non-compliant mortgage loans to the mortgage loan pools underlying the RFC Transactions and falsely represented to MBIA that these mortgage loans, in fact, were underwritten in substantial compliance with RFC's Underwriting Guidelines. Further, RFC wrongfully attempted to justify its conduct by claiming that mortgage loans purchased in connection with "bulk purchase programs" are excepted from the Underwriting Guidelines. The Underwriting Guidelines, the Purchase Agreements, the 2007-HSA2 Assignment Agreement, the Insurance Agreements or the Offering Documents contain no provision permitting RFC to make exceptions on this basis.

64. RFC also underwrote or purchased mortgage loans that failed to comply with the Underwriting Guidelines but were approved for purchase by RFC's proprietary automated electronic loan underwriting program known as "Assetwise." Assetwise was used by loan originators as a tool to assist in the underwriting of mortgage loans that would be acceptable to RFC. Assetwise is a software program in which a loan originator inputs certain characteristics of a proposed mortgage loan. The program then permits the user to determine whether the loan meets the pre-specified underwriting criteria that are set up in the program. MBIA understood, based on the Underwriting Guidelines, that Assetwise was programmed so that the characteristics of proposed mortgage loans would be analyzed to determine whether they complied with the Underwriting Guidelines.

65. RFC used Assetwise to originate mortgage loans through its affiliates. RFC also made Assetwise available to unaffiliated loan originators, which would sell the mortgage loans to RFC.

66. The Assetwise program utilized by RFC, either as an originator or as made available to unaffiliated originators, did not analyze proposed mortgage loans on the basis of the RFC Underwriting Guidelines. Indeed, a significant number of mortgage loans originated or purchased by RFC on the basis of Assetwise did not comply with RFC's Underwriting Guidelines.

67. Moreover, RFC's reliance on Assetwise itself was a violation of the Underwriting Guidelines. RFC's Underwriting Guidelines expressly state that "clients who use the Assetwise electronic services are still bound by the representations and warranties as set forth in the [Underwriting Guidelines]. Additionally, use of Assetwise does not relieve Clients of loan eligibility and underwriting requirements set forth in [the Underwriting Guidelines]." The Underwriting Guidelines further state that "[t]he loan must conform to the [Underwriting

Guidelines] and Loan eligibility requirements. Assetwise provides program eligibility grading and slotting. Clients are responsible to ensure the Loan conforms to [the Underwriting Guidelines]." RFC never stated in the Underwriting Guidelines or in its representations and warranties to MBIA its intention to allow Assetwise to approve mortgage loans that failed to comply with RFC's Underwriting Guidelines.

68. Notwithstanding that RFC knew that numerous mortgage loans underwritten by use of the Assetwise program failed to comply with the Underwriting Guidelines, RFC contributed these non-compliant mortgage loans to the mortgage loan pools underlying the RFC Transactions and falsely represented to MBIA that these mortgage loans in fact were underwritten in substantial compliance with RFC's Underwriting Guidelines. RFC wrongfully attempted to justify its conduct by claiming that loans underwritten by use of the Assetwise program are excepted from the Underwriting Guidelines. The Underwriting Guidelines, the Purchase Agreements, the 2007-HSA2 Assignment Agreement, the Insurance Agreements or the Offering Documents contain no provision permitted RFC to make exceptions on this basis.

69. As a result of its "negotiated commitments," "bulk purchases" and use of Assetwise, RFC deliberately contributed a substantial and material number of loans to the RFC Transactions that failed to comply with its Underwriting Guidelines. RFC's claim that these mortgage loans were issued through "exceptions" to the Underwriting Guidelines or "substantially" complied with the Underwriting Guidelines essentially eliminated any meaningful role that RFC's Underwriting Guidelines would serve in the mortgage loan origination and purchase process for mortgage loans contributed to the RFC Transactions.

70. Through its egregious and pervasive breaches of its representations and warranties, including, without limitation, RFC's representation and warranty that the mortgage

loans were underwritten "in substantial compliance with [the Underwriting Guidelines]," RFC knowingly misled MBIA into issuing the Policies for the RFC Transactions without disclosing their substantial, hidden risks, thereby passing those risks to MBIA. By misleading MBIA into issuing the Policies, RFC was able to sell mortgage loans it held at a higher price to investors in the RFC Transactions for an inflated price and to then earn fees for servicing the mortgage loans underlying the RFC Transactions.

71. Further, through its egregious and pervasive breaches of its representations and warranties, RFC caused the rating agencies to issue incorrect shadow ratings for the RFC Transactions, on which MBIA relied.

72. RFC's pervasive breaches of its representations and warranties materially undermine and distort the fundamental basis upon which MBIA agreed to issue the Policies. The substantial and hidden risks present in the RFC Transactions, which were hidden by RFC's misrepresentations, have caused the mortgage loans in the RFC Transactions to become delinquent and subsequently charged-off at a severe and unexpected rate, thus causing significant shortfalls in cash flows to the trusts and, consequently, causing MBIA to incur losses in honoring its obligations under the Policies issued for the RFC Transactions. Further, RFC's failure to minimize losses on the mortgage loans through its normal and usual mortgage loan servicing procedures has exacerbated shortfalls to the trusts for the RFC Transactions. Consequently, MBIA has incurred, and will continue to incur, significant losses in connection with its obligations under the Policies to insure certain shortfalls in payments to investors in the RFC Transactions, all as a result of RFC's pervasive misrepresentations and misleading conduct.

CAUSES OF ACTION

FIRST CAUSE OF ACTION

(FRAUD)

73. MBIA repeats, re-alleges and incorporates each and every allegation contained in paragraphs 1 through 72.

74. In connection with MBIA's issuance of the Policies, RFC had a duty to communicate accurate and complete information to MBIA.

75. RFC intentionally misrepresented existing material facts with respect to the RFC Transactions.

76. RFC knew that its representations were materially false and that its false representations were essential and material to MBIA's decisions to issue the Policies in connection with the RFC Transactions. MBIA was not aware and could not reasonably have been aware of the falsity of RFC's representations. Accordingly, RFC acted intentionally and purposefully in making the materially false representations to MBIA with respect to the RFC Transactions.

77. Additionally, RFC intentionally and purposely misled MBIA by making representations with respect to the underwriting of the mortgage loans that were contributed to the mortgage loan pools underlying the RFC Transactions that RFC knew were untrue. RFC materially misrepresented to MBIA that the mortgage loans in the RFC Transactions were underwritten in substantial compliance with its Underwriting Guidelines and failed to disclose RFC's consistent violations and manipulations of its Underwriting Guidelines. RFC falsely misled MBIA into believing that RFC's Underwriting Guidelines employed appropriate underwriting standards.

78. To the contrary, RFC underwrote mortgage loans by intentionally and consistently issuing improper "exceptions" to its Underwriting Guidelines, including by issuing purported "exceptions" in connection with RFC's use of "negotiated commitments," "bulk purchase programs" and the use of Assetwise in blatant violation of the Underwriting Guidelines. RFC knew that the purported "exceptions" would cause the mortgage loans to fail to comply with its Underwriting Guidelines, yet knowingly contributed these non-compliant mortgage loans to the mortgage loan pools for the RFC Transactions notwithstanding their failure to comply with the Underwriting Guidelines. RFC knowingly defrauded MBIA by representing to MBIA that the mortgage loans contributed to the RFC Transactions were underwritten in substantial compliance with the Underwriting Guidelines.

79. As a result of its knowing misrepresentations, RFC intended to, and, in fact, did defraud MBIA into issuing the Policies for the RFC Transactions. RFC defrauded MBIA so that it could earn both proceeds on the securitization and sale of the mortgage loans underlying the RFC Transactions and fees for servicing those loans after their securitization while passing the risks inherent in the poorly-underwritten mortgage loans to MBIA.

80. MBIA reasonably relied to its detriment on RFC's misrepresentations. Had MBIA known about RFC's significant and substantial breaches of its representations and warranties, MBIA would not have issued the Policies with respect to the RFC Transactions.

81. As a direct result of, and in reliance upon, RFC's misrepresentations, MBIA issued the Policies, requiring MBIA to pay, to its substantial detriment, sizable insurance claims and to incur even greater future liabilities.

82. As a result of RFC's fraud, MBIA has incurred, and will continue to incur, damages in an amount to be determined at trial.

83. A justiciable controversy exists as to (a) whether RFC fraudulently induced MBIA to issue the Policies in connection with the RFC Transactions and (b) MBIA's entitlement to damages as a result thereof.

SECOND CAUSE OF ACTION

(MATERIAL BREACH OF THE INSURANCE AGREEMENTS)

84. MBIA repeats, re-alleges and incorporates each and every allegation contained in paragraphs 1 through 83.

85. The Insurance Agreements are valid and enforceable contracts between MBIA and RFC that give rise to certain obligations on the part of RFC in connection with the mortgage loans and the RFC Transactions. MBIA has fully complied with its obligations under the Insurance Agreements and the Policies.

86. In the Insurance Agreements, RFC made numerous representations and warranties to MBIA, including the representation that none of the material information that RFC supplied to MBIA regarding the mortgage loans or the "operations of RFC" contained an untrue or misleading statement of material fact. Additionally, the Insurance Agreements incorporate by reference, for the benefit of MBIA, each of RFC's representations and warranties in the Transaction Documents, including the representation that the mortgage loans that RFC contributed to the RFC Transactions were underwritten in substantial compliance with RFC's Underwriting Guidelines.

87. These representations and warranties were material to MBIA's decisions to enter into the Insurance Agreements and to issue the Policies. RFC's compliance with its representations and warranties was and is necessary to assure MBIA the benefit of its bargain.

88. RFC, however, has pervasively and extensively breached its representations and warranties to MBIA. Tens of thousands of the mortgage loans underlying

the RFC Transactions failed to comply with RFC's Underwriting Guidelines. Moreover, a substantial number of mortgage loans breached one or more of RFC's representations and warranties to MBIA. The non-compliant mortgage loans in the mortgage loan pools with multiple breaches of representations and warranties are so pervasive that RFC has deprived MBIA of the benefit of its bargain in connection with the Insurance Agreements and the Policies, taken as a whole.

89. A justiciable controversy exists as to (a) whether RFC has materially breached the Insurance Agreements and (b) MBIA's entitlement to damages as a result thereof.

90. Accordingly, MBIA seeks an award of damages, in amount to be proved at trial, for RFC's material breaches of the Insurance Agreements.

THIRD CAUSE OF ACTION

(BREACH OF CONTRACT: FAILURE TO COMPLY WITH AND REPUDIATION OF THE LOAN BREACH REMEDY PROCEDURE)

91. MBIA repeats, re-alleges and incorporates each and every allegation contained in paragraphs 1 through 90.

92. Pursuant to the Purchase Agreements and the 2007-HSA2 Assignment Agreement, if MBIA determines that RFC breached its representations and warranties in a manner that "materially and adversely affects the interests of [MBIA]," including, without limitation, by contributing a mortgage loan to the RFC Transactions that did not comply with RFC's representations and warranties or with RFC's Underwriting Guidelines, MBIA can give notice to RFC of the presence of the non-compliant mortgage loan, after which RFC will have 90 days to cure the breach. Alternatively, RFC can repurchase the mortgage loan or, if substitution can be completed within two years of the closing date of the RFC Transaction in question, RFC can substitute a performing, compliant mortgage loan for the non-compliant mortgage loan (the

"Loan Breach Remedy Procedure"). The Loan Breach Remedy Procedure is not an exclusive remedy and does not apply to breaches of the Insurance Agreements.

93. The parties established the Loan Breach Remedy Procedure because they recognized the possibility that an isolated and limited number of mortgage loans, among the thousands of mortgage loans underlying the RFC Transactions, may not comply with RFC's representations and warranties or with RFC's Underwriting Guidelines. Because of this possibility with respect to an isolated and limited number of mortgage loans, the parties intended, through the Loan Breach Remedy Procedure, to establish an agreed-upon mechanism whereby MBIA could give notice to RFC of an isolated and limited number of non-compliant mortgage loans and RFC could repurchase such non-compliant mortgage loans without implicating an event of default for the RFC Transactions in their entirety.

94. On several occasions during 2008 and 2009, MBIA sent notices to RFC identifying numerous mortgage loans underlying the RFC Transactions that were in breach of one or more of RFC's representations and warranties, pursuant to Section 3.1(b) of the Purchase Agreements and Section 4 of the 2007-HSA2 Assignment Agreement, and notifying RFC that such breaches materially and adversely affected the interests of MBIA (the "Remedy Notices"). Specifically, MBIA sent the following Remedy Notices to RFC:

Date	Transaction(s)	Number of Loans
May 22, 2008	HSA4, HSA5	194
May 22, 2008	HSA2	359
May 22, 2008	HSA1, HSA3	139
September 2, 2008	HSA4, HSA5	310
September 5, 2008	HSA2	57

September 17, 2008	HSA1	293
September 25, 2008	HSA3	484
December 30, 2008	HSA4, HSA5	202
December 30, 2008	HSA1	246
December 30, 2008	HSA3	416
January 22, 2009	HSA2	736
	Total	3,436

95. The mortgage loans identified in the Remedy Notices were included in the Remedy Notices because they failed to comply with one or more of RFC's representations and warranties. For example, many of the mortgage loans were underwritten on the basis of "stated incomes" that were clearly unreasonable for the circumstances of the individual borrower or were based on DTI or CLTV ratios that exceeded the Underwriting Guidelines. In addition, the files for the mortgage loans lacked necessary documents including mortgage notes, disclosures relating to the sale of the mortgage loan, disclosures relating to the transfer of servicing for the mortgage loan, documents confirming appropriate reserves and documents necessary for compliance with the Patriot Act.

96. Initially, RFC participated in the Loan Breach Remedy Procedure by responding to the two Remedy Notices that MBIA sent to RFC on May 22, 2008. While MBIA and RFC were able to reach agreements with respect to approximately 24% of the 692 mortgage loans identified in those Remedy Notices, RFC refused to cure, substitute for or repurchase the remaining non-compliant mortgage loans, as required by the Loan Breach Remedy Procedure.

97. RFC refused to cure the material breaches for the vast majority of the non-compliant mortgage loans that MBIA identified in the Remedy Notices that MBIA sent to RFC in September 2008, and on information and belief, RFC does not intend cure any of those

breaches nor will it substitute for or repurchase any of the non-compliant mortgage loans. In addition, RFC has completely ignored and never responded to the Remedy Notices that MBIA sent to RFC in December 2008 and January 2009, which identified more than 1,600 non-complaint mortgage loans with an unpaid principal balance of more than $106 million. As such, RFC, by its conduct, has abandoned its contractual repurchase obligations, and such abandonment constitutes a wrongful repudiation of RFC's obligations under the Loan Breach Remedy Procedure.

98. Moreover, the existing Remedy Notices do not identify all of the mortgage loans that fail to comply with RFC's representations and warranties. For example, RFC obstructed MBIA's right to access certain documents and information concerning the mortgage loans. Pursuant to the Servicing Agreements and the Insurance Agreements, MBIA is contractually entitled to such information, and RFC's refusal to provide it constitutes an independent breach of contract, which prevented MBIA from pursuing appropriate remediation efforts and damaged MBIA in an amount to be proved at trial.

99. Moreover, additional mortgage loans continue to become delinquent and are charged-off every month. For example, in December 2009 alone, 3,762 mortgage loans were delinquent by 60 or more days. On information and belief, such delinquencies and charge-offs will continue through the date of trial in this action and beyond. However, because RFC has abandoned and wrongfully repudiated the Loan Breach Remedy Procedure by its conduct, it would be futile for MBIA to generate and send additional Remedy Notices.

100. As a result of RFC's failure to comply with its obligations under the Loan Remedy Breach Procedure with respect to the mortgage loans identified in the Remedy Notices and RFC's abandonment and wrongful repudiation of the Loan Breach Remedy Procedure in its entirety, MBIA has incurred, and will continue to incur, damages in an amount to be proved at

trial. MBIA has been, and will continue to be, required to make payments to investors as a result of shortfalls in cash flow to the trusts in the RFC Transactions. By failing to cure the defective aspects of the non-compliant mortgage loans identified in the Remedy Notices, to repurchase or substitute for those non-compliant mortgage loans and by abandoning and wrongfully repudiating its obligations under the Loan Breach Remedy Procedure, RFC has caused MBIA to incur payments for certain shortfalls in cash flows to investors when, in fact, such shortfalls should have been properly paid by RFC as a result of RFC's repurchase of or substitution for non-compliant mortgage loans.

101. In addition, MBIA has incurred, and will continue to incur, significant fees for professional services, including attorneys' fees, to engage in, and enforce RFC's obligations under, the Loan Breach Remedy Procedure with RFC. Pursuant to Section 3.03 of the Insurance Agreements, RFC agreed to indemnify MBIA for (i) damages as a result of RFC's failure to comply with the Transaction Documents, including, without limitation, RFC's failure to comply with its obligations under the Loan Breach Remedy Procedure, with interest, and (ii) reasonable attorneys' and accountants' fees and expenses and any other fees and expenses that MBIA reasonably incurs, in connection with the enforcement, defense or preservation of any rights in respect of any of the Transaction Documents.

102. RFC has failed to indemnify MBIA, pursuant to Section 3.03 of the Insurance Agreements, for the damages it has incurred, and will continue to incur, as a result of RFC's failure to comply with its obligations under the Loan Breach Remedy Procedure, including interest, attorneys' and accountants' fees and costs and any other fees and expenses that MBIA reasonably has incurred and continues to incur.

103. MBIA has fully complied with its obligations under the Transaction Documents, the Insurance Agreements and the Policies.

104. A justiciable controversy exists as to (a) RFC's obligation to comply with the Loan Breach Remedy Procedure; (b) RFC's wrongful repudiation of the Loan Breach Remedy Procedure; and (c) MBIA's entitlement to damages as a result of RFC's breaches of its representations and warranties, RFC's failure to comply with the Loan Breach Remedy Procedure and RFC's wrongful repudiation of its obligations under the Loan Breach Remedy Procedure. Accordingly, MBIA seeks a declaratory judgment that (a) RFC is required to comply with its obligations under the Loan Breach Remedy Procedure; (b) RFC has wrongfully repudiated its obligations under the Loan Breach Remedy Procedure; and (c) RFC is required to indemnify MBIA for any and all damages it has incurred, and that MBIA incurs, as a result of RFC's breaches of its representations and warranties, including RFC's failure to comply with and wrongful repudiation of its obligations under the Loan Breach Remedy Procedure.

FOURTH CAUSE OF ACTION

(BREACH OF CONTRACT – SERVICING)

105. MBIA repeats, re-alleges and incorporates each and every allegation contained in paragraphs 1 through 104.

106. RFC was the initial Master Servicer for the RFC Transactions. On November 2, 2009, RFC voluntarily relinquished its rights and responsibilities under the Servicing Agreements and allowed MBIA to appoint a new Master Servicer. As such, RFC is not presently involved with the servicing of the mortgage loans underlying the RFC Transactions.

107. Between the closing date of each of the RFC Transactions and November 2, 2009, RFC was required to service the mortgage loans underlying the RFC Transactions in a manner consistent with RFC's servicing guidelines and the Servicing Agreements. As Master Servicer, RFC was required to employ, in its good faith business judgment, all of its "normal and

usual" servicing procedures. Because RFC was required to use its good faith business judgment, RFC's servicing procedures must have been prudent and must have materially complied with industry standards. RFC also outsourced some of its servicing duties to certain of its affiliates as subservicers – namely, GMAC Mortgage and Homecomings Financial Network, Inc. (later Homecomings Financial, LLC and, collectively, "Homecomings"). As Master Servicer, however, RFC had ultimate responsibility for servicing the mortgage loans underlying the RFC Transactions.

108. In fact, RFC's manner of servicing suffered from a number of material deficiencies and areas of serious concern that, in many instances, amounted to a breach of the Servicing Agreements and an abdication by RFC of its servicing responsibilities. These material deficiencies included, among other things, (a) failing to contact borrowers prior to charging-off loans, (b) failing to charge-off loans that were substantially delinquent, (c) failing to initiate proper skip tracing activities, (d) failing to discuss loss mitigation with borrowers and to obtain borrower financial information to conduct a proper workout analysis, (e) failing to offer properly designed modifications to reduce re-defaults, (f) failing to provide authority to early stage collection offices to offer loss mitigation options, (g) failing to initiate and document contact with borrowers, (h) failing to conduct timely property inspections, instead relying excessively on broker price opinions, (i) failing to monitor loss mitigation deal compliance and (j) failing to properly monitor foreclosure sale activities. In addition, RFC (a) unduly and improperly relied upon automated calling rather than establishing and maintaining human contact with borrowers, (b) serviced the loans in a low cost minimal effort manner with long periods of inaction, (c) serviced the loans in a passive manner that relied upon borrower-initiated contact rather than servicer action, and (d) experienced a significant downturn in servicing capacity and activities, especially during 2008.

109. These numerous and material breaches of the Servicing Agreements and RFC's own servicing guidelines between RFC's appointment as Master Servicer and November 2, 2009 have both accelerated and increased MBIA's losses. Had RFC complied with its contractual obligations and employed more rigorous servicing and remediation procedures, the payments that MBIA has been required to make pursuant to its financial guaranty insurance policies for the RFC Transactions would have been significantly smaller. As such, MBIA has been damaged by RFC's breach of its responsibilities as Master Servicer in an amount to be determined at trial.

110. MBIA has fully complied with its obligations under the Transaction Documents and the financial guarantee insurance policies with respect to the RFC Transactions.

FIFTH CAUSE OF ACTION

(NEGLIGENT MISREPRESENTATION)

111. MBIA repeats, re-alleges and incorporates each and every allegation contained in paragraphs 1 through 110.

112. In connection with MBIA's issuance of the Policies, RFC had a duty to communicate accurate and complete information to MBIA because of MBIA's special relationship of trust and confidence with RFC.

113. MBIA had issued financial guaranty insurance policies for securitization transactions sponsored by RFC and its affiliates during 2003 and 2004. In late 2005 and early 2006, MBIA and RFC engaged in discussions to further their relationship and develop a program pursuant to which MBIA would issue financial guaranty insurance policies for securitization transactions sponsored by RFC. As part of these discussions, MBIA visited RFC's offices and analyzed RFC's credit profile and financial stability based on, among other things, information provided by RFC. After performing this analysis, MBIA authorized its underwriters to incur up

to $8.5 billion of gross exposure to securitization transactions sponsored by RFC and its affiliate, GMAC Mortgage, subject to each proposed securitization transaction being reviewed and approved in accordance with MBIA's underwriting policies and procedures. MBIA's Executive Credit Committee also delegated authority to approve transactions to MBIA's Underwriting Committee based on MBIA's trust and confidence in RFC. The special relationship between MBIA and RFC predated MBIA's contractual relationship with RFC in connection with the RFC Transactions.

114. In addition, MBIA's special relationship with RFC is demonstrated by RFC's unique and special knowledge and expertise regarding both the underwriting of mortgage loans, generally, and the underwriting of the mortgage loans in the loan pools for the RFC Transactions. While MBIA may be viewed in certain contexts as a "sophisticated" party, it is not a mortgage loan originator. Moreover, it did not originate any of the mortgage loans underlying the RFC Transactions and could not reasonably have reviewed those loans before issuing the Policies. MBIA's inability to reasonably review and underwrite the mortgage loans is demonstrated by the fact that MBIA was provided only a few days to bid on the RFC Transactions, which often closed less than a month after RFC's initial invitation to submit a bid. As such, MBIA was entirely reliant on RFC's unique and special knowledge and expertise.

115. RFC misrepresented existing material facts with respect to the RFC Transactions.

116. RFC possessed clear and reasonable grounds for believing or determining that its representations were materially false and should have known that its representations were materially false. Moreover, RFC knew or should have known that MBIA would rely on RFC's materially false representations. Accordingly, RFC acted negligently in making the materially

false representations to MBIA with respect to the underwriting of the mortgage loans contributed to the mortgage loan pools for the RFC Transactions.

117. RFC knew or should have known that RFC's false representations were essential and material to MBIA's decision to issue the Policies in connection with the RFC Transactions. MBIA was not aware and could not reasonably have been aware of the falsity of RFC's representations.

118. MBIA reasonably relied to its detriment on RFC's misrepresentations. Had MBIA known about RFC's significant and substantial breaches of its representations and warranties, MBIA would not have issued the Policies with respect to the RFC Transactions.

119. As a proximate result of its reasonable reliance on RFC's negligent misrepresentations, MBIA issued the Policies, requiring MBIA to pay, to its substantial detriment, sizable insurance claims and to incur even greater future liabilities.

120. As a result of RFC's negligent misrepresentations, MBIA has incurred, and will continue to incur, damages in an amount to be determined at trial.

121. A justiciable controversy exists as to (a) whether RFC made negligent misrepresentations to MBIA with respect to the Policies issued by MBIA in connection with the RFC Transactions and (b) MBIA's entitlement to damages as a result thereof.

SIXTH CAUSE OF ACTION

(BREACH OF CONTRACT – GOOD FAITH AND FAIR DEALING) (PRESERVED FOR APPEAL)

122. MBIA repeats, re-alleges and incorporates each and every allegation contained in paragraphs 1 through 121.

123. Under the Insurance Agreements, the Purchase Agreements and the 2007-HSA2 Assignment Agreement, RFC is required to comply with the covenant or duty of good faith and fair dealing that is implied in all contracts.

124. By entering into the Insurance Agreements with MBIA, which incorporated by reference the representations and warranties stated in the Purchase Agreements and the 2007-HSA2 Assignment Agreement, RFC agreed to act in good faith with respect to its contribution of mortgage loans to the mortgage loan pools underlying the RFC Transactions.

125. RFC breached its implied covenant or duty of good faith and fair dealing. In that regard, RFC represented and warranted to MBIA that the mortgage loans contributed to the mortgage loan pools underlying the RFC Transactions were underwritten in substantial compliance with RFC's Underwriting Guidelines, among other representations and warranties. However, RFC, in bad faith, knowingly and systematically contributed mortgage loans to the mortgage loan pools underlying the RFC Transactions that RFC knew breached one or more of RFC's representations and warranties. RFC further breached its implied covenant or duty of good faith and fair dealing by failing to employ mortgage loan servicing procedures consistent with mortgage loan servicing industry standards, and otherwise failing to comply with its obligations, pursuant to the Transaction Documents, to service, in good faith, the mortgage loans for the RFC Transactions.

126. RFC's breach of its implied covenant or duty of good faith and fair dealing deprived MBIA of its right to receive the full benefits of the Insurance Agreements by compelling MBIA to make payments on insurance claims that would not have arisen but for RFC's bad faith conduct. Further, RFC, in bad faith, has denied MBIA reasonable access to information necessary to evaluate RFC's actions as servicers for the mortgage loans or to enforce MBIA's contractual rights in connection with the RFC Transactions.

127. Had MBIA known about RFC's significant and substantial breaches of its representations and warranties, MBIA would not have issued the Policies with respect to the RFC Transactions.

128. As a result of RFC's material breach of the implied covenant of good faith and fair dealing, MBIA has incurred, and will continue to incur, damages, including, without limitation, interest and reasonable attorneys' and accountants' fees and expenses. Because MBIA would not have issued the Policies if MBIA had known the true risk profile of the loan portfolios in the RFC Transactions, RFC is responsible for all losses incurred by MBIA whether or not such losses relate directly to non-compliant mortgage loans.

129. MBIA has fully complied with its obligations under the Transaction Documents and the financial guarantee insurance policies with respect to the RFC Transactions.

130. A justiciable controversy exists as to (a) whether RFC breached the covenant or duty of good faith and fair dealing implied in the Transaction Documents in connection with the RFC Transactions and (b) MBIA's entitlement to damages as a result thereof.

SEVENTH CAUSE OF ACTION

(EQUITABLE OR IMPLIED INDEMNIFICATION)
(PRESERVED FOR APPEAL)

131. MBIA repeats, re-alleges and incorporates each and every allegation contained in paragraphs 1 through 130.

132. In connection with the RFC Transactions, RFC made representations and warranties to MBIA and provided information with respect to the mortgage loans contributed to the mortgage loan pools for the RFC Transactions to MBIA. RFC's representations and warranties were materially false. In reliance upon RFC's representations and warranties and

other information with respect to the mortgage loans, MBIA issued the Policies in connection with the RFC Transactions.

133. RFC's breaches of its representations and warranties materially undermined and distorted the fundamental basis upon which MBIA agreed to issue the Policies for the RFC Transactions. Moreover, the substantial and hidden risks present in the RFC Transactions, which were hidden by RFC's representations and warranties and were pervasive to the mortgage loan pools for the RFC Transactions, have caused the mortgage loans in the RFC Transactions to become delinquent and subsequently charged-off at a severe and unexpected rate, thus causing significant shortfalls in cash flows to investors in the RFC Transactions. Further, RFC's failure to minimize losses on the mortgage loans through normal and usual mortgage loan servicing procedures, and as otherwise required pursuant to the Transaction Documents, has exacerbated shortfalls to investors in the RFC Transactions and, accordingly, losses to MBIA.

134. Had MBIA known about RFC's significant and substantial breaches of its representations and warranties, MBIA would not have issued the Policies with respect to the RFC Transactions.

135. As a result of having issued the Policies, MBIA is contractually liable to the trusts, and, in that regard, the investors in the RFC Transactions, to insure the payment of certain cash flows or losses as a result of charge-offs to the investors in the RFC Transactions in the event of shortfalls in the cash flows to the trust for the RFC Transactions.

136. MBIA has paid and will continue to pay all insurance claims made in connection with the RFC Transactions pursuant to the terms of the Policies.

137. MBIA, however, is in whole or in part, discharging a duty which is owed by MBIA to investors in the RFC Transactions pursuant to the Policies but which, as between

MBIA and RFC, should in equity and good conscience be discharged by RFC because the Policies were procured based on RFC's providing MBIA materially false representations and warranties.

138. MBIA has incurred, and will continue to incur, damages in an amount to be determined at trial as a result of discharging a duty which is owed by MBIA to investors in the RFC Transactions but which, as between MBIA and RFC, should in equity and good conscience have been discharged by RFC. Because MBIA would not have issued the insurance policies had it known the true risk profile of the loan portfolios in the RFC Transactions, RFC is responsible for all losses incurred by MBIA whether or not such losses relate directly to non-compliant mortgage loans.

139. A justiciable controversy exists as to (a) whether RFC, in equity and good conscience, is liable for all insurance claims against MBIA and other losses incurred by MBIA with respect to the Policies issued by MBIA in connection with the RFC Transactions and (b) MBIA's entitlement to damages as a result thereof.

EIGHTH CAUSE OF ACTION

(UNJUST ENRICHMENT)
(PRESERVED FOR APPEAL)

140. MBIA repeats, re-alleges and incorporates each and every allegation contained in paragraphs 1 through 139.

141. MBIA has conferred a benefit on RFC by issuing the Policies with the reasonable expectation of receiving the full rights and value negotiated in connection with that benefit.

142. RFC was unjustly enriched at MBIA's expense and equity and good conscience require RFC to compensate MBIA for the unjust benefit conferred on RFC. In that

regard, had MBIA known about RFC's significant and substantial breaches of its representations and warranties, MBIA would not have issued the Policies with respect to the RFC Transactions.

143. If MBIA had not issued the Policies, RFC would have had to follow either of two courses of action:

a. RFC may have sold the securities issued in connection with the RFC Transactions without the Policies. In this scenario, RFC would have received a substantially lower amount from the sale of the securities than it did because the investors in the RFC Transactions would demand a discount in the purchase price of the securities or a higher interest rate on the securities to compensate for the additional, uninsured risk of shortfalls in cash flows; or

b. RFC may not have been able to consummate the RFC Transactions. In this scenario, RFC would not have sold the mortgage loans by means of the RFC Transactions. RFC may have sold the mortgage loans to another purchaser, possibly for a lesser purchase price. If RFC was unable to sell the mortgage loans, <u>all</u> of the losses with respect to the mortgage loans would have been borne by RFC, and <u>only</u> RFC. Further, if the RFC Transactions were not consummated, RFC and its affiliate would not have been entitled to servicing fees for servicing the mortgage loans in connection with the RFC Transactions.

144. By improperly and unjustly inducing MBIA to issue the Policies as a result of its materially false representations and warranties, RFC was able to obtain payments under the Policies for investors in the RFC Transactions in the event of shortfalls of cash flows or losses to the trusts for the RFC Transactions. Consequently, investors in the RFC Transactions were willing to pay more to RFC for securities issued in connection with the RFC Transactions because of the presence of the MBIA insurance policies. Thus, RFC was able to receive a higher payment for the securities issued in connection with the RFC Transactions by causing the risk of liability for insuring certain cash flows for the RFC Transactions to pass to MBIA. Further, RFC earned servicing fees in connection with the servicing of the mortgage loans for the RFC Transactions while passing the risk of shortfalls in cash flows to investors in

the RFC Transactions to MBIA. RFC earned these servicing fees despite failing to utilize good faith business judgment to employ its normal and usual mortgage loan servicing procedures, and otherwise comply with its obligations pursuant to the Transaction Documents, to service the mortgage loans for the RFC Transactions.

145. As a result of RFC's improper and unjust actions, MBIA issued the Policies, requiring MBIA to pay, to its substantial detriment, sizable insurance claims and to incur even greater future liabilities.

146. As a result of RFC's improper and unjust actions, MBIA has incurred, and will continue to incur, damages in an amount to be determined at trial.

147. A justiciable controversy exists as to (a) whether RFC was unjustly enriched with respect to the Policies issued by MBIA in connection with the RFC Transactions and (b) MBIA's entitlement to damages as a result thereof.

RELIEF DEMANDED

WHEREFORE, plaintiff MBIA Insurance Corporation demands judgment against defendant Residential Funding Company, LLC, as follows:

1. With respect to the First Cause of Action, a judgment (a) declaring that RFC fraudulently induced MBIA to issue the Policies in connection with the RFC Transactions and must compensate MBIA for all losses and liabilities incurred by MBIA, and that MBIA incurs, with respect to the Policies issued in connection with the RFC Transactions, including, without limitation, interest, reasonable attorneys' and accountants' fees and expenses and any other fees and expenses that MBIA incurred or reasonably incurs, whether or not such losses and liabilities relate directly to specifically identified non-compliant mortgage loans and (b) awarding damages to MBIA for all losses and liabilities incurred by MBIA, and that MBIA incurs, with respect to the Policies issued in connection with the RFC Transactions, including, without limitation, interest, reasonable attorneys' and accountants' fees and expenses and any

other fees and expenses that MBIA incurred or incurs, whether or not such losses relate directly to specifically identified non-compliant mortgage loans, in an amount to be determined at trial; and

2. With respect to the Second Cause of Action, a judgment (a) declaring that RFC has materially breached the Insurance Agreements and (b) awarding damages to MBIA for all losses and liabilities incurred by MBIA, and that MBIA incurs, whether or not such losses relate directly to specifically identified non-compliant mortgage loans, in an amount to be determined at trial, including interest, reasonable attorneys' and accountants' fees and expenses and any other fees and expenses that MBIA incurred or incurs, in an amount to be determined at trial; and

3. With respect to the Third Cause of Action, a judgment (a) declaring that RFC is required to comply with its obligations under the Loan Breach Remedy Procedure; (b) declaring that RFC has wrongfully repudiated its obligations under the Loan Breach Remedy Procedure; and (c) declaring that RFC is required to indemnify MBIA for any and all damages it has incurred, and that MBIA incurs, as a result of RFC's breaches of its representations and warranties, including RFC's failure to comply with and its wrongful repudiation of its obligations under the Loan Breach Remedy Procedure; and (d) awarding damages to MBIA for all losses and liabilities incurred by MBIA, and that MBIA incurs, with respect to RFC's breaches and ultimate repudiation of the Loan Breach Remedy Procedure, including damages, interest, reasonable attorneys' and accountants' fees and expenses, and any other fees and expenses that MBIA incurred or incurs, in an amount to be determined at trial; and

4. With respect to the Fourth Cause of Action, a judgment (a) declaring that RFC breached the Servicing Agreements when RFC was acting as Master Servicer by failing to property service the mortgage loans underlying the RFC Transactions and (b) awarding damages to MBIA for all losses and liabilities incurred by MBIA, and that MBIA incurs, as a result of RFC's breaches of the Servicing Agreements, including interest, reasonable attorneys' and

accountants' fees and expenses and any other fees and expenses that MBIA incurred or incurs, in an amount to be determined at trial; and

5. With respect to the Fifth Cause of Action, a judgment (a) declaring that RFC made negligent misrepresentations to MBIA with respect to the Policies issued by MBIA in connection with the RFC Transactions and must compensate MBIA for all losses and liabilities incurred by MBIA, and that MBIA incurs, with respect to the Policies issued in connection with the RFC Transactions, including, without limitation, interest, reasonable attorneys' and accountants' fees and expenses and any other fees and expenses that MBIA incurred or reasonably incurs, whether or not such losses relate directly to specifically identified non-compliant mortgage loans and (b) awarding damages to MBIA for all losses and liabilities incurred by MBIA, and that MBIA incurs, with respect to the Policies issued in connection with the RFC Transactions, including, without limitation, interest, reasonable attorneys' and accountants' fees and expenses and any other fees and expenses that MBIA incurred or incurs, whether or not such losses and liabilities relate directly to specifically identified non-compliant mortgage loans, in an amount to be determined at trial; and

6. With respect to the Sixth Cause of Action, a judgment (a) declaring that RFC has breached the covenant or duty of good faith and fair dealing implied in the Transaction Documents in connection with the RFC Transactions and must compensate MBIA for all losses and liabilities incurred by MBIA, and that MBIA incurs, with respect to the Policies issued in connection with the RFC Transactions, including, without limitation, interest, reasonable attorneys' and accountants' fees and expenses and any other fees and expenses that MBIA incurred or incurs, whether or not such losses relate directly to specifically identified non-compliant mortgage loans and (b) awarding damages to MBIA for all losses and liabilities incurred by MBIA, and that MBIA incurs, with respect to the Policies issued in connection with the RFC Transactions, including, without limitation, all losses and liabilities resulting from RFC's failure to properly service the mortgage loans in the RFC Transactions, as well as, interest, reasonable attorneys' and accountants' fees and expenses and any other fees and

expenses that MBIA incurred or incurs, whether or not such losses relate directly to specifically identified non-compliant mortgage loans, in an amount to be determined at trial; and

7. With respect to the Seventh Cause of Action, a judgment (a) declaring that RFC is liable for all insurance claims against MBIA and must compensate MBIA for all losses and liabilities incurred by MBIA, and that MBIA incurs, with respect to the Policies issued in connection with the RFC Transactions, including, without limitation, interest, reasonable attorneys' and accountants' fees and expenses and any other fees and expenses that MBIA incurred or reasonably incurs, whether or not such losses relate directly to specifically identified non-compliant mortgage loans and (b) awarding damages to MBIA for all losses and liabilities incurred by MBIA, and that MBIA incurs, with respect to the Policies issued in connection with the RFC Transactions, including, without limitation, all losses resulting from RFC's failure to properly service the mortgage loans in the RFC Transactions, as well as, interest, reasonable attorneys' and accountants' fees and expenses and any other fees and expenses that MBIA incurred or incurs, whether or not such losses relate directly to specifically identified non-compliant mortgage loans, in an amount to be determined at trial; and

8. With respect to the Eighth Cause of Action, a judgment (a) declaring that RFC has been unjustly enriched with respect to the Policies issued by MBIA in connection with the RFC Transactions and must compensate MBIA for all losses and liabilities incurred by MBIA, and that MBIA incurs, with respect to the Policies issued in connection with the RFC Transactions, including, without limitation, interest, reasonable attorneys' and accountants' fees and expenses and any other fees and expenses that MBIA incurred or incurs, whether or not such losses relate directly to specifically identified non-compliant mortgage loans and (b) awarding damages to MBIA for all losses and liabilities incurred by MBIA, and that MBIA incurs, with respect to the Policies issued in connection with the RFC Transactions, including, without limitation, all losses resulting from RFC's failure to properly service the mortgage loans in the RFC Transactions, as well as, interest, reasonable attorneys' and accountants' fees and expenses and any other fees and expenses that MBIA incurred or incurs, whether or not such losses and

liabilities relate directly to specifically identified non-compliant mortgage loans, in an amount to be determined at trial; and

9. The full amount of MBIA's attorneys' fees and expenses with respect to this action; and

10. Punitive and consequential damages; and

11. For such other and further relief as the Court may deem just and proper.

Dated: March 19, 2010

CADWALADER, WICKERSHAM & TAFT LLP

By: /s/ Howard R. Hawkins, Jr.

Gregory M. Petrick
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Attorneys for Plaintiff
MBIA Insurance Corporation

Exhibit D
GMAC MORTGAGE COMPLAINT

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

MBIA INSURANCE CORPORATION, Plaintiff, -against- GMAC MORTGAGE, LLC (F/K/A GMAC MORTGAGE CORPORATION), Defendant.	Index No. 10600837 Date of Filing: 4/1/10 **SUMMONS**

NEW YORK COUNTY CLERK'S OFFICE
APR 01 2010
NOT COMPARED WITH COPY FILE

TO THE ABOVE-NAMED DEFENDANT:

YOU ARE HEREBY SUMMONED and required to serve upon Plaintiff's attorneys an answer to the complaint in this action within twenty (20) days after the service of this summons, exclusive of the day of service, or within thirty (30) days after service is complete if this summons was not personally delivered to you within the State of New York. In case of your failure to answer, judgment will be taken against you by default for the relief demanded in the complaint.

The bases for venue are CPLR §§ 501 and 503, because the Defendant agreed that the Courts within the County and State of New York are an appropriate venue and substantial acts giving rise to the Plaintiff's claims occurred in New York County.

DATED: New York, New York
April 1, 2010

QUINN EMANUEL URQUHART &
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TO: GMAC Mortgage, LLC
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SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK CITY

MBIA INSURANCE CORPORATION, Plaintiff, -against- GMAC MORTGAGE, LLC (f/k/a GMAC MORTGAGE CORPORATION), Defendant.	Index No. 10600837 **COMPLAINT**

Plaintiff MBIA Insurance Corporation ("MBIA"), by its attorneys, Quinn Emanuel Urquhart & Sullivan, LLP, for its Complaint herein against GMAC Mortgage, LLC (formerly known as GMAC Mortgage Corporation) ("GMAC Mortgage" or "Defendant") alleges as follows:

NATURE OF THE ACTION

1. This action arises out of the fraudulent acts and breaches of contract of GMAC Mortgage in connection with three publicly offered securitizations of residential mortgages. All of the mortgage loans underlying the securitizations were originated or acquired by GMAC Mortgage, a subsidiary of lending giant GMAC Inc. This Complaint alleges that, in its dealings with MBIA, GMAC Mortgage affirmatively misrepresented the quality of tens of thousands of mortgage loans, with a total original principal balance of more than $4 billion, as a means of unfairly shifting to investors and MBIA risks that GMAC Mortgage should have borne itself.

2. In particular, GMAC Mortgage pooled and conveyed mortgage loans into trusts, which in turn issued residential mortgage-backed securities ("RMBS") to investors in three offerings, in 2004, 2006, and 2007. The three mortgage loan securitization transactions at issue are: GMAC Mortgage Corporation Home Equity Loan Trust 2004-HE4 (the "2004

Transaction"), GMAC Mortgage Corporation Home Equity Loan Trust 2006-HE4 (the "2006 Transaction"), and GMAC Mortgage Corporation Home Equity Loan Trust 2007-HE1 (the "2007 Transaction") (collectively, the "Transactions"). In each of the Transactions, the loans at issue were collateralized by second mortgages and were represented to be prime because of the purportedly creditworthy nature of the borrowers and loans.

3. To make the securities more marketable in each of the three offerings, GMAC Mortgage sought a financial guaranty insurer to guarantee the trusts' payments to investors in the event that cash flows to the trusts were impaired by the failure of mortgage borrowers to make payments of principal and interest. To secure MBIA's agreement to provide this insurance, GMAC Mortgage made a comprehensive set of representations about the securitizations. These representations included loan-level representations about key attributes of individual loans and transaction-level representations about the characteristics of the pools of loans that were securitized.

4. While GMAC Mortgage was soliciting MBIA to provide financial guaranty insurance, and before each Transaction closed, GMAC Mortgage provided to MBIA: (1) loan "tapes" that included data about each borrower and loan, including measurements of each borrower's creditworthiness; (2) schedules that set forth key statistics about the loan pools, including averages of measures contained in the loan tapes; and (3) initial and final Prospectus Supplements that represented that all of the loans in the pools had been originated in compliance with GMAC Mortgage's Underwriting Guidelines, which supposedly had been developed to ensure that borrowers were creditworthy and that the mortgage loans would be repaid. Using the same loan tapes it provided to MBIA, and summary data conveying key characteristics of the loan pool, GMAC Mortgage also procured from rating agencies "shadow ratings"—credit ratings

the Transactions would carry without financial guaranty insurance. GMAC Mortgage knew that MBIA would rely on these shadow ratings, as well as the loan tapes, schedules, and initial and final Prospectus Supplements, in determining whether to insure the Transactions.

5. As part of the Transactions, GMAC Mortgage also made to MBIA, and for MBIA's benefit, extensive contractual representations and warranties. GMAC Mortgage represented and warranted, among other things, that: (1) all of the information it provided to MBIA about the mortgage loans was accurate and not misleading; (2) all of the mortgage loans in the pools were underwritten in accordance with GMAC Mortgage's underwriting standards; and (3) in the case of each loan, after receiving all applicable employment, credit, and property information, a determination had been made that the borrower was able to meet his or her monthly payments, including loan payments.

6. In reality, however, GMAC Mortgage originated and sold loans into the trusts that contradicted the pre-closing representations it made to MBIA and blatantly violated its contractual representations and warranties. In 2009, faced with mounting claims payments caused by delinquent and so-called "charged-off" loans—loans deemed uncollectible and thus written down to zero—MBIA began examining loan files and documentation associated with thousands of loans. The results of this review made clear that GMAC Mortgage had wholly abandoned its own underwriting policies and instead routinely approved loans to borrowers who failed to meet basic risk criteria. At least 89% of the 4,104 delinquent or charged-off loans reviewed by MBIA were not originated in material compliance with GMAC Mortgage's

Underwriting Guidelines or the contractual representations and warranties made by GMAC Mortgage.[1]

7. MBIA's review demonstrated that GMAC Mortgage had misrepresented the quality of the mortgage loans consistently from its first contacts with MBIA. Loan tapes and schedules—including those attached to GMAC Mortgage's first solicitations of bids from MBIA—contained false data about borrowers, loans, and the characteristics of the loan pools. GMAC Mortgage had used the same false loan tapes and other false pool-level information derived from the false data on the loan tapes to procure from the rating agencies inflated shadow ratings, which it then furnished to MBIA. GMAC Mortgage was able to carry out its fraudulent scheme by virtue of its unique and superior knowledge about the mortgage loans, its false representations about the quality of those loans, and the trust that MBIA placed in GMAC Mortgage. The relationship of trust and confidence existed between MBIA and GMAC Mortgage as a result of MBIA having provided insurance in at least eight prior GMAC Mortgage-sponsored securitizations of RMBS, beginning in 1999.

8. GMAC Mortgage succeeded in concealing from MBIA the loans' hidden risks, and as a result MBIA has suffered tremendous harm. In agreeing to provide financial guaranty insurance, MBIA assumed only the risk that loans conforming to GMAC Mortgage's Underwriting Guidelines would not perform as expected. It did not, however, assume the risk that GMAC Mortgage would flagrantly ignore prudent underwriting standards and stock the securitizations with non-compliant loans. As of December 31, 2009, MBIA had received

[1] As discussed below, although GMAC Mortgage has repeatedly and unreasonably denied MBIA access to complete versions of the GMAC Mortgage Underwriting Guidelines, there is little dispute as to the content of the Guidelines relevant to this action. In responses to correspondence in which MBIA sought to enforce contractual remedies, GMAC Mortgage has not challenged MBIA's contentions about the standards set forth in the Guidelines.

premiums of approximately $12.5 million. These premiums were supposed to be commensurate with risks associated with loan pools that conformed to GMAC Mortgage's representations. As of December 31, 2009, MBIA had paid approximately $132 million in claims and remains exposed to millions in further liabilities.

9. GMAC Mortgage has compounded MBIA's losses by breaching an express representation and warranty to cure, repurchase, or replace non-compliant mortgage loans with loans conforming to the representations made by GMAC Mortgage. To date, MBIA has requested that GMAC Mortgage cure, repurchase, or replace approximately 3,669 non-compliant loans. In response, GMAC Mortgage agreed to repurchase or replace only 28 of these loans. In an obvious and improper attempt to prevent MBIA from exercising its contractual rights, GMAC Mortgage has also refused to provide complete versions of GMAC Mortgage Underwriting Guidelines and has failed to provide information that would enable MBIA to gain full knowledge of the historical performance of the loans, including loan-level data dating from the closing of each Transaction to early 2008.

10. GMAC Mortgage's refusal to participate in good faith in the so-called "putback" process leaves MBIA uncompensated for its losses. At a more fundamental level, the repurchase obligation was never intended to provide an adequate remedy where non-compliant loans pervade the pools rather than constitute isolated exceptions. Had GMAC Mortgage told the truth about the risks associated with the mortgage loans, MBIA never would have agreed to insure the securitizations.

11. GMAC Mortgage's deception enabled it to sell pools of mortgage loans it represented to be worth billions of dollars, while transferring the risks embedded in those loan pools to investors and, ultimately, MBIA. Because GMAC Mortgage's fraud, concealment, and

breaches of contract have deprived MBIA of the benefit of its bargain, MBIA is entitled to recover from GMAC Mortgage, at a very minimum, the value of payments that MBIA has made and will make in the future.

PARTIES

12. Plaintiff MBIA Insurance Corporation is a New York corporation with its principal place of business at 113 King Street, Armonk, New York. MBIA is one of the nation's oldest and largest monoline insurers, and provides financial guaranty insurance and other forms of credit protection, generally on financial obligations, which are sold in the new issue and secondary markets.

13. Defendant GMAC Mortgage, LLC, formerly known as GMAC Mortgage Corporation, is a Delaware limited liability company with its principal place of business in Fort Washington, Pennsylvania. Upon information and belief, the members of GMAC Mortgage, LLC include at least one New York resident. In the period relevant to this action, GMAC Mortgage acquired, originated, and serviced residential mortgage loans. GMAC Mortgage also sponsored securitizations of mortgage loans.

14. GMAC Mortgage is a wholly owned subsidiary of Residential Capital, LLC ("ResCap"), which in turn is a wholly owned subsidiary of GMAC Inc. In September 2008, ResCap announced that it was closing much of its business of acquiring mortgage loans. At or about this time, GMAC Mortgage closed all of its retail locations, locations at which home buyers or owners could obtain mortgages. GMAC Mortgage remains one of the largest residential mortgage servicers in the nation.

JURISDICTION AND VENUE

15. This Court has jurisdiction over this proceeding pursuant to CPLR §§ 301 and 302. GMAC Mortgage is authorized to do business in New York, has appointed an agent for

service of process and has consented to the jurisdiction of the Courts within the State. In addition, GMAC Mortgage expressly consented to the jurisdiction of this Court over all claims arising out of the Transactions. GMAC Mortgage participated in negotiations and other activities within the State which led to the transactions that give rise to the claims in the Complaint, and the transactions themselves occurred within the State. GMAC Mortgage has also regularly transacted business within the State.

16. Venue is proper in this Court pursuant to CPLR §§ 501 and 503. GMAC Mortgage expressly agreed that the Courts within the County and State of New York are an appropriate venue for all actions arising out of the transactions that give rise to the claims in the Complaint. In addition, negotiations and other substantial activities relating to the transactions that give rise to the claims in this Complaint occurred within New York County.

RELEVANT NON-PARTIES

17. GMAC Inc. ("GMAC"), the ultimate parent company of GMAC Mortgage, is a Delaware corporation with its principal place of business in Detroit, Michigan. GMAC specializes in automotive financings, residential mortgage financings and services, and insurance services. GMAC is the indirect parent company of all GMAC and GMAC-affiliated entities relevant to this action.

18. GMAC Bank, formerly an indirect, wholly owned subsidiary of GMAC, was at all times relevant to this Complaint a loan originator. GMAC Bank sold loans it originated to GMAC Mortgage to be securitized. GMAC Bank was renamed Ally Bank in May 2009. Ally Bank is an online bank chartered under Utah law.

19. Walnut Grove Mortgage Loan Trust 2003-A ("Walnut Grove") is a Delaware statutory trust established by an affiliate of GMAC Mortgage. Beginning in 2003, GMAC Mortgage sold to Walnut Grove mortgage loans it had originated or purchased from GMAC

Bank. At the time of each of the three securitizations at issue in this case, Walnut Grove sold mortgage loans to Residential Asset Mortgage Products, Inc. ("RAMP").

20. RAMP, a special purpose vehicle, is an indirect, wholly owned subsidiary of GMAC and a Delaware corporation with its principal place of business in Minnesota. In connection with each securitization at issue in this case, RAMP purchased mortgage loans from GMAC Mortgage and Walnut Grove and deposited those loans into a "GMAC Mortgage Home Equity Loan Trust" arranged by GMAC Mortgage. Each trust then issued securities to underwriters to be sold to investors.

21. GMAC RFC Securities, an entity incorporated in Delaware, is an affiliate of GMAC Mortgage and RAMP and a registered broker-dealer under the Securities Act of 1934. GMAC RFC Securities, also known as Residential Funding Securities, LLC, served as an underwriter of the securities issued in each of the securitizations at issue in this case.

FACTUAL ALLEGATIONS

A. The Securitization of Mortgage Loans

22. Asset-backed securitization is the process by which risk is distributed by pooling cash-producing financial assets, such as mortgage loans, and issuing securities backed by the pool.

23. The most common form of securitization of mortgage loans involves a sponsor—the original owner of the mortgages—and the creation of a trust, to which the sponsor sells a portfolio of mortgage loans. In many instances, the transfer of assets to a trust "is a two-step process: the financial assets are transferred by the sponsor first to an intermediate entity, often a limited purpose entity created by the sponsor . . . and commonly called a depositor, and then the depositor will transfer the assets to the [trust] for the particular asset-backed transactions." SEC

Release "Asset-Backed Securities" (Regulation AB), SEC Release Nos. 33-8518; 34-50905, 70 Fed. Reg. 1,506-1,631 (Jan. 7, 2005).

24. After receiving the portfolio of mortgage loans, the trust will issue debt securities using the pool of loans as collateral. Investors acquire rights to the income flowing from the mortgage pools. This income is generated by homeowners' payments of principal and interest on the mortgage loans held by the trust.

25. A servicer is also necessary to manage the collection of proceeds from the mortgage loans. The servicer is responsible for maximizing homeowners' mortgage loan payments, which the servicer remits to the trust after deducting a monthly servicing fee. The servicer is also responsible for minimizing potential losses to the trust when homeowners fail to make required payments. The servicer's duties include making collection efforts on delinquent loans, initiating foreclosure proceedings, and determining when to charge off a loan by writing down its balance to zero. The servicer reports key information about the loans to the trustee, which administers the trust funds and delivers payments due each month on the investors' notes.

26. To decrease the risk to investors of a shortfall in cash flows to the trust, and to make the securitization more attractive to investors, many securitizations include additional credit "enhancement" in the form of a financial guaranty insurance policy. Under the terms of such a policy, a financial guaranty insurer, in consideration of a premium and subject to the terms and conditions of the policy, will guarantee to investors that in the event there is a shortfall in cash flows to the trust, the insurer will insure certain payments with respect to current interest and ultimate principal to the trustee for the benefit of the investors. In this way, the risk to the investors of a shortfall in the anticipated cash flows to the trust is mitigated, thus increasing the marketability and pricing of the securities.

27. The financial viability of an investment in a securitization, or an insurance policy issued on that investment, is a function of the quality of the underlying mortgage loans. If, for instance, the lender that originated the mortgage loans employed substandard underwriting practices, risk increases. Among the factors that determine the interest rate of a loan are the degree to which the borrower is required to verify his or her income, the borrower's credit score and employment history, and the amount of equity the borrower has in the mortgaged property. For example, a borrower who is not required to verify income and has little or no equity in his or her home typically pays a higher interest rate. Likewise, the value of a pool of mortgage loans depends on the quality of the loans, because a pool in which there is a higher risk of delinquencies and charge-offs is deemed more likely to suffer impaired cash flows. Based on its assessment of the risk of impaired cash flows, an insurer may decide not to provide insurance on a particular transaction, ask that the transaction be structured to provide additional protection against losses, or increase premiums to reflect the risk.

28. Accordingly, the ability of the market, or of a potential financial guaranty insurer, to accurately assess risk depends on the information it has regarding the quality of the underlying mortgage loans and the standards used to originate those loans. Sponsors of securitizations thus make extensive disclosures to investors in publicly filed offering documents and make separate and additional disclosures, representations, and warranties to the providers of financial guaranty insurance.

29. The sponsor possesses unique and special knowledge and expertise regarding the characteristics of the loans and the underwriting. At all times relevant to this Complaint, it was standard in the industry for sponsors to require financial guaranty insurers to submit bids within weeks of a sponsor's initial solicitation, for a securitization that would close only weeks later.

Because of this compressed time frame, it also became the practice in the industry that insurers did not undertake to re-underwrite the thousands or tens of thousands of loans that might be contributed to the pool. Instead, sponsors provided potential insurers with comprehensive representations and warranties about the quality of the underlying loans and the standards under which they had been originated and encouraged reliance on those representations and warranties. Sponsors also bore the risk that their representations and warranties would be proven untrue; they routinely undertook to cure, repurchase, or replace loans that were found before or after closing to fail to conform to its representations and warranties in a manner that materially and adversely affected the insurer's interests.

30. Also because sponsors do not expect potential insurers to undertake a loan-by-loan review, they furnish to potential insurers loan tapes and schedules, or spreadsheets and charts, respectively, that contain data regarding key characteristics of the mortgage loans to be included in the securitization, including borrowers' Fair Isaac Corporation, or "FICO," scores; the appraised value of the mortgaged properties; and statistics such as combined loan-to-value ("CLTV"), the ratio of the sum of the first and second mortgage amounts to the appraised value of the property; and debt-to-income ("DTI"), the ratio of the borrower's monthly debt to income. Underwriters—typically investment banks responsible for selling the mortgage-backed securities—also provide potential insurers with due diligence performed by a third-party accounting or underwriting firm on a sample of the loans in the pool. The due diligence is intended to assess whether the characteristics of the sampled loans, and the underwriting used to originate them, conform to the sponsor's disclosures and representations.

31. Sponsors also provide to rating agencies, as part of the securitization process, loan tapes and pool-level data based on the loan-level information contained in the loan tapes. Rating

agencies use that information to create expected loan-level default and loss estimates. These estimates, in turn, are used to generate cash flow projections for the securitization. On the basis of the expected losses for the proposed securitization, the rating agency will provide a so-called "shadow rating" for the securitization, the credit rating the securitization would carry without financial guaranty insurance. Sponsors cause these shadow ratings to be provided to potential insurers, knowing that the insurers will rely on the shadow ratings when determining whether to insure a securitization.

32. In sum, the ability of the investor or insurer to accurately assess the risks associated with an RMBS securitization depends entirely on the truthfulness of the sponsor's disclosures and representations about the quality of the loan pools and underwriting standards. The investor or insurer takes responsibility for certain risks not within the sponsor's control, such as risks created by changes in interest rates or the economic climate. However, the sponsor alone is responsible for the risks hidden by its own fraudulent misrepresentations.

B. GMAC Mortgage and the Securitization of Mortgage Loans

33. GMAC Mortgage first began acquiring, originating, and servicing residential mortgage loans in 1985 when it purchased other companies in those lines of business. By the mid-2000s, GMAC Mortgage was originating tens of billions of dollars' worth of mortgage loans per year, or consistently over 500,000 mortgage loans annually. It also sponsored publicly offered securitizations of mortgage loans. For each year from 2002 to 2006, the aggregate principal balance of the mortgage loans backing GMAC Mortgage-sponsored securitizations ranged from $5 billion to $7 billion.

34. Second-lien mortgage loans represented a rapidly growing portion of GMAC Mortgage's mortgage loan business during this same period. A second-lien mortgage is

subordinate to the main or first mortgage; if the homeowner/borrower defaults, the holder of the first mortgage must be satisfied first from any proceeds from sale of the collateral or the home. From 2002 to 2006, the value of GMAC Mortgage-sponsored securitizations of second-lien mortgage loans more than doubled, from $2.4 billion to $5.7 billion.

35. Securitization played an important role in GMAC Mortgage's business model. Pooling mortgage loans and selling them into securitizations enabled GMAC Mortgage to reduce the credit risk on its balance sheet and acquire funds with which it could originate new loans to be pooled in future securitizations. GMAC Mortgage also enriched other GMAC affiliates by sponsoring securitizations. GMAC entities participated in each of the key steps in the securitization process, and recorded gains and earned fees at each of those steps. In the Transactions at issue here, for example:

- GMAC Bank gained fees for originating loans and proceeds from selling those loans to GMAC Mortgage;
- GMAC Mortgage, because it originated and aggregated the loans before selling them to RAMP, gained loan origination fees as well as proceeds from selling the loans;
- Walnut Grove purchased a portion of the loans from GMAC Mortgage, and then gained proceeds from selling the loans to RAMP;
- RAMP established the trusts, transferred the loans to the trusts, and charged fees to cover its operating expenses;
- GMAC RFC Securities made fees for underwriting GMAC Mortgage-sponsored securities offerings; and
- GMAC Mortgage gained fees for acting as Servicer for loan pools that were securitized, after it sold the pooled loans to be deposited into the securitizing trust.

36. To promote demand for the lucrative securitizations, GMAC Mortgage touted its experience in acquiring, originating, and servicing the underlying mortgage loans. It represented that the loans it sold into securitizations "were originated generally in accordance with the

underwriting standards of GMAC Mortgage, LLC." GMAC Mortgage assured potential buyers of RMBS that in the case of each loan within the pool, an underwriter had made an assessment, after receiving all applicable employment, credit, and property information, that the borrower had the ability to repay his or her loan.

37. As described below, GMAC Mortgage failed to fulfill these promises in a series of transactions that involved a significant portion of GMAC Mortgage's securitization of prime, second-lien loans from 2004 to 2007. In truth, GMAC Mortgage routinely extended loans to borrowers whose ability and willingness to repay could not be verified and regularly purchased loans that were not originated in compliance with its own purported origination standards. GMAC Mortgage then schemed to off-load billions of dollars worth of debt by misrepresenting facts uniquely within its knowledge.

38. The collapse of the housing market has exposed the hidden risks embedded in the loan pools GMAC Mortgage repeatedly pooled and sold. Today, an extremely high percentage of GMAC Mortgage-originated loans have suffered delinquencies or been charged-off. It is widely known that the mortgage lending practices of GMAC's subsidiaries have led GMAC—now majority-owned by the U.S. Government—to the brink of financial ruin. GMAC recently announced that it is seeking a buyer for all or parts of ResCap, the subsidiary of GMAC that houses GMAC's mortgage operations, including GMAC Mortgage.

39. This suit seeks to prevent GMAC Mortgage, which banked billions of dollars from the sale and servicing of defective loans, and at the time enriched other GMAC entities through its sponsorship of securitizations, from walking away from its responsibility for the harm it has foisted on others.

C. The Transactions

40. The Transactions at issue in this action involve securitizations of pools of second-lien mortgage loans. The 2004 and 2006 Transactions involved pools of mostly home equity lines of credit ("HELOCs"). A HELOC allows a borrower to draw upon a line of credit, collateralized by a mortgage, for a fixed period of time after the origination of the HELOC, in any amount up to limit of the credit line, and at an adjustable interest rate. The 2007 Transaction involved a pool of mostly closed-end mortgages, loans in which the borrower receives the full amount of the loan at origination at a fixed interest rate. Certain of the basic characteristics of each of the Transactions at the time of closing are set forth in the following table:

Transaction	Date of Closing	Number of Loans at Closing	Aggregate Note Balance Issued at Closing	Type of Loans Securitized
2004	10/28/04	23,428	$1,018,000,000	91.82% HELOCs
2006	09/27/06	17,342	$1,159,060,631	94.10% HELOCs
2007	03/29/07	16,638	$1,185,871,000	94.55% Closed-End Seconds
Totals		**57,408**	**$3.363 billion**	

In each Transaction, the aggregate note balance represented the face value of the notes issued at closing, an amount which should not be exceeded by the aggregate principal balance of the mortgage loans backing those notes.

41. The Transactions were structured to permit GMAC Mortgage to add mortgage loans to the pool during specified periods after closing. In each Transaction, the mortgage loan pool was not fully populated at closing. Rather, GMAC Mortgage was permitted to sell loans to the pool for a three-month Pre-Funding Period immediately after closing, in exchange for payments made by the trust, until the aggregate principal balance of the loans in the pool

approached the aggregate note balance. The 2004 and 2006 Transactions also permitted GMAC Mortgage to sell loans during specified periods—called Revolving and Managed Amortization Periods, the latter of which ended five years after closing—on the condition that the aggregate principal balance of the pool at any given time never exceeded the balance at closing.

42. The feature of the so-called "Subsequent Mortgage Loans" thus enabled GMAC Mortgage for a number of years past closing to continue to shift credit risk to investors and to MBIA, in exchange for immediate gains on the loans it sold. In creating the Revolving and Managed Amortization periods, in particular, the parties agreed that as the aggregate loan balance of each pool fell—a characteristic that is usually the result of borrowers paying off their loans—GMAC Mortgage could sell new loans to the pool and MBIA would continue to insure payments to holders of the RMBS for which the pool served as collateral. Critical to MBIA's acceptance of the feature of the "Subsequent Mortgage Loans" were GMAC Mortgage's representations and warranties that any loan added to a pool after closing would conform to the same contractual representations and warranties GMAC Mortgage made about the quality and underwriting of the loans in the pool at closing.

43. The approximate number and dollar amount of loans in each Transaction over the entire life of the transactions are set forth in the following table:

Transaction	Date of Closing	Aggregate Number of Loans in Pool During Life of Transaction	Aggregate Principal Balance of Loans in Pool During Life of Transaction
2004	10/28/04	42,753	$1,662,888,882
2006	09/27/06	30,730	$1,550,141,454
2007	03/29/07	22,132	$1,185,871,165
Totals		**95,615**	**$4.399 billion**

The figure of 30,730 loans in the pool over the life of the 2006 Transaction is, if anything, understated because GMAC Mortgage has failed to provide loan-level data that spans the life of

any of the Transactions, and the number of Subsequent Mortgage Loans for the 2006 Transaction could not be determined using other information.

44. GMAC Mortgage and other wholly owned subsidiaries of GMAC and affiliates of GMAC Mortgage carried out the steps of each Transaction, as described above. Nearly 90% of the mortgage loans in the pools were originated by GMAC Bank and GMAC Mortgage. GMAC Mortgage then conveyed, directly or indirectly, mortgage loans it had originated or acquired from GMAC Bank to RAMP, the special purpose vehicle that acted as the depositor and transferred the loans to the trust created by GMAC Mortgage for each securitization. In each of the Transactions, GMAC RFC Securities was one of the underwriters that marketed the securities issued by the trusts.

45. In addition to its role as the sponsor in each Transaction, GMAC Mortgage was also appointed the Servicer for each of the pools. The Servicing Agreements provided that GMAC Mortgage would collect prorated monthly fees equal to 0.50% per year of the outstanding principal balance of each loan it serviced, in exchange for servicing the loan pool in compliance with its "normal and usual" procedures, which included making reasonable efforts to collect all payments due from borrowers.

D. GMAC Mortgage's Fraudulent Inducement of the Transactions

46. For each Transaction, GMAC Mortgage sought credit enhancement in the form of financial guaranty insurance provided by MBIA. GMAC Mortgage solicited a bid from MBIA a matter of weeks before it planned to close each Transaction. In each case, the insurance GMAC Mortgage obtained from MBIA enabled it to market the RMBS on the basis of an AAA credit rating, rather than the lower credit quality of the collateral and structure of the Transaction alone.

47. In order to induce MBIA to write financial guaranty insurance for the Transactions, GMAC Mortgage provided to MBIA, directly or indirectly, information including: (1) loan tapes detailing attributes of individual borrowers and loans; (2) schedules that set forth statistics about the loan pool; (3) registered initial and final Prospectus Supplements summarizing GMAC Mortgage's Underwriting Guidelines and loan origination criteria; and (4) shadow ratings that GMAC Mortgage represented characterized the credit quality of each loan pool.

48. In connection with each Transaction, GMAC Mortgage sent or caused to be sent to MBIA, by email, bid requests, loan tapes, and schedules. Specifically:

- On October 12, 2004, MBIA received a loan tape and schedule for the 2004 Transaction;
- On September 11, 2006, MBIA received a bid request, loan tape, and schedule for the 2006 Transaction;
- On September 13, 2006, MBIA received a revised loan tape for the 2006 Transaction;
- On March 8, 2007, MBIA received a bid request, loan tape, and schedule for the 2007 Transaction; and
- On March 12, 2007, MBIA received a revised loan tape for the 2007 Transaction.

The loan tapes provided by GMAC Mortgage set forth, on a loan-by-loan basis, such statistics as the borrower's FICO score, DTI, and CLTV. The schedules purported to describe—at the level of the pool as a whole—key characteristics also relevant to the assessment of risk, including weighted averages of FICO scores and DTI and CLTV ratios.

49. Further, GMAC Mortgage provided MBIA with Prospectus Supplements that also would be filed with the SEC on or before the day each Transaction closed. In the Prospectus Supplements, GMAC Mortgage made specific representations describing GMAC Mortgage's

underwriting standards, including the criteria set forth in GMAC Mortgage's Underwriting Guidelines applicable to the GMAC Mortgage Home Equity Program. According to the Prospectus Supplements, the Underwriting Guidelines set forth the types of documentation which borrowers must provide and should be included in the mortgage loan file, under each loan program. This documentation can include the loan application, verifications of income, assets, funds available to the borrower at closing, and mortgage payment histories. The GMAC Mortgage Underwriting Guidelines also require appraisals of the mortgaged property and an underwriter's assessment of whether the applicable thresholds for DTI and CLTV are met.

50. For example, according to the Prospectus Supplements, the Underwriting Guidelines provide that to qualify for a "Standard" program loan—one requiring full documentation—a borrower applying for a loan mortgaged by his primary residence must fill out a detailed application providing pertinent credit information, including tax returns, pay stubs, or a W-2, and must provide authorization for GMAC Mortgage to obtain a credit report. The borrower is also required to provide an appraisal of the subject property, or collateral.

51. The Prospectus Supplements also state that an important variable in evaluating a loan under the GMAC Mortgage Underwriting Guidelines is the level of documentation of a borrower's income and assets. According to the Prospectus Supplements, a borrower can apply for a loan through programs that require significantly less documentation from the borrower than that required under the "Standard" full documentation program. These reduced documentation programs—which typically charge higher interest rates—include the "Stated Income," "Stated Value," and "No Income/No Appraisal" programs, among others. For these loan programs, and unlike the "Standard" full documentation program, GMAC Mortgage does not independently verify a borrower's income (in the case of "Stated Income" loans), the value of the collateral (in

the case of "Stated Value" loans), or either income or collateral value (in the case of "No Income/No Appraisal" loans).

52. Critically, although income is not independently verified in Stated Income loans, such loans remain subject to the requirement that the borrower's income be reasonable in light of three main factors: employment, credit, and assets. For every program, GMAC Mortgage's Underwriting Guidelines, and prevailing mortgage origination industry standards, require an underwriter to determine, after receiving all applicable employment, credit, and property information, whether the borrower is able to meet his or her monthly loan payments and other expenses related to the home, such as taxes, insurance, and debt service on senior liens.

53. Each Prospectus Supplement provided to MBIA expressly states that all mortgage loans contributed to the pools had been underwritten generally in compliance with GMAC Mortgage's underwriting standards.

54. A final, key representation that GMAC Mortgage sent or caused to be sent to MBIA, and upon which MBIA relied in each Transaction, was the shadow rating GMAC Mortgage procured from rating agencies. GMAC Mortgage knew that MBIA would not agree to provide the requested financial guaranty insurance unless each Transaction carried a shadow rating of at least BBB- or the equivalent. GMAC Mortgage approached Moody's Investors Service and Standard & Poor's and provided them with the same loan tapes GMAC Mortgage provided to MBIA, together with pool-level data derived from the loan-level information on the loan tapes. These rating agencies relied on the information furnished by GMAC Mortgage to issue shadow ratings for each Transaction to MBIA. MBIA received shadow ratings from the rating agencies on or about the following dates, among others:

- On September 27, 2006, MBIA received a letter from Standard & Poor's assigning a shadow rating of BBB- for the 2006 Transaction;

- On September 27, 2006, MBIA received a letter from Moody's Investors Service assigning a shadow rating of Baa3 for the 2006 Transaction;
- On March 28, 2007, MBIA received an email from Standard & Poor's assigning a shadow rating of BBB for the 2007 Transaction; and
- On March 29, 2007, MBIA received a facsimile from Moody's Investors Service assigning a shadow rating of Baa3 for the 2007 Transaction.

55. GMAC Mortgage was well aware that MBIA would rely on GMAC Mortgage's representations in deciding whether to enter into the Insurance Agreements. MBIA had no contractual right to review loan origination files before the Transactions closed, nor any meaningful opportunity to do so. In addition, and in accordance with the custom and practice of financial guaranty insurers at the time, MBIA relied on representations and warranties made by the loan originator and/or owner to ensure that risks in the loan pools were known and fully disclosed and that it would not face additional risks hidden in the pools. MBIA relied on the unique and special knowledge and expertise of GMAC Mortgage regarding the mortgage loans, and the standards under which they were originated, in deciding to insure the Transactions.

56. The relationship of trust and confidence GMAC Mortgage and MBIA had forged in the preceding five years also fostered MBIA's reliance on the representations GMAC Mortgage made. The 2004 Transaction was the ninth GMAC Mortgage-sponsored securitization of second-lien mortgage loans for which MBIA had provided insurance since 1999. The eight prior GMAC Mortgage-sponsored securitizations also involved specifically prime HELOC or closed-end second-lien mortgages. MBIA thus had been relying on GMAC Mortgage's unique and special knowledge for many years preceding the first Transaction. Its longstanding relationship with GMAC Mortgage caused MBIA to trust that GMAC Mortgage would conduct itself in good faith.

57. Based on the representations made by GMAC Mortgage to MBIA in the loan tapes, schedules, Prospectus Supplements, and by means of the shadow ratings issued by the rating agencies, and because of the special trust that MBIA placed in GMAC Mortgage, MBIA decided to provide financial guaranty insurance for each Transaction. MBIA insured the trusts' payments to investors, and received in return an annual premium, based on a small, fixed percentage (tenths of one percent) of the aggregate principal balance of each loan pool. The existence of financial guaranty insurance enhanced the ability of GMAC Mortgage and GMAC RFC Securities, among others, to market the securities issued in each Transaction as AAA, the highest possible investment grade.

E. The Contractual Terms

1. The Representations and Warranties

58. In each Transaction, pursuant to insurance agreements it made with GMAC Mortgage, among other entities, on the closing date (the "Insurance Agreements"), MBIA issued a financial guaranty insurance policy (collectively, the "Policies"). These Insurance Agreements are:

- Insurance Agreement among MBIA, GMAC Mortgage, Walnut Grove, Home Equity Loan Trust 2004-HE4, RAMP, Wilmington Trust and Wells Fargo, dated October 1, 2004;
- Insurance Agreement among MBIA, GMAC Mortgage, Walnut Grove, Home Equity Loan Trust 2006-HE4, RAMP, Wilmington Trust and JP Mortgage Chase, dated September 1, 2006; and
- Insurance Agreement among MBIA, GMAC Mortgage, Walnut Grove, Home Equity Loan Trust 2007-HE1, RAMP, Wilmington Trust and The Bank of New York, dated March 1, 2007.

59. Through the provisions of the Insurance Agreements, GMAC Mortgage made representations and warranties to MBIA concerning: (1) the key characteristics of the mortgage loans that backed the securities issued in the Transaction; and (2) the underwriting standards

used by GMAC Mortgage, GMAC Bank, and any other originator whose loans were acquired by GMAC Mortgage and sold into the pools of loans to be securitized.

60. Specifically, the Insurance Agreements incorporated by reference, and for MBIA's benefit, the representations and warranties contained in the "Transaction Documents," as that term was defined in the Insurance Agreements. The incorporation by reference of the Transaction Documents into the Insurance Agreements granted to MBIA the right to rely upon representations and warranties that GMAC Mortgage made to other entities who were parties to the Transactions and also to investors. For each Transaction, "Transaction Documents" was defined to include, among other documents:

- the Mortgage Loan Purchase Agreements that set forth the terms of the sale of the mortgage loans to the relevant trust (the "Purchase Agreements");
- the Servicing Agreements that set forth the terms for servicing the relevant pool of mortgage loans (the "Servicing Agreements"); and
- the offering materials provided to potential investors and filed with the SEC to market the securities issued by the trusts (the "Offering Documents").

MBIA is an express third-party beneficiary of the Purchase Agreements and the Servicing Agreements.

61. GMAC Mortgage made two representations and warranties directly to MBIA in the Insurance Agreements that are particularly relevant to this action.

62. First, GMAC Mortgage represented and warranted that all representations and warranties in each of the Transaction Documents to which it was a party were "true and correct in all material respects," and that it made all of those representations and warranties "to, and for the benefit of, the Insurer as if the same were set forth in full herein [*i.e.*, in the Insurance Agreement itself]." GMAC Mortgage thus re-made for MBIA's benefit the representations and

warranties that it had initially made in, *inter alia*, the Purchase Agreements. These representations and warranties included, but were not limited to, the following:

- **Proper Documentation**: Each mortgage loan file was complete, and all of the required documents and instruments were contained therein.

- **Accurate Loan Information**: Information furnished in Mortgage Loan Schedules provided by GMAC Mortgage was true and correct in all material respects, and as to each loan, as of the date when GMAC Mortgage provided the information.

- **No Offset, Defense or Counterclaim of a Borrower**: To the best of GMAC Mortgage's knowledge, there was no valid offset, defense or counterclaim of any obligor under any loan agreement or mortgage.

- **CLTV Ratio Not in Excess of 100%**: The combined loan-to-value ratio of each mortgage loan—*i.e.*, the ratio of the combined value of the first and second mortgages to the appraised value of the property—was not in excess of 100%, as of the relevant "Cut-Off Date" (defined in the Transaction Documents to be a date a few weeks before the closing of the Transaction or, for a Subsequent Mortgage Loan, the date upon which it may be added to the pool).

- **No Delinquent Loans**: No mortgage loan was 30 days or more delinquent in payment of principal or interest, as of the relevant "Cut-Off Date."

- **No Adverse Selection**: GMAC Mortgage used no selection procedures that identified the mortgage loans as being less desirable or valuable than other comparable mortgage loans originated or acquired by GMAC Mortgage under the GMAC Mortgage Home Equity Program, and the mortgage loans are representative of GMAC Mortgage's portfolio of home equity lines of credit that were originated under the GMAC Mortgage Home Equity Program.

- **Compliance with Applicable Laws**: To the best of GMAC Mortgage's knowledge, the loan agreements and mortgages at the time made complied in all material respects with applicable local, state, and federal laws, including, but not limited to, applicable predatory lending laws.

- **No Material Breach Or Default**: There was no material default, breach, violation or event of acceleration existing under the terms of any Loan Agreement or Mortgage and, to the best of GMAC Mortgage's knowledge, no event which, with notice and expiration of any grace or cure period, would constitute a material default, breach, violation or event of acceleration under the terms of any Loan Agreement or Mortgage, and no such material default, breach, violation or event of acceleration has been waived by GMAC Mortgage involved in originating or servicing the related Mortgage Loan.

63. Second, GMAC Mortgage represented and warranted that any information it furnished or supplied for inclusion in the Transaction Documents, and any information relating to the mortgage loans that it furnished to MBIA, was accurate and not misleading. Specifically, GMAC Mortgage represented and warranted that:

> Neither the information supplied by [GMAC Mortgage] contained in the Transaction Documents to which it is a party nor any other material information relating to the Mortgage Loans . . . furnished to the Insurer by [GMAC Mortgage] . . . contains any statement of material fact made by [GMAC Mortgage] which was untrue or misleading in any material respect as of the date reflected therein.

Through this provision, GMAC Mortgage represented and warranted that the specific information it provided for inclusion in the Prospectus Supplements issued at or around the time that each Transaction closed was accurate and not untrue or misleading in any material respect. These representations and warranties included, but were not limited to, the following:

- **Compliance with Underwriting Guidelines**: All of the mortgage loans were underwritten generally in accordance with GMAC Mortgage's underwriting standards.
- **DTI Ratio Not in Excess of 45%**: Loans were generally originated with a maximum total monthly DTI ratio of 45%.
- **CLTV Ratio Not in Excess of 100%**: Loans were generally originated subject to a maximum CLTV ratio of 100%.
- **Determination Made as to Borrower's Ability To Repay**: Once all applicable employment, credit, and property information was received, a determination was made as to whether the prospective borrower had sufficient monthly income available to meet the borrower's monthly obligations on the proposed mortgage loan and other expenses and other financial obligations.

64. Under the Purchase Agreements and the Servicing Agreements, MBIA is entitled to notify GMAC Mortgage if it learns that any loan fails to conform to the above representations and warranties in a manner that "materially and adversely affects" MBIA's interests. Within 90 days of such notice, GMAC Mortgage is obligated to cure the breach, repurchase the defective

loan, or substitute a conforming loan. Because GMAC Mortgage had complete control over information about the origination of the loans, the Servicing Agreements also obligated GMAC Mortgage to give prompt written notice to MBIA if GMAC Mortgage was aware that any such non-conforming loans were in the pools. In addition, GMAC Mortgage represented and warranted in the Insurance Agreements that it would promptly provide all data reasonably requested by MBIA, and would not "interfere in any material respect with the enforcement of any rights of [MBIA] under or with respect to any of the Transaction Documents."

65. The Insurance Agreements also incorporated the representations and warranties that GMAC Mortgage made in the Servicing Agreements in its capacity as Servicer. In the Servicing Agreements, GMAC Mortgage covenanted, represented, and warranted that it would service the mortgage loans in each of the Transactions in a manner consistent with its own servicing guidelines. It also covenanted, represented, and warranted that it would use all of its "normal and usual" procedures in servicing the mortgage loans, which included making reasonable efforts to collect all payments due from borrowers.

2. MBIA's Remedies

66. The Insurance Agreements entitle MBIA to broad remedies for breaches by GMAC Mortgage of its representations and warranties.

67. As described above at paragraph 64, the Purchase and Servicing Agreements grant MBIA the right to notify GMAC Mortgage of any loan failing to conform to GMAC Mortgage's representations and warranties in a manner that "materially and adversely affects" MBIA's interests, an event that in turn triggers a 90-day period during which GMAC Mortgage is obligated to cure the breach, repurchase the loan, or substitute a conforming loan (the "Putback Procedure").

68. The Insurance Agreements also provide that upon an "Event of Default," MBIA is entitled to "take whatever action at law or in equity as may appear necessary or desirable in its judgment to collect the amounts, if any, then due under the Transaction Documents or to enforce performance and observance of any obligation, agreement or covenant of [GMAC Mortgage]." An "Event of Default" occurs when "any representation or warranty" made by GMAC Mortgage in the Insurance Agreements or the Transaction Documents is materially untrue or incomplete, or when GMAC Mortgage fails to perform any covenant in any material respect.

69. In addition, the Insurance Agreements require GMAC Mortgage to reimburse MBIA for any payments it makes as a result of GMAC Mortgage's failure to comply with its obligations under the Putback Procedure and "any and all charges, fees, costs and expenses that the Insurer may reasonably pay or incur, including, but not limited to, reasonable attorneys' and accountants' fees and expenses, in connection with . . . the enforcement, defense, or preservation of any rights in respect of any of the Transaction Documents." The Insurance Agreements also require GMAC Mortgage to pay and indemnify MBIA for any losses or liabilities "arising out of or relating to," among other things, any breach of a representation or warranty made to MBIA in the Purchase Agreements or the Insurance Agreements.

F. GMAC Mortgage's Misconduct Is Revealed

1. MBIA's Review Demonstrates GMAC Mortgage's Breach of Contract

70. Since closing, the Transactions have performed extremely poorly. Delinquencies and charge-offs for mortgage loans in the loan pools have been much higher than would be expected for loan pools allegedly of the "prime" quality that GMAC Mortgage represented and warranted, even taking into account the downturn in the housing market. By the end of 2009, for example, loans representing over 15% of the initial aggregate pool balance in the 2006

Transaction had defaulted and been charged off. A total of at least $326 million has been lost from the original aggregate pool balances of the three Transactions due to defaulted and charged-off loans.

71. In January 2009, concerned about the high delinquencies and charge-off rates, MBIA asked GMAC Mortgage to provide MBIA and its representatives and agents access to documents relating to the mortgage loans underlying the Transactions.

72. MBIA requested access to documentation that would facilitate a review of the loan files for all mortgage loans that were 60 or more days delinquent and/or charged-off. MBIA requested copies of the relevant loan files and also of the relevant GMAC Mortgage Underwriting Guidelines. It made these requests under the provisions in the Insurance Agreements requiring GMAC Mortgage to comply with MBIA's reasonable requests for data and not to interfere in any material respect with MBIA's attempts to enforce its rights under the Transaction Documents.

73. GMAC Mortgage's response to these basic requests has been wholly unsatisfactory. GMAC Mortgage has repeatedly and unreasonably denied MBIA access to complete versions of the GMAC Mortgage Underwriting Guidelines. Also, in many instances, the loan files provided by GMAC Mortgage were incomplete and MBIA has been forced to make supplemental requests. As a result, to conduct the evaluation that would enable MBIA to enforce rights explicitly granted to it under the Insurance Agreements, MBIA has been compelled to refer to: (1) portions of certain GMAC Mortgage Underwriting Guidelines that GMAC Mortgage has made available to the public; (2) the underwriting guidelines of GMAC Mortgage affiliate Residential Funding Corporation, which is also a major mortgage loan

originator and acquirer; and (3) reasonable and prudent underwriting standards that are customary in the industry.

74. Despite GMAC Mortgage's obstructive conduct, there is little dispute about the content of the Underwriting Guidelines, insofar as those Guidelines relate to this action. GMAC Mortgage's responses to MBIA's requests, pursuant to the Putback Procedure, that GMAC Mortgage cure, repurchase, or substitute loans found not to comply with its representations and warranties are described below in paragraphs 86 and 87. These responses have not challenged MBIA's claims about the standards set forth in GMAC Mortgage's Underwriting Guidelines.

75. To date, MBIA has been able to obtain and review loan files associated with 4,104 delinquent and charged-off loans. The review has uncovered that the overwhelming majority of the delinquent or charged-off loans—at least 89%—were in breach of one or more of GMAC Mortgage's representations and warranties. The aggregate original principal balance of just this modest portion of non-compliant loans is over $246 million.

76. Most of the loans found by MBIA to be non-compliant with GMAC Mortgage's representations and warranties contain multiple breaches of those representations and warranties. As a result of these breaches, the real risk profile of these loans was materially understated. The most prevalent and troubling of the breaches identified by MBIA in the loan pools of the Transactions include the following:

- GMAC Mortgage egregiously and routinely breached its representation and warranty that the mortgage loans were underwritten generally in compliance with GMAC Mortgage's underwriting standards.
- A significant number of mortgage loans were made on the basis of "stated incomes" that were grossly unreasonable or were approved despite DTI or CLTV ratios in excess of the cut-offs stated in GMAC Mortgage's Underwriting Guidelines or the Purchase Agreements or Prospectus Supplements.

- Moreover, contrary to its Underwriting Guidelines, GMAC Mortgage failed in many cases to verify the borrower's employment when required to do so or to verify prior rental or mortgage payment history, approved mortgage loans with ineligible collateral, approved mortgage loans to borrowers with ineligible credit scores, and approved loans without verifying that the borrower had sufficient funds or reserves.

- GMAC Mortgage used its proprietary automated electronic loan underwriting program, known as "Assetwise," to approve loans that did not comply with its Underwriting Guidelines. Assetwise assisted in the underwriting of mortgage loans by automating the process of determining whether a loan met pre-specified underwriting criteria set up in the program. GMAC Mortgage used the program itself and also made the program available to its affiliates. Assetwise, however, failed to analyze proposed mortgage loans using the criteria set forth in GMAC Mortgage's Underwriting Guidelines. As a result, GMAC Mortgage routinely contributed loans to the Transactions that failed to comply with its own underwriting standards.

- GMAC Mortgage routinely breached its representation and warranty that the mortgage loan files were complete and contained all required documents and instruments. The vast majority of mortgage loan files are missing necessary mortgage loan documents, such as disclosures relating to loan transfers and notes establishing the first lien. The absence of these and other necessary documents from the loan files impedes the ability of the trustees for the Transactions to enforce their rights and remedies with respect to delinquent mortgages. The failure to maintain the required loan documentation also impairs proper servicing.

- GMAC Mortgage breached its representation and warranty that all mortgage loans would comply with all local, state and federal laws, by furnishing, among other things, mortgage loans to the pools that violated state predatory lending laws. These laws are designed to protect borrowers from abusive lending practices by, for example, prohibiting the approval of a loan to a borrower who lacks the ability to repay.

77. MBIA's review has demonstrated that notwithstanding its representation and warranty that all loans in the pools had been underwritten generally in compliance with the Underwriting Guidelines, GMAC Mortgage in fact had failed to ensure conformity with those Guidelines. GMAC Mortgage regularly contributed loans to the pools that failed to satisfy representations and warranties setting maximum permissible DTI and CLTV ratios and requiring the maintenance of complete loan files. Most important, GMAC Mortgage routinely breached

the representation and warranty that each mortgage loan had been made to a borrower who was able to repay his or her mortgage loan.

78. The following examples illustrate the types of breaches that pervade the loan pools for the Transactions:

- On January 25, 2006, a loan in the amount of $210,000 was made to a borrower in Vacaville, California on a property with an original appraisal value of $460,000 and a senior loan balance of $368,150. The borrower was employed as a correctional officer by the State of California. The loan was approved based on a DTI that was calculated using the borrower's highest reported monthly income, rather than his average income over a 33-month period, as is required by the Underwriting Guidelines. As a result, the true DTI on the loan was 65.56%, which exceeded the maximum ratio of 50% permitted under the applicable loan program. The CLTV ratio of 125.68% also exceeded the maximum CLTV ratio of 100% permitted under the Guidelines. The loan has been charged-off. (Loan # 8601487693 – 2004 Transaction.)

- On April 20, 2007, a loan in the amount of $40,000 was made to co-borrowers in Vernon, New Jersey on a property with an original appraisal value of $305,000 and a senior loan balance of $244,000. The loan file is incomplete and lacks, among other documents, verbal verification of either borrower's employment, evidence of sufficient closing funds and reserves, an appraisal, a copy of the note from the senior lien, and the borrowers' credit reports. Further, the loan was approved even though the income stated by each borrower was unreasonable. One claimed to earn $4,583 per month as a counter manager at a discount tire store though, for example, salary.com, a website which maintains a national salary database based on job title and zip code, reports that the income at the 90th percentile for such a position is only $2,801 per month. The second borrower claimed to earn $59,592 annually as a sales associate at a home improvement store, but an income verification database showed that the borrower earned only $28,092 in 2006 and $32,977 in 2007. The loan has been charged-off. (Loan # 1000117685 – 2006 Transaction.)

- On December 15, 2006, a loan in the amount of $22,000 was made to a borrower in Medford, Oregon on a property with an original appraisal value of $220,000 and a senior loan balance of $176,000. The loan file is missing many documents that bear upon the borrower's ability to repay and are required to be included in the file, including: verification of down payment funds, a CPA letter, an appraisal, a twelve-month housing history, a copy of the first mortgage, a preliminary title commitment, a credit report, and the final loan application. Moreover, although the borrower, an operator at a drywall company, had declared bankruptcy prior to applying for the loan, the

loan file lacks documentation that the bankruptcy had been discharged for at least three years, as required by the Guidelines. The loan has been charged-off. (Loan # 8254682837 – 2007 Transaction.)

- On January 23, 2007, a loan with a principal balance of $100,000 was made to a borrower in Yuma, Arizona on a property with an original appraisal value of $298,000 and a senior loan balance of $129,035. The borrowers claimed on their loan application that their combined income was $113,520 per year. However, on May 12, 2009, the borrowers jointly filed for bankruptcy under Chapter 7, and their court filings indicated that they earned only $13,085 in 2007 and $17,650 in 2008. Moreover, no record of the borrower's claimed employer can be located on websites commonly used to verify the existence of a business: manta.com or yellowpages.com. The loan has been charged-off. (Loan # 8254730412 – 2007 Transaction.)

79. The gross underwriting deficiencies MBIA identified in its review establish that GMAC Mortgage breached not only its representations and warranties setting criteria for the underwriting of the mortgage loans, but also the representations and warranties in the Insurance Agreements that information about the mortgage loans furnished by GMAC Mortgage—either for inclusion in the Transaction Documents or directly to MBIA—was accurate and not untruthful or misleading in any material respect, as of the date of the information.

2. MBIA's Review Demonstrates GMAC Mortgage's Scheme To Defraud

80. The information that GMAC Mortgage provided to MBIA from its first solicitations of MBIA to provide financial guaranty insurance, was indeed false and misleading, and intentionally so. MBIA's review has made clear that the defects in the loan pools are not isolated or accidental. To the contrary, the incidence of violations of GMAC Mortgage's Underwriting Guidelines is so extraordinarily high—at least 89% of the loan files reviewed by MBIA for delinquent or charged-off loans—that it could not have been result of mere error. GMAC Mortgage induced MBIA to provide insurance for the Transactions based on blatant misrepresentations of the true state of the characteristics of the loans and loan pools.

81. MBIA's review demonstrates that the loan tapes GMAC Mortgage provided to MBIA, as a means of inducing MBIA's participation in the Transactions, are replete with false statistics relating to individual loans. In many instances, DTI and CLTV ratios are falsely understated in the tapes. Schedules provided to MBIA, which also were reproduced in the Offering Documents, contain pool-level statistics about DTI and CLTV ratios that are likewise materially false. The DTI ratios are materially false and misleading because the monthly income has been falsely overstated or monthly debt obligations falsely understated. The CLTV ratios are materially false and misleading because, among other things, the value of the underlying collateral has been falsely overstated.

82. The Prospectus Supplements provided to MBIA also contain representations that are materially false and misleading. They reproduce schedules that purport to describe the loan pool but contain false data about FICO scores, DTI and CLTV. They falsely state that the mortgage loans contributed to the Transactions were underwritten generally in compliance with GMAC Mortgage's underwriting standards and fail to disclose that GMAC Mortgage regularly contributed non-compliant loans to the pools. The Prospectus Supplements represent that loans were generally originated subject to a maximum total monthly DTI ratio of 45% and a maximum CLTV ratio of 100%, when in truth GMAC Mortgage frequently added to the pools loans with DTI and CLTV ratios exceeding these cut-offs.

83. The Prospectus Supplements also falsely state that once all applicable employment, credit, and property information had been received, a determination had been made as to the borrower's ability to meet his or her monthly obligations. MBIA's review of loan files establishes that instead, the loan underwriter routinely failed to collect applicable employment,

credit, and property information and also regularly failed to make determinations that the borrower had the ability to repay his or her mortgage loan.

84. The shadow ratings GMAC Mortgage caused to be provided to MBIA, with knowledge MBIA would rely on them, were also intended to deceive. GMAC Mortgage obtained shadow ratings of the level it knew that MBIA would require—BBB- or the equivalent—by knowingly providing to the rating agencies the same false loan tapes and pool-level data that it provided to MBIA. GMAC Mortgage knew that the rating agencies would rely on the false information, including false data about key characteristics of the mortgage loans and the loan pools, and as a result issue falsely inflated shadow ratings. By supplying false information to Moody's Investors Service and Standard & Poor's, GMAC Mortgage ensured that MBIA would be provided with artificial shadow ratings that concealed from MBIA the true risk in the loan pools.

85. Importantly, GMAC Mortgage knew that MBIA would not only rely on GMAC Mortgage's false representations but would be unable to detect any falsity. MBIA was prevented from discovering the scheme to defraud before being induced to enter the Insurance Agreements because: (1) MBIA had no contractual right or meaningful opportunity to review loan origination files before closing; (2) MBIA followed the industry practice of relying on the sponsor's representations and warranties about the matters within the sponsor's special expertise and unique knowledge, namely the mortgage loans and the Underwriting Guidelines under which they were originated; and (3) MBIA placed trust and confidence in GMAC Mortgage, as a result of a business relationship based upon on MBIA having provided insurance in connection with eight prior GMAC Mortgage-sponsored securitizations in the preceding five years. GMAC Mortgage capitalized on MBIA's inability to discover the falsity of GMAC Mortgage's

representations by passing the risks embedded in the loan pools to unwitting investors and, ultimately, to MBIA.

3. MBIA Is Entitled To Recover All Past and Future Claims Payments, at a Minimum

86. Beginning in May 2009, in an attempt to recoup some of the massive losses that GMAC Mortgage had transferred to it, MBIA initiated the Putback Procedure. MBIA began notifying GMAC Mortgage, in writing and with specificity, of the nature of the contract breaches MBIA had discovered and the factual support for its conclusions. As of today, MBIA has sent 25 letters to GMAC Mortgage, requesting that GMAC Mortgage cure, repurchase, or replace with eligible loans a total of 3,669 mortgage loans that were found not to be in compliance with GMAC Mortgage's representations and warranties. These loans have an aggregate initial principal balance of approximately $244 million.

87. To date, GMAC Mortgage has agreed to repurchase a token 28 of these 3,669 loans. In its responses to MBIA's letters, GMAC Mortgage takes positions that are contrary to the representations it made in the Transaction Documents. As just one example, and as described above in paragraph 78, GMAC Mortgage now claims that loans originated through use of its automated underwriting program are excused from that representation and warranty, despite having represented and warranted that *all* of the mortgage loans were underwritten in general compliance with GMAC Mortgage's underwriting standards.

88. GMAC Mortgage's unreasonable and arbitrary refusal to fulfill its obligations of cure, repurchase, or substitution highlights the inadequacy of the Putback Procedure to redress the harm suffered by MBIA. The Putback Procedure assumes isolated and accidental breaches of loan-level representations and warranties. By contrast, GMAC Mortgage's deliberate contribution of non-compliant loans to the Transactions breached representations and warranties

so fundamental that the very heart of the bargain struck by the parties has been pierced. GMAC Mortgage breached transaction-level representations and warranties, contained in the Insurance Agreements that it would furnish information to MBIA and for inclusion in the Transaction Documents about the mortgage loans that was accurate and not untruthful or misleading in any material respect. GMAC Mortgage's breach of its representation and warranty about the quality of the underwriting used to originate the loans has also been so pervasive and extreme that it has deprived MBIA of any benefit of having entered into the Insurance Agreements.

89. Moreover, GMAC Mortgage's conduct in fraudulently inducing MBIA to provide insurance for the Transactions, based on representations about the loans and loan pools that GMAC Mortgage knew to be untrue, entitles MBIA to be returned to the position it would have been in had it not entered into the Insurance Agreements. MBIA has been, and will continue to be, required to satisfy its obligations under the Insurance Agreements and Policies by making payments to cover shortfalls in cash flows to the trusts. As of December 31, 2009, MBIA had paid approximately $132 million in claims in connection with the Transactions, while receiving approximately $12.5 million in premiums. MBIA is exposed to additional claims because additional loans continue to go delinquent or be charged off every month. To place MBIA in the position it would have occupied absent GMAC Mortgage's fraud and breaches of contract, GMAC Mortgage must pay to MBIA, at a very minimum, all claims payments made to date and all future claims payments under the Policies.

G. GMAC Mortgage's Breaches of Its Servicing Obligations

90. Finally, GMAC Mortgage has compounded the harm it has inflicted on MBIA by breaching its representations and warranties that as Servicer, it would: (1) provide prompt written notice to MBIA if it was aware of loans in the pools that failed to conform with GMAC

Mortgage's representations and warranties in a manner that materially and adversely affected MBIA's interests; and (2) make reasonable efforts to collect all payments due from borrowers and service loans in a manner consistent with its own servicing guidelines.

91. GMAC Mortgage has not provided MBIA with notice of the non-conforming loans MBIA uncovered through its review, although as originator, owner, and servicer of the loans, GMAC Mortgage was well aware that such loans pervaded the pools and materially and adversely affected MBIA's interests.

92. In October 2009, MBIA exercised its right under the Servicing Agreements to terminate GMAC Mortgage as Servicer on all three Transactions. The termination was based on the occurrence of a Servicing Default on the part of GMAC Mortgage, which was triggered when a certain measure of loss of aggregate principal balance exceeded a limit specified in the Servicing Agreements.

93. Since the termination of GMAC Mortgage as Servicer, MBIA has reviewed records relating to the servicing of the loans contributed to the Transactions. While again MBIA has yet to gain access to all relevant records, this review has brought to light that GMAC Mortgage employed wholly deficient servicing practices and made only perfunctory efforts to service the loans properly. In essence, after deliberately and routinely selling non-compliant loans into the pools and fraudulently procuring insurance to protect investors from shortfalls in payments to the trust, GMAC Mortgage walked away from its contractual obligation to make reasonable efforts to collect payments from borrowers to be used as cash flows for the trusts. It collected fees as Servicer, while providing loan servicing so defective that it *increased* the losses inflicted on the trust, investors, and ultimately MBIA by GMAC Mortgage's fraud and breaches of representations and warranties relating to the quality of the loans and loan pools.

94. MBIA's review revealed, most fundamentally, that GMAC Mortgage allocated resources and staff that were entirely inadequate to service and administer the loans in the Transactions effectively. As a result, servicing of the mortgage loans was overly passive. GMAC Mortgage failed to treat borrowers and loans individually, and failed to maintain records sufficient to support reasonable servicing efforts. Delinquent loans advanced to the stage of charge-off without adequate exploration of means of collecting some part of the payments owed.

95. Among the host of unreasonable and substandard practices that have been revealed by MBIA's review are GMAC Mortgage's: (1) failure to initiate and document contact with borrowers, or to follow up after successful initial contact; (2) failure to discuss loss mitigation with borrowers when delinquency was reasonably foreseeable; (3) failure to monitor and record information bearing on loss mitigation, such as the reasons for delinquency or default, the status of the senior lien holder, and the progress of loss mitigation efforts; (4) failure to conduct property inspections as a means of, among other things, locating the borrower or valuing the property; (5) over-reliance on mass offerings of settlements, often with the result that a non-responsive borrower was rewarded with increasingly favorable terms; and (6) failure to monitor foreclosure sale activities.

96. GMAC Mortgage neglected its duties as Servicer in order to further its own interests at the expense of MBIA, among others. GMAC Mortgage's decision to allocate inadequate resources and staff to service the loan pools allowed it to minimize its own operating costs without suffering adverse consequences itself, because GMAC Mortgage no longer bore the risk of losses from delinquencies and charge-offs that it had fraudulently induced MBIA to accept. In the meantime, GMAC Mortgage collected servicing fees equal to 0.50% per annum of the outstanding principal balance of the loan pools, or at least $42 million. It collected late

payment fees and charges that likely were increased through its own inactivity, including its failure to modify loans so as to maximize collections.

97. MBIA has suffered significant harm as a result of GMAC Mortgage's breaches of the Servicing Agreements, and it is entitled to be compensated for the damages inflicted by GMAC Mortgage.

FIRST CAUSE OF ACTION

(Fraud)

98. MBIA repeats and realleges, as if set forth herein, the allegations of all of the preceding paragraphs.

99. GMAC Mortgage intentionally misrepresented existing material facts to induce MBIA to enter into the Insurance Agreements, both in documentation provided to MBIA before each Transaction closed and also at the time of execution of each Insurance Agreement.

100. GMAC Mortgage intentionally misrepresented existing material facts, before closing and while soliciting MBIA's participation in the Transactions, in requests for bids, loan tapes, and loan schedules that GMAC Mortgage either transmitted or caused to be transmitted to MBIA. Among these transmittals of requests for bids, loan tapes, and loan schedules to GMAC Mortgage were:

- a materially false and misleading loan tape for the 2004 Transaction, by email dated October 12, 2004;
- a materially false and misleading schedule for the 2004 Transaction, by email dated October 12, 2004;
- a materially false and misleading bid request, loan tape, and schedule for the 2006 Transaction, by email dated September 11, 2006;
- a materially false and misleading revised loan tape for the 2006 Transaction, by email dated September 13, 2006;

- a materially false and misleading bid request, loan tape, and schedule for the 2007 Transaction, by email dated March 8, 2007; and
- a materially false and misleading revised loan tape for the 2007 Transaction, by email dated March 12, 2007.

101. The materially false and misleading information contained in the loan tapes that GMAC Mortgage provided to MBIA included misrepresentations related to the characteristics of individual mortgage loans and borrowers, including FICO scores, DTI, and CLTV. The loan schedules presented materially false and misleading pool-level data, including weighted averages of FICO scores, DTI, and CLTV. In both loan tapes and schedules, statistics relating to DTI and CLTV were materially understated. In particular, the DTI ratios were materially false and misleading because the monthly income had been falsely overstated or monthly debt obligations falsely understated. The CLTV ratios were materially false and misleading because, among other things, the value of the underlying collateral was falsely overstated.

102. GMAC Mortgage also intentionally misrepresented existing material facts, before closing and while soliciting MBIA's participation in the Transactions, in Prospectus Supplements that it either transmitted or caused to be transmitted to MBIA. Among these transmittals of Prospectus Supplements were:

- a materially false and misleading initial Prospectus Supplement for the 2006 Transaction, by email dated September 19, 2006;
- a materially false and misleading final Prospectus Supplement for the 2006 Transaction, by email dated September 25, 2006;
- a materially false and misleading initial Prospectus Supplement for the 2007 Transaction, by email dated March 21, 2007; and
- a materially false and misleading final Prospectus Supplement for the 2007 Transaction, by email dated March 28, 2007.

103. The materially false and misleading information contained in the initial and final Prospectus Supplements that GMAC Mortgage provided to MBIA included reproductions of the

same schedules that GMAC Mortgage provided to MBIA, containing false data about FICO scores, DTI, and CLTV. The Prospectus Supplements falsely state that the mortgage loans contributed to the Transactions were underwritten generally in compliance with GMAC Mortgage's standards and fail to disclose that GMAC Mortgage regularly contributed non-compliant loans to the pools. The Prospectus Supplements falsely represent that loans were generally originated subject to a maximum total monthly DTI ratio of 45% and a maximum CLTV ratio of 100%, when in truth GMAC Mortgage frequently contributed loans with DTI and CLTV ratios exceeding these cut-offs to the pools. The Prospectus Supplements falsely state that once all applicable employment, credit, and property information had been received, a determination had been made as to the borrower's ability to meet his or her monthly obligations. In truth, GMAC Mortgage routinely failed to collect applicable employment, credit, and property information and also regularly failed to make determinations that the borrower had the ability to repay his or her mortgage loan.

104. MBIA reasonably relied to its detriment on GMAC Mortgage's representations in the bid requests, loan tapes, schedules, and initial and final Prospectus Supplements. As GMAC Mortgage knew, MBIA did not have a contractual right to review loan origination files before closing, nor any meaningful opportunity to do so. GMAC Mortgage also knew that the industry practice was for a financial guaranty insurer to rely upon the representations and warranties of the sponsor regarding the quality of the mortgage loans and the standards under which they were originated, rather than to carry out a loan-by-loan review of thousands or tens of thousands of loan origination files.

105. GMAC Mortgage further intentionally misrepresented existing material facts, while soliciting MBIA's participation in the Transactions, by either transmitting or causing to be

transmitted to MBIA false and misleading shadow ratings upon which MBIA reasonably relied. GMAC Mortgage knew that MBIA would not furnish financial guaranty insurance unless the rating agencies provided credit ratings of BBB- or the equivalent for each Transaction. GMAC Mortgage thus deliberately procured falsely inflated shadow ratings by conveying to Moody's Investors Service and Standard & Poor's the same false and misleading loan tapes that it had transmitted to MBIA, together with false pool-level data derived from the loan-level information in the tapes. GMAC Mortgage well knew that the rating agencies would rely on the false information and data in generating estimates of potential losses and thus issue false and inflated shadow ratings. The rating agencies thus issued to MBIA shadow ratings based on GMAC Mortgage's false representations on the following occasions, among others:

- shadow rating of BBB- for the 2006 Transaction, by letter from Standard & Poor's dated September 27, 2006;
- shadow rating of Baa3 for the 2006 Transaction, by letter from Moody's Investors Service dated September 27, 2006;
- shadow rating of BBB for the 2007 Transaction, by email from Standard & Poor's dated March 28, 2007; and
- shadow rating of Baa3 for the 2007 Transaction, by facsimile from Moody's Investors Service dated March 29, 2007.

106. GMAC Mortgage's false representations in the requests for bids, loan tapes, schedules, initial and final Prospectus Supplements, and shadow ratings, were material—indeed essential—to MBIA's decision to enter into the Insurance Agreements. MBIA never would have agreed to provide any of the Policies had it known that GMAC Mortgage's representations about characteristics of the mortgage loans and mortgage loan pools were false. It would not have entered into the Insurance Agreements had it been aware that GMAC Mortgage had omitted to state that it had routinely contributed loans to the Transactions: (1) that were not originated generally in compliance with GMAC Mortgage's Underwriting Guidelines; (2) that failed to

meet cut-offs set out in the initial and final Prospectus Supplements and Purchase Agreements for DTI and CLTV ratios; and as to which (3) there had been no determination, once all applicable employment, credit, and property information had been received, that the borrower had the ability to repay the loan. Absent a shadow rating of at least BBB- or the equivalent, MBIA would not have agreed to provide the Policies.

107. GMAC Mortgage also intentionally misrepresented existing material facts with respect to and at the time of execution of each Insurance Agreement. Specifically, GMAC Mortgage falsely represented:

- All of the mortgage loans were underwritten generally in accordance with GMAC Mortgage's underwriting standards;
- Under GMAC Mortgage's Underwriting Guidelines, the mortgage loans were generally originated with a maximum total monthly DTI ratio of 45%;
- Under GMAC Mortgage's Underwriting Guidelines, the CLTV ratio of each mortgage loan was generally not in excess of 100%; and
- For each of the mortgage loans in the Transactions, and after all applicable employment, credit, and property information was received, a determination had been made that the borrower was able to meet his or her monthly loan payments and other expenses related to the home, such as taxes, insurance, and debt service on senior liens.

108. These representations—like the misrepresentations GMAC Mortgage made before closing—were materially false. In truth, GMAC Mortgage consistently originated and acquired mortgage loans that failed to comply with its Underwriting Guidelines, and routinely and deliberately contributed such non-compliant loans to the Transactions. These misrepresentations of existing fact conveyed by means of the Insurance Agreements were material—indeed essential—to MBIA's decision to enter into the Insurance Agreements. MBIA never would have agreed to provide any of the Policies had it known that the pools were replete with loans that were not originated in compliance with GMAC Mortgage's Underwriting

Guidelines, that GMAC Mortgage had routinely failed to ensure that loans contributed to the pools satisfied DTI and CLTV cut-offs set forth in the Transaction Documents, or that there had been routine failures to make determinations of a borrower's ability to satisfy his or her monthly obligations, before originating the loans.

109. As a result of knowing misrepresentations it made before and at closing, GMAC Mortgage intended to, and did, defraud MBIA into issuing the Policies for the Transactions. GMAC Mortgage defrauded MBIA so that it could sell mortgage loans it had acquired or originated and also earn fees for servicing those loans after their securitization, while simultaneously passing the risks embedded in the non-compliant loans to MBIA.

110. As a direct result of, and in reliance upon, GMAC Mortgage's misrepresentations, MBIA issued the Policies, requiring MBIA to pay, to its substantial detriment, insurance claims in an amount in excess of $132 million. MBIA is exposed to further liabilities because delinquencies and charge-offs continue to occur in the loan pools.

111. Due to GMAC Mortgage's fraud, MBIA has incurred, and will continue to incur, damages in an amount to be determined at trial. Further, MBIA is entitled to recover punitive damages, because GMAC Mortgage committed its fraudulent acts maliciously, wantonly, and oppressively, and with knowledge that the consequences of its conduct would affect the general public.

SECOND CAUSE OF ACTION

(Negligent Misrepresentation)

112. MBIA repeats and realleges, as if set forth herein, the allegations of all of the preceding paragraphs.

113. In connection with MBIA's issuance of the Policies, GMAC Mortgage had a duty to communicate accurate and complete information to MBIA. This duty arose out of GMAC

Mortgage's special relationship of trust and confidence with MBIA. By late 2004, when MBIA was deciding whether to provide insurance for the 2004 Transaction, MBIA had provided insurance for eight GMAC Mortgage-sponsored securitizations of second-lien mortgage loans since 1999. These prior securitizations also involved specifically prime HELOC or closed-end second-lien mortgages.

114. GMAC Mortgage misrepresented existing material facts with respect to the Transactions. It misrepresented that loans contributed to the pools were generally originated in compliance with GMAC Mortgage's Underwriting Guidelines and that data regarding the mortgage loans, including statistics relating to the borrower's FICO score, DTI, and CLTV, were accurate. It misrepresented that after all applicable employment, credit, and property information was received, a determination had been made that the borrower was able to meet his or her monthly loan payments and other expenses related to the home.

115. GMAC Mortgage possessed clear and reasonable grounds for believing or determining that its representations were materially false and should have known that its representations were materially false. GMAC Mortgage was the originator and/or owner of all loans contributed to the pools and indeed had unique knowledge and expertise about the manner in which the loans had been originated.

116. GMAC Mortgage knew or should have known that MBIA would rely on GMAC Mortgage's materially false representations and that those representations were essential and material to MBIA's decision to issue the Policies. GMAC Mortgage knew that the information it provided to MBIA, including the requests for bids, loan tapes, loan schedules, and initial and final Prospectus Supplements, was critical to MBIA's decision whether to enter into the Insurance Agreements. GMAC Mortgage knew that MBIA was not aware and could not

reasonably have been aware of the falsity of GMAC Mortgage's representations, because GMAC Mortgage's knowledge and expertise were unique and special. GMAC Mortgage had unique and special knowledge and expertise regarding both the underwriting of mortgage loans generally, and the underwriting of the mortgage loans in the loan pools for the Transactions. MBIA is not a mortgage loan originator and did not originate any of the loans contributed to the Transactions. GMAC Mortgage also knew that MBIA followed the industry practice of requiring the sponsor to provide representations and warranties about the mortgage loans and the Underwriting Guidelines under which they were originated.

117. Accordingly, GMAC Mortgage acted either recklessly or negligently in making the materially false representations to MBIA with respect to the underwriting of the mortgage loans GMAC Mortgage contributed to the mortgage loan pools.

118. MBIA reasonably relied to its detriment on GMAC Mortgage's misrepresentations. MBIA had no contractual right to review loan origination files before closing, nor any meaningful opportunity to do so. MBIA reasonably followed the industry standard of relying on a sponsor's representations and warranties regarding the quality of the loans and the standards under which loans were originated, rather than attempting to re-underwrite thousands or tens of thousands of loans before closing. Finally, MBIA placed trust and confidence in GMAC Mortgage, as a result of a business relationship based upon at least eight prior GMAC Mortgage-sponsored securitizations for which MBIA had provided insurance since 1999.

119. Had MBIA known about GMAC Mortgage's significant and substantial misrepresentations, MBIA would not have issued the Policies.

120. As a proximate result of its reasonable reliance on GMAC Mortgage's reckless or negligent misrepresentations, MBIA issued the Policies, requiring MBIA to pay, to its substantial detriment, sizable insurance claims and to remain exposed to future liabilities.

121. As a result of GMAC Mortgage's negligent misrepresentations, MBIA has incurred, and will continue to incur, damages in an amount to be determined at trial.

THIRD CAUSE OF ACTION

(Breach of Contract: Insurance Agreements)

122. MBIA repeats and realleges, as if set forth herein, the allegations of all of the preceding paragraphs.

123. In the Insurance Agreements GMAC Mortgage made extensive representations and warranties concerning the loans that GMAC Mortgage contributed to the pools, the accuracy of the information that it provided for inclusion in the Transaction Documents or to MBIA, and the remedies to which MBIA would be entitled if GMAC Mortgage breached its representations and warranties.

124. GMAC Mortgage's representations and warranties were material to MBIA's decision to insure each of the Transactions. GMAC Mortgage's compliance with its representations and warranties was and is necessary to assure MBIA of the benefit of its bargain.

125. GMAC Mortgage has materially breached the Insurance Agreements. In Section 2.01(j) of the Insurance Agreements, GMAC Mortgage represented and warranted that any information relating to the mortgage loans that it furnished for inclusion in the Transaction Documents, or to MBIA, was accurate and not misleading, as of the dates reflected therein. GMAC Mortgage breached these representations and warranties by: (1) furnishing for inclusion in the Transaction Documents false and misleading statements, including the statement that the mortgage loans contributed to the Transactions were underwritten generally in accordance with

GMAC Mortgage's underwriting standards; and (2) giving MBIA false and misleading information, including requests for bids, loan tapes, schedules, and initial and final Prospectus Supplements that provided materially false statistics relating to DTI and CLTV, among other false information, and shadow ratings that were artificially inflated.

126. GMAC Mortgage breached its representation and warranty, contained in Section 2.01(m) of the Insurance Agreements, that each of the representations and warranties contained in the Transaction Documents to which it is a party is true and correct in all material respects. Specifically, GMAC Mortgage breached numerous representations and warranties it made in the Purchase Agreements, including that each mortgage loan file was complete, that the information in schedules furnished by GMAC Mortgage was true and correct in all material respects, and that the CLTV ratio for each mortgage loan was not in excess of 100%. It breached representations and warranties made in the initial and final Prospectus Supplements that all of the mortgage loans were underwritten generally in accordance with GMAC Mortgage's underwriting standards, that loans were generally originated with a maximum DTI ratio of 45% and CLTV ratio of 100%, and that once all applicable employment, credit, and property information had been received, a determination had been made that the borrower had sufficient monthly income available to meet monthly obligations, including payments on the proposed mortgage loan.

127. These breaches of GMAC Mortgage's transaction-level representations and warranties strike at the heart of the Insurance Agreements. Had MBIA known that GMAC Mortgage had furnished false and misleading information for inclusion in the Transaction Documents or to MBIA, or had routinely contributed loans to the Transactions that had not been originated generally in compliance with GMAC Mortgage's Underwriting Guidelines, MBIA would not have entered into the Insurance Agreements.

128. GMAC Mortgage has also materially breached the Insurance Agreements by: (1) failing to provide MBIA with access to information reasonably requested by MBIA; and (2) failing to honor its covenant not to interfere with MBIA's enforcement of its rights under the Transaction Documents. Specifically, GMAC Mortgage has breached the Insurance Agreements by refusing MBIA's requests for copies of complete versions of the GMAC Mortgage Underwriting Guidelines. It has failed to provide, for each Transaction and despite MBIA's written request, monthly loan-level collateral performance tapes for each month preceding early 2008.

129. GMAC Mortgage's breaches constitute Events of Default under the Insurance Agreements.

130. MBIA has fully complied with its obligations under the Transaction Documents, the Insurance Agreements, and the Policies.

131. MBIA has incurred and will continue to incur damages, including without limitation interest and reasonable attorneys' and accountants' fees and expenses in an amount to be determined at trial.

132. Pursuant to Section 3.04 of the Insurance Agreements, GMAC Mortgage agreed to indemnify MBIA for these liabilities when they arise out of "the breach by [GMAC Mortgage] . . . of any representation or warranty . . . under any of the Transaction Documents to which it is a party."

133. Accordingly, MBIA seeks declaratory judgment that GMAC Mortgage is required: (1) to reimburse MBIA for all claims payments made to date and all future claims payments under the Policies; and (2) to indemnify MBIA for any and all payments made as a

result of GMAC Mortgage's breaches of its representations and warranties in the Insurance Agreements.

FOURTH CAUSE OF ACTION

(Breach of Contract: Servicing Agreement)

134. MBIA repeats and realleges, as if set forth herein, the allegations of all of the preceding paragraphs.

135. In October 2009, MBIA exercised its right under the Servicing Agreements to terminate GMAC Mortgage as Servicer, in all three Transactions. Since that time, GMAC Mortgage has not serviced the mortgage loans underlying the Transactions.

136. In each Transaction, GMAC Mortgage was required to give MBIA prompt, written notice if it became aware that loans failed to conform with its representations and warranties in the Purchase Agreements in a manner that "materially and adversely affects" MBIA's interests.

137. In each Transaction, GMAC Mortgage was required to make reasonable efforts to collect all payments due from borrowers and service loans in a manner consistent with its own servicing guidelines. As Servicer, GMAC Mortgage was required to employ, in its good faith business judgment, all of its "normal and usual" servicing procedures.

138. GMAC Mortgage failed to give notice of loans failing to conform with its representations and warranties in the Purchase Agreements, and materially and adversely affecting MBIA's interests, even though it was fully aware, from the inception of the Transactions, that the pools were replete with non-conforming loans that materially and adversely affected MBIA's interests.

139. GMAC Mortgage also failed to make reasonable efforts to collect all payments due from borrowers. GMAC Mortgage employed wholly deficient servicing practices and made

only perfunctory efforts to collect payments from borrowers. The resources that GMAC Mortgage allocated to servicing the loan pools fell far short of being adequate to fulfill its contractual obligation. As a result of the lack of resources, the servicing of the mortgage loans was overly passive. GMAC Mortgage failed to treat borrowers and loans individually, and failed to maintain records sufficient to support reasonable servicing efforts.

140. The material deficiencies in GMAC Mortgage's servicing included: (1) failure to initiate and document contact with borrowers, or to follow up after successful initial contact; (2) failure to discuss loss mitigation with borrowers when delinquency was reasonably foreseeable; (3) failure to monitor and record information bearing on loss mitigation, such as the reasons for delinquency or default, the status of the senior lien holder, and the progress of loss mitigation efforts; (4) failure to conduct property inspections as a means of, among other things, locating the borrower or valuing the property; (5) over-reliance on mass offerings of settlements, often with the result that a non-responsive borrower was rewarded with increasingly favorable terms; and (6) failure to monitor foreclosure sale activities.

141. GMAC Mortgage's improperly inactive approach resulted in delinquent loans advancing to the stage of charge-off without adequate exploration of means of collecting some part of the payments owed. GMAC Mortgage's failure to devote adequate resources to collection efforts also exploited its role as a collector of funds for the trusts, because GMAC Mortgage made gains at the expense of MBIA and investors. GMAC Mortgage wrongly minimized the expense to itself while disregarding its obligation to seek returns for the trusts, for the benefit of investors.

142. MBIA has fully complied with its obligations under the Transaction Documents and the Insurance Agreements.

143. GMAC Mortgage's breaches of the Servicing Agreements have caused substantial harm and damages to MBIA, in an amount to be proved at trial, but at a minimum including substantially higher claims on Policies and other losses and expenses.

FIFTH CAUSE OF ACTION

(Breach of Contract: Repurchase Obligation)

144. MBIA repeats and realleges, as if set forth herein, the allegations of all of the preceding paragraphs.

145. Pursuant to the Servicing Agreements, if MBIA determines that, with respect to any loan, GMAC Mortgage breached its representations and warranties in the Purchase Agreements in a manner that "materially and adversely affect[ed] the interests of the Securityholders or the Enhancer [*i.e.*, MBIA]," MBIA may notify GMAC Mortgage of the presence of such breach. Upon such notice, GMAC Mortgage has 90 days to: (1) cure the breach; (2) repurchase the mortgage loan; or (3) substitute one or more eligible loans for the mortgage loan. Under the terms of the Putback Procedure, however, substitution is only permitted within a two-year period following the closing date of the Transaction. The Putback Procedure is not an exclusive remedy and does not apply to breaches of the Insurance Agreements.

146. MBIA has provided GMAC with 25 notices of breach by letters dated May 15, 2009; May 19, 2009; May 26, 2009; June 4, 2009; June 10, 2009; June 15, 2009; June 22, 2009; June 30, 2009; July 7, 2009; July 28, 2009; July 29, 2009; August 6, 2009; August 12, 2009; August 18, 2009; August 26, 2009; September 1, 2009; September 9, 2009; September 15, 2009; September 22, 2009; September 30, 2009; October 9, 2009; October 14, 2009; February 16, 2010; February 22, 2010; and March 10, 2010. MBIA notified GMAC of specific deficiencies in 3,669 individual loans in these putback requests, which are hereby incorporated by reference.

These letters notified GMAC Mortgage of loans that were in breach of one or more of GMAC Mortgage's representations and warranties set forth in the Purchase Agreements and that such breaches materially and adversely affected the interests of MBIA.

147. MBIA continues to notify GMAC Mortgage of additional loans that are discovered to be in breach of one or more of GMAC Mortgage's representations and warranties. Additional loans continue to become delinquent or are charged-off every month. On information and belief, such delinquencies and charge-offs will continue through the date of trial in this action and beyond.

148. The mortgage loans identified in MBIA's notices failed to comply with one or more of the representations and warranties made by GMAC Mortgage in the Purchase Agreements. For example, many of the loan files relating to the mortgage loans were incomplete and lacked required documentation and instruments, including mortgage notes, disclosures relating to the sale of the mortgage loans, disclosures relating to the transfer of servicing for the mortgage loans, documents confirming appropriate reserves, and documents relating to the appraisal. Mortgage loans were underwritten in violation of the representation and warranty that the CLTV ratio would not exceed 100%. GMAC Mortgage also approved loans that did not comply with applicable local, state, and federal laws, including applicable predatory lending laws.

149. MBIA has incurred, and will continue to incur, damages in an amount to be determined at trial. For the vast majority of the mortgage loans identified in MBIA's letters, GMAC Mortgage has neither cured the material breaches nor repurchased or substituted eligible mortgage loans as required by the Putback Procedure. By failing either to cure the defective aspects of the non-compliant mortgage loans identified in MBIA's letters or to repurchase or

substitute those non-compliant mortgage loans, GMAC Mortgage has caused MBIA to incur payments for shortfalls in cash flows to investors when, in fact, such shortfalls should properly be paid by GMAC Mortgage. In addition, MBIA expects that because delinquencies and charge-offs continue to occur, it will continue to make payments under the Insurance Agreements due to the true quality of the mortgage loans, which GMAC Mortgage misrepresented to MBIA in obtaining the Policies.

150. MBIA also has incurred, and will continue to incur, significant fees for professional services, including attorneys' fees, to engage in, and enforce GMAC Mortgage's obligations under, the Putback Procedure. Pursuant to Section 3.03 of the Insurance Agreements, GMAC Mortgage agreed to indemnify MBIA for these payments, when made as a result of GMAC Mortgage's failure to comply with the Transaction Documents, including, without limitation, GMAC Mortgage's failure to comply with the Putback Procedure.

151. MBIA has fully complied with its obligations under the Transaction Documents, the Insurance Agreements, and the Policies.

152. Accordingly, MBIA seeks declaratory judgment that GMAC Mortgage is required: (1) to repurchase the mortgage loans identified in MBIA's notices; (2) to repurchase any additional mortgage loans that breach the applicable representations and warranties; and (3) to indemnify MBIA for any and all payments made as a result of GMAC Mortgage's breaches of its representations and warranties, including GMAC Mortgage's failure to comply with the Putback Procedure.

SIXTH CAUSE OF ACTION

(Breach of Contract – Good Faith and Fair Dealing)

153. MBIA repeats and realleges, as if set forth herein, the allegations of all of the preceding paragraphs.

154. Under the Insurance Agreements, the Purchase Agreements, and the Servicing Agreements, GMAC Mortgage is required to comply with the covenant or duty of good faith and fair dealing that is implied in all contracts.

155. The Insurance Agreements and the Transaction Documents incorporated therein are built on the premise that, as GMAC Mortgage affirmatively represented, the mortgage loans had been evaluated consistently with the underwriting standards of GMAC Mortgage. The Insurance and Servicing Agreements are founded on the understanding that GMAC Mortgage, as Servicer, would make reasonable servicing efforts. GMAC Mortgage encouraged trust and reliance on its underwriting and servicing precisely because of its expertise and experience.

156. The implied duty of good faith and fair dealing required application of underwriting and servicing standards consistent with MBIA's understanding and with GMAC Mortgage's awareness of what MBIA had understood about those standards.

157. GMAC Mortgage breached its duty of good faith and fair dealing by knowingly, and in bad faith, deliberately and routinely contributing mortgage loans to the pools that had not been originated in accordance with GMAC Mortgage's underwriting standards.

158. GMAC Mortgage further breached its implied duty of good faith and fair dealing by failing in good faith to employ loan servicing procedures consistent with servicing industry standards, or make efforts to collect all payments due from borrowers.

159. GMAC Mortgage also breached its implied duty of good faith and fair dealing by failing to provide MBIA with access to information reasonably requested by MBIA, such as the complete versions of the GMAC Mortgage Underwriting Guidelines. The Insurance Agreements are based on the premise that GMAC Mortgage will not affirmatively frustrate MBIA's ability to enforce its contractual rights. GMAC Mortgage's bad faith withholding of information relating to the mortgage loans, and the standards under which those loans were underwritten, has impermissibly interfered with MBIA's enforcement of its rights.

160. Had MBIA known of the true risk profile of the loan pools in the Transactions, or that GMAC Mortgage would fail to undertake reasonable servicing efforts or refuse access to information necessary for MBIA to enforce its contractual rights, MBIA would not have issued the Policies. GMAC Mortgage's breach of its implied duty of good faith and fair dealing has deprived MBIA of the benefit of having entered into the Insurance Agreements.

161. MBIA has fully complied with its obligations under the Transaction Documents, the Insurance Agreements, and the Policies.

162. As a result of GMAC Mortgage's breach of the implied covenant of good faith and fair dealing, MBIA has incurred, and will continue to incur, damages including, without limitation, interest and reasonable attorneys' and accountants' fees and expenses. GMAC Mortgage is responsible for all losses incurred by MBIA whether or not such losses relate directly to non-compliant mortgage loans.

PRAYER FOR RELIEF

WHEREFORE MBIA prays for relief as follows:

a. For an award of damages against GMAC Mortgage, in an amount to be proven at trial, but including at a minimum:

i. MBIA's payments on current and future claims under the Policies;

ii. MBIA's compensatory and consequential losses, including lost profits and business opportunities;

iii. Indemnification for MBIA's attorneys' fees, costs, and expenses associated with enforcing its legal rights under the Transaction Documents;

iv. Punitive damages; and

v. Pre-judgment interest at the maximum legal rate.

b. For a declaratory judgment that GMAC Mortgage is required: (1) to repurchase the mortgage loans identified in MBIA's notices; (2) to repurchase any additional mortgage loans that breach the applicable representations and warranties; and (3) to indemnify MBIA for any and all payments made as a result of GMAC Mortgage's failure to comply with the Putback Procedure.

c. For a declaratory judgment that GMAC Mortgage is required to reimburse MBIA for all claims payments made to date and all future claims payments under the Policies, and to indemnify MBIA for any and all payments made as a result of GMAC Mortgage's breaches of the representations and warranties in the Insurance Agreements.

d. Such other and further relief as the Court may deem just and proper.

DATED: New York, New York
April 1, 2010

QUINN EMANUEL URQUHART &
SULLIVAN, LLP

By: _____
Peter E. Calamari
Philippe Z. Selendy
Christine H. Chung

51 Madison Avenue, 22nd Floor
New York, New York 10010-1601
(212) 849 7000

Attorneys for MBIA Insurance Corporation

Index No.

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

MBIA INSURANCE CORPORATION,

Plaintiff,

-against-

GMAC MORTGAGE, LLC (F/K/A GMAC MORTGAGE CORPORATION)

Defendant.

SUMMONS AND COMPLAINT

QUINN EMANUEL URQUHART
& SULLIVAN, LLP

Peter E. Calamari
Philippe Z. Selendy
Christine H. Chung

51 Madison Avenue, 22nd Floor
New York, New York 10010
(212) 849-7000

Attorneys for Plaintiff
MBIA Insurance Corporation

Exhibit 88

B 10 Modified (Official Form 10) (12/11)

Claim #4870 Date Filed: 11/16/2012

UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF NEW YORK | **PROOF OF CLAIM**

Name of Debtor and Case Number: Residential Capital, LLC, Case No. 12-12020

NOTE: *This form should not be used to make a claim for an administrative expense* ***(other than a claim asserted under 11 U.S.C. § 503(b)(9))*** *arising after the commencement of the case. A "request" for payment of an administrative expense* ***(other than a claim asserted under 11 U.S.C. § 503(b)(9))*** *may be filed pursuant to 11 U.S.C § 503.*

Name of Creditor (the person or other entity to whom the debtor owes money or property):
Financial Guaranty Insurance Company

Name and address where notices should be sent:
Financial Guaranty Insurance Company
Attn: Timothy Travers
125 Park Avenue
New York, NY 10017
Tel: (212) 312-3000
Email: tim.travers@fgic.com
Telephone number: email:

Copy to:
Carl Black, Esq.
Jones Day
901 Lakeside Avenue
Cleveland, Ohio 44114-1190
Tel: (216) 586-3939
Email: ceblack@jonesday.com

Name and address where payment should be sent (if different from above):
Telephone number: email:

■ Date Stamped Copy Returned
☐ No self addressed stamped envelope
☐ No copy to return

☐ Check this box if this claim amends a previously filed claim.

Court Claim Number:_____
(*If known*)

Filed on:_____

☐ Check this box if you are aware that anyone else has filed a proof of claim relating to this claim. Attach copy of statement giving particulars.

1. Amount of Claim as of Date Case Filed: $ See Attachment
If all or part of the claim is secured, complete item 4.
If all or part of the claim is entitled to priority, complete item 5.
☑ Check this box if the claim includes interest or other charges in addition to the principal amount of the claim. Attach a statement that itemizes interest or charges.

2. Basis for Claim: See Attachment
(See instruction #2)

3. Last four digits of any number by which creditor identifies debtor:	**3a. Debtor may have scheduled account as:**	**3b. Uniform Claim Identifier (optional):**
__ __ __ __	(See instruction #3a)	(See instruction #3b)

4. Secured Claim (See instruction #4)
Check the appropriate box if the claim is secured by a lien on property or a right of setoff, attach required redacted documents, and provide the requested information.

Nature of property or right of setoff: ☐ Real Estate ☐ Motor Vehicle ☐ Other
Describe:
Value of Property: $_____ **Annual Interest Rate**_____**%** ☐ Fixed ☐ Variable
(when case was filed)
Amount of arrearage and other charges, as of the time case was filed, included in secured claim, if any: $_____ **Basis for perfection:** _____
Amount of Secured Claim: $_____ **Amount Unsecured: $**_____

6. Claim Pursuant to 11 U.S.C. § 503(b)(9):
Indicate the amount of your claim arising from the value of any goods received by the Debtor within 20 days before May 14, 2012, the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim.
$_____ (See instruction #6)

7. Credits. The amount of all payments on this claim has been credited for the purpose of making this proof of claim. (See instruction #7)

8. Documents: Attached are **redacted** copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. If the claim is secured, box 4 has been completed, and **redacted** copies of documents providing evider
*definition of "**redacted**".)*
DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED D(
If the documents are not available, please explain: Due to their v not attached h

12120201211160000000000100

5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any part of the claim falls into one of the following categories, check the box specifying the priority and state the amount.

☐ Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B).
☐ Wages, salaries, or commissions (up to $11,725*) earned within 180 days before the case was filed or the debtor's business ceased, whichever is earlier – 11 U.S.C. §507 (a)(4).
☐ Contributions to an employee benefit plan – 11 U.S.C. §507 (a)(5).
☐ Up to $2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. §507 (a)(7).
☐ Taxes or penalties owed to governmental units – 11U.S.C. §507 (a)(8).
☐ Other – Specify applicable paragraph of 11 U.S.C. §507 (a)(__).

Amount entitled to priority:
$_____

* *Amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.*

9. Signature: (See instruction #9) Check the appropriate box.
☑ I am the creditor. ☐ I am the creditor's authorized agent. (Attach copy of power of attorney, if any.) ☐ I am the trustee, or the debtor, or their authorized agent. (See Bankruptcy Rule 3004.) ☐ I am a guarantor, surety, indorser, or other codebtor. (See Bankruptcy Rule 3005.)

I declare under penalty of perjury that the information provided in this claim is true and correct to the best of my knowledge, information, and reasonable belief.
Print Name: Winston Wohr
Title: Managing Director
Company: Financial Guaranty Insurance Company
(Signature) 11/15/12 (Date)
Address and telephone number (if different from notice address above):
Telephone number: Email:

RECEIVED
NOV 16 2012
KURTZMAN CARSON CONSULTANTS
COURT USE ONLY

Penalty for presenting fraudulent claim: Fine of up to $500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

JONES DAY

222 EAST 41ST STREET • NEW YORK, NEW YORK 10017.6702
TELEPHONE: +1.212.326.3939 • FACSIMILE: +1.212.755.7306

Direct Number: 212.326.3960
llswanson@jonesday.com

JP014179
207061-600005

November 15, 2012

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED
DELIVERY CONFIRMATION REQUESTED

ResCap Claims Processing Center c/o KCC
2335 Alaska Ave
El Segundo, California 90245

Re: Proof of Claims in Residential Capital, LLC, *et al.*

To Whom it May Concern:

Please find enclosed one original and one copy each of Financial Guaranty Insurance Company's three proof of claims against debtors Residential Capital, LLC, Residential Funding Company, LLC and GMAC Mortgage, LLC. Please time stamp one copy each and return in the self-addressed envelope also enclosed.

Very truly yours,

Laura L. Swanson

Laura L. Swanson

Enclosure: 3 originals of Proof of Claim
3 copies of Proof of Claim
1 self-addressed envelope

ALKHOBAR • ATLANTA • BEIJING • BOSTON • BRUSSELS • CHICAGO • CLEVELAND • COLUMBUS • DALLAS • DUBAI
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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	**Chapter 11**
RESIDENTIAL CAPITAL, LLC, et al.,	**Case No. 12-12020 (MG)**
Debtors.	**Jointly Administered**

ATTACHMENT TO PROOFS OF CLAIM OF FINANCIAL GUARANTY INSURANCE COMPANY AGAINST (I) RESIDENTIAL CAPITAL, LLC (CASE NO. 12-12020); (II) GMAC MORTGAGE, LLC (CASE NO. 12-12032); AND (III) RESIDENTIAL FUNDING COMPANY, LLC (CASE NO. 12-12019)

1. This document provides detail in connection with and in support of the Proofs of Claim filed by Financial Guaranty Insurance Company ("Claimant" or "FGIC") against (i) Residential Capital, LLC ("ResCap") (Case No. 12-12020); (ii) GMAC Mortgage LLC ("GMACM") (Case No. 12-12032); and (iii) Residential Funding Company, LLC ("RFC") (Case No. 12-12019) (collectively, the "Debtors"), debtors and debtors-in-possession in the above-captioned proceeding.

2. On May 14, 2012 (the "Petition Date"), the Debtors filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"). Pursuant to an order entered on November 7, 2012 (Docket No. 2093), the Bankruptcy Court established November 16, 2012 as the date by which parties other than governmental entities must file a proof of claim against the Debtors.

A. BACKGROUND

3. GMACM and RFC originated, acquired, sold and serviced residential mortgage loans (the "Mortgage Loans"). From time to time, GMACM and RFC facilitated the

critical aspects of a number of transactions (each a "Transaction" and collectively the "Transactions"), whereby GMACM and RFC (collectively with respect to such Transactions, the "Sponsors") arranged for the securitization of the Mortgage Loans and the sale to investors of either certificates or notes (the "Securities") collateralized by the Mortgage Loans in the form of residential mortgage-backed securities ("RMBS").

4. In addition to acting as Sponsors and sellers of Mortgage Loans within the Transactions, the Sponsors also acted as mortgage loan servicers for many of the Transactions. In its role as servicer, each Sponsor was responsible for, among other things, collecting borrower payments, modifying delinquent mortgage loans and performing other loss mitigation tasks, preserving the mortgaged property with respect to defaulted mortgage loans, liquidating defaulted mortgage loans, and performing other servicing duties set forth in the applicable securitization servicing agreements.

5. FGIC, a monoline financial guaranty insurance company, was in the business of writing financial guaranty insurance policies with respect to asset-backed securities, including RMBS. FGIC's financial guaranty insurance policies for the Transactions at issue (the "Policies") guaranteed the payment of principal and interest due on the insured securities. At the various times FGIC issued the relevant Policies, FGIC's financial strength was rated triple-A by rating agencies, which enabled securities insured by FGIC to be highly rated as well, and more highly rated than they otherwise would have been absent the Policies. FGIC's participation in the Transactions enhanced the ratings and marketability of the Sponsors' RMBS which, in turn, made the securitizations viable. Consequently, the Sponsors, along with their parent companies ResCap and Ally Financial ("Ally Financial") and numerous affiliates, were able to strengthen

their balance sheets, grow their mortgage origination businesses through such off-balance sheet financing vehicles, and earn substantial fees, including ongoing servicing fees.

6. With respect to any RMBS covered by the Policies, FGIC—as the financial guaranty insurer—is exposed to any unpaid losses on such securities. FGIC's risk in securitization transactions such as those engineered by the Sponsors is dependent on, among other things, (i) the credit quality of the underlying mortgage loans and (ii) the servicing of such mortgage loans. Within the Transactions, FGIC is obligated to make payments on any RMBS it insured if the cash flow from the underlying Mortgage Loans is insufficient to satisfy in a timely manner the payments due to holders of the Securities, including, for example, if the servicer of the Mortgage Loans is not properly collecting borrower payments or is otherwise not servicing in accordance with industry standards and/or their stated practices. Accordingly, FGIC has a significant economic interest in the proper servicing of the Mortgage Loans and the maximization of collections from borrowers.

7. Currently, FGIC insures securities in 43 of the Debtors' securitization transactions. FGIC is the largest monoline insurer in terms of exposure to the Debtors by balance of securities issued. Each securitization transaction consists of either a Pooling & Servicing Agreement or Sale and Servicing Agreement (each referred to as a "Servicing Agreement" herein), which anticipates that there be a companion Insurance & Indemnity Agreement ("I&I Agreement"), and a Custodial Agreement. In each case, these agreements were executed and delivered simultaneously as part of the closing of the related securitization transactions. The obligations of the servicers in these agreements are indivisible.

8. The Servicing Agreements associated with the 43 securitization transactions that FGIC insures were listed in the First Amended and Restated Notice of (I)

Debtors' Intent to Assume and Assign Certain Executory Contracts, Unexpired Leases of Personal Property, and Unexpired Leases of Nonresidential Real Property and (II) Cure Amounts Related Thereto (Docket No. 1484) (the "Assumption Notice") or were otherwise incorporated into the Assumption Notice and are part of the sale of the servicing business to the bidder who prevailed at the auction—Ocwen Financial Corp. As of the date of this filing, neither the Debtors nor Ocwen Financial Corp. have informed FGIC of their final intentions with respect to the agreements between the Debtors and FGIC. To the extent that FGIC's servicing claims are paid as part of the assumption and assignment process, FGIC acknowledges that certain of the claims asserted herein would be duplicative. As the status of its agreements is still in flux, however, FGIC is forced to include amounts owing on account of servicing breaches in this Proof of Claim.

9. FGIC has brought twelve civil actions against the Debtors and Ally Financial, each of which are currently pending in the United States District Court for the Southern District of New York before the Honorable Paul A. Crotty.[1] Broadly, the claims arise from the financial guaranty insurance policies issued by FGIC in connection with the Debtors' RMBS transactions. Against the Debtors, FGIC has alleged, among other things, breach of contract and, in some instances, fraudulent inducement to enter into the I&I Agreement and issue the Policies. The Complaints FGIC has filed against the Debtors and the underlying Transactions are summarized in the following chart:[2]

[1] Copies of the complaints that initiated these actions are not attached hereto due to their voluminous nature, but are available upon request.

[2] This chart does not include claims FGIC has brought against Ally Financial or Ally Bank.

Case No.	Transactions	Major Causes of Action (Defendant)
GMACM-Sponsored Transactions		
12-cv-00780	GMACM 2005-HE1	Breach of Contract (GMACM, ResCap)
11-cv-09729	GMACM 2006-HE1	Breach of Contract (GMACM, ResCap) Fraudulent Inducement (GMACM, ResCap)
12-cv-1658	GMACM 2006-HE3	Breach of Contract (GMACM, ResCap) Fraudulent Inducement (GMACM, ResCap)
12-cv-1818	GMACM 2006-HE2 GMACM 2007-HE2	Breach of Contract (GMACM, ResCap) Fraudulent Inducement (GMACM, ResCap)
RFC-Sponsored Transactions		
11-cv-9737	RAMP 2005-RS9	Breach of Contract (RFC)
11-cv-9736	RFMSII 2005-HS1 RFMSII 2005-HS2	Breach of Contract (RFC)
12-cv-0338	RAMP 2005-EFC7	Breach of Contract (RFC, ResCap) Fraudulent Inducement (RFC, ResCap)
12-cv-0339	RAMP 2005-NC1	Breach of Contract (RFC, ResCap) Fraudulent Inducement (RFC, ResCap)
12-cv-0341	RASC 2005-EMX5	Breach of Contract (RFC, ResCap) Fraudulent Inducement (RFC, ResCap)
12-cv-1601	RASC 2007-EMX1	Breach of Contract (RFC, ResCap) Fraudulent Inducement (RFC, ResCap)
12-cv-0340	RFMSII 2006-HSA1 RFMSII 2005-HSA1 RFMSII 2006-HSA2	Breach of Contract (RFC, ResCap) Fraudulent Inducement (RFC, ResCap)
12-cv-1860	RFMSII 2006-HI2 RFMSII 2006-HI3 RFMSII 2006-HI4 RFMSII 2006-HI5 RFMSII 2007-HI1	Breach of Contract (RFC, ResCap) Fraudulent Inducement (RFC, ResCap)

10. As mentioned, FGIC's participation in the Transactions was essential to their viability and enhanced the Sponsors' ability to market the securitizations effectively. For each Transaction, FGIC and either RFC or GMACM executed an I&I Agreement, pursuant to which FGIC issued the applicable financial guaranty insurance policy to insure payment on the

Securities sold to investors in a particular Transaction. Each I&I Agreement typically was signed by, among others, FGIC (as the "Insurer" of each Transaction); RFC or GMACM (as the "Seller" and Servicer and/or Master Servicer for each Transaction); and the respective Trustee for the Transaction.

11. Each I&I Agreement provides that FGIC as the Insurer is a third-party beneficiary of, and shall have all of the rights provided for in, the "Operative Documents." *See, e.g.*, 2006-HE2 Transaction, I&I Agreement § 2.02(k). The definition of "Operative Documents" depended on whether GMACM or RFC sponsored the Transaction. For GMACM-sponsored Transactions, "Operative Documents" are defined to typically include: (i) the Securities; (ii) a Mortgage Loan Purchase Agreement ("MLPA"); (iii) a Servicing Agreement; (iv) an Indenture between the relevant Trust and Indenture Trustee; and (v) a Custodial Agreement. *See, e.g.*, 2006-HE2 Transaction, I&I Agreements § 1.01. For RFC-sponsored Transactions, "Operative Documents" are defined to typically include: (i) the Securities; (ii) a Pooling and Servicing Agreement; and (iii) an Assignment and Assumption Agreement. *See, e.g.*, 2006-HI4 Transaction, I&I Agreement § 1.01.

12. The Sponsor, together with the "Depositor" of the Mortgage Loans into the relevant Trust, offered the Securities for sale pursuant to a Prospectus and a Prospectus Supplement, each of which discussed the relevant Policy and the triple-A initial rating of the Securities that was made possible by FGIC's issuance of that Policy. The Prospectus and Prospectus Supplement, together with certain preliminary offering documents, each as further supplemented by any subsequent amendment or supplement thereto, and any other offering document that make reference to the Policies, are referred to collectively as the "Offering Documents."

B. BREACH OF CONTRACT

13. In the Complaints, FGIC has alleged four distinct claims for breach of contract against the Sponsors. These claims include: (i) breach of both transaction-level and loan-level representations, warranties, and affirmative covenants; (ii) breach of the applicable Sponsor's duty to repurchase, cure, or substitute defective Mortgage Loans; (iii) breach of the applicable Sponsor's duties regarding the servicing of the Mortgage Loans; and (iv) breach of the applicable Sponsor's duty to provide FGIC with access to information regarding the Mortgage Loans.

14. FGIC brings each of these four claims as a breach of the I&I Agreement between FGIC and the applicable Sponsor. FGIC's rights and remedies under the I &I Agreement are distinct from any rights and remedies that FGIC holds as a third party beneficiary of the contractual obligations GMACMM and RFC owe to the Trusts. Moreover, FGIC, as a financial guaranty insurer is entitled under applicable law to seek rescissory damages in addition to all other damages allowable by law.

15. In the I&I Agreement and other Operative Documents incorporated into the I&I Agreement by reference, GMACM and RFC made numerous representations, warranties, and affirmative covenants regarding their loan origination, selection, and evaluation process, the characteristics of the Mortgage Loans, and the accuracy and completeness of the information supplied to FGIC. GMACM and RFC also expressly represented and warranted the accuracy of the mortgage loan characteristics provided to FGIC in an extensive and detailed schedule known as the "Mortgage Loan Schedule." FGIC has determined that GMACM and RFC not only breached numerous transaction-level representations and warranties, but also revealed that a shockingly high percentage of the Mortgage Loans—contrary to the information disclosed to

FGIC in the Mortgage Loan Schedule and stated in the Offering Documents and Operative Documents—contained defects constituting breaches of loan-level representations and warranties. These transaction-level and loan-level breaches of representations and warranties constitute the Sponsors' first material breach of the I&I Agreement.

16. Pursuant to its rights under the I&I Agreement and the provisions of certain Operative Documents incorporated therein, FGIC demanded that the applicable Sponsor repurchase the defective Mortgage Loans. Despite an explicit duty to repurchase defective loans, GMACM and RFC refused to comply with FGIC's demand for the repurchase of numerous such Mortgage Loans. The Sponsors' failure to repurchase these loans constitutes a second material breach of the I&I Agreement.

17. In addition, GMACM and RFC represented to FGIC in an affirmative covenant under the I&I Agreements that all Mortgage Loans would be serviced in all material respects in compliance with the Servicing Agreement entered into between the applicable Sponsor, the relevant Trust, and the Trustee. The Servicing Agreements require that the servicer of the loans comply with the normal and usual collection and servicing procedures and otherwise service the loans in accordance with appropriate procedures. Through an on-site diligence review of ResCap servicing practices and additional information discovered by FGIC relating to the servicing of Mortgage Loans, FGIC learned that GMACM and RFC were deficient in borrower contact, collections, and loss mitigation standards. FGIC also discovered evidence that ResCap's servicing practices had led to the miscategorization and neglect of certain FGIC-insured Mortgage Loans. For these reasons, GMACM and RFC committed a third material breach of the I&I Agreement by failing to act in accordance with the affirmative covenant regarding their duty to service the Mortgage Loans in accordance with the Servicing Agreement.

18. The Sponsors committed a fourth breach of the I&I Agreement by denying FGIC access to certain information to which it was contractually entitled. Pursuant to the I&I Agreement, the applicable Sponsor agreed to furnish or cause to be furnished to FGIC financial statements, accountants' reports, and other information. Such other information includes, but is not limited to, data relating to the Mortgage Loans, the servicing of the Mortgage Loans, and the Transactions. Notwithstanding FGIC's multiple reasonable requests and subsequent demands for access to this information, the Sponsors have denied FGIC access in direct breach of the I&I Agreement.

19. Further, as concerns a series of RFC-sponsored Transactions—known as 2005-EMX5, 2005-RS9, 2005-NC1, and 2007-EMX1—RFC committed an additional breach of the I&I Agreement by improperly executing modifications to certain Mortgage Loans in accordance with the federal Home Affordable Modification Program without FGIC's required consent. RFC had originally asked FGIC for its consent to amend the relevant Pooling and Servicing Agreements in order to effectuate the loan modifications. Although FGIC requested additional documentation to evaluate the proposed modifications and accompanying amendments, RFC implemented the loan modifications without supplying FGIC with the requested information or otherwise receiving FGIC's consent.

20. Also, as concerns two particular GMACM-sponsored Transactions—known as 2005-HE1 and 2006-HE1—GMACM committed another breach of the I&I Agreement by improperly transferring thousands of additional mortgage loans into the related Trusts following the occurrence of a contractually defined amortization event which terminated the period during which subsequent mortgage loans could permissibly be transferred into the trusts following the closing of these Transactions. As a result of this breach, FGIC has received claims

caused in part by losses attributable to a substantial number of loans that were added to the related trusts in violation of the Transactions' operative documents, the terms of which were incorporated by reference into the I&I Agreement for FGIC's benefit.

21. Additionally, as concerns another GMACM-sponsored Transaction—known as 2006-HE3—GMACM committed a further breach of the I&I Agreement by improperly including within the Transaction at least 3,013 more high-risk balloon Mortgage Loans—accounting for at least $160 million in aggregate principal amount—than the offering documents and operative documents represented and warranted the Transaction would contain. The credit risk inherent in a balloon mortgage loan is typically much higher than that of a non-balloon mortgage loan, and the undisclosed balloon Mortgage Loans in the 2006-HE3 Transaction have performed significantly worse than the non-balloon Mortgage Loans in the same Transaction. Consequently, FGIC has received claims caused in part by losses attributable to the substantial number of loans in the 2006-HE3 Transaction that were misrepresented by GMACM as being less risky non-balloon loans.

22. Pursuant to the I&I Agreement, GMACM and RFC must indemnify FGIC for any and all claims, losses, liabilities, demands, damages, costs or expenses of any nature arising out of or relating to the breach by the applicable Sponsor of any of the representations or warranties contained in the I&I Agreement or arising out of the transactions contemplated by the related Operative Documents. As explained above, GMACM and RFC breached numerous representations, warranties, and covenants in the I&I Agreements and the Operative Documents incorporated by reference therein. These breaches have caused, and will continue to cause, FGIC to pay claims and to incur losses, costs, and expenses.

23. In addition to an enforcement of the Sponsors' indemnification obligations under the I&I Agreements, FGIC seeks all legal, rescissory, equitable, consequential, and/or punitive damages for the Sponsors' material breaches of the Transactions.

24. With regard to ResCap, FGIC has alleged that the substantial breaches of contract committed by GMACM and RFC were carried out at the direction of ResCap, which was acting at the direction of Ally Financial—the ultimate parent company of the Debtors.

25. ResCap is the immediate parent company of and wholly owns both GMACM and RFC. ResCap and its subsidiaries share numerous directors, senior management and employees, and, together with Ally Financial, share significant resources and operations. Indeed, ResCap did not conduct any business operations whatsoever until GMAC Residential Holding Corp. and GMAC-RFC Holding Corp.—two of Ally Financial's wholly-owned subsidiaries—were transferred to it in March 2005. Those two subsidiaries represented substantially all of Ally Financial's mortgage securitization business.

26. FGIC has asserted that, due to Ally Financial's domination and control over its subsidiaries, including ResCap, GMACM, and RFC, as well as the failure of Ally Financial and its subsidiaries to observe relevant corporate formalities in distinguishing themselves as independent entities, Ally Financial's mortgage operations units are in reality a single enterprise. As such, ResCap is indistinguishable from each of GMACM and RFC, and is thus jointly and severally liable to FGIC under a theory of alter ego liability for the harms FGIC has suffered from the breaches of contract committed by GMACM and RFC.

27. In addition, due to, among other things, the fully integrated nature of Ally Financial's mortgage operations units, which operate as a single enterprise, each of GMACM and RFC are indistinguishable and were treated as, and are, alter egos of one another. As such,

GMACM and RFC are jointly and severally liable to FGIC for the harms FGIC has suffered as a result of the breaches of contract committed by each of the Sponsors.

C. FRAUDULENT INDUCEMENT

28. In the relevant Complaints, FGIC has alleged that GMACM or RFC, as relevant, fraudulently induced FGIC into issuing Policies for the Transactions through knowing misrepresentations and omissions on which FGIC was intended to rely. To induce FGIC's participation in the Transactions—which participation was essential to their success—GMACM and RFC made material representations and warranties to FGIC about the manner in which the Mortgage Loans were selected and evaluated for inclusion in the Transactions and the credit characteristics of the Mortgage Loans. Those representations and warranties were materially false when stated by the applicable Sponsor, which intended for FGIC to rely on the misrepresentations and omissions in order to obtain needed financial guaranty insurance—and the accompanying credit enhancement—for the Transactions.

29. FGIC reasonably relied on the Sponsors' representations and warranties when deciding to enter into the Transactions. GMACM and RFC represented in the Operative Documents and the Offering Documents, among other things, that the underwriting standards relating to the Mortgage Loans generally would conform to the published criteria applicable to the particular Mortgage Loans to be included in the various Transactions.

30. FGIC and the relevant Sponsor entered into the I&I Agreements, which restated for FGIC's benefit the representations and warranties that the Sponsors had offered in other of the Operative Documents and Offering Documents, and thereby issued Policies for the Transactions on certain specified terms. In doing so, FGIC agreed to insure payment on the Securities, which were backed by pools of Mortgage Loans that were, in actuality, materially

different (and worse) than the applicable Sponsor had represented As a result, the credit risk assumed by FGIC in connection with these Transactions was far greater than it would have been had the representations and warranties been true, as demonstrated by the overwhelming number of claims that have been subsequently presented to FGIC.

31. Had the information provided to FGIC directly and indirectly by GMACM and RFC been accurate and truthful, FGIC would not have issued the Policies on the agreed terms, or would have refused to issue the Policies altogether. As a result of GMACM's and RFC's materially false statements and omissions in information provided to FGIC and the credit ratings agencies, FGIC has been damaged and will continue to be damaged.

32. For the reasons discussed above in paragraphs 24 to 26, and further in FGIC's Complaints, ResCap is jointly and severally liable to FGIC under a theory of alter ego liability for the harms FGIC has suffered from the fraudulent inducement committed by GMACM and RFC. In addition, because GMACM and RFC were acting at the direction of ResCap, ResCap may be jointly and severally liable to FGIC for the harms FGIC has suffered from the fraudulent inducement committed by GMACM and RFC.

33. Similarly, for the reasons discussed above in paragraph 27, RFC and GMACM are jointly and severally liable to FGIC for the fraudulent inducement committed by each of the Sponsors. Moreover, because, among other things, GMACM and RFC each serviced loans wrapped by FGIC by originated by the other and in such capacity aided and abetted the misconduct of the other as originators, GMACM and RFC may be jointly and severally liable to FGIC under an aiding and abetting theory of liability.

D. DAMAGES

34. FGIC seeks legal, rescissory, equitable, consequential, and/or punitive damages against the Debtors for GMACM's and RFC's material breaches of the Transactions and their fraudulent inducement of FGIC to enter into the I&I Agreements and issue Policies for the Transactions.

35. FGIC is entitled to receive rescissory damages in an amount equal to the amount it has been required to pay pursuant to the Policies. Rescissory damages is a more appropriate award than its equitable equivalent, actual rescission. Rescission would be impractical because: (i) the Policies are held by the Trustee for the benefit of the holders of the Securities; (ii) the Policies by their terms are expressly irrevocable (and thus cannot be rescinded) for any reason; and (iii) rescission of the Policies may lead to even greater economic harm to clean-handed parties to the securitizations.

36. Also, as discussed above, under the I&I Agreements, the Sponsors must indemnify FGIC for any and all claims, losses, liabilities, demands, damages, costs or expenses of any nature arising out of or relating to the breach by the Sponsors of any of the representations or warranties contained in the I&I Agreement or arising out of the transactions contemplated by the related Operative Documents.

37. Furthermore, pursuant to the Sponsors' express reimbursement obligation under the I&I Agreement, FGIC is also entitled to full reimbursement from the Debtors for any payment made by FGIC under the Policies arising from the applicable Sponsor's failure to substitute, repurchase, or cure a defective mortgage loan, as well as interest accrued on any unreimbursed amount. Further, also pursuant to the Sponsors' express reimbursement obligation, the Debtors must reimburse FGIC for any and all charges, fees, costs and expenses—including

but not limited to attorneys' and accountants' fees and expenses—that FGIC has and will reasonably pay or incur in connection with the enforcement, defense or preservation of any of its rights under the Transactions, including defending, monitoring or participating in any litigation or proceeding, including any insolvency proceeding of any participant in the Transactions.

38. Accordingly, FGIC is entitled to receive damages from each of the Debtors, in an amount not less than $1.85 Billion, for (i) all amounts it has paid pursuant to the Policies, plus interest[3]; (ii) all claims FGIC has been presented with under the Policies and has not yet paid, plus interest; (iii) expectation damages for any losses on the Trusts; and (iv) additional damages, including but not limited to reimbursement of expenses and fees as well as consequential damages, including any currently unliquidated future expenses or losses.

39. As discussed above, ResCap is jointly and severally liable for all such damages as the alter ego and parent company of GMACM and RFC. Additionally, as described previously, GMACM and RFC are likewise jointly and severally liable for FGIC's damages.

E. RESERVATION OF RIGHTS

40. Claimant does not waive, and hereby expressly reserves, all rights and remedies at law or in equity that it has or may have against the Debtors and/or any other person or entity, including, but not limited to, any rights and remedies of Claimant arising under or in connection with the I&I Agreements, any of the Operative Documents, or any other legal or equitable source. Claimant reserves the right to amend or supplement this Proof of Claim at any time and in any respect, including, without limitation, as necessary or appropriate to amend, quantify or correct amounts, to provide additional detail regarding the claims set forth herein or

[3] Included in this amount is $46,235,293 that FGIC is seeking on account of accrued prepetition interest on amounts paid out by FGIC under the Policies.

the basis therefor, to fix the amount of any contingent or unliquidated claim and/or to assert that this claim is entitled to be treated as an administrative expense or other priority. Claimant further reserves the right to file and assert any additional claims or requests for payment of administrative expense of whatever kind or nature that may be or later become due from the Debtors under the I&I Agreements or any other agreement or otherwise, including, without limitation, any secured, priority, administrative expense or general unsecured claims under the Bankruptcy Code, whether known or unknown, liquidated or unliquidated, choate or inchoate, disputed or undisputed or contingent or fixed.

41. The filing of this Proof of Claim is not and shall not be deemed or construed as: (a) a waiver or release of Claimant's rights against any person, entity or property, including the Debtors, that may be liable for all or part of the claims set forth herein; (b) a consent by Claimant to the jurisdiction of the Bankruptcy Court or any other court with respect to proceedings, if any, commenced in any case against or otherwise involving Claimant; (c) a waiver or release of Claimant's right to trial by jury in the Bankruptcy Court or any other court in any proceeding as to any and all matters so triable herein, whether or not the same be designated legal or private rights, or in any case, controversy or proceeding related hereto, notwithstanding the designation or not of such matters as "core proceedings" pursuant to 28 U.S.C. § 157(b)(2), and whether such jury trial right is pursuant to statute or the United States Constitution; (d) a consent by Claimant to a jury trial in the Bankruptcy Court or any other court in any proceeding as to any and all matters so triable herein or in any case, controversy or proceeding related hereto, pursuant to 28 U.S.C. § 157(e) or otherwise; (e) a waiver or release of Claimant's right to have any and all final orders in any and all non-core matters or proceedings entered only after de novo review by a United States District Court Judge; (f) a waiver of

Claimant's right to move to withdraw the reference with respect to: (1) the subject matter of this Proof of Claim, (2) any objection thereto or (3) any other proceeding which may be commenced in this case relating to this claim or otherwise involving Claimant; (g) an election of remedies; (h) an acknowledgment that Claimant received adequate notice of any bar date fixed in these cases; (i) a waiver of Claimant's right to assert that this or any other claim is entitled to administrative or other priority; or (j) an admission that any valid claims or causes of action exist against Claimant.

42. Claimant does not waive any right to any security held by or for it or any right to claim specific assets or any right or rights of action that it has or may have against the Debtors or any other person or persons who may be liable for all or any part of this Proof of Claim.

43. To the extent that Claimant is entitled to assert this Proof of Claim as a setoff or recoupment against any claim or cause of action that the Debtors may assert against Claimant in the future (or against any claim or cause of action that may be asserted on behalf of the Debtors), Claimant hereby preserves its rights with respect to such setoff and recoupment, and any such right of setoff or recoupment shall survive the closing of this bankruptcy case.

44. The filing of this Proof of Claim in no respect waives, alters or otherwise affects any rights that Claimant may have with regard to any claims created or otherwise arising on or subsequent to the Petition Date. Claimant reserves all rights to argue that any right to payment is a postpetition claim.

E. NOTICES

45. Copies of all notices and communications concerning this Proof of Claim should be sent to:

Financial Guaranty Insurance Company
Attn: Timothy Travers
125 Park Avenue
New York, NY 10017
Tel: (212) 312-3000
Email: tim.travers@fgic.com

With a copy to:

Carl E. Black, Esq.
Jones Day
901 Lakeside Avenue
Cleveland, Ohio 44114-1190
Tel: (216) 586-3939
Email: ceblack@jonesday.com

Exhibit 89

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) May 30, 2007

RESIDENTIAL FUNDING MORTGAGE SECURITIES II, INC. (as depositor under an Amended and Restated Trust Agreement, dated as of May 30, 2007, and pursuant to which an Indenture was entered into, providing for, inter alia, the issuance of Home Equity Loan-Backed Term Notes, Series 2007-HSA3)

Home Equity Loan 2007-HSA3 Trust
(EXACT NAME OF ISSUING ENTITY AS SPECIFIED IN ITS CHARTER)
Residential Funding Mortgage Securities II, Inc.
(EXACT NAME OF DEPOSITOR AS SPECIFIED IN ITS CHARTER)
Residential Funding Company, LLC
(EXACT NAME OF SPONSOR AS SPECIFIED IN ITS CHARTER)
Residential Funding Mortgage Securities II, Inc.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE	333-140605-02	41-1808858
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

8400 Normandale Lake Blvd., Suite 250, Minneapolis, Minnesota 55437
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code, is (952) 857-7000
N/A
(Former name or address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

[ ] Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

EXECUTION COPY

RESIDENTIAL FUNDING MORTGAGE SECURITIES II, INC.

as Purchaser,

and

RESIDENTIAL FUNDING COMPANY, LLC

as Seller

HOME EQUITY LOAN PURCHASE AGREEMENT

Dated as of May 30, 2007

Home Equity Loans

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This HOME EQUITY LOAN PURCHASE AGREEMENT (this "Agreement"), dated as of May 30, 2007, is made between Residential Funding Company, LLC (the "Seller") and Residential Funding Mortgage Securities II, Inc. (the "Purchaser").

W I T N E S S E T H :

WHEREAS, the Seller owns Cut-off Date Loan Balances and the Related Documents for the fixed-rate, closed-end home equity mortgage loans (the "Group I Loans") indicated on the Group I Loan schedule, attached as Exhibit 1 hereto (the "Group I Loan Schedule"), the adjustable rate, revolving credit loans (the "Group II Loans" and, together with the Group I Loans, the "Home Equity Loans") indicated on the Group II Loan schedule, attached as Exhibit 2 hereto (the "Group II Loan Schedule"), including rights to (a) any property acquired by foreclosure or deed in lieu of foreclosure or otherwise, and (b) the proceeds of any insurance policies covering the Home Equity Loans;

WHEREAS, the parties hereto desire that the Seller sell the Cut-off Date Loan Balances of the Home Equity Loans to the Purchaser pursuant to the terms of this Agreement together with the Related Documents on the Closing Date, and thereafter all Additional Balances created on or after the Cut-off Date;

WHEREAS, pursuant to the terms of the Servicing Agreement, the Master Servicer will service the Home Equity Loans directly or through one or more Subservicers;

WHEREAS, pursuant to the terms of the Trust Agreement, the Purchaser will sell the Home Equity Loans to the Issuer in exchange for the cash proceeds of the Securities;

WHEREAS, pursuant to the terms of the Trust Agreement, the Issuer will issue and transfer to or at the direction of the Purchaser, the Certificates; and

WHEREAS, pursuant to the terms of the Indenture, the Issuer will issue and transfer to or at the direction of the Purchaser, the Notes, secured by the Home Equity Loans.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1....Definitions. For all purposes of this Home Equity Loan Purchase Agreement, except as otherwise expressly provided herein or unless the context otherwise requires, capitalized terms not otherwise defined herein shall have the meanings assigned to such terms in the Definitions contained in Appendix A to the Indenture dated as of the date hereof (the "Indenture"), between Home Equity Loan Trust 2007-HSA3, as Issuer and LaSalle Bank National Association, as Indenture Trustee, which is incorporated by reference herein. All other capitalized terms used herein shall have the meanings specified herein.

ARTICLE II

SALE OF HOME EQUITY LOANS AND RELATED PROVISIONS

Section 2.1 Sale of Home Equity Loans.

(a) The Seller, by the execution and delivery of this Agreement, does hereby sell, assign, set over, and otherwise convey to the Purchaser, without recourse, all of its right,

title and interest in, to and under the following, and wherever located: (i) the Home Equity Loans (including without limitation the Cut-off Date Loan Balances and all Additional Balances created on and after the Cut-off Date; provided, however, that following the occurrence of an Amortization Event, any subsequent loan balance represented by each Draw and interest thereon will not be deemed transferred to the Issuer, and the Seller (in such event) shall retain ownership of each loan balance represented by each such Draw made thereafter and interest thereon), all interest accruing thereon and all collections in respect thereof received on or after the Cut-off Date; (ii) property which secured a Home Equity Loan and which has been acquired by foreclosure or deed in lieu of foreclosure; (iii) the interest of the Seller in any insurance policies in respect of the Home Equity Loans; and (iv) all proceeds of the foregoing; provided, however, that the Purchaser does not assume the obligation under each Loan Agreement relating to a Group II Loan to fund Draws to the Mortgagor thereunder, and the Purchaser shall not be obligated or permitted to fund any such Draws, it being agreed that the Seller will retain the obligation to fund future Draws. Such conveyance shall be deemed to be made: (1) with respect to the Cut-off Date Loan Balances, as of the Closing Date; and (2) with respect to the amount of each Additional Balance created on or after the Cut-off Date, as of the later of the Closing Date and the date that the corresponding Draw was made pursuant to the related Loan Agreement, subject to the receipt by the Seller of consideration therefor as provided herein under clause (b) of Section 2.2.

(b) In connection with such conveyance, the Seller further agrees, at its own expense, on or prior to the Closing Date with respect to the Loan Balance of the Home Equity Loans to indicate in its books and records that the Home Equity Loans have been sold to the Purchaser pursuant to this Agreement and to deliver to the Purchaser the Group I Loan Schedule, and the Group II Loan Schedule. Such Group I Loan Schedule and Group II Loan Schedule shall be marked as Exhibit 1 and Exhibit 2, respectively, to this Agreement and are hereby incorporated into and made a part of this Agreement.

(c) On or before the Closing Date, in connection with such conveyance by the Seller, the Seller shall on behalf of the Purchaser (1) with respect to each Home Equity Loan, deliver to the Master Servicer (or an Affiliate of the Master Servicer) each of the documents or instruments described in clause (ii) below (and the Master Servicer shall hold (or cause such Affiliate to hold) such documents or instruments in trust as agent for the Indenture Trustee for the benefit of the Noteholders and the Credit Enhancer), (2) with respect to each MOM Loan, deliver to, and deposit with, the respective Custodian, the documents or instruments described in clauses (i) and (v) below, (3) with respect to each Home Equity Loan that is not a MOM Loan but is registered on the MERS(R)System, deliver to, and deposit with, the respective Custodian, the documents or instruments described in clauses (i), (iv) and (v) below and (4) with respect to each Home Equity Loan that is not a MOM Loan and is not registered on the MERS(R)System, deliver to, and deposit with, the respective Custodian, the documents or instruments described in clauses (i), (iii), (iv) and (v) below.

(i) The original Mortgage Note, including the related Loan Agreement, endorsed without recourse to the Indenture Trustee and showing an unbroken chain of endorsement from the originator thereof to the Person endorsing it or, with respect to any Home Equity Loan as to which the original Mortgage Note has been permanently lost, misplaced or destroyed and has not been replaced, a Lost Note Affidavit from the Program Seller or the Seller stating that the original Mortgage Note was lost, misplaced or destroyed, together with a copy of the related Mortgage Note.

(ii) The original Mortgage, noting the presence of the MIN of the Home Equity Loan and language indicating that the Home Equity Loan is a MOM Loan if the Home Equity Loan is a MOM Loan, with evidence of recording thereon, or, if the original Mortgage has not yet been returned from the public recording office, a copy of such Mortgage with evidence of recording indicated thereon in the event the recording office keeps the original or if the original is lost, or if the original or a copy of the original Mortgage has not yet been returned from the public recording office, a copy of the original Mortgage.

(iii) Assignments (which may be included in one or more blanket assignments if permitted by applicable law) of the Mortgage recorded to "LaSalle Bank National Association as indenture trustee" c/o the Seller (or to MERS, if the Home Equity Loan is registered on the MERS(R) System and noting the presence of a MIN) at an address specified by the Seller.

(iv) Originals of any intervening assignments of the Mortgage, with evidence of recording thereon, or a copy of such intervening assignment, with evidence of recording thereon, or, if the original of any such intervening assignment has not yet been returned from the public recording office, a copy of such original intervening assignment.

(v) A copy of each assumption, modification, consolidation or substitution agreement, if any, relating to the Home Equity Loan.

Within the time period for the review of each Custodial File set forth in Section 2.3 of the Custodial Agreement, the Custodian shall notify the Master Servicer and the Credit Enhancer of any document or documents constituting a part of a Custodial File which are missing or defective in respect of the items reviewed as described in Section 2.3(b) of the Custodial Agreement; provided, that if the defect or missing item with respect to a Home Equity Loan related to such Custodial File is listed on Schedule A of Exhibit 1 of the Custodial Agreement, no notification shall be necessary. As set forth in Section 2.3 of the Custodial Agreement, the Custodian shall deliver to the Indenture Trustee and the Credit Enhancer a certificate (the "Interim Certification") to the effect that all documents required to be delivered pursuant to this Subsection 2.1(c) have been executed and received and that such documents relate to the Home Equity Loans identified on the Group I Loan Schedule or Group II Loan Schedule, except for any exceptions listed on such Interim Certification. If such omission or defect materially and adversely affects the interests in

the related Home Equity Loan of the Noteholders or the Credit Enhancer, the Master Servicer shall promptly notify the Seller (provided that a Mortgage File will not be deemed to contain a defect for an unrecorded assignment under clause (iii) above if the Seller has submitted such assignment for recording or if such assignment is not required to be recorded pursuant to the terms of the following paragraph), the Seller shall cure such defect, repurchase the related Home Equity Loan at the Repurchase Price or substitute an Eligible Substitute Loan for the related Home Equity Loan upon the same terms and conditions set forth in Section 3.1(d) hereof for breaches of representations and warranties as to the Home Equity Loans. With respect to any missing Loan Agreements referred to in Subsection 3.1(b)(xxxi) and Subsection 3.1(c)(xxxiv), the Seller shall have 60 days from the Closing Date to deliver the documents referred to in this Subsection 2.1(c). If such documents have not been delivered within 60 days, the Seller shall repurchase the related Home Equity Loan or substitute an Eligible Substitute Loan for the related Home Equity Loan upon the same terms and conditions set forth in Section 3.1(d) hereof for breaches of representations and warranties as to the Home Equity Loans. If a material defect in any of the documents in the Mortgage File held by the Master Servicer (or an Affiliate of the Master Servicer) is discovered which may materially and adversely affect the value of the related Home Equity Loan, or the interests of the Noteholders or the Credit Enhancer in such Home Equity Loan, including the Seller's failure to deliver such documents to the Master Servicer (or an Affiliate of the Master Servicer) on behalf of the Indenture Trustee, the Seller shall cure such defect, repurchase the related Home Equity Loan at the Repurchase Price or substitute an Eligible Substitute Loan therefor upon the same terms and conditions set forth in Section 3.1(d) hereof for breaches of representations and warranties as to the Home Equity Loans.

Within 60 days after the receipt by the Master Servicer of the recording information necessary to complete the recording of each of the assignments referred to in clause (iii) above, the Seller at its own expense shall complete, or cause to be completed, in the name of the Indenture Trustee, and shall submit each such assignment for recording in the appropriate public office for real property records each of the assignments referred to in clause (iii) above. While such assignment to be recorded is being recorded, the Custodian shall retain a photocopy of such assignment. If any assignment is lost or returned unrecorded to the Custodian because of any defect therein, the Seller is required to prepare a substitute assignment or cure such defect, as the case may be, and the Seller shall cause such assignment to be recorded in accordance with this paragraph. Notwithstanding the foregoing, as to any Home Equity Loan where the Seller is the assignee of record of the Mortgage, the assignment referred to in clause (iii) above shall not be required to be completed and submitted for recording (a) if an Opinion of Counsel is provided in form and substance satisfactory to the Credit Enhancer and to each Rating Agency, to the effect that such recordation of the assignment referred to in clause (iii) above (completed in the name of the Indenture Trustee) is not required (i) to effect the sale and conveyance of the Home Equity Loan by the Seller to the Depositor and by the Depositor to the Issuer, or the granting and perfecting of the security interest in the Home Equity Loan to the Indenture Trustee as provided in the Indenture or (ii) to defeat any ownership, security interest or other adverse claim to the Home Equity Loan by any creditor of the Seller or the Depositor by any purported transferee of such Home Equity Loan in a purported transfer thereof by the Seller or the Depositor subsequent to such sale and conveyance or (b) if MERS is identified on the Mortgage or on a properly recorded assignment of the Mortgage as the mortgagee of record solely as nominee for the Seller and its successors and assigns.

In instances where an original Mortgage or any original intervening assignment of Mortgage was not, in accordance with clause (ii) or (iv) above, delivered by the Seller to the Custodian prior to or concurrently with the execution and delivery of this Agreement, the Seller will deliver or cause to be delivered the originals of such documents to such Custodian promptly upon receipt thereof.

In connection with the assignment of any Home Equity Loan registered on the MERS(R)System, the Purchaser further agrees that it will cause, at the Purchaser's own expense, within 30 Business Days after the Closing Date, the MERS(R)System to indicate that such Home Equity Loan has been assigned by the Purchaser to the Indenture Trustee in accordance with this Agreement for the benefit of the Noteholders and the Credit Enhancer by including (or deleting, in the case of Home Equity Loans which are repurchased in accordance with this Agreement) in such computer files (a) the code in the field which identifies the specific Indenture Trustee and (b) the code in the field "Pool Field" which identifies the series of the Notes issued in connection with such Home Equity Loans. The Purchaser further agrees that it will not, and will not permit the Master Servicer to, and the Master Servicer agrees that it will not, alter the codes referenced in this paragraph with respect to any Home Equity Loan during the term of this Agreement unless and until such Home Equity Loan is repurchased in accordance with the terms of this Agreement.

The Purchaser hereby acknowledges its acceptance of all right, title and interest to the property, conveyed to it pursuant to this Section 2.1.

(d) The parties hereto intend that the transactions set forth herein constitute a sale by the Seller to the Purchaser of all the Seller's right, title and interest in and to the Home Equity Loans and other property as and to the extent described above. In the event the transactions set forth herein are deemed not to be a sale, the Seller hereby grants to the Purchaser a security interest in all of the Seller's right, title and interest in, to and under the Home Equity Loans and all accounts, chattel papers, general intangibles, payment intangibles, contract rights, certificates of deposit, deposit accounts, instruments, documents, letters of credit, money, advices of credit, investment property, goods and other property consisting of, arising under or related to the Home Equity Loans and such other property, to secure all of the Seller's obligations hereunder, and this Agreement shall constitute a security agreement under applicable law. The Seller agrees to take or cause to be taken such actions and to execute such documents, including without limitation the filing

of all necessary UCC-1 financing statements filed in the State of Minnesota or Delaware (which shall have been submitted for filing as of the Closing Date), any continuation statements with respect thereto and any amendments thereto required to reflect a change in the name or legal structure of the Seller or the filing of any additional UCC-1 financing statements due to the change in the principal office of the Seller, as are necessary to perfect and protect the Purchaser's interests in each Home Equity Loan and the proceeds thereof.

Section 2.2....Payment of Purchase Price.

(a) The "Purchase Price" for the Home Equity Loans (including the Additional Balances) shall be (1) an amount equal to $795,914,715.87 for the Home Equity Loans, in immediately available funds, together with the Certificates, in respect of the Cut-off Date Loan Balances thereof and (2) in the case of each Additional Balance transferred hereunder created on or after the Cut-off Date, the principal amount of the related Draw under the Loan Agreement on the later of the Closing Date and the date of the creation of such Additional Balance.

(b) In consideration of the sale of the Home Equity Loans from the Seller to the Purchaser on the Closing Date, the Purchaser shall pay to the Seller on the Closing Date by wire transfer of immediately available funds to a bank account designated by the Seller, the amount specified above in clause (a)(1) for each Home Equity Loan; provided, that such payment may be on a net funding basis if agreed by the Seller and the Purchaser. With respect to each Additional Balance transferred hereunder with respect to any Group II Loan, the Issuer as assignee of the Purchaser shall pay or cause to be paid to the Seller or its designee the portion of the Purchase Price specified above in clause (a)(2) for such Additional Balance in one of the following ways, as applicable: (i) for any Collection Period prior to the Collection Period during which the Revolving Period ends, so long as an Amortization Event has not occurred, (a) a cash payment pursuant to Section 3.03(b) of the Servicing Agreement and Section 2.2(a)(2) hereof in an amount equal to the related Draw, if then available from Principal Collections during the related Collection Period on the Home Equity Loans, and (b) to the extent aggregate Draws exceed Principal Collections for such Collection Period, an increase in the aggregate principal amount of the Variable Funding Notes or an issuance of new variable funding notes, as of the Payment Date corresponding to the Collection Period in which such Additional Balances were created, equal to the amount by which Additional Balances exceeded Principal Collections for such Collection Period, and (ii) for the Collection Period during which the Revolving Period ends, and any Collection Period thereafter, so long as an Amortization Event has not occurred, an increase in the aggregate principal amount of Variable Funding Notes or an issuance of new variable funding notes as of each Payment Date in an aggregate amount equal to the total of the related Draws for the corresponding Collection Period.

Section 2.3 Reserved.

Section 2.4 Variable Funding Notes on or after the Closing Date.

Subject to Section 4.02 of the Indenture, if at any time, the Seller holds Variable Funding Notes that have reached the Maximum Variable Funding Balance, as applicable, and to the extent that the same are exchanged for Capped Funding Notes in accordance with Section 4.01(d) of the Indenture, the Purchaser agrees that, upon written request made by the Seller at any time, the Purchaser shall use its best reasonable efforts to cause such Capped Funding Notes held by the Seller to be registered for resale by the Seller pursuant to an effective registration statement filed by the Purchaser in accordance with, and meeting all requirements of, the Securities Act. The Purchaser shall use its best reasonable efforts to cause such registration statement to become effective with respect to such Capped Funding Notes as soon as practicable within a mutually agreed reasonable time period after the Seller's request. It is contemplated that such registration statement will be the shelf registration statement pursuant to which the Term Notes issued on the Closing Date are to be offered, or one substantially similar thereto. In connection with such registration statement and offering, the Seller shall reimburse the Purchaser for costs related thereto including registration fees, printing fees, rating fees, legal fees, accountant's fees, blue sky registration fees and expenses (if any), related expenses of the Credit Enhancer and other out-of-pocket costs, if any. In connection with such registration statement and related prospectus, the Seller shall provide the Purchaser with an updated Group I Loan Schedule or Group II Loan Schedule and all other information reasonably necessary to assure that the statements in the prospectus with respect to the Home Equity Loans and the Seller (including in its capacity as servicer of the Home Equity Loans) are complete and correct in all material respects as of the date of sale of such Capped Funding Notes by the Seller. In addition, the Seller shall provide, or arrange to be provided, to the Purchaser such additional agreements, opinions and certifications as may be reasonably requested by the Credit Enhancer. The registration statement shall not include any information with respect to the Credit Enhancer, except for information approved by the Credit Enhancer for use therein.

Section 2.5 Draws After an Amortization Event.

In the event that an Amortization Event occurs, any Draws made on the Group II Loans thereafter shall not be deemed to be "Additional Balances" hereunder, and the ownership of the related balances shall be retained by the Seller. Following an Amortization Event, on any Payment Date, with respect to the related Collection Period, all Interest Collections and Principal Collections in respect of each individual Group II Loan shall be allocated on a pro rata basis as between the Issuer and the Seller, based on the relative proportions of the Loan Balance and the Excluded Amount, respectively, as of the

end of the calendar month immediately prior to such Collection Period. Any losses incurred with respect to any individual Group II Loan following an Amortization Event shall be allocated on a pro rata basis between the Issuer and the Seller, based on the Loan Balance and the Excluded Amount thereof as of the date of liquidation of such Group II Loan. Notwithstanding any other provision hereof or of the Servicing Agreement, the payments and collections allocable to the Excluded Amount need not be deposited in the Custodial Account and shall not be deposited in the Certificate Distribution Account or the Payment Account, and shall be distributed by the Master Servicer to the Seller not less frequently than monthly in accordance with reasonable instructions provided by the Seller.

ARTICLE III

REPRESENTATIONS AND WARRANTIES; REMEDIES FOR BREACH

Section 3.1....Seller Representations and Warranties. The Seller represents and warrants to the Purchaser and to the Credit Enhancer, as of the Closing Date (or if otherwise specified below, as of the date so specified):

(a) As to the Seller:

(i) The Seller is a limited liability company duly organized, validly existing and in good standing under the laws governing its creation and existence, and has the power to own its assets and to transact the business in which it is currently engaged. The Seller is duly qualified to do business as a foreign limited liability company and is in good standing in each jurisdiction in which the character of the business transacted by it or properties owned or leased by it requires such qualification and in which the failure to so qualify would have a material adverse effect on the business, properties, assets or condition (financial or other) of the Seller;

(ii) The Seller has the power and authority to make, execute, deliver and perform its obligations under this Agreement and all of the transactions contemplated under this Agreement, and has taken all necessary action to authorize the execution, delivery and performance of this Agreement. When executed and delivered, this Agreement will constitute the legal, valid and binding obligation of the Seller enforceable in accordance with its terms, except as enforcement of such terms may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and by the availability of equitable remedies;

(iii) The Seller is not required to obtain the consent of any other Person or any consent, license, approval or authorization from, or registration or declaration with, any governmental authority, bureau or agency in connection with the execution, delivery, performance, validity or enforceability of this Agreement, except for such consents, license, approvals or authorization, or registration or declaration, as shall have been obtained or filed, as the case may be;

(iv) The execution and delivery of this Agreement and the performance of the transactions contemplated hereby by the Seller will not violate any provision of any existing law or regulation or any order or decree of any court applicable to the Seller or any provision of the certificate of formation or limited liability company agreement of the Seller, or constitute a material breach of any mortgage, indenture, contract or other agreement to which the Seller is a party or by which the Seller may be bound;

(v) No litigation or administrative proceeding of or before any court, tribunal or governmental body is currently pending, or to the knowledge of the Seller threatened, against the Seller or any of its properties or with respect to this Agreement or the Certificates which in the opinion of the Seller has a reasonable likelihood of resulting in a material adverse effect on the transactions contemplated by this Agreement;

(vi) This Agreement constitutes a legal, valid and binding obligation of the Seller, enforceable against the Seller in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by general principles of equity (whether considered in a proceeding at law or in equity);

(vii) This Agreement constitutes a valid transfer and assignment to the Purchaser of all right, title and interest of the Seller in and to the Cut-off Date Loan Balances with respect to the Home Equity Loans, all monies due or to become due with respect thereto, and all proceeds of such Cut-off Date Loan Balances with respect to the Home Equity Loans and such funds as are from time to time deposited in the Custodial Account (excluding any investment earnings thereon) as assets of the Trust and all other property specified in the definition of "Trust" as being part of the corpus of the Trust conveyed to the Purchaser by the Seller, and upon payment for the Additional Balances, will constitute a valid transfer and assignment to the Purchaser of all right, title and interest of the Seller in and to the Additional Balances, all monies due or to become due with respect thereto, and all proceeds of such Additional Balances and all other property specified in the definition of "Trust" relating to the Additional Balances;

(viii) The Seller is not in default with respect to any order or decree of any court or any order, regulation or demand or any federal, state, municipal or governmental agency, which

default might have consequences that would materially and adversely affect the condition (financial or other) or operations of the Master Servicer or its properties or might have consequences that would materially adversely affect its performance hereunder; and

(ix) The Seller is a member of MERS in good standing, and will comply in all material respects with the rules and procedures of MERS in connection with the servicing of the Mortgage Loans that are registered with MERS.

(b) As to the Group I Loans (unless otherwise specified, all percentages in this Section 3.1(b) are by Cut-off Date Principal Balance):

(i) As of the Cut-off Date, no Group I Loan is 30 days or more Delinquent in payment of principal and interest;

(ii) The information set forth in the Group I Loan Schedule with respect to each Group I Loan or the Group I Loans, as the case may be, is true and correct in all material respects at the date or dates respecting which such information is furnished;

(iii) There is no right of rescission, valid offset, defense, claim or counterclaim of any obligor under any Mortgage Note or Mortgage except as may be provided under the Servicemembers Civil Relief Act, as amended;

(iv) There is no delinquent recording or other tax or fee or assessment lien against any related Mortgaged Property;

(v) There is no proceeding pending or threatened for the total or partial condemnation of the related Mortgaged Property;

(vi) There are no mechanics' or similar liens or claims which have been filed for work, labor or material affecting the related Mortgaged Property which are, or may be liens prior or equal to, or subordinate with, the lien of the related Mortgage;

(vii) For each Group I Loan, the related Custodial File contains or will contain each of the documents and instruments specified to be included therein;

(viii) The related Mortgage Note and the related Mortgage at the time it was made complied in all material respects with applicable local, state and federal laws, including, but not limited to, all applicable anti-predatory lending laws and the Constitution of the State of Texas;

(ix) A policy of title insurance in the form and amount required by the Program Guide was effective as of the closing of each Group I Loan and each such policy is valid and remains in full force and effect, unless the Mortgaged Property is located in the State of Iowa and an attorney's certificate has been provided in accordance with the Program Guide, and a title search or other assurance of title customary in the relevant jurisdiction was obtained with respect to each Mortgage Loan as to which no title insurance policy or binder was issued;

(x) With respect to each Group I Loan, the ratio, expressed as a percentage, of (A) the sum of (i) the Cut-off Date Principal Balance of such Group I Loan and (ii) any outstanding principal balance, as of the Cut-off Date, of all other mortgage loans, if any, secured by senior or subordinate liens on the related Mortgaged Property, to (B) the Appraised Value, or, to the extent permitted by the Program Guide, the Stated Value of such Mortgaged Property, was not in excess of 100%;

(xi) The physical property subject to each Mortgage is free of material damage and is in good repair;

(xii) The Seller has not received a notice of default of any senior mortgage loan related to a Mortgaged Property which has not been cured by a party other than the related Subservicer;

(xiii) The Loan Rate on each Group I Loan will be fixed. No Group I Loan is subject to negative amortization;

(xiv) No more than 25.0% and 10.7% of the Group I Loans are secured by Mortgaged Properties located in California and Florida, respectively;

(xv) Immediately prior to the assignment of the Group I Loans to the Indenture Trustee, the Seller had good title to, and was the sole owner of, each Group I Loan free and clear of any pledge, lien, encumbrance or security interest (other than a first lien on such Mortgaged Property and the rights to servicing and related compensation) and such assignment validly transfers ownership of the Group I Loans to the Indenture Trustee free and clear of any pledge, lien, encumbrance or security interest (other than a first lien on such Mortgaged Property and the rights to servicing and related compensation);

(xvi) Approximately 63.9% of the Group I Loans are balloon loans;

(xvii) No Group I Loan will have a remaining term to stated maturity as of the Cut-off Date of less than 58 months. The weighted average remaining term to stated maturity of the Group I Loans as of the Cut-off Date will be approximately 220 months. The weighted average original term to maturity of the Group I Loans as of the Cut-off Date will be approximately 221 months. Approximately 0.1% of the Group I Loans are fully-amortizing and will have original terms to maturity of approximately five years, with a weighted average remaining term to stated maturity of such Group I Loans of approximately 60 months. Approximately

0.3% of the Group I Loans are fully-amortizing and will have original terms to maturity of approximately ten years, with a weighted average remaining term to stated maturity of such Group I Loans of approximately 118 months. Approximately 4.7% of the Group I Loans are fully-amortizing and will have original terms to maturity of approximately fifteen years, with a weighted average remaining term to stated maturity of such Group I Loans of approximately 179 months. Approximately 0.9% of the Group I Loans are fully-amortizing and will have original terms to maturity of approximately twenty years, with a weighted average remaining term to stated maturity of such Group I Loans of approximately 238 months. Approximately 7.7% of the Group I Loans are fully-amortizing and will have original terms to maturity of approximately twenty-five or more years, including approximately 7.4% that have original terms to maturity of approximately thirty years, with a weighted average remaining term to stated maturity of such Group I Loans of approximately 356 months. Approximately 63.9% of the Group I Loans are balloon loans will have original terms to maturity of approximately fifteen years based on 30-year amortization schedules, with a weighted average remaining term to stated maturity of 179 months;

(xviii) [Reserved];

(xix) Other than with respect to a payment default, there is no material default, breach, violation or event of acceleration existing under the terms of any Mortgage Note or Mortgage and no event which, with notice and expiration of any grace or cure period, would constitute a material default, breach, violation or event of acceleration under the terms of any Mortgage Note or Mortgage, and no such material default, breach, violation or event of acceleration has been waived by the Seller or by any other entity involved in originating or servicing a Group I Loan;

(xx) For each Group I Loan, hazard insurance and flood insurance has been obtained which meets all applicable requirements of Section 3.04 of the Servicing Agreement, or the Master Servicer will obtain blanket coverage in respect thereof as contemplated in the Servicing Agreement;

(xxi) Each Mortgage Note and each Mortgage is an enforceable obligation of the related Mortgagor;

(xxii) No instrument of release or waiver has been executed in connection with the Group I Loans, and no Mortgagor has been released, in whole or in part from its obligations in connection with a Group I Loan;

(xxiii) With respect to each Group I Loan that is a second lien, either (i) no consent for the Group I Loan was required by the holder of the related prior lien or (ii) such consent has been obtained and is contained in the Custodial File;

(xxiv) None of the Mortgaged Properties is a mobile home or a manufactured housing unit that is not permanently attached to its foundation;

(xxv) Each Group I Loan constitutes a qualified mortgage under Section 860G(a)(3)(A) of the Code and Treasury Regulations Section 1.860G-2(a)(1), (2), (4), (5) and (6), without reliance on the provisions of Treasury Regulation Section 1.860G-2(a)(3) or Treasury Regulation Section 1.860G-2(f)(2) or any other provision that would allow a Group I Loan to be treated as a "qualified mortgage" notwithstanding its failure to meet the requirements of Section 860G(a)(3)(A) of the Code and Treasury Regulation Section 1.860G-2(a)(1), (2), (4), (5) and (6);

(xxvi) Approximately 95.2% of the Group I Loans are actuarial mortgage loans, on which 30 days of interest is owed each month irrespective of the day on which the payment is received;

(xxvii) As of the Cut-off Date, the Loan Rates of the Group I Loans range between 5.550% per annum and 18.675% per annum, with a weighted average Loan Rate of approximately 10.7858% per annum;

(xxviii).....Approximately 99.87% of the Group I Loans are secured by second liens and the remainder are secured by first liens;

(xxix) [Reserved];

(xxx) (A) Each Mortgaged Property with respect to the Group I Loans consists of a single parcel of real property with a single family residence erected thereon, a two-to-four family residence erected thereon, or improved by an individual condominium unit, planned unit development, townhouse or manufactured home; (B) with respect to the Group I Loans, (i) approximately 35.66% of the Group I Loans are secured by real property improved by individual condominium units, planned unit developments (attached and detached), townhouses/rowhouses or manufactured homes, (ii) approximately 56.29% of the Group I Loans are secured by real property with a single family residence erected thereon and (iii) approximately 8.06% of the Group I Loans are secured by real property with a two-to-four family residence;

(xxxi) Four of the Mortgage Notes of the Group I Loans are missing from the Custodial File;

(xxxii) None of the Group I Loans are secured by a leasehold interest;

(xxxiii).....None of the proceeds of the Group I Loans were used to finance the purchase of single premium credit insurance policies and none of the Group I Loans contain prepayment penalties that extend beyond five years after the date of origination;

(xxxiv) None of the Group I Loans are loans that, under applicable state or local law in effect at the time of origination of such loan, are referred to as (1) "high cost" or "covered" loans or (2) any other similar designation if the law imposes greater restrictions or additional legal liability for residential mortgage loans with high interest rates, points and/or fees;

(xxxv) The Seller has not transferred the Group I Loans to the Purchaser with any intent to hinder, delay or defraud creditors;

(xxxvi) Each Subservicer meets all applicable requirements under the Servicing Agreement, is properly qualified to service the Group I Loans and has been servicing the Group I Loans prior to the Cut-off Date in accordance with the terms of the Subservicing Agreement;

(xxxvii) All of the Group I Loans have been underwritten in substantial compliance with the criteria set forth in the Program Guide;

(xxxviii) The proceeds of each Group I Loan have been fully disbursed and there is no requirement for future advances thereunder;

(xxxix) The Mortgage contains a customary provision for the acceleration of the payment of the unpaid principal balance of the Group I Loan in the event the related Mortgaged Property is sold without the prior consent of the mortgagee thereunder;

(xl) With respect to Group I Loans originated more than 12 months prior to the Cut-off Date none of the obligors under such Group I Loans were the subject of a bankruptcy proceeding;

(xli) No Group I Loan is a High Cost Loan or Covered Loan, as applicable (as such terms are defined in the then current Standard & Poor's LEVELS(R)Glossary which is now Version 6.0, Appendix E (attached hereto as Exhibit 3)); provided that no representation and warranty is made in this clause 3.1(b)(xli) with respect to 0.17% of the Group I Loans (by outstanding principal balance as of the Cut-off Date) secured by property located in the State of Kansas, and with respect to 0.05% of the Group I Loans (by outstanding principal balance as of the Cut-off Date) secured by property located in the State of West Virginia;

(xlii) No Group I Loan originated on or after October 1, 2002 through March 6, 2003 is governed by the Georgia Fair Lending Act;

(xliii) None of the Group I Loans were subject to the Home Ownership and Equity Protection Act of 1994;

(xliv) None of the Mortgage Loans are reverse mortgage loans; and

(xlv) No more than 0.1% of the Group I Loans have been 60 to 89 days delinquent in the payment of principal or interest during the twelve months preceding the Cut-off Date.

(c) As to the Group II Loans (unless otherwise specified, all percentages in this Section 3.1(c) are by Cut-off Date Principal Balance):

(i) The information set forth in the Group II Loan Schedule with respect to each Group II Loan or the Group II Loans, as the case may be, is true and correct in all material respects as of the date or dates respecting which such information is furnished;

(ii) The Cut-off Date Loan Balances have not been assigned or pledged, the Seller has good and marketable title thereto and the Seller is the sole owner and holder of such Cut-off Date Loan Balances free and clear of any and all liens, claims, encumbrances, participation interests, equities, pledges, charges of security interests of any nature and has full right and authority, under all governmental and regulatory bodies having jurisdiction over the ownership of the applicable Group II Loans to sell and assign the same pursuant to this Agreement;

(iii) The related Mortgage Note and the Mortgage have not been assigned or pledged, the Seller has good and marketable title thereto and the Seller is the sole owner and holder of the Group II Loan free and clear of any and all liens, claims, encumbrances, participation interests, equities, pledges, charges of security interests of any nature and has full right and authority, under all governmental and regulatory bodies having jurisdiction over the ownership of the applicable Group II Loans to sell and assign the same pursuant to this Agreement;

(iv) There is no right of rescission, valid offset, defense, claim or counterclaim of any obligor under any Loan Agreement or Mortgage except as may be provided under the Servicemembers Civil Relief Act, as amended;

(v) There is no delinquent tax or assessment lien against any related Mortgaged Property;

(vi) There is no proceeding pending or threatened for the total or partial condemnation of the related Mortgaged Property;

(vii) There are no mechanics' or similar liens or claims which have been filed for work, labor or material affecting the related Mortgaged Property which are, or may be liens prior or equal to, or subordinate with, the lien of the related Mortgage, except liens which are fully insured against by the title insurance policy referred to in clause (c)(xi);

(viii) As of the Cut-off Date, no Group II Loan was 30 days or more Delinquent in payment of

principal and interest;

(ix) For each Group II Loan, the related Custodial File contains each of the documents and instruments required to be included therein under Section 2.1(c) and the Master Servicer (or an Affiliate of the Master Servicer) has possession of the documents required to be delivered to such party under Section 2.1(c);

(x) The related Loan Agreement and the related Mortgage at the time it was made complied in all material respects with applicable local, state and federal laws, including, but not limited to, all applicable anti-predatory lending laws and the Constitution of the State of Texas;

(xi) A policy of title insurance in the form and amount required by the Program Guide was effective as of the closing of each Group II Loan and each such policy is valid and remains in full force and effect, unless the Mortgaged Property is located in the State of Iowa and an attorney's certificate has been provided in accordance with the Program Guide, except that with respect to each Group II Loan with a Cut-off Date Loan Balance of less than $100,000 as to which no title insurance policy or binder or attorney's certificate was issued there are no intervening liens affecting the Mortgaged Property;

(xii) None of the Mortgaged Properties is a mobile home or a manufactured housing unit that is not permanently attached to its foundation;

(xiii) No more than 35.5% and 10.1% of the Group II Loans are secured by Mortgaged Properties located in California and Florida, respectively;

(xiv) As of the Cut-off Date the Combined Loan-to-Value Ratio for each Group II Loan was not in excess of 100%;

(xv) Immediately prior to the assignment of the Group II Loans to the Indenture Trustee, the Seller had good title to, and was the sole owner of, each Group II Loan free and clear of any pledge, lien, encumbrance or security interest (other than a first lien on such Mortgaged Property and the rights to servicing and related compensation) and such assignment validly transfers ownership of the Group II Loans to the Indenture Trustee free and clear of any pledge, lien, encumbrance or security interest (other than a first lien on such Mortgaged Property and the rights to servicing and related compensation);

(xvi) The Seller has not transferred the Group II Loans to the Purchaser with any intent to hinder, delay or defraud any of its creditors;

(xvii) The minimum monthly payment with respect to any Group II Loan is not less than the interest accrued at the applicable Loan Rate on the average daily Loan Balance during the interest period relating to the date on which such minimum monthly payment is due;

(xviii) The Seller will submit for filing or cause to be submitted for filing UCC-1 financing statements in accordance with the terms of this Agreement;

(xix) Each Loan Agreement and each Mortgage constitutes a legal, valid and binding obligation of the Mortgagor enforceable in accordance with its terms except as limited by bankruptcy, insolvency or other similar laws affecting generally the enforcement of creditors' rights;

(xx) To the best of Seller's knowledge, the physical property subject to each Mortgage is free of material damage and is in good repair;

(xxi) The Seller has not received a notice of default of any senior mortgage loan related to a Mortgaged Property which has not been cured by a party other than the related Subservicer;

(xxii) Each of the Mortgage Notes has a substantially similar definition of Prime as the Index applicable to the Loan Rate;

(xxiii) None of the Group II Loans are reverse mortgage loans;

(xxiv) (A) No Group II Loan has an original term to maturity in excess of 360 months. On each date that the Loan Rates have been adjusted prior to the Cut-off Date interest rate adjustments on the Group II Loans were made in compliance with the related Mortgage and Mortgage Note and applicable law. Over the term of any Group II Loan, the Loan Rate may not exceed the related maximum Loan Rate, if any. (B) The Group II Loans have maximum Loan Rates which range between 10.00% and 25.00%. The Gross Margins for the Group II Loans range between less than 0.000% and 8.500%, and the weighted average Gross Margin for the Group II Loans is approximately 2.67% as of the Cut-off Date. As of the Cut-off Date, the Loan Rates on the Group II Loans range between 3.000% and 18.000% and the weighted average Loan Rate is approximately 8.5913%. The weighted average remaining term to stated maturity of the Group II Loans on a contractual basis as of the Cut-off Date is approximately 276 months;

(xxv) (A) Each Mortgaged Property with respect to the Group II Loans consists of a single parcel of real property with a single family residence erected thereon, a two-to-four family residence erected thereon, or improved by an individual condominium unit, planned unit development, townhouse or manufactured home. (B) With respect to the Group II Loans (i) approximately 24.12% of the Group II Loans are secured by real property improved by individual condominium units, planned unit developments (attached and detached), townhouses/rowhouses, condotels or manufactured homes, (ii) approximately 68.93% of the Group II Loans are secured by real property with a single family residence erected thereon and (iii) approximately 6.93% of the Group II Loans are secured by real property with a

two-to-four family residence;

(xxvi) As of the Cut-off Date, the Credit Limits on the Group II Loans range between approximately $10,000 and $900,000 with an average of $62,267. As of the Cut-off Date, no Group II Loan had a principal balance in excess of $880,000 and the weighted average Credit Limit Utilization Rate, based on the Credit Limits of the Group II Loans is equal to approximately 86.0%;

(xxvii) Approximately 99.26% of the Group II Loans are secured by second liens and the remainder are secured by first liens;

(xxviii) Each Subservicer meets all applicable requirements under the Servicing Agreement, is properly qualified to service the Group II Loans and has been servicing the Group II Loans prior to the Cut-off Date in accordance with the terms of the respective Subservicing Agreement;

(xxix) For each Group II Loan, hazard insurance and flood insurance has been obtained which meets all applicable requirements of Section 3.04 of the Servicing Agreement or the Master Servicer will obtain blanket coverage in respect thereof as contemplated in the Servicing Agreement;

(xxx) Other than with respect to a payment default, there is no material default, breach, violation or event of acceleration existing under the terms of any Mortgage Note or Mortgage and no event which, with notice and expiration of any grace or cure period, would constitute a material default, breach, violation or event of acceleration under the terms of any Mortgage Note or Mortgage, and no such material default, breach, violation or event of acceleration has been waived by the Seller or by any other entity involved in originating or servicing a Group II Loan;

(xxxi) No instrument of release or waiver has been executed in connection with the Group II Loans, and no Mortgagor has been released, in whole or in part from its obligations in connection with a Group II Loan;

(xxxii) With respect to each Group II Loan that is a second lien, either (i) no consent for the Group II Loan was required by the holder of the related prior lien or (ii) such consent has been obtained and is contained in the Custodial File;

(xxxiii) The Mortgage contains a customary provision for the acceleration of the payment of the unpaid principal balance of the Group II Loan in the event the related Mortgaged Property is sold without the prior consent of the mortgagee thereunder;

(xxxiv) Five of the Loan Agreements of the Group II Loans are missing from the Custodial File;

(xxxv) With respect to each Group II Loan, the ratio, expressed as a percentage, of (A) the sum of (i) the Cut-off Date Principal Balance of such Group II Loan and (ii) any outstanding principal balance, as of the Cut-off Date, of all other mortgage loans, if any, secured by senior or subordinate liens on the related Mortgaged Property, to (B) the Appraised Value, or, to the extent permitted by the Program Guide, the Stated Value of such Mortgaged Property, was not in excess of 100% (except due to rounding);

(xxxvi) Approximately 26.2% of the Group II Loans are balloon loans;

(xxxvii) None of the proceeds of the Group II Loans were used to finance the purchase of single premium credit insurance policies and none of the Group II Loans contain prepayment penalties that extend beyond five years after the date of origination;

(xxxviii) None of the Group II Loans are secured by a leasehold interest;

(xxxix) None of the Group II Loans are loans that, under applicable state or local law in effect at the time of origination of such loan, are referred to as (1) "high cost" or "covered" loans or (2) any other similar designation if the law imposes greater restrictions or additional legal liability for residential mortgage loans with high interest rates, points and/or fees;

(xl) With respect to Group II Loans originated more than 12 months prior to the Cut-off Date none of the obligors under such Group II Loans were the subject of a bankruptcy proceeding;

(xli) All of the Group II Loans have been underwritten in substantial compliance with the criteria set forth in the Program Guide;

(xlii) No Group II Loan is a High Cost Loan or Covered Loan, as applicable (as such terms are defined in the then current Standard & Poor's LEVELS(R)Glossary which is now Version 6.0, Appendix E (attached hereto as Exhibit 3)); provided that no representation and warranty is made in this clause 3.1(c)(xlii) with respect to 0.08% of the Group II Loans (by outstanding principal balance as of the Cut-off Date) secured by property located in the State of Kansas, and with respect to 0.04% of the Group II Loans (by outstanding principal balance as of the Cut-off Date) secured by property located in the State of West Virginia;

(xliii) No Group II Loan originated on or after October 1, 2002 through March 6, 2003 is governed by the Georgia Fair Lending Act;

(xliv) None of the Group II Loans were subject to the Home Ownership and Equity Protection Act of 1994; and

(xlv) No more than 1.5% of the Group II Loans were 30 to 59 days delinquent in the payment of principal or interest during the twelve months preceding the Cut-off Date. No more than 0.1% of the Group II Loans were 60 to 89 days delinquent in the payment of principal or interest during the twelve months preceding the Cut-off Date.

(d) Upon discovery by Seller or upon notice from the Purchaser, the Credit Enhancer, the Issuer, the Owner Trustee, the Indenture Trustee or the Custodian, as applicable, of a breach of any representation or warranty in clause (a) above which materially and adversely affects the interests of the Securityholders or the Credit Enhancer, as applicable, in any Home Equity Loan, the Seller shall, within 45 days of its discovery or its receipt of notice of such breach, either (i) cure such breach in all material respects or (ii) to the extent that such breach is with respect to a Home Equity Loan or a Related Document, either (A) repurchase such Home Equity Loan from the Issuer at the Repurchase Price, or (B) substitute one or more Eligible Substitute Loans for such Home Equity Loan, in each case in the manner and subject to the conditions and limitations set forth below; provided that the Seller shall have the option to substitute an Eligible Substitute Loan or Loans for a Group I Loan only if such substitution occurs within two years following the Closing Date.

Upon discovery by the Seller or upon notice from the Purchaser, the Credit Enhancer, the Issuer, the Owner Trustee, the Indenture Trustee or any Custodian, as applicable, of a breach of any representation or warranty in clause (b) or (c) above with respect to any Home Equity Loan, or upon the occurrence of a Repurchase Event, which materially and adversely affects the interests of any Securityholders or the Credit Enhancer, as applicable, or of the Purchaser in such Home Equity Loan (notice of which shall be given to the Purchaser by the Seller, if it discovers the same), notwithstanding the Seller's lack of knowledge with respect to the substance of such representation and warranty, the Seller shall, within 90 days of its discovery or its receipt of notice of such breach, or, if such breach would cause a Group I Loan to be other than a "qualified mortgage" as defined in Section 860G(a)(3) of the Code, within 90 days after the breach was discovered, either (i) cure such breach in all material respects or (ii) to the extent that such breach is with respect to a Home Equity Loan or a Related Document, either (A) repurchase such Home Equity Loan from the Issuer at the Repurchase Price, or (B) substitute one or more Eligible Substitute Loans for such Home Equity Loan, in each case in the manner and subject to the conditions and limitations set forth below; provided that the Seller shall have the option to substitute an Eligible Substitute Loan or Loans for a Group I Loan only if such substitution occurs within two years following the Closing Date. If the breach of representation and warranty that gave rise to the obligation to repurchase or substitute a Home Equity Loan pursuant to this Section 3.1 was the representation and warranty set forth in clauses (b)(viii) or (c)(x) of this Section 3.1, then the Seller shall pay to the Trust, concurrently with and in addition to the remedies provided in the preceding sentence, an amount equal to any liability, penalty or expense that was actually incurred and paid out of or on behalf of the Trust, and that directly resulted from such breach, or if incurred and paid by the Trust thereafter, concurrently with such payment. The Repurchase Price plus any amount described in the preceding sentence for any such Home Equity Loan repurchased by the Seller shall be deposited or caused to be deposited by the Master Servicer in the Custodial Account maintained by it pursuant to Section 3.02 of the Servicing Agreement.

In the event that the Seller elects to substitute an Eligible Substitute Loan or Loans for a Deleted Loan pursuant to this Section 3.1(d), the Seller shall deliver to the Custodian on behalf of the Issuer, with respect to such Eligible Substitute Loan or Loans, the original Mortgage Note (or, in the case of a Home Equity Loan as to which the original Mortgage Note has been permanently lost or destroyed and has not been replaced, a Lost Note Affidavit, together with a copy of such Note) and all other documents and agreements as are required by Section 2.1(c), with the Mortgage Note endorsed as required by Section 2.1(c). No substitution will be made in any calendar month after the Determination Date for such month. Monthly payments due with respect to Eligible Substitute Loans in the month of substitution shall not be part of the Trust Estate and will be retained by the Master Servicer and remitted by the Master Servicer to the Seller on the next succeeding Payment Date, provided that a payment at least equal to the applicable Minimum Monthly Payment for such month in respect of the Deleted Loan has been received by the Trust. For the month of substitution, distributions to the Payment Account pursuant to the Servicing Agreement will include the monthly payment due on a Deleted Loan for such month and thereafter the Seller shall be entitled to retain all amounts received in respect of such Deleted Loan. The Master Servicer shall amend or cause to be amended the Group I Loan Schedule or Group II Loan Schedule, as the case may be, to reflect the removal of such Deleted Loan and the substitution of the Eligible Substitute Loan or Loans and the Master Servicer shall deliver the amended Group I Loan Schedule or Group II Loan Schedule, as the case may be, to the Owner Trustee. Upon such substitution, the Eligible Substitute Loan or Loans shall be subject to the terms of this Agreement and the Servicing Agreement in all respects, the Seller shall be deemed to have made the representations and warranties with respect to the Eligible Substitute Loan contained herein set forth in Section 3.1(b) (other than clauses (xiv), (xvi), (xvii), (xxvi), (xxvii), (xxviii), (xxx)(B) and (xxxi) thereof), if such Deleted Loan is a Group I Loan, or Section 3.1(c) (other than clauses (xiii), (xxiv)(B), (xxv)(B), (xxvi), (xxvii), (xxxiv) and (xxxvi) thereof), if such Deleted Loan is a Group II Loan, as of the date of substitution, and the Seller shall be obligated to repurchase or substitute for any Eligible Substitute Loan as to which a Repurchase Event has occurred as provided herein. In connection with the substitution of one or more Eligible Substitute Loans for one or more Deleted Loans, the Master Servicer will determine the amount (such amount, a "Substitution Adjustment Amount"), if any, by which the aggregate principal balance of all such Eligible Substitute Loans as of the date of substitution is less than the aggregate principal balance of all such Deleted Loans (after application of the principal portion of the monthly payments due in the month of substitution that are to be

distributed to the Payment Account in the month of substitution). The Seller shall deposit the amount of such shortfall into the Custodial Account on the date of such substitution, without any reimbursement therefor. The Seller shall give notice in writing to the Indenture Trustee and the Credit Enhancer of such event, which notice shall be accompanied by an Officers' Certificate as to the calculation of such shortfall and by an Opinion of Counsel to the effect that such substitution will not cause (a) any federal tax to be imposed on the Issuer, including without limitation in the case of a Group I Loan, any federal tax imposed on "prohibited transactions" under Section 860F(a)(1) of the Code or on "contributions after the startup date" under Section 860G(d)(1) of the Code or (b) any portion of REMIC I or REMIC II to fail to qualify as a REMIC at any time that any Term Note is outstanding.

Upon receipt by the Indenture Trustee on behalf of the Issuer and the Custodian of written notification, signed by a Servicing Officer, of the deposit of such Repurchase Price or of such substitution of an Eligible Substitute Loan (together with the related Custodial File) and deposit of any applicable Substitution Adjustment Amount as provided above, the Custodian, on behalf of the Indenture Trustee, shall release the contents of any related Custodial File for the Home Equity Loan being repurchased or substituted for and the Indenture Trustee on behalf of the Issuer shall execute and deliver such instruments of transfer or assignment prepared by the Master Servicer, in each case without recourse, representation or warranty as shall be necessary to vest in the Seller or its designee such Home Equity Loan released pursuant hereto and thereafter such Home Equity Loan shall not be an asset of the Issuer.

Except with regard to a breach of the representations and warranties set forth in Section 3.1(b)(viii) and 3.1(c)(x) as provided in Section 3.1(d) hereof, it is understood and agreed that the obligation of the Seller to cure any breach, or to repurchase or substitute for, any Home Equity Loan as to which such a breach has occurred and is continuing, shall constitute the sole remedy respecting such breach available to the Purchaser, the Issuer, the Certificateholders (or the Owner Trustee on behalf of the Certificateholders) and the Noteholders (or the Indenture Trustee on behalf of the Noteholders) against the Seller.

In the event that the first, second or third Minimum Monthly Payment due on any Home Equity Loan after the Cut-off Date has not been received by the Master Servicer or the related Subservicer within 30 days of the related Due Date for such Minimum Monthly Payment on such Home Equity Loan, the Seller shall repurchase such Home Equity Loan at the related Repurchase Price in the manner set forth in Section 2.03 of the Servicing Agreement, in any case within 60 days of written notice from RFC Asset Holdings II, Inc., which notice shall be simultaneously delivered to the Credit Enhancer, or from the Credit Enhancer. Notwithstanding the foregoing, the Seller shall not have the obligation to repurchase a Home Equity Loan in accordance with this paragraph of this Section 3.1 unless the Seller has received written notice from RFC Asset Holdings II, Inc., which notice shall be simultaneously delivered to the Credit Enhancer, or from the Credit Enhancer, of such breach of such covenant for such Home Equity Loan within 150 days of the Closing Date. For purposes of this paragraph of this Section 3.1, any Minimum Monthly Payment on a Home Equity Loan received by a prior servicer before the servicing of such Home Equity Loan has been transferred to the Master Servicer or the related Subservicer or any Minimum Monthly Payment that was received but misapplied by the Master Servicer or the related Subservicer shall be deemed to be received by the Master Servicer or the related Subservicer as of the date of receipt by such prior servicer, the Master Servicer or the Subservicer, as applicable.

It is understood and agreed that the representations and warranties set forth in this Section 3.1 shall survive delivery of the respective Custodial Files to the Issuer, or the Custodian.

ARTICLE IV

SELLER'S COVENANTS

Section 4.1 Covenants of the Seller. The Seller hereby covenants that, except for the transfer hereunder, the Seller will not sell, pledge, assign or transfer to any other Person, or grant, create, incur or assume any Lien on any Home Equity Loan, or any interest therein, except with respect to any Excluded Amount; the Seller will notify the Issuer, as assignee of the Purchaser, of the existence of any Lien (other than as provided above) on any Home Equity Loan immediately upon discovery thereof; and the Seller will defend the right, title and interest of the Issuer, as assignee of the Purchaser, in, to and under the Home Equity Loans against all claims of third parties claiming through or under the Seller; provided, however, that nothing in this Section 4.1 shall be deemed to apply to any Liens for municipal or other local taxes and other governmental charges if such taxes or governmental charges shall not at the time be due and payable or if the Seller shall currently be contesting the validity thereof in good faith by appropriate Proceedings.

ARTICLE V

SERVICING

Section 5.1 Servicing. The Seller will service the Home Equity Loans pursuant to the terms and conditions of the Servicing Agreement and will service the Home Equity Loans directly or through one or more sub-servicers in accordance therewith.

ARTICLE VI

INDEMNIFICATION BY THE SELLER WITH RESPECT TO THE HOME EQUITY LOANS

Section 6.1 Limitation on Liability of the Seller. None of the directors, officers, employees or agents of the Seller shall be under any liability to the Purchaser, it being expressly understood that all such liability is expressly waived and released as a condition of, and as consideration for, the execution of this Agreement. Except as and to the extent expressly provided in the Servicing Agreement, the Seller shall not be under any liability to the Trust, the Owner Trustee, the Indenture Trustee or the Securityholders. The Seller and any director, officer, employee or agent of the Seller may rely in good faith on any document of any kind prima facie properly executed and submitted by any Person respecting any matters arising hereunder.

ARTICLE VII

TERMINATION

Section 7.1 Termination. The respective obligations and responsibilities of the Seller and the Purchaser created hereby shall terminate upon the termination of the Trust pursuant to the terms of the Trust Agreement.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 8.1 Amendment. This Agreement may be amended from time to time by the Seller and the Purchaser by written agreement signed by the Seller and the Purchaser, with the consent of the Credit Enhancer (which consent shall not be unreasonably withheld).

Section 8.2 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK , WITHOUT REGARD TO THE CONFLICT OF LAW PRINCIPLES THEREOF (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW), AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

Section 8.3 Notices. All demands, notices and communications hereunder shall be in writing and shall be deemed to have been duly given if personally delivered at or mailed by registered mail, postage prepaid, addressed as follows:

(i) if to the Seller:

Residential Funding Company, LLC
8400 Normandale Lake Boulevard
Suite 250
Minneapolis, Minnesota 55437
Attention: Home Equity Loan Trust 2007-HSA3

or, such other address as may hereafter be furnished to the Purchaser in writing by the Seller.

(ii) if to the Purchaser:

Residential Funding Mortgage Securities II, Inc.
8400 Normandale Lake Boulevard
Suite 250
Minneapolis, Minnesota 55437
Attention: Home Equity Loan Trust 2007-HSA3

or such other address as may hereafter be furnished to the Seller in writing by the Purchaser.

Section 8.4 Severability of Provisions. If any one or more of the covenants, agreements, provisions of terms of this Agreement shall be held invalid for any reason whatsoever, then such covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants, agreements, provisions or terms of this Agreement and shall in no way affect the validity of enforceability of the other provisions of this Agreement.

Section 8.5 Relationship of Parties. Nothing herein contained shall be deemed or construed to create a partnership or joint venture between the parties hereto, and the services of the Seller shall be rendered as an independent contractor and not as agent for the Purchaser.

Section 8.6 Counterparts. This Agreement may be executed in one or more counterparts and by the different parties hereto on separate counterparts, each of which, when so executed, shall be deemed to be an original and such counterparts, together, shall constitute one and the same agreement.

Section 8.7 Further Agreements. The Purchaser and the Seller each agree to execute and deliver to the other such additional documents, instruments or agreements as may be necessary or appropriate to effectuate the purposes of this Agreement.

Section 8.8 Intention of the Parties. It is the intention of the parties that the Purchaser is purchasing, and the Seller is selling, the Home Equity Loans, rather than a loan by the Purchaser to the Seller secured by the Home Equity Loans. Accordingly, the parties hereto each intend to treat the transaction for Federal income tax purposes as a sale by the Seller, and a purchase by the Purchaser, of the Home Equity Loans. The Purchaser will have the right to review the Home Equity Loans and the Related Documents to determine the characteristics of the Home Equity Loans which will affect the Federal income tax consequences of owning the Home Equity Loans and the Seller will cooperate with all reasonable requests made by the Purchaser in the course of such review.

Section 8.9 Successors and Assigns; Assignment of This Agreement. This Agreement shall bind and inure to the benefit of and be enforceable by the Seller, Purchaser and their respective successors and assigns. The obligations of the Seller under this Agreement cannot be assigned or delegated to a third party without the consent of the Credit Enhancer and the Purchaser, which consent shall be at the Credit Enhancer's and the Purchaser's sole discretion, except that the Purchaser and the Credit Enhancer acknowledge and agree that the Seller may assign its obligations hereunder to any Affiliate of the Seller, to any Person succeeding to the business of the Seller, to any Person into which the Seller is merged and to any Person resulting from any merger, conversion or consolidation to which the Seller is a party. The parties hereto acknowledge that the Purchaser is acquiring the Home Equity Loans for the purpose of contributing them to the Issuer. Pursuant to the terms of the Trust Agreement, the Issuer will issue and transfer to or at the direction of the Purchaser, the Certificates and pursuant to the terms of the Indenture, the Issuer will issue and transfer to or at the direction of the Purchaser, the Notes secured by the Home Equity Loans. As an inducement to the Purchaser to purchase the Home Equity Loans, the Seller acknowledges and consents to (i) the assignment by the Purchaser to the Issuer of all of the Purchaser's rights against the Seller pursuant to this Agreement insofar as such rights relate to Home Equity Loans transferred to the Issuer, (ii) the enforcement or exercise of any right or remedy against the Seller pursuant to this Agreement by or on behalf of the Issuer and (iii) the Issuer's pledge of its interest in this Agreement to the Indenture Trustee and the enforcement by the Indenture Trustee of any such right or remedy against the Seller. Such enforcement of a right or remedy by the Issuer or the Indenture Trustee, as applicable, shall have the same force and effect as if the right or remedy had been enforced or exercised by the Purchaser directly.

Section 8.10 Survival. The representations and warranties made herein by the Seller and the provisions of Article VI hereof shall survive the purchase of the Home Equity Loans hereunder.

Section 8.11 Credit Enhancer as Third-Party Beneficiary.

The Credit Enhancer is an express third-party beneficiary under this Agreement.

IN WITNESS WHEREOF, the Seller and the Purchaser have caused their names to be signed to this Home Equity Loan Purchase Agreement by their respective officers thereunto duly authorized as of the day and year first above written.

RESIDENTIAL FUNDING MORTGAGE SECURITIES II, INC.,
as Purchaser

By: /s/ Jeffrey Blaschko
Name: Jeffrey Blaschko
Title: Vice President

RESIDENTIAL FUNDING COMPANY, LLC,
as Seller

By: /s/ Tim Jacobson
Name: Tim Jacobson

EXHIBIT 1

GROUP I LOAN SCHEDULE

TO BE PROVIDED UPON REQUEST

EXHIBIT 2

GROUP II LOAN SCHEDULE

TO BE PROVIDED UPON REQUEST

EXHIBIT 3
APPENDIX E OF THE STANDARD & POOR'S GLOSSARY FOR
FILE FORMAT FOR LEVELS(R)VERSION 6.0

APPENDIX E - STANDARD & POOR'S PREDATORY LENDING CATEGORIES

Standard & Poor's has categorized loans governed by anti-predatory lending laws in the Jurisdictions listed below into three categories based upon a combination of factors that include (a) the risk exposure associated with the assignee liability and (b) the tests and thresholds set forth in those laws. Note that certain loans classified by the relevant statute as Covered are included in Standard & Poor's High Cost Loan Category because they included thresholds and tests that are typical of what is generally considered High Cost by the industry.

STANDARD & POOR'S HIGH COST LOAN CATEGORIZATION

State/Jurisdiction	Name of Anti-Predatory Lending Law/Effective Date	Category under Applicable Anti-Predatory Lending Law
Arkansas	Arkansas Home Loan Protection Act, Ark. Code Ann.ss.ss. 23-53-101 et seq. Effective July 16, 2003	High Cost Home Loan
Cleveland Heights, OH	Ordinance No. 72-2003 (PSH), Mun. Codess.ss.757.01 et seq. Effective June 2, 2003	Covered Loan
Colorado	Consumer Equity Protection, Colo. Stat. Ann.ss.ss. 5-3.5-101 et seq. Effective for covered loans offered or entered into on or after January 1, 2003. Other provisions of the Act took effect on June 7, 2002	Covered Loan
Connecticut	Connecticut Abusive Home Loan Lending Practices Act,	High Cost Home Loan

	Conn. Gen. Stat. ss.ss.36a-746 et seq. Effective October 1, 2001	
District of Columbia	Home Loan Protection Act, D.C. Codess.ss.26-1151.01 et seq. Effective for loans closed on or after January 28, 2003	Covered Loan
Florida	Fair Lending Act, Fla. Stat. Ann.ss.ss.494.0078 et seq. Effective October 2, 2002	High Cost Home Loan
Georgia (Oct. 1, 2002 - Mar. 6, 2003)	Georgia Fair Lending Act, Ga. Code Ann.ss.ss.7-6A-1 et seq. Effective October 1, 2002 - March 6, 2003	High Cost Home Loan
Georgia as amended (Mar. 7, 2003 - current)	Georgia Fair Lending Act, Ga. Code Ann.ss.ss.7-6A-1 et seq. Effective for loans closed on or after March 7, 2003	High Cost Home Loan
HOEPA Section 32	Home Ownership and Equity Protection Act of 1994, 15 U.S.C.ss.1639, 12 C.F.R.ss.ss.226.32 and 226.34 Effective October 1, 1995, amendments October 1, 2002	High Cost Loan
Illinois	High Risk Home Loan Act, Ill. Comp. Stat. tit. 815, ss.ss.137/5 et seq. Effective January 1, 2004 (prior to this date, regulations under Residential Mortgage License Act effective from May 14, 2001)	High Risk Home Loan
Indiana	Indiana Home Loan Practices Act, Ind. Code Ann.ss.ss. 24-9-1-1 et seq. Effective January 1, 2005; amended by 2005 HB 1179, effective July 1, 2005	High Cost Home Loans
Kansas	Consumer Credit Code, Kan. Stat. Ann.ss.ss.16a-1-101 et seq. Sections 16a-1-301 and 16a-3-207 became effective April 14, 1999; Section 16a-3-308a became effective July 1, 1999	High Loan to Value Consumer Loan (id.ss.16a-3-207) and; High APR Consumer Loan (id.ss. 16a-3-308a)
Kentucky	2003 KY H.B. 287 - High Cost Home Loan Act, Ky. Rev. Stat.ss.ss.360.100 et seq. Effective June 24, 2003	High Cost Home Loan
Maine	Truth in Lending, Me. Rev. Stat. tit. 9-A,ss.ss.8-101 et seq. Effective September 29, 1995 and as amended from time to time	High Rate High Fee Mortgage

Massachusetts	Part 40 and Part 32, 209 C.M.R.ss.ss.32.00 et seq. and 209 C.M.R.ss.ss.40.01 et seq. Effective March 22, 2001 and amended from time to time	High Cost Home Loan
Nevada	Assembly Bill No. 284, Nev. Rev. Stat.ss.ss.598D.010 et seq. Effective October 1, 2003	Home Loan
New Jersey	New Jersey Home Ownership Security Act of 2002, N.J. Rev. Stat.ss.ss.46:10B-22 et seq. Effective for loans closed on or after November 27, 2003	High Cost Home Loan
New Mexico	Home Loan Protection Act, N.M. Rev. Stat.ss.ss. 58-21A-1 et seq. Effective as of January 1, 2004; Revised as of February 26, 2004	High Cost Home Loan
New York	N.Y. Banking Law Article 6-l Effective for applications made on or after April 1, 2003	High Cost Home Loan
North Carolina	Restrictions and Limitations on High Cost Home Loans, N.C. Gen. Stat.ss.ss.24-1.1E et seq. Effective July 1, 2000; amended October 1, 2003 (adding open-end lines of credit)	High Cost Home Loan
Ohio	H.B. 386 (codified in various sections of the Ohio Code), Ohio Rev. Code Ann.ss.ss.1349.25 et seq. Effective May 24, 2002	Covered Loan
Rhode Island	Rhode Island Home Loan Protection Act, R.I. Gen. Lawsss.ss.34-25.2-1 et seq. Effective December 31, 2006	High Cost Home Loan
Oklahoma	Consumer Credit Code (codified in various sections of Title 14A) Effective July 1, 2000; amended effective January 1, 2004	Subsection 10 Mortgage
South Carolina	South Carolina High Cost and Consumer Home Loans Act, S.C. Code Ann.ss.ss.37-23-10 et seq. Effective for loans taken on or after January 1, 2004	High Cost Home Loan
Tennessee	Tennessee Home Loan Protection Act, Tenn. Code Ann. ss.ss.45-20-101 et seq. Effective January 1, 2007	High Cost Home Loan
West Virginia	West Virginia Residential Mortgage Lender, Broker and Servicer Act, W. Va. Code Ann.ss.ss.31-17-1 et seq. Effective June 5, 2002	West Virginia Mortgage Loan Act Loan

STANDARD & POOR'S COVERED LOAN CATEGORIZATION

State/Jurisdiction	Name of Anti-Predatory Lending Law/Effective Date	Category under Applicable Anti-Predatory Lending Law
Georgia (Oct. 1, 2002 - Mar. 6, 2003)	Georgia Fair Lending Act, Ga. Code Ann.ss.ss.7-6A-1 et seq. Effective October 1, 2002 - March 6, 2003	Covered Loan
New Jersey	New Jersey Home Ownership Security Act of 2002, N.J. Rev. Stat.ss.ss.46:10B-22 et seq. Effective November 27, 2003 - July 5, 2004	Covered Home Loan

STANDARD & POOR'S HOME LOAN CATEGORIZATION

State/Jurisdiction	Name of Anti-Predatory Lending Law/Effective Date	Category under Applicable Anti-Predatory Lending Law
Georgia (Oct. 1, 2002 - Mar. 6, 2003)	Georgia Fair Lending Act, Ga. Code Ann.ss.ss.7-6A-1 et seq. Effective October 1, 2002 - March 6, 2003	Home Loan
New Jersey	New Jersey Home Ownership Security Act of 2002, N.J. Rev. Stat.ss.ss.46:10B-22 et seq. Effective for loans closed on or after November 27, 2003	Home Loan
New Mexico	Home Loan Protection Act, N.M. Rev. Stat.ss.ss. 58-21A-1 et seq. Effective as of January 1, 2004; Revised as of February 26, 2004	Home Loan
North Carolina	Restrictions and Limitations on High Cost Home Loans, N.C. Gen. Stat.ss.ss.24-1.1E et seq. Effective July 1, 2000; amended October 1, 2003 (adding open-end lines of credit)	Consumer Home Loan
South Carolina	South Carolina High Cost and Consumer Home Loans Act, S.C. Code Ann.ss.ss.37-23-10 et seq. Effective for loans taken on or after January 1, 2004	Consumer Home Loan

Exhibit 90

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EXECUTION COPY

MBIA INSURANCE CORPORATION,
as Insurer,

RESIDENTIAL FUNDING COMPANY, LLC,
as Seller and Master Servicer,

HOME EQUITY LOAN TRUST 2007-HSA3,
as Issuer,

and

RESIDENTIAL FUNDING MORTGAGE SECURITITES II, INC.,
as Depositor

INSURANCE AGREEMENT

$796,432,000
Home Equity Loan Trust 2007-HSA3
Home Equity Loan-Backed Term Notes, Series 2007-HSA3
Class I Notes and Class II Notes

Dated as of May 30, 2007

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INSURANCE AGREEMENT

This INSURANCE AGREEMENT (this "Insurance Agreement"), dated as of May 30, 2007 by and among **MBIA INSURANCE CORPORATION,** as Insurer (the "Insurer"), **RESIDENTIAL FUNDING COMPANY, LLC** ("RFC"), as Seller and Master Servicer, **HOME EQUITY LOAN TRUST 2007-HSA3** (the "Issuer"), as Issuer, and **RESIDENTIAL FUNDING MORTGAGE SECURITIES II, INC.** (the "Depositor").

RECITALS

WHEREAS, RFC, as Seller, has transferred and assigned all of its rights, title and interest to the Depositor, and the Depositor has accepted from RFC the transfer and assignment of such rights, title and interest, in the Home Equity Loans, including any rights to Additional Balances, on a servicing retained basis, pursuant to the Home Equity Loan Purchase Agreement dated as of May 30, 2007 (the "Purchase Agreement"), by and between the Depositor and RFC;

WHEREAS, a Servicing Agreement dated as of May 30, 2007, by and among RFC, as Master Servicer, the Issuer and the Indenture Trustee (as may be amended, modified or supplemented from time to time as set forth therein, the "Servicing Agreement") provides for the administration and servicing of the Home Equity Loans;

WHEREAS, an Amended and Restated Trust Agreement dated as of May 30, 2007, by and between the Depositor and the Owner Trustee (as may be amended, modified or supplemented from time to time as set forth therein, the "Trust Agreement") provides for, among other things, the formation of the Home Equity Loan Trust 2007-HSA3 (the "Issuer" or the "Trust"), the sale of the Home Equity Loans by the Depositor to the Issuer and the issuance of Class R and Class SB Home Equity Loan-Backed Certificates, Series 2007-HSA3 (the "Certificates") representing undivided beneficial ownership interests in the Trust;

WHEREAS, an Indenture dated as of May 30, 2007 (the "Indenture"), by and between the Issuer and the Indenture Trustee (as may be amended, modified or supplemented from time to time as set forth therein, the "Indenture") provides for, among other things, the issuance of the Home Equity Loan Trust 2007-HSA3, Home Equity Loan-Backed Term Notes, Series 2007-HSA3 Class I Notes and Class II Notes (collectively, the "Notes"), representing indebtedness of the Trust;

WHEREAS, the Notes will be secured by all of the Issuer's right, title and interest in the Home Equity Loans, and certain other accounts and funds;

WHEREAS, the Insurer has issued the Policies, pursuant to which it has agreed to pay in favor of the Indenture Trustee on behalf of the Issuer and for the benefit of the applicable Owners of the Notes certain payments as set forth in the Policies;

WHEREAS, the Insurer shall be paid a Premium as set forth herein; and

WHEREAS, each of RFC, the Issuer and the Depositor has undertaken certain obligations in consideration for the Insurer's issuance of the Policies;

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NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

The terms defined in this Article I shall have the meanings provided herein for all purposes of this Insurance Agreement, unless the context clearly requires otherwise, in both singular and plural form, as appropriate. Unless the context clearly requires otherwise, all capitalized terms used herein and not otherwise defined in this Article I shall have the meanings assigned to them in Appendix A to the Indenture. All words used herein shall be construed to be of such gender or number as the circumstances require. This "Insurance Agreement" shall mean this Insurance Agreement as a whole and as the same may, from time to time hereafter, be amended, supplemented or modified. The words "herein," "hereby," "hereof," "hereto," "hereinabove" and "hereinbelow," and words of similar import, refer to this Insurance Agreement as a whole and not to any particular paragraph, clause or other subdivision hereof, unless otherwise specifically noted.

"*Business Day*" means any day other than (i) a Saturday or a Sunday or (ii) a day on which banking institutions in the States of New York, California, Minnesota, Illinois or Delaware are required or authorized by law or executive order to be closed.

"*Certificates*" means the Class R and Class SB Home Equity Loan-Backed Certificates, Series 2007-HSA3 issued pursuant to the Trust Agreement.

"*Closing Date*" means May 30, 2007.

"*Commission*" means the Securities and Exchange Commission.

"*Custodial Agreement*" means the Custodial Agreement dated as of May 30, 2007 among the Indenture Trustee, the Issuer, RFC, as Master Servicer, and the Custodian, as the Custodian, as the same may be amended or supplemented from time to time in accordance with the terms thereof.

"*Custodian*" means Wells Fargo Bank, National Association, and its successors and assigns.

"*Default*" means any event which results, or which with the giving of notice or the lapse of time or both would result, in an Event of Default.

"*Depositor Documents*" has the meaning in Section 2.04(i).

"*Event of Default*" means any event of default specified in Section 5.01 of this Insurance Agreement.

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"*Financial Statements*" means, with respect to RFC, the consolidated statements of financial condition and the statements of operations, stockholders' equity and cash flows and the notes thereto which have been provided to the Insurer.

"*Fiscal Agent*" means the Fiscal Agent, if any, designated pursuant to the terms of the Policies.

"*Indenture*" has the meaning in the Recitals.

"*Indenture Trustee*" means LaSalle Bank National Association, a national banking association, as Indenture Trustee under the Indenture, and any successor to the Indenture Trustee under the Indenture.

"*Insurance Agreement*" has the meaning in the initial paragraph hereof.

"*Insurer*" means MBIA Insurance Corporation or any successor thereto, as the issuer of the Policies.

"*Insurer Information*" shall have the meaning in Section 2.12A hereof.

"*Investment Company Act*" means the Investment Company Act of 1940, including, unless the context otherwise requires, the rules and regulations thereunder, as amended.

"*Issuer*" has the meaning in the Recitals.

"*Late Payment Rate*" means, for any date of determination, the rate of interest as it is publicly announced by Citibank, N.A. at its principal office in New York, New York as its prime rate (any change in such prime rate of interest to be effective on the date such change is announced by Citibank, N.A.) plus 3%. The Late Payment Rate shall be applied to the amounts due and owing the Insurer hereunder and computed on the basis of a year of 365 days and calculating the actual number of days elapsed. In no event shall the Late Payment Rate exceed the maximum rate permissible under any applicable law limiting interest rates.

"*Liabilities*" shall have the meaning in Section 3.04(a) hereof.

"*Material Adverse Change*" means, in respect of any Person, a material adverse change in the ability of such Person to perform its obligations under any of the Transaction Documents, including any material adverse change in the business, financial condition, results of operations or properties of such Person on a consolidated basis with its subsidiaries which might have such effect.

"*Moody's*" means Moody's Investors Service, Inc., a Delaware corporation, and any successor thereto, and, if such corporation shall for any reason no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized rating agency designated by the Insurer.

"*Note*" means any one of the Securities designated as a Note, substantially in the form of Exhibit A-1 or A-2 to the Indenture.

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"*Offering Documents*" means the Prospectus dated April 23, 2007, the Preliminary Prospectus Supplement dated May 22, 2007 and the Prospectus Supplement thereto dated May 25, 2007, in respect of the Notes (and any amendment or supplement thereto) and any other offering document in respect of the Securities prepared by or on behalf of RFC that makes reference to the Policies.

"*Owner Trustee*" means Wilmington Trust Company, a banking corporation organized and existing under the laws of Delaware, as owner trustee under the Trust Agreement, and any successor thereto under the Trust Agreement.

"*Owners*" means registered holders of the Notes.

"*Person*" means an individual, joint stock company, trust, unincorporated association, joint venture, corporation, business or owner trust, limited liability company, partnership or other organization or entity (whether governmental or private).

"*Policies*" means the Note Guaranty Insurance Policy Nos. 496850 and 496860 issued by the Insurer in favor of the Indenture Trustee, for the benefit of the Owners of the Class I Notes and the Class II Notes, respectively.

"*Preliminary Prospectus Supplement*" means the Preliminary Prospectus Supplement dated May 22, 2007 in respect of the Notes.

"*Premium*" means the premium payable in accordance with Section 3.02 hereof.

"*Premium Letter*" means the Premium Letter from the Insurer to RFC dated May 30, 2007.

"*Premium Percentage*" shall have the meaning ascribed to such term in Section 3.02 hereof

"*Purchase Agreement*" has the meaning given such term in the Recitals.

"*Registration Statement*" means the registration statement on Form S-3, including the form of prospectus, relating to the Notes, as amended or supplemented to the date hereof.

"*Regulation AB*" means Subpart 229.1100 – Asset Backed Securities (Regulation AB), 17 C.F.R. §§229.1100-229.1123, as such may be amended from time to time, and subject to such clarification and interpretation as have been provided by the Commission in the adopting release (Asset-Backed Securities, Securities Act Release No. 33-8518, 70 Fed. Reg. 1,506, 1,531 (Jan. 7, 2005)) or by the staff of the Commission, or as may be provided by the Commission or its staff from time to time.

"*RFC Documents*" has the meaning in Section 2.01(j).

"*RFC Information*" has the meaning in Section 3.05A(a).

"*Securities*" means the Notes and the Certificates.

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"*Securities Act*" means the Securities Act of 1933, including, unless the context otherwise requires, the rules and regulations thereunder, as amended from time to time.

"*Securities Exchange Act*" means the Securities Exchange Act of 1934, including, unless the context otherwise requires, the rules and regulations thereunder, as amended from time to time.

"*Servicing Agreement*" has the meaning given to such term in the Recitals.

"*S&P*" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., and any successor thereto, and, if such corporation shall for any reason no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized rating agency designated by the Insurer.

"*Term of the Insurance Agreement*" shall be determined as provided in Section 4.01 hereof.

"*Transaction*" means the transactions contemplated by the Transaction Documents, including the transactions described in the Offering Documents.

"*Transaction Documents*" means this Insurance Agreement, the Premium Letter, the Indenture, the Servicing Agreement, the Offering Documents, the Securities, the Purchase Agreement, the Underwriting Agreement, the Custodial Agreement and the Indemnification Agreement.

"*Trust*" means the Home Equity Loan Trust 2007-HSA3 created pursuant to the Trust Agreement.

"*Trust Indenture Act*" means the Trust Indenture Act of 1939, including, unless the context otherwise requires, the rules and regulations thereunder, as amended from time to time.

"*Underwriters*" means Credit Suisse Securities (USA) LLC and Residential Funding Securities, LLC.

"*Underwriter Information*" means the statements under the caption "METHOD OF DISTRIBUTION" in the Prospectus Supplement, insofar as such information relates to the Underwriters.

"*Underwriting Agreement*" means the Underwriting Agreement between the Depositor and the Underwriters with respect to the offer and sale of the Notes, as the same may be amended from time to time.

ARTICLE II

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 2.01. Representations and Warranties of RFC. RFC represents and warrants as of the Closing Date as follows:

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(a) *Due Organization and Qualification.* RFC is a limited liability company duly organized, validly existing and in good standing under the laws of Delaware. RFC is, or will become, duly qualified to do business, is, or will be, in good standing and has obtained, or will obtain, all necessary licenses, permits, charters, registrations and approvals (together, "approvals") necessary for the conduct of its business as currently conducted and as described in the Offering Documents and the performance of its obligations under the Transaction Documents to which it is a party in each jurisdiction in which the failure to be so qualified or to obtain such approvals would render any Transaction Document to which it is a party unenforceable in any respect or would have a material adverse effect upon the Transaction, the Owners or the Insurer.

(b) *Power and Authority.* RFC has all necessary power and authority to conduct its business as currently conducted and as described in the Offering Documents, to execute, deliver and perform its obligations under the Transaction Documents to which it is a party and to consummate the Transaction.

(c) *Due Authorization.* The execution, delivery and performance of the Transaction Documents to which it is a party by RFC have been duly authorized by all necessary corporate action and do not require any additional approvals or consents of, or other action by or any notice to or filing with, any Person, including, without limitation, any governmental entity or the sole member of RFC, which have not previously been obtained or given by RFC.

(d) *Noncontravention.* The execution and delivery by RFC of the Transaction Documents to which it is a party, the consummation of the Transaction and the satisfaction of the terms and conditions of the Transaction Documents to which it is a party do not and will not:

(i) conflict with or result in any breach or violation of any provision of the applicable organizational documents of RFC or any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award currently in effect having applicability to RFC or any of its material properties, including regulations issued by any administrative agency or other governmental authority having supervisory powers over RFC, which conflict, breach or violation might reasonably result in a Material Adverse Change;

(ii) constitute a default by RFC under, result in the acceleration of any obligation under, or breach any provision of any loan agreement, mortgage, indenture or other agreement or instrument to which RFC is a party or by which any of its properties is or may be bound or affected, which default, acceleration or breach reasonably could result in a Material Adverse Change; or

(iii) result in or require the creation of any lien upon or in respect of any assets of RFC, which lien reasonably could result in a Material Adverse Change, other than any lien created by the Transaction Documents.

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(e) *Legal Proceedings*. There is no action, proceeding or investigation by or before any court, governmental or administrative agency or arbitrator against or affecting RFC or any of its subsidiaries, any properties or rights of RFC or any of its subsidiaries or any of the Home Equity Loans pending or, to RFC's knowledge after reasonable inquiry, threatened, which, in any case, if decided adversely to RFC or any such subsidiary could reasonably be expected to result in a Material Adverse Change with respect to RFC.

(f) *Valid and Binding Obligations*. The Transaction Documents (other than the Securities) to which it is a party, when executed and delivered by RFC, will constitute the legal, valid and binding obligations of RFC enforceable in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and general equitable principles and public policy considerations as to rights of indemnification for violations of federal securities laws.

(g) *Financial Statements*. The Financial Statements of RFC, copies of which have been furnished to the Insurer, (i) are, as of the dates and for the periods referred to therein, complete and correct in all material respects, (ii) present fairly the financial condition and results of operations of RFC as of the dates and for the periods indicated and (iii) have been prepared in accordance with generally accepted accounting principles consistently applied, except as noted therein (subject as to interim statements to normal year-end adjustments). Since the date of the most recent Financial Statements, there has been no Material Adverse Change in respect of RFC. Except as disclosed in the Financial Statements, RFC is not subject to any contingent liabilities or commitments that, individually or in the aggregate, have a material possibility of causing a Material Adverse Change in respect of RFC.

(h) *Compliance With Law, Etc*. No practice, procedure or policy employed, or proposed to be employed, by RFC in the conduct of its business violates any law, regulation, judgment, agreement, order or decree applicable to RFC that, if enforced, could result in a Material Adverse Change with respect to RFC.

(i) *Taxes*. RFC has filed prior to the date hereof all federal and state tax returns that are required to be filed and has paid all taxes, including any assessments received by it that are not being contested in good faith, to the extent that such taxes have become due. Any taxes, fees and other governmental charges payable by RFC in connection with the Transaction, the execution and delivery of the Transaction Documents to which it is a party and the issuance of the Securities have been paid or shall have been paid at or prior to the Closing Date if such taxes, fees or other governmental charges were due on or prior to the Closing Date.

(j) *Accuracy of Information*. Neither the information supplied by RFC contained in the Transaction Documents to which it is a party nor other material information relating to the Home Equity Loans, the operations of RFC or the financial condition of RFC (collectively, the "RFC Documents"), as amended, supplemented or superseded, furnished to the Insurer by RFC in writing or in electronic form by RFC contains any

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statement of a material fact made by RFC which was untrue or misleading in any material respect as of the date reflected therein. RFC has no knowledge of any circumstances that could reasonably be expected to cause a Material Adverse Change with respect to RFC. Since the furnishing of the RFC Documents, there has been no change nor any development or event involving a prospective change known to RFC that would render any of the RFC Documents untrue or misleading in any material respect as of the Closing Date.

(k) [Reserved]

(l) [Reserved.]

(m) *Transaction Documents*. Each of the representations and warranties of RFC contained in the Transaction Documents to which it is a party is true and correct in all material respects as of the date reflected therein, and RFC hereby makes each such representation and warranty to, and for the benefit of, the Insurer as if the same were set forth in full herein; provided, however, that the remedy for any breach of a representation and warranty of RFC in Section 3.1 of the Purchase Agreement and the remedy with respect to any defective Home Equity Loans under Section 3.1 of the Purchase Agreement shall be limited to the remedies specified in the Purchase Agreement.

(n) *Solvency; Fraudulent Conveyance*. RFC is solvent and will not be rendered insolvent by the Transaction and, after giving effect to the Transaction, RFC will not be left with an unreasonably small amount of capital with which to engage in the ordinary course of its business, and RFC does not intend to incur, or believe that it has incurred, debts beyond its ability to pay as they mature. RFC does not contemplate the commencement of insolvency, bankruptcy, liquidation or consolidation proceedings or the appointment of a receiver, liquidator, conservator, trustee or similar official in respect of RFC or any of its assets. The amount of consideration being received by RFC upon the sale of the Home Equity Loans to the Depositor constitutes reasonably equivalent value and fair consideration. RFC is not transferring the Home Equity Loans to the Depositor, as provided in the Transaction Documents, with any intent to hinder, delay or defraud any of RFC's creditors.

(o) *Principal Place of Business*. The principal place of business of RFC is located in Minneapolis, Minnesota, and RFC is a limited liability company organized under the laws of the State of Delaware. "Residential Funding Company, LLC" is the correct legal name of RFC indicated on the public records of RFC's jurisdiction which shows RFC to be organized.

Section 2.02. [Reserved]

Section 2.03. Representations and Warranties of the Issuer. The Issuer represents and warrants as of the Closing Date as follows:

(a) *Due Organization and Qualification*. The Issuer is a statutory trust duly organized, validly existing and in good standing under the laws of Delaware. The Issuer is, or will become, duly qualified to do business, is, or will be, in good standing and has

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obtained, or will obtain, all necessary licenses, permits, charters, registrations and approvals (together, "approvals") necessary for the conduct of its business as currently conducted and as described in the Offering Documents and the performance of its obligations under the Transaction Documents to which it is a party in each jurisdiction in which the failure to be so qualified or to obtain such approvals would render any Transaction Document to which it is a party unenforceable in any respect or would have a material adverse effect upon the Transaction.

(b) *Power and Authority*. The Issuer has all necessary power and authority to conduct its business as currently conducted and as described in the Offering Documents, to execute, deliver and perform its obligations under the Transaction Documents to which it is a party and to consummate the Transaction.

(c) *Due Authorization*. The execution, delivery and performance by the Issuer of the Transaction Documents to which it is a party by the Issuer have been duly authorized by all necessary action and do not require any additional approvals or consents of, or other action by or any notice to or filing with, any Person, including, without limitation, any governmental entity or any of the beneficial owners of the Issuer, which have not previously been obtained or given by the Issuer.

(d) *Noncontravention*. The execution and delivery by the Issuer of the Transaction Documents to which it is a party, the consummation of the Transaction and the satisfaction of the terms and conditions of the Transaction Documents to which it is a party do not and will not:

(i) conflict with or result in any breach or violation of any provision of the applicable organizational documents of the Issuer or any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award currently in effect having applicability to the Issuer or any of its material properties, including regulations issued by any administrative agency or other governmental authority having supervisory powers over the Issuer, which conflict, breach or violation reasonably could result in a Material Adverse Change;

(ii) constitute a default by the Issuer under, result in the acceleration of any obligation under, or breach any provision of any loan agreement, mortgage, indenture or other agreement or instrument to which the Issuer is a party or by which any of its properties is or may be bound or affected, which default, acceleration or breach reasonably could result in a Material Adverse Change; or

(iii) result in or require the creation of any lien upon or in respect of any assets of the Issuer, which lien reasonably could result in a Material Adverse Change, other than any lien created by the Transaction Documents.

(e) *Legal Proceedings*. There is no action, proceeding or investigation by or before any court, governmental or administrative agency or arbitrator against or affecting the Issuer, any properties or rights of the Issuer or any of the Mortgage Loans pending or,

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to the Issuer's knowledge after reasonable inquiry, threatened, which, in any case, if decided adversely to the Issuer could reasonably be expected to result in a Material Adverse Change with respect to the Issuer.

(f) *Valid and Binding Obligations.* The Transaction Documents (other than the Securities) to which it is a party, when executed and delivered by the Issuer, will constitute the legal, valid and binding obligations of the Issuer, enforceable in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and general equitable principles and public policy considerations as to rights of indemnification for violations of federal securities laws. The Notes, when executed, authenticated and delivered in accordance with the Indenture, will be validly issued and outstanding and entitled to the benefits of the Indenture, and the Certificates, when executed, authenticated and delivered in accordance with the Trust Agreement, will be validly issued and outstanding and entitled to the benefits of the Trust Agreement.

(g) *Compliance With Law, Etc.* No practice, procedure or policy employed, or proposed to be employed, by the Issuer in the conduct of its business violates any law, regulation, judgment, agreement, order or decree applicable to the Issuer that, if enforced, could result in a Material Adverse Change with respect to the Issuer.

(h) *Taxes.* The Issuer has filed prior to the date hereof all federal and state tax returns that are required to be filed and has paid all taxes, including any assessments received by it that are not being contested in good faith, to the extent that such taxes have become due. Any taxes, fees and other governmental charges payable by the Issuer in connection with the Transaction, the execution and delivery of the Transaction Documents to which it is a party and the issuance of the Securities have been paid or shall have been paid at or prior to the Closing Date if such taxes, fees or other governmental charges were due on or prior to the Closing Date.

(i) *Accuracy of Information.* Neither the Transaction Documents to which it is a party nor other material information relating to the Home Equity Loans, the operations of the Issuer or the financial condition of the Issuer (collectively, the "Issuer Documents"), as amended, supplemented or superseded, furnished to the Insurer by the Issuer in writing or in electronic form by the Issuer contains any statement of a material fact by the Issuer which was untrue or misleading in any material respect when made. The Issuer has no knowledge of any circumstances that could reasonably be expected to cause a Material Adverse Change with respect to the Issuer. Since the furnishing of the Issuer Documents, there has been no change nor any development or event involving a prospective change known to Issuer that would render any of the Issuer Documents untrue or misleading in any material respect as of the Closing Date. For the avoidance of doubt "Transaction Documents" in this Section 2.03(i) shall not include Offering Documents.

(j) *Compliance With Securities Laws.* The Offering Documents did not, as of the Closing Date, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; provided, however, that no representation is made

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with respect to the RFC Information, the Depositor Information, the Underwriter Information or the Insurer Information. The offer and the sale of the Notes has not been and will not be in violation of the Securities Act or any other federal or state securities laws. Based upon the advice of legal counsel, the Trust Agreement is not required to be qualified under the Trust Indenture Act and the Trust is not required to be registered as an "investment company" under the Investment Company Act. The Issuer will satisfy in all material respects any of the information reporting requirements of the Securities Exchange Act arising out of the Transaction to which it is subject.

(k) *Transaction Documents*. Each of the representations and warranties of the Issuer contained in the Transaction Documents to which it is a party is true and correct in all material respects as of the date reflected therein, and the Issuer hereby makes each such representation and warranty to, and for the benefit of, the Insurer as if the same were set forth in full herein.

(l) *Solvency; Fraudulent Conveyance*. The Issuer is solvent and will not be rendered insolvent by the Transaction and, after giving effect to the Transaction, the Issuer will not be left with an unreasonably small amount of capital with which to engage in the ordinary course of its business, and the Issuer does not intend to incur, or believe that it has incurred, debts beyond its ability to pay as they mature. The Issuer does not contemplate the commencement of insolvency, bankruptcy, liquidation or consolidation proceedings or the appointment of a receiver, liquidator, conservator, trustee or similar official in respect of the Issuer or any of its assets. The amount of consideration being received by the Issuer upon the sale of the Securities constitutes reasonably equivalent value and fair consideration for the ownership and/or debt interest evidenced by the Securities. The Issuer is not selling the Securities, as provided in the Transaction Documents, with any intent to hinder, delay or defraud any of the Issuer's creditors.

(m) *Principal Place of Business*. The principal place of business of the Issuer is located in Wilmington, Delaware, and the Issuer is a statutory trust organized under the laws of the State of Delaware. "Home Equity Loan Trust 2007-HSA3" is the correct legal name of the Issuer indicated on the public records of the Issuer's jurisdiction which shows the Issuer to be organized.

Section 2.04. Representations and Warranties of the Depositor. The Depositor represents and warrants as of the Closing Date as follows:

(a) *Due Organization and Qualification*. The Depositor is a corporation, duly organized, validly existing and in good standing under the laws of Delaware. The Depositor is, or will become, duly qualified to do business, is, or will be, in good standing and has obtained, or will obtain, all necessary licenses, permits, charters, registrations and approvals (together, "approvals") necessary for the conduct of its business as currently conducted and as described in the Offering Documents and the performance of its obligations under the Transaction Documents to which it is a party in each jurisdiction in which the failure to be so qualified or to obtain such approvals would render any Transaction Document to which it is a party unenforceable in any respect or would have a material adverse effect upon the Transaction, the Owners or the Insurer.

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(b) *Power and Authority.* The Depositor has all necessary corporate power and authority to conduct its business as currently conducted and as described in the Offering Documents, to execute, deliver and perform its obligations under the Transaction Documents to which it is a party and to consummate the Transaction.

(c) *Due Authorization.* The execution, delivery and performance of its obligations under the Transaction Documents to which it is a party by the Depositor have been duly authorized by all necessary corporate action and do not require any additional approvals or consents of, or other action by or any notice to or filing with, any Person, including, without limitation, any governmental entity or any of the stockholders of the Depositor, which have not previously been obtained or given by the Depositor.

(d) *Noncontravention.* The execution and delivery by the Depositor of the Transaction Documents to which it is a party, the consummation of the Transaction and the satisfaction of the terms and conditions of the Transaction Documents to which it is a party do not and will not:

(i) conflict with or result in any breach or violation of any provision of the applicable organizational documents of the Depositor or any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award currently in effect having applicability to the Depositor or any of its material properties, including regulations issued by any administrative agency or other governmental authority having supervisory powers over the Depositor, which conflict, breach, or violation reasonably could result in a Material Adverse Change;

(ii) constitute a default by the Depositor under, result in the acceleration of any obligation under, or breach any provision of any loan agreement, mortgage, indenture or other agreement or instrument to which the Depositor is a party or by which any of its properties is or may be bound or affected, which default, acceleration or breach might reasonably result in a Material Adverse Change; or

(iii) result in or require the creation of any lien upon or in respect of any assets of the Depositor, which lien might reasonably result in a Material Adverse Change.

(e) *Legal Proceedings.* There is no action, proceeding or investigation by or before any court, governmental or administrative agency or arbitrator against or affecting the Depositor or any of its subsidiaries, any properties or rights of the Depositor or any of its subsidiaries or any of the Home Equity Loans pending or, to the Depositor's knowledge after reasonable inquiry, threatened, which, in any case, if decided adversely to the Depositor or any such subsidiary could reasonably be expected to result in a Material Adverse Change with respect to the Depositor.

(f) *Valid and Binding Obligations.* The Transaction Documents (other than the Securities) to which it is a party, when executed and delivered by the Depositor, will

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constitute the legal, valid and binding obligations of the Depositor, enforceable in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and general equitable principles and public policy considerations as to rights of indemnification for violations of federal securities laws.

(g) *Compliance With Law, Etc.* No practice, procedure or policy employed, or proposed to be employed, by the Depositor in the conduct of its business violates any law, regulation, judgment, agreement, order or decree applicable to the Depositor that, if enforced, could result in a Material Adverse Change with respect to the Depositor.

(h) *Taxes.* The Depositor has filed prior to the date hereof all federal and state tax returns that are required to be filed and has paid all taxes, including any assessments received by it that are not being contested in good faith, to the extent that such taxes have become due. Any taxes, fees and other governmental charges payable by the Depositor in connection with the Transaction, the execution and delivery of the Transaction Documents to which it is a party and the issuance of the Securities have been paid or shall have been paid at or prior to the Closing Date if such taxes, fees or other governmental charges were due on or prior to the Closing Date.

(i) *Accuracy of Information.* Neither the material information supplied by the Depositor contained in the Transaction Documents to which it is a party nor other material information relating to the Home Equity Loans supplied by the Depositor, the operations of the Depositor or the financial condition of the Depositor (collectively, the "Depositor Documents"), as amended, supplemented or superseded, furnished to the Insurer by the Depositor in writing or in electronic form by the Depositor contains any statement of a material fact by the Depositor which was untrue or misleading in any material respect when made. The Depositor has no knowledge of any circumstances that could reasonably be expected to cause a Material Adverse Change with respect to the Depositor. Since the furnishing of the Depositor Documents, there has been no change nor any development or event involving a prospective change known to the Depositor that would render any of the Depositor Documents untrue or misleading in any material respect as of the Closing Date.

(j) *Reserved.*

(k) *Transaction Documents.* Each of the representations and warranties of the Depositor contained in the Transaction Documents to which it is a party is true and correct in all material respects as of the date reflected therein, and the Depositor hereby makes each such representation and warranty to, and for the benefit of, the Insurer as if the same were set forth in full herein.

(l) *Solvency; Fraudulent Conveyance.* The Depositor is solvent and will not be rendered insolvent by the Transaction and, after giving effect to the Transaction, the Depositor will not be left with an unreasonably small amount of capital with which to engage in the ordinary course of its business, and the Depositor does not intend to incur, or believe that it has incurred, debts beyond its ability to pay as they mature. The

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Depositor does not contemplate the commencement of insolvency, bankruptcy, liquidation or consolidation proceedings or the appointment of a receiver, liquidator, conservator, trustee or similar official in respect of the Depositor or any of its assets. The Depositor is not transferring the Home Equity Loans to the Trust nor, to the best of the Depositor's knowledge, is the Trust selling the Securities, as provided in the Transaction Documents, with any intent to hinder, delay or defraud any of the Depositor's creditors.

(m) *Principal Place of Business*. The principal place of business of the Depositor is located in Minneapolis, Minnesota, and the Depositor is a corporation organized under the laws of the State of Delaware. "Residential Funding Mortgage Securities II, Inc." is the correct legal name of the Depositor indicated on the public records of the Depositor's jurisdiction which shows the Depositor to be organized.

Section 2.05. Affirmative Covenants of RFC. RFC hereby agrees that during the Term of the Insurance Agreement, unless the Insurer shall otherwise expressly consent in writing:

(a) *Compliance With Agreements and Applicable Laws*. RFC shall comply in all material respects with the terms and conditions of and perform its obligations under the Transaction Documents to which it is a party in all cases in which the failure to so comply or perform would result in a default thereunder and shall comply with all requirements of any law, rule or regulation applicable to it in all circumstances where non-compliance reasonably could result in a Material Adverse Change. RFC will not at any time in the future deny that the Transaction Documents to which it is a party constitute the legal, valid and binding obligations of RFC.

(b) *Corporate Existence*. RFC and its successors and permitted assigns, shall maintain its limited liability company existence and shall at all times continue to be duly organized under the laws of its jurisdiction of organization and duly qualified and duly authorized (as described in Section 2.01(a), (b) and (c) hereof) and shall conduct its business in accordance with the terms of its applicable organizational documents. Notwithstanding anything to the contrary set forth herein, any Person into which the Master Servicer may be merged or converted or with which it may be consolidated, or any Person resulting from any merger, conversion or consolidation to which the Master Servicer shall be a party, or any Person succeeding to the business of the Master Servicer, shall be the successor of the Master Servicer, hereunder, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

(c) *Financial Statements; Accountants' Reports; Other Information*. RFC shall keep or cause to be kept in reasonable detail books and records of account of its assets and business relating to the Transaction, and shall, as applicable, clearly reflect therein the sale of the Home Equity Loans to the Depositor and the sale of the Certificates as a sale of the Home Equity Loans by RFC to the Depositor, and a sale of the equity interest in the Trust to the holders of the Certificates. RFC shall furnish or cause to be furnished to the Insurer:

(i) *Annual Financial Statements*. As soon as available, and in any event within 105 days after the close of each fiscal year of RFC, the audited

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consolidated statements of financial condition of RFC and its subsidiaries as of the end of such fiscal year and the related audited consolidated statements of operations, stockholders' equity and cash flows for such fiscal year, all in reasonable detail and stating in comparative form the respective figures for the corresponding date and period in the preceding fiscal year, prepared in accordance with generally accepted accounting principles consistently applied and accompanied by the audit opinion of RFC's independent accountants (which shall be a nationally recognized independent public accounting firm or otherwise acceptable to the Insurer) and by the certificate specified in Section 2.05(d) hereof.

(ii) *Quarterly Financial Statements.* Upon the reasonable request of the Insurer, the unaudited consolidated statement of financial condition of RFC and its subsidiaries as of the end of the first three fiscal quarters of each fiscal year of RFC and the related unaudited consolidated statements of operations, stockholders' equity and cash flows for the portion of the fiscal year then ended, all in reasonable detail and stating in comparative form the respective figures for the corresponding date and period in the preceding fiscal year, prepared in accordance with generally accepted accounting principles consistently applied (subject to normal year-end adjustments), and each delivery of quarterly financial statements shall be accompanied by a certificate of one (or more) corporate officers stating that the quarterly financial statements are correct in all material respects and present fairly the financial condition and results of operations of RFC and its subsidiaries as of the dates and for the periods indicated, in accordance with generally accepted accounting principles, consistently applied (subject to normal year-end adjustments).

(iii) *Initial and Continuing Reports.* On or before the Closing Date, RFC will provide the Insurer a copy of the magnetic tape or Home Equity Loan Schedule to be delivered to the Indenture Trustee on the Closing Date, setting forth, as to each Home Equity Loan, the information required under the definition of "Home Equity Loan Schedule" in Appendix A to the Indenture.

(iv) *Certain Information.* Upon the reasonable request of the Insurer, RFC shall promptly provide copies of any requested proxy statements, financial statements, reports and registration statements which RFC files with, or delivers to, the Commission or any national securities exchange.

(v) *Other Information.* (A) Promptly upon receipt thereof, RFC shall provide copies of all schedules, financial statements or other similar reports delivered to or by RFC pursuant to the terms of any of the Transaction Documents, including all reports provided to either the Indenture Trustee, any Noteholder or holder of a Certificate pursuant to the Indenture or the Servicing Agreement, (B) promptly upon request, such other data as the Insurer may reasonably request and (C) all information required to be furnished to the Owner Trustee, the Indenture Trustee, the Noteholders or the holders of the Certificates

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simultaneously with the furnishing thereof to the Owner Trustee, the Indenture Trustee, the Noteholders or the holders of the Certificates, as the case may be.

The Insurer agrees that it and its agents, accountants and attorneys shall keep confidential all financial statements, reports and other information delivered by RFC pursuant to this Section 2.05(c) to the extent provided in Section 2.05(e) hereof.

(d) *Compliance Certificate.* RFC (in its capacity as Master Servicer) shall deliver to the Insurer, concurrently with the delivery of the financial statements required pursuant to Section 2.05(c)(i) and (ii) hereof, one or more certificates signed by an officer of RFC authorized to execute such certificates on behalf of RFC stating that:

(i) a review of RFC's performance under the Transaction Documents to which it is a party during such period has been made under such officer's supervision;

(ii) to the best of such officer's knowledge following reasonable inquiry, no Default or Event of Default has occurred or, if a Default or Event of Default has occurred, specifying the nature thereof and, if RFC has a right to cure pursuant to Section 7.01 of the Servicing Agreement, stating in reasonable detail (including, if applicable, any supporting calculations) the steps, if any, being taken by RFC to cure such Default or Event of Default or to otherwise comply with the terms of the agreement to which such Default or Event of Default relates;

(iii) the attached financial statements submitted in accordance with Section 2.05(c)(i) or (ii) hereof, as the case may be, are complete and correct in all material respects and present fairly the financial condition and results of operations of RFC as of the dates and for the periods indicated, in accordance with generally accepted accounting principles consistently applied (subject as to interim statements to normal year-end adjustments); and

(iv) RFC, as Master Servicer, has in full force and effect a fidelity bond (or direct surety bond) and an errors and omissions insurance policy in accordance with the terms and requirements of Section 3.13 of the Servicing Agreement.

So long as RFC shall continue to act as Master Servicer, the annual servicer compliance certificate prepared by RFC as Master Servicer pursuant to Section 3.10 of the Servicing Agreement shall be deemed to satisfy RFC's obligations as imposed by clauses (i) and (ii) of this Section 2.05(d).

(e) *Access to Records; Discussions With Officers and Accountants.* On an annual basis, or upon the occurrence of a Material Adverse Change, RFC shall, upon the reasonable request of the Insurer, permit the Insurer or its authorized agents:

(i) to inspect the books and records of RFC as they may relate to the Securities, the obligations of RFC under the Transaction Documents to which it is a party, and the Transaction;

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(ii) to discuss the affairs, finances and accounts of RFC with the chief financial officer of RFC; and

(iii) if the Insurer reasonably believes that a Material Adverse Change may have occurred and with RFC's consent, which consent shall not be unreasonably withheld or delayed, to discuss the affairs, finances and accounts of RFC with RFC's independent accountants, provided that an officer of RFC shall have the right to be present during such discussions.

Such inspections and discussions shall be conducted during normal business hours and shall not unreasonably disrupt the business of RFC. The books and records of RFC shall be maintained at the address of RFC designated herein for receipt of notices, unless RFC shall otherwise advise the parties hereto in writing.

The Insurer agrees that it and its shareholders, directors, agents, accountants and attorneys shall keep confidential any matter of which it becomes aware through such inspections or discussions (unless readily available from public sources), except as may be otherwise required by regulation, law or court order or requested by appropriate governmental authorities or as necessary to preserve its rights or security under or to enforce the Transaction Documents, provided that the foregoing shall not limit the right of the Insurer to make such information available to its regulators, securities rating agencies, reinsurers, credit and liquidity providers, counsel and accountants.

(f) *Notice of Material Events.* RFC shall be obligated (which obligation shall be satisfied if performed by RFC or the Issuer) promptly to inform the Insurer in writing of the occurrence of any of the following to the extent any of the following relate to it:

(i) the submission of any claim or the initiation or threat of any legal process, litigation or administrative or judicial investigation in any federal, state or local court or before any arbitration board or rule making or disciplinary proceeding by or against RFC that (A) would be required to be disclosed to the Commission or to RFC's sole member or (B) could result in a Material Adverse Change with respect to RFC, or the promulgation of any proceeding or any proposed or final rule which would likely result in a Material Adverse Change with respect to RFC or any of its subsidiaries;

(ii) any change in the location of RFC's principal office or the principal office of any of its subsidiaries, RFC's jurisdiction of organization, legal name as indicated on the public records of RFC's jurisdiction of organization which shows RFC to be organized, or any change in the location of RFC's books and records;

(iii) the occurrence of any Default or Event of Default or of any Material Adverse Change in respect of RFC;

(iv) the commencement of any proceedings by or against RFC under any applicable bankruptcy, reorganization, liquidation, rehabilitation, insolvency or other similar law now or hereafter in effect or of any proceeding in which a

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receiver, liquidator, conservator, trustee or similar official shall have been, or may be, appointed or requested for RFC or any of its assets; or

(v) the receipt of notice that (A) RFC is being placed under regulatory supervision, (B) any license, permit, charter, registration or approval necessary for the conduct of RFC's business is to be, or may be, suspended or revoked or (C) RFC is to cease and desist any practice, procedure or policy employed by RFC in the conduct of its business, and such suspension, revocation or cessation may reasonably be expected to result in a Material Adverse Change with respect to RFC.

(g) *Financing Statements and Further Assurances*. RFC will cause to be filed all necessary financing statements or other instruments, and any amendments or continuation statements relating thereto, necessary to be kept and filed in such manner and in such places as may be required by law to preserve and protect fully the interest of the Indenture Trustee in the Trust Estate. RFC shall, upon the reasonable request of the Insurer, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, within 10 days of such request, such amendments hereto and such further instruments and take such further action as may be reasonably necessary to effectuate the intention, performance and provisions of the Transaction Documents to which it is a party. In addition, RFC agrees to cooperate with S&P and Moody's in connection with any review of the Transaction that may be undertaken by S&P and Moody's after the date hereof and to provide all information reasonably requested by S&P and Moody's.

(h) *Maintenance of Licenses*. RFC, and any successors thereof, shall maintain or cause to be maintained all licenses, permits, charters and registrations the loss or suspension of which could result in a Material Adverse Change.

(i) *Disclosure Document*. Any Offering Document delivered with respect to the Notes shall clearly disclose that the Policy is not covered by the property/casualty insurance security fund specified in Article 76 of the New York Insurance Law.

(j) *Servicing of Home Equity Loans*. All Home Equity Loans will be serviced in all material respects in compliance with the Servicing Agreement and the Indenture and RFC, as Master Servicer, agrees that the Servicing Agreement shall provide that RFC's obligations under this Insurance Agreement shall be binding on any successor servicers thereunder but only to the extent of RFC's obligations as Master Servicer under the Servicing Agreement and from the effective time of any such succession.

(k) *Closing Documents*. RFC shall provide or cause to be provided to the Insurer an executed original copy of each document executed in connection with the Transaction within 60 days after the Closing Date.

(l) *Limited Liability Company Formalities*. RFC shall observe all limited liability company formalities necessary to preserve its existence under the laws of the

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State of its organization, including the obligation to prepare and file annual income, franchise and other tax returns.

(m) *Due Diligence.* The Insurer shall have the right, so long as any of the Notes remain outstanding, to conduct an ongoing review of RFC's practices as Master Servicer through reviews of the Home Equity Loans, reappraisals of Mortgaged Properties and reviews of servicing practices. Such ongoing due diligence shall be conducted at the expense of the Insurer and shall be conducted in a reasonable manner convenient to both RFC and the Insurer.

Section 2.06. [Reserved]

Section 2.07. Affirmative Covenants of the Issuer. The Issuer hereby agrees that during the Term of this Insurance Agreement, unless the Insurer shall otherwise expressly consent in writing:

(a) *Compliance with Agreements and Applicable Laws.* The Issuer shall comply in all material respects with the terms and conditions of and perform its obligations under the Transaction Documents to which it is a party in all cases in which the failure to so comply or perform would result in a default thereunder and shall comply with all requirements of any law, rule or regulation applicable to it in all circumstances where non-compliance reasonably could result in a Material Adverse Change. The Issuer will not at any time in the future deny that the Transaction Documents to which it is a party constitute the legal, valid and binding obligations of the Issuer.

(b) *Trust Existence.* The Issuer and its successors and permitted assigns shall maintain its trust existence and shall at all times continue to be duly organized under the laws of its formation and duly qualified and duly authorized (as described in Sections 2.03(a), (b) and (c) hereof) and shall conduct its business in accordance with the terms of its applicable organizational documents.

(c) *Financial Statements; Accountants' Reports; Other Information.* The Issuer shall keep or cause to be kept in reasonable detail books and records of account of its assets and business relating to the Transaction and shall, as applicable, clearly reflect therein of the Home Equity Loans by the Depositor to the Trust and the sale of the Certificates, respectively, as a sale of the Home Equity Loans by the Depositor to the Trust and a sale of the equity interest in the Trust to the holders of the Certificates. The Issuer shall furnish or cause to be furnished to the Insurer:

(i) *Certain Information.* Upon the reasonable request of the Insurer, copies of any proxy statements, financial statements, reports and registration statements that the Issuer files with, or delivers to, the Commission or any national securities exchange.

(ii) *Other Information.* (A) Promptly upon receipt thereof, copies of all schedules, financial statements or other similar reports delivered to or by the Issuer pursuant to the terms of any of the Transaction Documents, including all reports to be provided either to the Indenture Trustee or to any Noteholder or

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holder of the Certificates pursuant to the Servicing Agreement, (B) promptly upon request, such other data as the Insurer may reasonably request and (C) all information required to be furnished to the Owner Trustee, the Indenture Trustee, the Owners or the holders of the Certificates, as the case may be.

(iii) *[Reserved]*.

(d) *Access to Records; Discussions with Officers and Accountants.* On an annual basis, or upon the occurrence of a Material Adverse Change, the Issuer shall, upon the reasonable request of the Insurer, permit the Insurer or its authorized agents:

(i) to inspect the books and records of the Issuer as they may relate to the Securities, the obligations of the Issuer under the Transaction Documents to which it is a party, and the Transaction;

(ii) to discuss the affairs, finances and accounts of the Issuer with an officer of the Issuer; and

(iii) if the Insurer reasonably believes that a Material Adverse Change may have occurred and with the Issuer's consent, which consent shall not be unreasonably withheld or delayed, to discuss the affairs, finances and accounts of the Issuer with the Issuer's independent accountants; provided that an officer of the Issuer shall have the right to be present during such discussions.

Such inspections and discussions shall be conducted during normal business hours and shall not unreasonably disrupt the business of the Issuer. The books and records of the Issuer shall be maintained at the address of the Owner Trustee, unless the Issuer shall otherwise advise the parties hereto in writing.

(e) *Notice of Material Events.* The Issuer shall be obligated (which obligation shall be satisfied if performed by RFC or the Issuer) promptly to inform the Insurer in writing of the occurrence of any of the following to the extent any of the following relate to it:

(i) the submission of any claim or the initiation or threat of any legal process, litigation or administrative or judicial investigation in any federal, state or local court or before any arbitration board or rule making or disciplinary proceeding by or against the Issuer that (A) would be required to be disclosed to the Commission or to the Issuer's beneficial owners or (B) could result in a Material Adverse Change with respect to the Issuer, or the promulgation of any proceeding or any proposed or final rule which would likely result in a Material Adverse Change with respect to the Issuer;

(ii) any change in the location of the Issuer's principal office, jurisdiction of organization, legal name as indicated on the public records of the Issuer's jurisdiction of organization which shows the Issuer to be organized, or any change in the location of the Issuer's books and records;

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(iii) the occurrence of any Default or Event of Default or of any Material Adverse Change in respect of the Issuer;

(iv) the commencement of any proceedings by or against the Issuer under any applicable bankruptcy, reorganization, liquidation, rehabilitation, insolvency or other similar law now or hereafter in effect or of any proceeding in which a receiver, liquidator, conservator, trustee or similar official shall have been, or may be, appointed or requested for the Issuer or any of its assets; or

(v) the receipt of notice that (A) the Issuer is being placed under regulatory supervision, (B) any license, permit, charter, registration or approval necessary for the conduct of the Issuer's business is to be, or may be, suspended or revoked, or (C) the Issuer is to cease and desist any practice, procedure or policy employed by the Issuer in the conduct of its business, and such suspension, revocation or cessation may reasonably be expected to result in a Material Adverse Change with respect to the Issuer.

(f) *Further Assurances.* The Issuer shall, upon the reasonable request of the Insurer, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, within 10 days of such request, such amendments hereto and such further instruments and take such further action as may be reasonably necessary to effectuate the intention, performance and provisions of the Transaction Documents to which it is a party. In addition, the Issuer agrees to cooperate with S&P and Moody's in connection with any review of the Transaction that may be undertaken by S&P and Moody's after the date hereof.

(g) *Maintenance of Licenses.* The Issuer shall maintain all licenses, permits, charters and registrations the loss or suspension of which could result in a Material Adverse Change.

(h) *Retirement of Notes.* The Issuer shall instruct the Indenture Trustee, upon a retirement or other payment of all of the Notes, to surrender the Policy to the Insurer for cancellation.

(i) *Observation of Formalities.* The Issuer shall observe all formalities necessary to preserve its existence under the laws of the State of its formation, including (i) the obligation to hold annual meetings of its beneficial owners or its board of directors and (ii) the obligation to prepare and file annual income, franchise and other tax returns.

RFC, in its capacity as Master Servicer, shall use commercially reasonable efforts to cause the Issuer to observe the provisions of this Section 2.07.

Section 2.08. Affirmative Covenants of the Depositor. The Depositor hereby agrees that during the Term of this Insurance Agreement, unless the Insurer shall otherwise expressly consent in writing:

(a) *Compliance With Agreements and Applicable Laws.* The Depositor shall comply in all material respects with the terms and conditions of and perform its

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obligations under the Transaction Documents to which it is a party in all cases in which the failure to so comply or perform would result in a default thereunder and shall comply with all requirements of any law, rule or regulation applicable to it in all circumstances where non-compliance reasonably could result in a Material Adverse Change. The Depositor will not at any time in the future deny that the Transaction Documents to which it is a party constitute the legal, valid and binding obligations of the Depositor.

(b) *Corporate Existence.* The Depositor and its successors and permitted assigns shall maintain its corporate existence and shall at all times continue to be duly organized under the laws of the jurisdiction of incorporation and duly qualified and duly authorized (as described in Section 2.04(a), (b) and (c) hereof) and shall conduct its business in accordance with the terms of its applicable organizational documents.

(c) *Books and Records; Other Information.* The Depositor shall keep or cause to be kept in reasonable detail books and records of account of its assets and business relating to the Transaction, and shall, as applicable, clearly reflect therein the sale of the Home Equity Loans to the Depositor, the transfer of the Home Equity Loans to the Trust and the sale of the Certificates, respectively, as a sale of the Home Equity Loans by RFC to the Depositor, a sale of the Home Equity Loans by the Depositor to the Trust and a sale of the beneficial interests in the Trust to the holders of the Certificates. The Depositor shall furnish or cause to be furnished to the Insurer: (i) promptly upon receipt thereof, copies of all schedules, financial statements or other similar reports delivered to or by the Depositor pursuant to the terms of any of the Transaction Documents, including all reports to be provided either to the Indenture Trustee, the Owner Trustee or any Noteholder or holder of the Certificates pursuant to any of the Transaction Documents to which it is a party, (ii) promptly upon request, such other data relating to the Transaction as the Insurer may reasonably request and (iii) all information required to be furnished by the Depositor to the Owner Trustee, the Indenture Trustee, the Noteholders or the holders of the Certificates, as the case may be.

(d) *Securities Exchange Act Filings.* If the Depositor shall prepare and file with the Commission any reports required to be filed under the Securities Exchange Act with respect to the Notes, upon the request of the Insurer, the Depositor shall deliver or cause to be delivered to the Insurer copies of any such filings.

(e) *Access To Records; Discussions with Officers and Accountants.* On an annual basis, or upon the occurrence of a Material Adverse Change, the Depositor shall, upon the reasonable request of the Insurer, permit the Insurer or its authorized agents:

(i) to inspect the books and records of the Depositor as they may relate to the Securities, the obligations of the Depositor under the Transaction Documents to which it is a party, and the Transaction;

(ii) to discuss the affairs, finances and accounts of the Depositor with the Chief Operating Officer and the Chief Financial Officer of the Depositor; and

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(iii) if the Insurer reasonably believes that a Material Adverse Change may have occurred and with the Depositor's consent, which consent shall not be unreasonably withheld or delayed, to discuss the affairs, finances and accounts of the Depositor with the Depositor's independent accountants, provided that an officer of the Depositor shall have the right to be present during such discussions.

Such inspections and discussions shall be conducted during normal business hours and shall not unreasonably disrupt the business of the Depositor. The books and records of the Depositor with respect to the Transaction shall be maintained at the address of the Depositor designated herein for receipt of notices, unless the Depositor shall otherwise advise the parties hereto in writing.

(f) *Notice of Material Events.* The Depositor shall be obligated promptly to inform the Insurer in writing of the occurrence of any of the following to the extent any of the following relate to it:

(i) the submission of any claim or the initiation or threat of any legal process, litigation or administrative or judicial investigation in any federal, state or local court or before any arbitration board or rule making or disciplinary proceeding by or against the Depositor that that (A) would be required to be disclosed to the Commission or to the Depositor's shareholders or (B) could result in a Material Adverse Change with respect to the Depositor, or the promulgation of any proceeding or any proposed or final rule which would likely result in a Material Adverse Change with respect to the Depositor or any of its subsidiaries;

(ii) any change in the location of the Depositor's principal office or the principal office of any of its subsidiaries, the Depositor's jurisdiction of organization, legal name as indicated on the public records of the Depositor's jurisdiction of organization which shows the Depositor to be organized, or any change in the location of the Depositor's books and records;

(iii) the occurrence of any Default or Event of Default or of any Material Adverse Change in respect of the Depositor;

(iv) the commencement of any proceedings by or against the Depositor under any applicable bankruptcy, reorganization, liquidation, rehabilitation, insolvency or other similar law now or hereafter in effect or of any proceeding in which a receiver, liquidator, conservator, trustee or similar official shall have been, or may be, appointed or requested for the Depositor or any of its assets; or

(v) the receipt of notice that (A) the Depositor is being placed under regulatory supervision, (B) any license, permit, charter, registration or approval necessary for the conduct of the Depositor's business is to be, or may be, suspended or revoked, or (C) the Depositor is to cease and desist any practice, procedure or policy employed by the Depositor in the conduct of its business, and such suspension, revocation or cessation may reasonably be expected to result in a Material Adverse Change with respect to the Depositor.

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(g) *Further Assurances.* The Depositor shall, upon the reasonable request of the Insurer, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, within 10 days of such request, such amendments hereto and such further instruments and take such further action as may be reasonably necessary to effectuate the intention, performance and provisions of the Transaction Documents to which it is a party. In addition, the Depositor agrees to cooperate with S&P and Moody's in connection with any review of the Transaction that may be undertaken by S&P and Moody's after the date hereof and to provide all information reasonably requested by S&P and Moody's.

(h) *Maintenance of Licenses.* The Depositor and any successors thereof, shall maintain or cause to be maintained all licenses, permits, charters and registrations the loss or suspension of which could result in a Material Adverse Change.

(i) *Corporate Formalities.* The Depositor shall observe all corporate formalities necessary to preserve its existence under the laws of the State of its incorporation, including (i) the obligation to hold annual meetings of its shareholders or its board of directors and (ii) the obligation to prepare and file annual income, franchise and other tax returns.

Section 2.09. Negative Covenants of RFC. RFC hereby agrees that during the Term of the Insurance Agreement, unless the Insurer shall otherwise expressly consent in writing:

(a) *Impairment of Rights.* RFC shall not take any action, or fail to take any action, if such action or failure to take action may result in a Material Adverse Change with respect to RFC, or may interfere in any material respect with the enforcement of any rights of the Insurer under or with respect to any of the Transaction Documents. RFC shall give the Insurer written notice of any such action or, to the best of the knowledge of RFC, any such failure to act on the earlier of (i) the date upon which any publicly available filing or release is made with respect to such action or failure to act and (ii) promptly prior to the date of consummation of such action or failure to act. RFC shall furnish to the Insurer all information reasonably requested by the Insurer that is reasonably necessary to determine compliance with this Section 2.09(a).

(b) *Waiver, Amendments, Etc.* RFC shall not modify, waive or amend, nor consent to any modification, waiver or amendment of, any of the terms, provisions or conditions of any of the Transaction Documents to which it is a party (other than any amendment to any Offering Document required by law) without the prior written consent of the Insurer thereto, which consent shall not be unreasonably withheld, conditioned or delayed.

(c) *Limitation on Mergers, etc.* RFC shall not consolidate with or merge with or into any Person or transfer all or substantially all of its assets to any Person or liquidate or dissolve except as provided in the Transaction Documents or as permitted hereby. RFC shall furnish to the Insurer all information requested by the Insurer that is reasonably necessary to determine compliance with this Section 2.09(c).

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(d) *Successors.* RFC shall not terminate or designate, nor consent to the termination or designation of, any successor Master Servicer, Paying Agent, Indenture Trustee or Owner Trustee without the prior written approval of the Insurer, which approval shall not be unreasonably withheld, conditioned or delayed.

Section 2.10. [Reserved]

Section 2.11. Negative Covenants of the Issuer. The Issuer hereby agrees that during the Term of the Insurance Agreement, unless the Insurer shall otherwise expressly consent in writing:

(a) *Impairment of Rights.* The Issuer shall not take any action, or fail to take any action, if such action or failure to take action may result in a Material Adverse Change with respect to the Issuer, or may interfere in any material respect with the enforcement of any rights of the Insurer under or with respect to any of the Transaction Documents. The Issuer shall give the Insurer written notice of any such action or, to the best of the knowledge of the Issuer, any such failure to act on the earlier of: (i) the date upon which any publicly available filing or release is made with respect to such action or failure to act and (ii) promptly prior to the date of consummation of such action or failure to act. The Issuer shall furnish to the Insurer all information reasonably requested by the Insurer that is reasonably necessary to determine compliance with this Section 2.11(a).

(b) *Waiver, Amendments, Etc.* The Issuer shall not modify, waive or amend, nor consent to any modification, waiver or amendment of, any of the terms, provisions or conditions of any of the Transaction Documents to which it is a party (other than any amendment to any Offering Document required by law) without the prior written consent of the Insurer thereto, which consent shall not be unreasonably withheld, conditioned or delayed.

(c) *Limitations on Mergers, etc.* The Issuer shall not consolidate with or merge with or into any Person or transfer all or substantially all of its assets to any Person or liquidate or dissolve except as provided in the Transaction Documents or as permitted hereby. The Issuer shall furnish to the Insurer all information required by the Insurer that is reasonably necessary to determine compliance with this Section 2.11(c).

(d) *Successors.* The Issuer shall not terminate or designate, nor consent to the termination or designation of, any successor Master Servicer, Paying Agent, Indenture Trustee or Owner Trustee without the prior written approval of the Insurer, which approval shall not be unreasonably withheld, conditioned or delayed.

RFC, in its capacity as Master Servicer, shall use commercially reasonable efforts to cause the Issuer to observe the provisions of this Section 2.11.

Section 2.12. Negative Covenants of the Depositor. The Depositor hereby agrees that during the Term of the Insurance Agreement, unless the Insurer shall otherwise expressly consent in writing:

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(a) *Impairment of Rights*. The Depositor shall not take any action, or fail to take any action, if such action or failure to take action may result in a Material Adverse Change with respect to the Depositor, or may interfere in any material respect with the enforcement of any rights of the Insurer under or with respect to any of the Transaction Documents. The Depositor shall give the Insurer written notice of any such action or, to the best of the knowledge of the Depositor, any such failure to act on the earlier of: (i) the date upon which any publicly available filing or release is made with respect to such action or failure to act and (ii) promptly prior to the date of consummation of such action or failure to act. The Depositor shall furnish to the Insurer all information reasonably requested by the Insurer that is reasonably necessary to determine compliance with this Section 2.12(a).

(b) *Waiver, Amendments, Etc.* The Depositor shall not modify, waive or amend, nor consent to any modification, waiver or amendment of, any of the terms, provisions or conditions of any of the Transaction Documents to which it is a party (other than any amendment to any Offering Document required by law) without the prior written consent of the Insurer thereto, which consent shall not be unreasonably withheld, conditioned or delayed.

(c) *Limitation on Mergers, etc.* The Depositor shall not consolidate with or merge with or into any Person or transfer all or substantially all of its assets to any Person or liquidate or dissolve except as provided in the Transaction Documents or as permitted hereby. The Depositor shall furnish to the Insurer all information requested by the Insurer that is reasonably necessary to determine compliance with this Section 2.12(c).

(d) *Successors*. The Depositor shall not terminate or designate, nor consent to the termination or designation of, any successor Master Servicer, Paying Agent, Indenture Trustee or Owner Trustee without the prior written approval of the Insurer, which approval shall not be unreasonably withheld, conditioned or delayed.

Section 2.12A. Representations and Warranties of RFC and the Depositor.

(a) RFC and the Depositor represent and warrant, jointly and severally, as of the Closing Date that the RFC Information in the Offering Documents did not, as of the Closing Date, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; provided, however, that no representation is made with respect to the Underwriter Information or the information regarding the Insurer set forth under the captions "DESCRIPTION OF THE POLICIES" and "THE CREDIT ENHANCER" or the consolidated financial statements of the Insurer incorporated by reference in the Offering Documents (the "Insurer Information"). RFC hereby agrees that it will satisfy in all material respects any of the information reporting requirements of the Securities Exchange Act arising out of the Transaction to which it is subject.

(b) RFC and the Depositor further represent and warrant, jointly and severally, as of the Closing Date that the offer and sale of the Notes complies or will

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comply in all material respects with all requirements of law, including the registration requirements of applicable securities laws. Based upon the legal advice of counsel, the Trust Agreement is not required to be qualified under the Trust Indenture Act and the Trust is not required to be registered as an "investment company" under the Investment Company Act. The Depositor will satisfy in all material respects any of the information reporting requirements of the Securities Exchange Act arising out of the Transaction to which it is subject.

Section 2.13. Additional Covenants of the Insurer Relating to Regulation AB

(a) The Insurer hereby authorizes the Depositor to incorporate into reports filed pursuant to the Exchange Act relating to this transaction the Insurer's quarterly and annual financial statements for so long as such financial statements may be required for the Depositor to comply with its reporting requirements under the Exchange Act. All written notices to the Insurer under this Section 2.13 shall be sent to the Insurer via electronic mail at IPMSTFMortgageBacked@mbia.com.

(b) The Insurer shall give the Depositor written notice in the event (i) MBIA Inc. no longer files reports with the Commission pursuant to section 13(a) or 15(d) of the Exchange Act or (ii) the Insurer determines that it otherwise fails to satisfy the conditions set forth for incorporation by reference in Item 1100(c) under Regulation AB. If the Insurer gives the Depositor any such written notice, upon the written request of the Depositor, the Insurer shall furnish to the Depositor the Insurer's unaudited financial statements for each of the March, June and September fiscal quarters and audited financial statements for each fiscal year (the "Insurer Financial Statements") as soon as reasonably practical after the release thereof for the period specified below in this Section 2.13(b). Subject to the provisions of this Section 2.13(b), (i) the Insurer Financial Statements shall be delivered in electronic form via electronic mail to SFRegABCoordinator@gmacrfc.com, or such other address that has been designated by the Depositor and provided in writing to the Insurer, and (ii) the Insurer shall continue to furnish Insurer Financial Statements to the Depositor as soon as reasonably practical after the release thereof for so long as the Depositor is subject to reporting requirements under the Exchange Act in relation to the Notes and such Insurer Financial Statements are required for the Depositor to comply with such reporting requirements.

(c) If the Depositor is required to include information required by Item 1119 of Regulation AB in the Depositor's Report on Form 10-K and the Depositor provides written notice to the Insurer via electronic mail, referencing "Reg AB Item 1119 Reporting" (i) identifying the relevant parties to the transaction as required under paragraph (a) of Item 1119 of Regulation AB (such parties, the "Transaction Parties") and (ii) requesting that the Insurer identify whether the Insurer is an affiliate of any of the Transaction Parties, then the Insurer shall provide the following information to the Depositor in electronic form via electronic mail to SFRegABCoordinator@gmacrfc.com, or such other address that has been designated by the Depositor, not later than 30 days after such request by the Depositor: (x) any Transaction Party that directly controls, or is directly controlled by the Insurer and (y) any Transaction Party that, to the knowledge of

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senior management of the Insurer, indirectly controls, is indirectly controlled by, or is under common control with, the Insurer.

(d) The requirements for the delivery of notices, financial statements and information pursuant to this Section 2.13 shall be satisfied to the extent that the Insurer provided such items pursuant to any similar transaction in which RFC is acting as "Seller." The Insurer shall use commercially reasonable efforts to identify each transaction to which the deliveries relate, provided that the failure to denote such transactions shall not be deemed a failure to deliver an item pursuant to this Section 2.13.

ARTICLE III

THE POLICIES; REIMBURSEMENT

Section 3.01. Issuance of the Policies. The Insurer agrees to issue the Policies on the Closing Date subject to satisfaction of the conditions precedent set forth below on or prior to the Closing Date:

(a) *Payment of Initial Premium and Expenses*. RFC shall agree to reimburse or pay directly the fees and expenses identified in Section 3.02 hereof as payable.

(b) *Transaction Documents*. The Insurer shall have received a fully executed copy of the Premium Letter and a copy of each of the Transaction Documents, in form and substance satisfactory to the Insurer, duly authorized, executed and delivered by each party thereto.

(c) *Certified Documents and Resolutions*. The Insurer shall have received (i) a copy of the applicable organizational documents of RFC, the Issuer and the Depositor and (ii) the certificate of the Secretary or Assistant Secretary of RFC, the Issuer and the Depositor dated the Closing Date stating that attached thereto is a true, complete and correct copy of resolutions duly adopted by the Board of Directors or other governing body, as applicable, of RFC, the Issuer and the Depositor authorizing the sale of the Home Equity Loans, the issuance of the Securities and the execution, delivery and performance by RFC, the Issuer and the Depositor, respectively, of the Transaction Documents to which it is a party and the consummation of the Transaction and that such applicable organizational documents and resolutions are in full force and effect without amendment or modification on the Closing Date.

(d) *Incumbency Certificate*. The Insurer shall have received a certificate of the Secretary or an Assistant Secretary of each of RFC, the Depositor and the Issuer certifying the names and signatures of the officers of RFC, the Depositor and the Issuer authorized to execute and deliver the Transaction Documents to which it is a party and that shareholder, member or beneficial owner consent to the execution and delivery of such documents is not necessary or has been obtained.

(e) *Representations and Warranties; Certificate*. The representations and warranties of RFC, the Issuer and the Depositor set forth or incorporated by reference in this Insurance Agreement shall be true and correct on and as of the Closing Date as if

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made on the Closing Date, and the Insurer shall have received a certificate of appropriate officers of RFC, the Depositor and the Issuer to that effect.

(f) *Opinions of Counsel.* The Insurer shall have received all the opinions of counsel addressed to Moody's, S&P, the Indenture Trustee, the Owner Trustee, RFC, the Issuer, the Depositor and the Underwriter, in respect of RFC, the Issuer and the Depositor or any other parties to the Transaction Documents and the Transaction dated the Closing Date in form and substance reasonably satisfactory to the Insurer and its counsel, addressed to the Insurer and addressing such matters as the Insurer may reasonably request, and the counsel providing each such opinion shall have been instructed by its client to deliver such opinion to the addressees thereof.

(g) *Approvals, Etc.* The Insurer shall have received true and correct copies of all approvals, licenses and consents, if any, including, without limitation, any required approval of the shareholders, the members or the beneficial owners, as applicable, of RFC, the Issuer and the Depositor, required in connection with the Transaction.

(h) *No Litigation, Etc.* No suit, action or other proceeding, investigation or injunction, or final judgment relating thereto, shall be pending or threatened before any court, governmental or administrative agency or arbitrator in which it is sought to restrain or prohibit or to obtain damages or other relief in connection with any of the Transaction Documents or the consummation of the Transaction.

(i) *Legality.* No statute, rule, regulation or order shall have been enacted, entered or deemed applicable by any government or governmental or administrative agency or court that would make the transactions contemplated by any of the Transaction Documents illegal or otherwise prevent the consummation thereof.

(j) *Satisfaction of Conditions of the Underwriting Agreement.* All conditions in the Underwriting Agreement relating to the Underwriters' obligations, if any, to purchase the Notes shall have been satisfied, without taking into account any waiver by the Underwriters of any condition unless such waiver has been approved by the Insurer. The Insurer shall have received copies of each of the documents, and shall be entitled to rely on each of the documents, required to be delivered to the Underwriter pursuant to the Underwriting Agreement.

(k) *Issuance of Ratings.* The Insurer shall have received confirmation that the risk secured by the Policy constitutes at least "BBB+" by S&P and "Baa2" by Moody's and that the Notes, when issued, will be rated "AAA" by S&P and "Aaa" by Moody's.

(l) *No Default.* No Default or Event of Default shall have occurred.

(m)*Additional Items.* The Insurer shall have received such other documents, instruments, approvals or opinions requested by the Insurer or its counsel as may be reasonably necessary to effect the Transaction, including, but not limited to, evidence satisfactory to the Insurer and its counsel that the conditions precedent, if any, in the Transaction Documents have been satisfied.

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(n) *Satisfactory Documentation.* The Insurer and its counsel shall have reasonably determined that all documents, certificates and opinions to be delivered in connection with the Securities conform to the terms of the Transaction Documents.

(o) *Indemnification Agreement.* The Insurer shall have received from the Underwriters an indemnification agreement with respect to securities law matters in form and substance reasonably satisfactory to the Insurer.

(p) *Compliance With Premium Letter.* All other terms, conditions and requirements of the Premium Letter shall have been satisfied.

Section 3.02. Payment of Fees and Premium.

(a) *Legal and Accounting Fees.* RFC shall pay or cause to be paid to the Insurer, on the Closing Date, legal fees and disbursements incurred by the Insurer in connection with the issuance of the Policies and fees of the Insurer's auditors in accordance with the terms of the Premium Letter. Any fees of the Insurer's auditors payable in respect of any amendment or supplement to the Offering Documents or any other Offering Document incurred after the Closing Date shall be paid by RFC on demand.

(b) *Premium.* In consideration of the issuance by the Insurer of the Policies, the Insurer shall be entitled to receive the Premium as and when due in accordance with the terms of the Premium Letter (i) in the case of Premium due on or before the Closing Date, directly from RFC and (ii) in the case of Premium due after the Closing Date pursuant to Section 3.05(a) of the Indenture. For purposes of the Indenture, the term "Premium Percentage" shall have the applicable meaning set forth in paragraph 1(a) of the Premium Letter. The Premium shall be calculated according to paragraph 1(a) of the Premium Letter for the amount due on the Payment Date in June 2007 and paragraph 1(b) of the Premium Letter for the amount due on each subsequent Payment Date. The Premium paid hereunder or under the Indenture shall be nonrefundable without regard to whether the Insurer makes any payment under the Policies or any other circumstances relating to the Notes or provision being made for payment of the Notes prior to maturity. Each of RFC and the Indenture Trustee shall make its respective payments of Premium by wire transfer to an account designated from time to time by the Insurer by written notice to RFC and the Indenture Trustee.

Section 3.03. Reimbursement and Additional Payment Obligation.

(a) In accordance with the priorities established in Section 3.05(a) of the Indenture, the Insurer shall be entitled to reimbursement for any payment made by the Insurer under the Policies, which reimbursement shall be due and payable on the date that any amount is to be paid pursuant to a Notice (as defined in the Policies), in an amount equal to the amount to be so paid and all amounts previously paid that remain unreimbursed, together with interest on any and all amounts remaining unreimbursed (to the extent permitted by law, if in respect of any unreimbursed amounts representing interest) from the date such amounts became due until paid in full (after as well as before judgment), at a rate of interest equal to the Late Payment Rate.

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(b) Notwithstanding anything in Section 3.03(a) to the contrary, RFC agrees to reimburse the Insurer as follows: (i) for payments made under the Policies arising as a result of RFC's failure to substitute for or deposit an amount in respect of any defective Home Equity Loan as required pursuant to Section 3.1 of the Purchase Agreement, together with interest on any and all amounts remaining unreimbursed (to the extent permitted by law, if in respect of any unreimbursed amounts representing interest) from the date such amounts became due until paid in full (after as well as before judgment), at a rate of interest equal to the Late Payment Rate, and (ii) for payments made under the Policies arising as a result of (A) RFC's failure to pay or deposit any amount required to be so paid or deposited pursuant to the Transaction Documents or (B) RFC's failure to honor any demand made by the Indenture Trustee under Section 3.12 of the Indenture, together with interest on any and all amounts remaining unreimbursed (to the extent permitted by law, if in respect to any unreimbursed amounts representing interest) from the date such amounts became due until paid in full (after as well as before judgment), at a rate of interest equal to the Late Payment Rate.

(c) RFC agrees to pay to the Insurer as follows: any and all charges, fees, costs and expenses that the Insurer may reasonably pay or incur, including, but not limited to, reasonable attorneys' and accountants' fees and expenses, in connection with (i) the enforcement, defense or preservation of any rights in respect of any of the Transaction Documents, including defending, monitoring or participating in any litigation or proceeding (including any insolvency or bankruptcy proceeding in respect of any Transaction participant or any affiliate thereof) relating to any of the Transaction Documents, any party to any of the Transaction Documents, in its capacity as such a party, or the Transaction or (ii) any amendment, waiver or other action with respect to, or related to, any Transaction Document, whether or not executed or completed. Provided that three Business Days' written notice of the intended payment or incurrence shall have been given to RFC by the Insurer, such reimbursement shall be due on the dates on which such charges, fees, costs or expenses are paid or incurred by the Insurer.

(d) The Depositor agrees to pay to the Insurer any and all charges, fees, costs and expenses that the Insurer may reasonably pay or incur, including reasonable attorneys' and accountants' fees and expenses, in connection with (i) the enforcement, defense or preservation of any rights in respect of any of the Transaction Documents as such may involve the Depositor, including defending, monitoring or participating in any litigation or proceeding (including any insolvency proceeding in respect of any Transaction participant or any affiliate thereof) relating to any of the Transaction Documents, any party to any of the Transaction Documents (in its capacity as such a party) or the Transaction or (ii) any amendment, waiver or other action with respect to, or related to, any Transaction Document that may involve the Depositor, whether or not executed or completed. Provided that three Business Days' written notice of the intended payment or incurrence shall have been given to the Depositor by the Insurer, such reimbursement shall be due on the dates on which such charges, fees, costs or expenses are paid or incurred by the Insurer.

(e) RFC agrees to pay to the Insurer as follows: interest on any and all amounts described in subsections (b), (c) and (g) of this Section 3.03 from the date payable or paid

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by such party until payment thereof in full, and interest on any and all amounts described in Section 3.02 hereof from the date due until payment thereof in full, in each case payable to the Insurer at the Late Payment Rate per annum.

(f) The Depositor agrees to pay to the Insurer interest on any and all amounts described in Section 3.03(d) and (i) and Section 3.05 from the date such amounts become due or, in the case of Sections 3.03(d) or (i) or Section 3.05, are incurred or paid by the Insurer until payment thereof in full (after as well as before judgment), at the Late Payment Rate.

(g) RFC agrees to pay to the Insurer as follows: any payments made by the Insurer on behalf of, or advanced to RFC or the Issuer on behalf of RFC, including, without limitation, any amounts payable by RFC pursuant to the Notes or any other Transaction Document, on the date any such payment is made or advanced by the Insurer.

(h) [Reserved].

(i) The Depositor agrees to pay to the Insurer as follows: any payments made by the Insurer on behalf of, or advanced to, the Depositor, including any amounts payable by the Depositor pursuant to the Notes or any Transaction Documents, on the date any such payment is made or advanced by the Insurer.

Section 3.04. Indemnification with Respect to RFC and the Issuer.

(a) In addition to any and all of the Insurer's rights of reimbursement, indemnification, subrogation and to any other rights of the Insurer pursuant hereto or under law or in equity, RFC and the Issuer agree, jointly and severally, to pay, and to protect, indemnify and save harmless, the Insurer and its officers, directors, shareholders, employees, agents and each Person, if any, who controls the Insurer within the meaning of either Section 15 of the Securities Act or Section 20 of the Securities Exchange Act from and against any and all claims, losses, liabilities (including penalties), actions, suits, judgments, demands, damages, costs or reasonable expenses (including, without limitation, reasonable fees and expenses of attorneys, consultants and auditors and reasonable costs of investigations) or obligations whatsoever paid by the Insurer (herein collectively referred to as "Liabilities") of any nature arising out of or relating to the breach by RFC or the Issuer of any of the representations or warranties contained in Sections 2.01 (except for any representation or warranty contained in Section 2.01(m)) or 2.03 (except for the first sentence of Section 2.03(j)) or arising out of or relating to the transactions contemplated by the Transaction Documents by reason of:

(i) any omission or action (other than of or by the Insurer) in connection with the offering, issuance, sale, remarketing or delivery of the Securities by RFC, the Issuer, the Owner Trustee or the Indenture Trustee;

(ii) the negligence, bad faith, willful misconduct, misfeasance, malfeasance or theft committed by any director, officer, employee or agent of RFC, the Issuer, the Owner Trustee or the Indenture Trustee in connection with any Transaction arising from or relating to the Transaction Documents;

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(iii) the violation of RFC or the Issuer of any domestic or foreign law, rule or regulation, or any judgment. order or decree applicable to it, which violation reasonably could result in a Material Adverse Change; or

(iv) the breach by RFC or the Issuer of any representation or warranty (other than a representation in respect of the Home Equity Loans in Section 3.1 of the Purchase Agreement or a representation or warranty contained in Section 2.01(m) of this Insurance Agreement) or covenant under any of the Transaction Documents to which it is a party or the occurrence, with respect to RFC or the Issuer, under any of the Transaction Document of any "event of default."

(b) If any action or proceeding (including any governmental investigation) shall be brought or asserted against any Person (individually, an "Indemnified Party" and, collectively, the "Indemnified Parties") in respect to which the indemnity provided in Section 3.04(a) may be sought from RFC or the Issuer (each, an "Indemnifying Party") hereunder, each such Indemnified Party shall promptly notify the Indemnifying Party in writing, and the Indemnifying Party shall assume the defense thereof, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of all expenses. The Indemnified Party shall have the right to employ separate counsel in any such action and to participate in the defense thereof at the expense of the Indemnified Party; provided, however, that the fees and expenses of such separate counsel shall be at the expense of the Indemnifying Party if (i) the Indemnifying Party has agreed to pay such fees and expenses, (ii) the Indemnifying Party shall have failed within a reasonable period of time to assume the defense of such action or proceeding and employ counsel reasonably satisfactory to the Indemnified Party in any such action or proceeding or (iii) the named parties to any such action or proceeding (including any impleaded parties) include both the Indemnified Party and the Indemnifying Party, and the Indemnified Party shall have been advised by counsel that there may be one or more legal defenses available to it which are different from or additional to those available to the Indemnifying Party (in which case, if the Indemnified Party notifies the Indemnifying Party in writing that it elects to employ separate counsel at the expense of the Indemnifying Party, the Indemnifying Party shall not have the right to assume the defense of such action or proceeding on behalf of the Indemnified Party, it being understood, however, that the Indemnifying Party shall not, in connection with any one such action or proceeding or separate but substantially similar or related actions or proceedings in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys at any time for the Indemnified Parties, which firm shall be designated in writing by the Indemnified Party and shall be reasonably satisfactory to the Indemnifying Party). The Indemnifying Party shall not be liable for any settlement of any such action or proceeding effected without its written consent, which consent shall not be unreasonably withheld, conditioned or delayed, but, if settled with its written consent, or if there is a final judgment for the plaintiff in any such action or proceeding with respect to which the Indemnifying Party shall have received notice in accordance with this subsection (b), the Indemnifying Party agrees to indemnify and hold the Indemnified Parties harmless from and against any loss or liability by reason of such settlement or judgment.

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(c) To provide for just and equitable contribution if the indemnification provided by the Indemnifying Party is determined to be unavailable or insufficient to hold harmless any Indemnified Party (other than due to the application of this Section 3.04), each Indemnifying Party shall contribute to the losses incurred by the Indemnified Party on the basis of the relative fault of the Indemnifying Party on the one hand, and the Indemnified Party, on the other hand.

Section 3.05. Indemnification with Respect to the Depositor.

(a) In addition to any and all of the Insurer's rights of reimbursement, indemnification, subrogation and to any other rights of the Insurer pursuant hereto or under law or in equity, the Depositor agrees to pay, and to protect, indemnify and save harmless, the Insurer and its officers, directors, shareholders, employees, agents and each Person, if any, who controls the Insurer within the meaning of either Section 15 of the Securities Act or Section 20 of the Securities Exchange Act from and against any and all claims, losses, liabilities (including penalties), actions, suits, judgments, demands, damages, costs or reasonable expenses (including, without limitation, reasonable fees and expenses of attorneys, consultants and auditors and reasonable costs of investigations) or obligations whatsoever paid by the Insurer of any nature arising out of or relating to the breach by the Depositor of any of the representations or warranties contained in Section 2.04 or arising directly out of or relating directly to the Transaction contemplated by the Transaction Documents by reason of:

(i) the negligence, bad faith, willful misconduct, misfeasance, malfeasance or theft committed by any director, officer, employee or agent of the Depositor in connection with any Transaction arising from or relating to the Transaction Documents;

(ii) the violation by the Depositor of any domestic or foreign law, rule or regulation, or any judgment, order or decree applicable to it, which violation reasonably could result in a Material Adverse Change; or

(iii) the breach by the Depositor of any of its representations, warranties or covenants under any of the Transaction Documents to which it is a party or the occurrence, in respect of the Depositor, under any of the Transaction Documents to which the Depositor is a party of any "event of default" or any event which, with the giving of notice or the lapse of time or both, would constitute any "event of default."

(b) If any action or proceeding (including any governmental investigation) shall be brought or asserted against any Person (individually, an "Indemnified Party" and, collectively, the "Indemnified Parties") in respect to which the indemnity provided in Section 3.05(a) may be sought from the Depositor (the "Indemnifying Party") hereunder, each such Indemnified Party shall promptly notify the Indemnifying Party in writing, and the Indemnifying Party shall assume the defense thereof, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of all expenses. The Indemnified Party shall have the right to employ separate counsel in any such action

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and to participate in the defense thereof at the expense of the Indemnified Party; provided, however, that the fees and expenses of such separate counsel shall be at the expense of the Indemnifying Party if (i) the Indemnifying Party has agreed to pay such fees and expenses, (ii) the Indemnifying Party shall have failed within a reasonable period of time to assume the defense of such action or proceeding and employ counsel reasonably satisfactory to the Indemnified Party in any such action or proceeding or (iii) the named parties to any such action or proceeding (including any impleaded parties) include both the Indemnified Party and the Indemnifying Party, and the Indemnified Party shall have been advised by counsel that there may be one or more legal defenses available to it which are different from or additional to those available to the Indemnifying Party (in which case, if the Indemnified Party notifies the Indemnifying Party in writing that it elects to employ separate counsel at the expense of the Indemnifying Party, the Indemnifying Party shall not have the right to assume the defense of such action or proceeding on behalf of the Indemnified Party, it being understood, however, that the Indemnifying Party shall not, in connection with any one such action or proceeding or separate but substantially similar or related actions or proceedings in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys at any time for the Indemnified Parties, which firm shall be designated in writing by the Indemnified Party and shall be reasonably satisfactory to the Indemnifying Party). The Indemnifying Party shall not be liable for any settlement of any such action or proceeding effected without its written consent, which consent shall not be unreasonably withheld, conditioned or delayed, but, if settled with its written consent, or if there is a final judgment for the plaintiff in any such action or proceeding with respect to which the Indemnifying Party shall have received notice in accordance with this subsection (b), the Indemnifying Party agrees to indemnify and hold the Indemnified Parties harmless from and against any loss or liability by reason of such settlement or judgment.

To provide for just and equitable contribution if the indemnification provided by the Indemnifying Party is determined to be unavailable or insufficient to hold harmless any Indemnified Party (other than due to the application of this Section 3.05), each Indemnifying Party shall contribute to the losses incurred by the Indemnified Party on the basis of the relative fault of the Indemnifying Party on the one hand, and the Indemnified Party, on the other hand.

Section 3.05A. Indemnification with Respect to RFC and the Depositor.

(a) In addition to any and all of the Insurer's rights of reimbursement, indemnification, subrogation and to any other rights of the Insurer pursuant hereto or under law or in equity, RFC and the Depositor agree, jointly and severally, to pay, and to protect, indemnify and save harmless, the Insurer and its officers, directors, shareholders, employees, agents and each Person, if any, who controls the Insurer within the meaning of either Section 15 of the Securities Act or Section 20 of the Securities Exchange Act from and against any and all claims, losses, liabilities (including penalties), actions, suits, judgments, demands, damages, costs or reasonable expenses (including, without limitation, reasonable fees and expenses of attorneys, consultants and auditors and reasonable costs of investigations) or obligations whatsoever paid by the Insurer (herein collectively referred to as "Liabilities") of any nature arising out of or relating to the

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breach by RFC or the Depositor of any of the representations or warranties contained in Section 2.12A or arising out of or relating to the transactions contemplated by the Transaction Documents by reason of any untrue statement or alleged untrue statement of a material fact contained in any Offering Document other than the Insurer Information and the Underwriter Information (the "RFC Information") or any omission or alleged omission to state in the RFC Information a material fact required to be stated in the RFC Information or necessary to make the statements in the RFC Information, in light of the circumstances under which they were made, not misleading) except insofar as such claims, losses, liabilities (including penalties), actions, suits, judgments, demands, damages, costs or expenses (including reasonable fees and expenses of attorneys, consultants and auditors and reasonable costs of investigations) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact or omission or alleged omission of a material fact in the Insurer Information or the Underwriter Information.

(b) If any action or proceeding (including any governmental investigation) shall be brought or asserted against any Person (individually, an "Indemnified Party" and, collectively, the "Indemnified Parties") in respect to which the indemnity provided in Section 3.05A(a) may be sought from RFC or the Depositor (each, an "Indemnifying Party") hereunder, each such Indemnified Party shall promptly notify the Indemnifying Party in writing, and the Indemnifying Party shall assume the defense thereof, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of all expenses. The Indemnified Party shall have the right to employ separate counsel in any such action and to participate in the defense thereof at the expense of the Indemnified Party; provided, however, that the fees and expenses of such separate counsel shall be at the expense of the Indemnifying Party if (i) the Indemnifying Party has agreed to pay such fees and expenses, (ii) the Indemnifying Party shall have failed within a reasonable period of time to assume the defense of such action or proceeding and employ counsel reasonably satisfactory to the Indemnified Party in any such action or proceeding or (iii) the named parties to any such action or proceeding (including any impleaded parties) include both the Indemnified Party and the Indemnifying Party, and the Indemnified Party shall have been advised by counsel that there may be one or more legal defenses available to it which are different from or additional to those available to the Indemnifying Party (in which case, if the Indemnified Party notifies the Indemnifying Party in writing that it elects to employ separate counsel at the expense of the Indemnifying Party, the Indemnifying Party shall not have the right to assume the defense of such action or proceeding on behalf of the Indemnified Party, it being understood, however, that the Indemnifying Party shall not, in connection with any one such action or proceeding or separate but substantially similar or related actions or proceedings in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys at any time for the Indemnified Parties, which firm shall be designated in writing by the Indemnified Party and shall be reasonably satisfactory to the Indemnifying Party). The Indemnifying Party shall not be liable for any settlement of any such action or proceeding effected without its written consent, which consent shall not be unreasonably withheld, conditioned or delayed, but, if settled with its written consent, or if there is a final judgment for the plaintiff in any such action or proceeding with respect to which the

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Indemnifying Party shall have received notice in accordance with this subsection (b), the Indemnifying Party agrees to indemnify and hold the Indemnified Parties harmless from and against any loss or liability by reason of such settlement or judgment.

(c) To provide for just and equitable contribution if the indemnification provided by the Indemnifying Party is determined to be unavailable or insufficient to hold harmless any Indemnified Party (other than due to the application of this Section 3.05A), each Indemnifying Party shall contribute to the losses incurred by the Indemnified Party on the basis of the relative fault of the Indemnifying Party on the one hand, and the Indemnified Party, on the other hand.

Section 3.06. Indemnification with Respect to Insurer.

(a) In addition to any and all of the rights of RFC and the Depositor pursuant hereto or under law or in equity, the Insurer agrees to pay, and to protect, indemnify and save harmless, each of RFC and the Depositor and their officers, directors, shareholders, employees, agents and each Person, if any, who controls RFC or the Depositor within the meaning of either Section 15 of the Securities Act or Section 20 of the Securities Exchange Act from and against any and all claims, losses, liabilities (including penalties), actions, suits, judgments, demands, damages, costs or reasonable expenses (including, without limitation, reasonable fees and expenses of attorneys, consultants and auditors and reasonable costs of investigations) or obligations whatsoever paid by them (herein collectively referred to as "Liabilities") of any nature arising out of or relating to the breach by the Insurer of any of the covenants contained in Section 2.13 or arising out of or relating to the transactions contemplated by the Transaction Documents by reason of any untrue statement or alleged untrue statement of a material fact contained in the information delivered by the Insurer pursuant to Section 2.13 (the "Insurer Regulation AB Information") or any omission or alleged omission to state in the Insurer Regulation AB Information a material fact required to be stated in the Insurer Regulation AB Information or necessary to make the statements in the Insurer Regulation AB Information, in light of the circumstances under which they were made, not misleading.

(b) If any action or proceeding (including any governmental investigation) shall be brought or asserted against any Person (individually, an "Indemnified Party" and, collectively, the "Indemnified Parties") in respect to which the indemnity provided in Section 3.06(a) may be sought from the Insurer (the "Indemnifying Party") hereunder, each such Indemnified Party shall promptly notify the Indemnifying Party in writing, and the Indemnifying Party shall assume the defense thereof, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of all expenses. The Indemnified Party shall have the right to employ separate counsel in any such action and to participate in the defense thereof at the expense of the Indemnified Party; provided, however, that the fees and expenses of such separate counsel shall be at the expense of the Indemnifying Party if (i) the Indemnifying Party has agreed to pay such fees and expenses, (ii) the Indemnifying Party shall have failed within a reasonable period of time to assume the defense of such action or proceeding and employ counsel reasonably satisfactory to the Indemnified Party in any such action or proceeding or (iii) the named parties to any such action or proceeding (including any impleaded parties)

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include both the Indemnified Party and the Indemnifying Party, and the Indemnified Party shall have been advised by counsel that there may be one or more legal defenses available to it which are different from or additional to those available to the Indemnifying Party (in which case, if the Indemnified Party notifies the Indemnifying Party in writing that it elects to employ separate counsel at the expense of the Indemnifying Party, the Indemnifying Party shall not have the right to assume the defense of such action or proceeding on behalf of the Indemnified Party, it being understood, however, that the Indemnifying Party shall not, in connection with any one such action or proceeding or separate but substantially similar or related actions or proceedings in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys at any time for the Indemnified Parties, which firm shall be designated in writing by the Indemnified Party and shall be reasonably satisfactory to the Indemnifying Party). The Indemnifying Party shall not be liable for any settlement of any such action or proceeding effected without its written consent, which consent shall not be unreasonably withheld, conditioned or delayed, but, if settled with its written consent, or if there is a final judgment for the plaintiff in any such action or proceeding with respect to which the Indemnifying Party shall have received notice in accordance with this subsection (b), the Indemnifying Party agrees to indemnify and hold the Indemnified Parties harmless from and against any loss or liability by reason of such settlement or judgment.

(c) To provide for just and equitable contribution if the indemnification provided by the Indemnifying Party is determined to be unavailable or insufficient to hold harmless any Indemnified Party (other than due to the application of this Section 3.06), each Indemnifying Party shall contribute to the losses incurred by the Indemnified Party on the basis of the relative fault of the Indemnifying Party on the one hand, and the Indemnified Party, on the other hand.

Section 3.07. Payment Procedure. In the event of any payment by the Insurer, RFC, the Issuer and the Depositor agree to accept the voucher or other evidence of payment as prima facie evidence of the propriety thereof and the liability, if any, described in Section 3.03 therefor to the Insurer. All payments to be made to the Insurer under this Insurance Agreement shall be made to the Insurer in lawful currency of the United States of America in immediately available funds at the notice address for the Insurer as specified in Section 6.02 hereof on the date when due or as the Insurer shall otherwise direct by written notice to the other parties hereto. In the event that the date of any payment to the Insurer or the expiration of any time period hereunder occurs on a day that is not a Business Day, then such payment or expiration of time period shall be made or occur on the next succeeding Business Day with the same force and effect as if such payment was made or time period expired on the scheduled date of payment or expiration date. Payments to be made to the Insurer under this Insurance Agreement shall bear interest at the Late Payment Rate from the date when due to the date paid.

Section 3.08. Joint and Several Liability. RFC and the Issuer shall be jointly and severally liable for all amounts due and payable to the Insurer hereunder by any such parties.

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ARTICLE IV

FURTHER AGREEMENTS

Section 4.01. Effective Date; Term of the Insurance Agreement. This Insurance Agreement shall take effect on the Closing Date and shall remain in effect until the later of (a) such time as the Insurer is no longer subject to a claim under the Policies and the Policies shall have been surrendered to the Insurer for cancellation and (b) all amounts payable to the Insurer by RFC, the Issuer, or the Depositor hereunder or from any other source hereunder or under the Transaction Documents and all amounts payable under the Notes have been paid in full; provided, however, that the provisions of Sections 3.02, 3.03, 3.04, 3.05, 3.05A, 3.06 and 4.06 hereof shall survive any termination of this Insurance Agreement; provided, with respect to Section 4.06, that Section 4.06 shall survive the termination of this Insurance Agreement for the period of time specified in Section 4.06.

Section 4.02. Further Assurances and Corrective Instruments.

(a) Except at such times as a default in payment under the Policies shall exist or shall have occurred, none of RFC, the Issuer, or the Depositor shall grant any waiver of rights under any of the Transaction Documents to which any of them is a party without the prior written consent of the Insurer, which shall not be unreasonably withheld, conditioned or delayed, and any such waiver without the prior written consent of the Insurer shall be null and void and of no force or effect.

(b) To the extent permitted by law, each of RFC, the Issuer, and the Depositor agrees that it will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as the Insurer may reasonably request and as may be required in the Insurer's reasonable judgment to effectuate the intention of or facilitate the performance of this Insurance Agreement.

Section 4.03. Obligations Absolute.

(a) So long as no Credit Enhancer Default shall have occurred and be continuing, the obligations of RFC, the Issuer, and the Depositor hereunder shall be absolute and unconditional and shall be paid or performed strictly in accordance with this Insurance Agreement under all circumstances irrespective of:

(i) any lack of validity or enforceability of, or any amendment or other modifications of, or waiver, with respect to any of the Transaction Documents or the Securities that have not been approved by the Insurer;

(ii) any exchange or release of any other obligations hereunder;

(iii) the existence of any claim, setoff, defense, reduction, abatement or other right that RFC, the Issuer, or the Depositor may have at any time against the Insurer or any other Person;

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(iv) any document presented in connection with the Policies proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;

(v) any payment by the Insurer under the Policies against presentation of a certificate or other document that does not strictly comply with terms of the Policies;

(vi) any failure of RFC, the Issuer, or the Depositor to receive the proceeds from the sale of the Securities;

(vii) any breach by RFC, the Issuer, or the Depositor of any representation, warranty or covenant contained in any of the Transaction Documents; or

(viii) any other circumstances, other than payment in full, that might otherwise constitute a defense available to, or discharge of, RFC, the Issuer, or the Depositor.

(b) So long as no Credit Enhancer Default shall have occurred and be continuing, RFC, the Issuer, or the Depositor and any and all others who are now or may become liable for all or part of the obligations of RFC, the Issuer, or the Depositor under this Insurance Agreement agree to be bound by this Insurance Agreement and (i) to the extent permitted by law, waive and renounce any and all redemption and exemption rights and the benefit of all valuation and appraisement privileges against the indebtedness and obligations evidenced by any Transaction Document or by any extension or renewal thereof; (ii) waive presentment and demand for payment, notices of nonpayment and of dishonor, protest of dishonor and notice of protest; (iii) waive all notices in connection with the delivery and acceptance hereof and all other notices in connection with the performance, default or enforcement of any payment hereunder, except as required by the Transaction Documents; (iv) waive all rights of abatement, diminution, postponement or deduction, or any defense other than payment, or any right of setoff or recoupment arising out of any breach under any of the Transaction Documents by any party thereto or any beneficiary thereof, or out of any obligation at any time owing to RFC, the Issuer, or the Depositor; (v) agree that its liabilities hereunder shall, except as otherwise expressly provided in this Section 4.03, be unconditional and without regard to any setoff, counterclaim or the liability of any other Person for the payment hereof; (vi) agree that any consent, waiver or forbearance hereunder with respect to an event shall operate only for such event and not for any subsequent event; (vii) consent to any and all extensions of time that may be granted by the Insurer with respect to any payment hereunder or other provisions hereof and to the release of any security at any time given for any payment hereunder, or any part thereof, with or without substitution, and to the release of any Person or entity liable for any such payment; and (viii) consent to the addition of any and all other makers, endorsers, guarantors and other obligors for any payment hereunder, and to the acceptance of any and all other security for any payment hereunder, and agree that the addition of any such obligors or security shall not affect the liability of the parties hereto for any payment hereunder.

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Nothing herein shall be construed as prohibiting RFC, the Issuer, or the Depositor from pursuing any rights or remedies it may have against any other Person in a separate legal proceeding.

Section 4.04. Assignments; Reinsurance; Third-Party Rights.

(a) This Insurance Agreement shall be a continuing obligation of the parties hereto and shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. None of RFC, the Issuer, or the Depositor may assign its rights under this Insurance Agreement, or delegate any of its duties hereunder, without the prior written consent of the Insurer. Any assignment made in violation of this Insurance Agreement shall be null and void.

(b) The Insurer shall have the right to give participations in its rights under this Insurance Agreement and to enter into contracts of reinsurance with respect to the Policies upon such terms and conditions as the Insurer may in its discretion determine; provided, however, that no such participation or reinsurance agreement or arrangement shall relieve the Insurer of any of its obligations hereunder or under the Policies or create any additional obligations on RFC, the Issuer or the Depositor.

(c) In addition, the Insurer shall be entitled to assign or pledge to any bank or other lender providing liquidity or credit with respect to the Transaction or the obligations of the Insurer in connection therewith any rights of the Insurer under the Transaction Documents or with respect to any real or personal property or other interests pledged to the Insurer, or in which the Insurer has a security interest, in connection with the Transaction.

(d) Except as provided herein with respect to participants and reinsurers, nothing in this Insurance Agreement shall confer any right, remedy or claim, express or implied, upon any Person, including, particularly, any Owner, other than the Insurer against RFC, the Issuer, or the Depositor, and all the terms, covenants, conditions, promises and agreements contained herein shall be for the sole and exclusive benefit of the parties hereto and their successors and permitted assigns. Neither the Indenture Trustee nor any Owner shall have any right to payment from any Premiums paid or payable hereunder or under the Indenture or from any other amounts paid by RFC, the Issuer, or the Depositor pursuant to Sections 3.02, 3.03, 3.04, 3.05, 3.05A and 3.06 hereof.

(e) RFC, the Depositor and the Issuer agree that the Insurer shall have all rights of a third-party beneficiary in respect of the Indenture and each other Transaction Document to which it is not a signing party and hereby incorporate and restate their representations, warranties and covenants as set forth therein for the benefit of the Insurer.

Section 4.05. Liability of the Insurer. Neither the Insurer nor any of its officers, directors or employees shall be liable or responsible for (a) the use that may be made of the Policies by the Indenture Trustee or for any acts or omissions of the Indenture Trustee in connection therewith or (b) the validity, sufficiency, accuracy or genuineness of documents delivered to the Insurer (or its Fiscal Agent) in connection with any claim under the Policies, or

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of any signatures thereon, even if such documents or signatures should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged (unless the Insurer shall have actual knowledge thereof). In furtherance and not in limitation of the foregoing, the Insurer (or its Fiscal Agent) may accept documents that appear on their face to be in order, without responsibility for further investigation.

Section 4.06. Parties Will Not Institute Insolvency Proceedings. So long as this Agreement is in effect, and for one year following its termination, none of the parties hereto will file any involuntary petition or otherwise institute any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding or other proceedings under any federal or state bankruptcy or similar law against the Depositor or the Issuer.

Section 4.07. Depositor, the Issuer, and RFC To Join in Enforcement Action. To the extent necessary to enforce any right of the Insurer in or remedy of the Insurer under any Home Equity Loan, each of the Depositor, the Issuer, and RFC agrees to join in any action initiated by the Trust or the Insurer for the protection of such right or exercise of such remedy; provided, however, to the extent RFC incurs expenses, fees and costs related to an enforcement action that are not reimbursable to RFC in its capacity as Master Servicer, the Insurer hereby agrees that it shall reimburse RFC for any expenses, fees and costs incurred by RFC with respect to an enforcement action that have not been previously reimbursed to RFC as Master Servicer.

Section 4.08. Use of Insurer's Name. Each of the Depositor, the Issuer, and RFC agree not to use the Insurer's name in any public document including, without limitation, a press release or presentation, announcement or forum without the Insurer's prior consent; provided however, such prohibition on the use of the Insurer's name shall not relate to the use of the Insurer's standard approved form of disclosure in public documents issued in connection with the Securities to be issued in accordance with the terms of the Premium Letter; and provided further such prohibition shall not apply to the use of the Insurer's name in order to comply with public notice, public meeting or public reporting requirements.

ARTICLE V

DEFAULTS; REMEDIES

Section 5.01. Defaults. The occurrence of any of the following events shall constitute an Event of Default hereunder:

(a) any representation or warranty made by RFC, the Issuer, or the Depositor hereunder or under the Transaction Documents, or in any certificate furnished hereunder or under the Transaction Documents, shall prove to be untrue or incomplete in any material respect;

(b) (i) RFC, the Issuer, or the Depositor shall fail to pay when due any amount payable by RFC, the Issuer, or the Depositor hereunder or (ii) a legislative body has enacted any law that declares or a court of competent jurisdiction shall find or rule that any Transaction Document is not valid and binding on RFC; provided that with respect to any law or judicial action within the scope of this clause (ii), RFC, the Issuer, or the

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Depositor shall have 30 days to reinstate the binding effect of such Transaction Document and the Insurer agrees to take such actions as may be reasonably required, at the expense of the requesting party, to facilitate the reinstatement of such binding effect;

(c) the occurrence and continuance of an "event of default", or any event which given the lapse of time or notice would constitute an "event of default," under any Transaction Document;

(d) any failure on the part of RFC, the Issuer, or the Depositor duly to observe or perform in any material respect any other of the covenants or agreements on the part of RFC, the Issuer, or the Depositor contained in this Insurance Agreement or in any other Transaction Document which continues unremedied for a period of 30 days with respect to this Insurance Agreement, or, with respect to any other Transaction Document, beyond any cure period provided for therein, after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Master Servicer, the Issuer, or the Depositor, as applicable, by the Insurer (with a copy to the Indenture Trustee) or by the Indenture Trustee (with a copy to the Insurer);

(e) a decree or order of a court or agency or supervisory authority having jurisdiction in the premises in an involuntary case under any present or future federal or state bankruptcy, insolvency or similar law or the appointment of a conservator or receiver or liquidator or other similar official in any bankruptcy, insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings, or for the winding-up or liquidation of its affairs, shall have been entered against RFC, the Issuer or the Depositor and such decree or order shall have remained in force undischarged or unstayed for a period of 90 consecutive days;

(f) RFC, the Issuer or the Depositor shall consent to the appointment of a conservator or receiver or liquidator or other similar official in any bankruptcy, insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings of or relating to RFC, the Issuer or the Depositor or of or relating to all or substantially all of their respective property;

(g) RFC, the Issuer or the Depositor shall admit in writing its inability to pay its debts generally as they become due, file a petition to take advantage of or otherwise voluntarily commence a case or proceeding under any applicable bankruptcy, insolvency, reorganization or other similar statute, make an assignment for the benefit of its creditors or voluntarily suspend payment of its obligations; or

(h) the Issuer shall become subject to an entity level tax or to registration as an investment company under the Investment Company Act.

Section 5.02. Remedies; No Remedy Exclusive.

(a) Upon the occurrence of an Event of Default, the Insurer may exercise any one or more of the rights and remedies set forth below:

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(i) declare all indebtedness of every type or description then owed by RFC, the Issuer, or the Depositor to the Insurer to be immediately due and payable, and the same shall thereupon be immediately due and payable;

(ii) exercise any rights and remedies under the Transaction Documents in accordance with the terms of the Transaction Documents or direct the Indenture Trustee or the Owner Trustee to exercise such remedies in accordance with the terms of the Transaction Documents;

(iii) take whatever action at law or in equity as may appear necessary or desirable in its judgment to collect the amounts, if any, then due under the Transaction Documents or to enforce performance and observance of any obligation, agreement or covenant of RFC, the Indenture Trustee, the Issuer, the Owner Trustee or the Depositor under the Transaction Documents;

(iv) exercise any rights and remedies under the Indenture in accordance with the terms thereof or direct the Indenture Trustee to exercise such remedies in accordance with the terms of the Indenture; or

(v) exercise any rights and remedies under the Servicing Agreement in accordance with the terms thereof or direct RFC to exercise such remedies in accordance with the terms of the Servicing Agreement.

(b) Unless otherwise expressly provided, no remedy herein conferred or reserved is intended to be exclusive of any other available remedy, but each remedy shall be cumulative and shall be in addition to other remedies given under the Transaction Documents or existing at law or in equity. No delay or omission to exercise any right or power accruing under the Transaction Documents upon the happening of any event set forth in Section 5.01 hereof shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Insurer to exercise any remedy reserved to the Insurer in this Article V, it shall not be necessary to give any notice other than such notice as may be required in this Article V.

Section 5.03. Waivers.

(a) No failure by the Insurer to exercise, and no delay by the Insurer in exercising, any right hereunder shall operate as a waiver thereof. The exercise by the Insurer of any right hereunder shall not preclude the exercise of any other right, and the remedies provided herein to the Insurer are declared in every case to be cumulative and not exclusive of any remedies provided by law or equity.

(b) The Insurer shall have the right, to be exercised in its complete discretion, to waive any Event of Default hereunder, by a writing setting forth the terms, conditions and extent of such waiver signed by the Insurer and delivered to RFC, the Issuer, and the Depositor. Unless such writing expressly provides to the contrary, any waiver so granted shall extend only to the specific event or occurrence which gave rise to the Event of

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Default so waived and not to any other similar event or occurrence which occurs subsequent to the date of such waiver.

ARTICLE VI

MISCELLANEOUS

Section 6.01. Amendments, Etc. This Insurance Agreement may be amended, modified, supplemented or terminated only by written instrument or written instruments signed by the parties hereto. RFC agrees promptly to provide a copy of any amendment to this Insurance Agreement to the Indenture Trustee, S&P, and Moody's. No act or course of dealing shall be deemed to constitute an amendment, modification, supplement or termination hereof.

Section 6.02. Notices. All demands, notices and other communications to be given hereunder shall be in writing (except as otherwise specifically provided herein) and shall be mailed by registered mail or personally delivered or telecopied to the recipient as follows:

(a) To the Insurer:

MBIA Insurance Corporation
113 King Street
Armonk, NY 10504
Attention: Insured Portfolio Management-Structured Finance (IPM-SF)
(Home Equity Loan Trust 2007-HSA3)
Telecopy No.: (914) 765-3810
Telephone No.: (914) 765-3781

(in each case in which notice or other communication to the Insurer refers to an Event of Default, a claim on the Policies or with respect to which a failure on the part of the Insurer to respond shall be deemed to constitute consent or acceptance, then a copy of such notice or other communication should also be sent to the attention of each of the general counsel and the Insurer and shall be marked to indicate "URGENT MATERIAL ENCLOSED.")

(b) To RFC:

Residential Funding Company, LLC
8400 Normandale Lake Boulevard
Minneapolis, Minnesota 55437
Attention: President (Home Equity Loan Trust 2007-HSA3)
Telecopy No.: (952) 857-7442
Telephone No.: (952) 857-7000

(in each case in which notice or other communication to RFC refers to an Event of Default, a claim against RFC or with respect to a failure on the part of RFC to respond shall be deemed to constitute consent or acceptance, then a copy of such notice or other communication shall also

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be sent to the attention of the general counsel of RFC, and, in all cases, both any original and all copies shall be marked to indicate "URGENT MATERIAL ENCLOSED")

(c) To the Depositor:

Residential Funding Mortgage Securities II, Inc.
8400 Normandale Lake Boulevard
Minneapolis, Minnesota 55437
Attention: President (Home Equity Loan Trust 2007-HSA3)
Telecopy No.: (952) 857-7442
Telephone No.: (952) 857-7000

(in each case in which notice or other communication to the Depositor refers to an Event of Default, a claim against the Depositor or with respect to which a failure on the part of the Depositor to respond shall be deemed to constitute consent or acceptance, then a copy of such notice or other communication should also be sent to the attention of each of the general counsel of the Depositor and shall be marked to indicate "URGENT MATERIAL ENCLOSED.")

(d) To the Issuer:

Home Equity Loan Trust 2007-HSA3
c/o Wilmington Trust Company
1100 N. Market Street – 9th Floor
Wilmington, DE 19890-0001
Attention: Corporate Trust Administration
Telecopy No.: (302) 636-4148
Telephone No.: (302) 651-8882

(in each case in which notice or other communication to the Issuer refers to an Event of Default, a claim against the Issuer or with respect to which a failure on the part of the Issuer to respond shall be deemed to constitute consent or acceptance, then a copy of such notice or other communication shall also be sent to the attention of RFC and the general counsel of RFC and, in all cases, both any original and any copies shall be marked to indicate "URGENT MATERIAL ENCLOSED.")

A party may specify an additional or different address or addresses by writing mailed or delivered to the other parties as aforesaid. All such notices and other communications shall be effective upon receipt.

Section 6.03. Severability. In the event that any provision of this Insurance Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, the parties hereto agree that such holding shall not invalidate or render unenforceable any other provision hereof. The parties hereto further agree that the holding by any court of competent jurisdiction that any

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remedy pursued by any party hereto is unavailable or unenforceable shall not affect in any way the ability of such party to pursue any other remedy available to it.

Section 6.04. Governing Law. THIS INSURANCE AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CHOICE OF LAW PROVISIONS.

Section 6.05. Consent to Jurisdiction.

(a) The parties hereto hereby irrevocably submit to the jurisdiction of the United States District Court for the Southern District of New York and any court in the State of New York located in the City and County of New York, and any appellate court from any thereof, in any action, suit or proceeding brought against it and to or in connection with any of the Transaction Documents or the transactions contemplated thereunder or for recognition or enforcement of any judgment, and the parties hereto hereby irrevocably and unconditionally agree that all claims in respect of any such action or proceeding may be heard or determined in such New York state court or, to the extent permitted by law, in such federal court. The parties hereto agree that a final nonappealable judgment in any such action, suit or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. To the extent permitted by applicable law, the parties hereto hereby waive and agree not to assert by way of motion, as a defense or otherwise in any such suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of such courts, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that the related documents or the subject matter thereof may not be litigated in or by such courts.

(b) To the extent permitted by applicable law, the parties hereto shall not seek and hereby waive the right to any review of the judgment of any such court by any court of any other nation or jurisdiction which may be called upon to grant an enforcement of such judgment.

Except as provided in Section 4.06 herein, nothing contained in this Insurance Agreement shall limit or affect the Insurer's right to serve process in any other manner permitted by law or to start legal proceedings relating to any of the Transaction Documents against any party hereto or its or their property in the courts of any jurisdiction.

Section 6.06. Consent of the Insurer. In the event that the consent of the Insurer is required under any of the Transaction Documents, the determination whether to grant or withhold such consent shall be made by the Insurer in its sole discretion without any implied duty towards any other Person except as otherwise expressly provided herein.

Section 6.07. Counterparts. This Insurance Agreement may be executed in counterparts by the parties hereto, and all such counterparts shall constitute one and the same instrument.

Section 6.08. Headings. The headings of Articles and Sections and the Table of Contents contained in this Insurance Agreement are provided for convenience only. They form

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no part of this Insurance Agreement and shall not affect its construction or interpretation. Unless otherwise indicated, all references to Articles and Sections in this Insurance Agreement refer to the corresponding Articles and Sections of this Insurance Agreement.

Section 6.09. Trial by Jury Waived. Each party hereto hereby waives, to the fullest extent permitted by law, any right to a trial by jury in respect of any litigation arising directly or indirectly out of, under or in connection with any of the Transaction Documents or any of the transactions contemplated thereunder. Each party hereto (a) certifies that no representative, agent or attorney of any party hereto has represented, expressly or otherwise, that it would not, in the event of litigation, seek to enforce the foregoing waiver and (b) acknowledges that it has been induced to enter into the Transaction Documents to which it is a party by, among other things, this waiver.

Section 6.10. Limited Liability. No recourse under any Transaction Document shall be had against, and no personal liability shall attach to, any officer, employee, director, affiliate or shareholder of any party hereto, as such, by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute or otherwise in respect of any of the Transaction Documents, the Securities or the Policies, it being expressly agreed and understood that each Transaction Document is solely a corporate obligation of each party thereto, and that any and all personal liability, either at common law or in equity, or by statute or constitution, of every such officer, employee, director, affiliate or shareholder for breaches by any party hereto of any obligations under any Transaction Document is hereby expressly waived as a condition of and in consideration for the execution and delivery of this Insurance Agreement.

Section 6.11. Entire Agreement. The Transaction Documents and the Policies set forth the entire agreement between the parties with respect to the subject matter thereof, and this Insurance Agreement supersedes and replaces any agreement or understanding that may have existed between the parties prior to the date hereof in respect of such subject matter.

[Remainder of page intentionally blank; signature page follows]

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RESIDENTIAL FUNDING MORTGAGE SECURITIES II, INC., as Depositor,

By _____
Title Jeffrey Blaschko / Vice President

[EXECUTION PAGE OF DEPOSITOR TO INSURANCE AGREEMENT]

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RESIDENTIAL FUNDING COMPANY, LLC,
as Master Servicer and as Seller,

By _____
Title Joseph Orning / Associate

[EXECUTION PAGE OF MASTER SERVICER AND SELLER TO INSURANCE AGREEMENT]

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HOME EQUITY LOAN TRUST 2007-HSA3,
as Issuer,

By: Wilmington Trust Company, not in its individual capacity but solely as Owner Trustee,

By _____
Title _____

James P. Lawler
Vice President

[EXECUTION PAGE OF ISSUER TO INSURANCE AGREEMENT]

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Exhibit 91

FINANCIAL GUARANTY INSURANCE COMPANY,
as Insurer,

RESIDENTIAL FUNDING CORPORATION
as Master Servicer,

RESIDENTIAL ASSET SECURITIES CORPORATION,
as Depositor

and

U.S. BANK NATIONAL ASSOCIATION
as Trustee

INSURANCE AND INDEMNITY AGREEMENT

HOME EQUITY MORTGAGE ASSET-BACKED PASS-THROUGH CERTIFICATES,
SERIES 2005-EMX5

Dated as of December 16, 2005

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(This Table of Contents is for convenience of reference only and shall not be deemed to be part of this Insurance Agreement. All terms used in this Insurance Agreement and not otherwise defined shall have meanings set forth in Article I of this Insurance Agreement.)

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INSURANCE AND INDEMNITY AGREEMENT (as amended, modified or supplemented from time to time, this "Insurance Agreement"), dated as of December 16, 2005, by and among FINANCIAL GUARANTY INSURANCE COMPANY, as Insurer, RESIDENTIAL FUNDING CORPORATION, as Master Servicer, RESIDENTIAL ASSET SECURITIES CORPORATION, as Depositor and U.S. BANK NATIONAL ASSOCIATION. as Trustee with respect to the Home Equity Mortgage Asset-Backed Pass-Through Certificates, Series 2005-EMX5 (the "Certificates").

WITNESSETH:

WHEREAS, the Depositor has transferred and assigned its entire interest to the Trustee pursuant to that certain Pooling and Servicing Agreement dated as of December 1, 2005 (as may be amended, modified or supplemented from time to time as set forth therein, the "Pooling and Servicing Agreement") by and among the Depositor, the Master Servicer and the Trustee, for the benefit of the holders of the Certificates, in certain first and junior lien, residential Mortgage Loans (as defined herein). The Pooling and Servicing Agreement also provides for, among other things, the issuance of the Certificates and the servicing of the Mortgage Loans by the Master Servicer;

WHEREAS, the Insurer has agreed to issue the Policy, as provided in Article III of this Insurance Agreement, pursuant to which it will agree to pay in favor of the Trustee for the benefit of the Holders of the Class A Certificates (as defined herein), certain payments in respect of the Class A Certificates;

WHEREAS, the Insurer shall be paid a Premium for the Policy as set forth herein; and

WHEREAS, each of RFC, the Depositor and the Master Servicer has undertaken certain obligations in consideration for the Insurer's issuance of the Policy;

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

Section 1.01. Defined Terms.

Unless the context clearly requires otherwise, all capitalized terms used but not defined herein shall have the respective meanings assigned to them in the Policy or, if not defined therein, in the Pooling and Servicing Agreement. For purposes of this Insurance Agreement, the following terms shall have the following meanings:

"Assignment Agreement" means the Assignment and Assumption Agreement, dated as of December 16, 2005, between RFC and the Depositor.

"Certificates" has the meaning given such term in the recitals to this Insurance Agreement.

"Class A Certificates" means collectively, the Class A-1, Class A-2 and Class A-3 Certificates.

"Closing Date" means December 16, 2005.

"Computational Materials" has the meaning assigned to such term in the No-Action Letter of May 20, 1994, issued by the Securities and Exchange Commission (the "Commission") to Kidder, Peabody Acceptance Corporation I, Kidder, Peabody & Co. Incorporated and Kidder Structured Asset Corporation, as made applicable to other issuers and underwriters by the Commission in response to the request of the Public Securities Association dated May 24, 1994, and the No-Action Letter of February 17, 1995, issued by the Commission to the Public Securities Association.

"Custodial Agreement" means that certain Custodial Agreement, dated as of December 1, 2005, among the Master Servicer, the Trustee, the Depositor, and Wells Fargo Bank, National Association, as custodian.

"Default" means any Event of Default or any event or circumstance that, with the giving of notice or the lapse of time or both, would result in an Event of Default.

"Depositor" means Residential Asset Securities Corporation, a Delaware corporation, or any successor thereto.

"Documents" has the meaning given such term in Section 2.01(a)(x) herein.

"Event of Default" means any event of default specified in Section 5.01 of this Insurance Agreement.

"Final Offering Document" means the Prospectus, dated May 2, 2005, as supplemented by the final prospectus supplement (the "Prospectus Supplement"), dated December 13, 2005, in respect of the Offered Certificates.

"Financial Statements" means, with respect to RFC, the consolidated statements of financial condition as of December 31, 2003 and December 31, 2004 and the statements of operations, stockholders' equity and cash flows for each of the years in the three-year period ended December 31, 2004 and the notes thereto and the unaudited statement of financial condition of RFC as of September 30, 2005 and the related unaudited statements of operations, stockholders' equity and cash flows for the portion of the fiscal year then ended..

"Holder" has the meanings given such term in the Policy.

"Insurance Agreement" has the meaning given such term in the preamble hereof.

"Insurer" means Financial Guaranty Insurance Company, or any successor thereto, as issuer of the Policy.

"Insurer Information" means the information in the Preliminary Prospectus Supplement and the Prospectus Supplement under the captions "The Certificate Insurer" and "Description of

the Certificates — Description of the Financial Guaranty Insurance Policy" and the financial statements of the Insurer referred to in and incorporated by reference into the Offering Documents as of December 31, 2004 and December 31, 2003 and for each of the years in the three-year period ended December 31, 2004, and the unaudited financial statements of the Insurer incorporated by reference in the Offering Documents as of September 30, 2005 and for the three-month and nine-month periods ended September 30, 2005 and 2004.

"Investment Company Act" means the Investment Company Act of 1940, including, unless the context otherwise requires, the rules and regulations thereunder, as amended from time to time.

"Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest publicly announced from time to time by Citibank, N.A. as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by Citibank, N.A.), and (ii) the then applicable highest rate of interest on the Class A Certificates and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days.

"Material Adverse Change" means, in respect of any Person, a material adverse change in the ability of such Person to perform its obligations under any of the Operative Documents, including any material adverse change in the business, financial condition, results of operations or properties of such Person on a consolidated basis with its subsidiaries that might have such effect. References herein to a Material Adverse Change that do not refer to a particular Person mean a Material Adverse Change with respect to either of RFC or the Depositor.

"Moody's" means Moody's Investors Service, Inc., and any successor thereto.

"Mortgage Loans" means the mortgage loans included in the Trust Fund.

"Offered Certificates" means the Home Equity Mortgage Asset-Backed Pass-Through Certificates, Series 2005-EMX5, Class A Certificates.

"Offering Document" means any of the Preliminary Offering Document, the Final Offering Document (each as further supplemented by any subsequent amendment or supplement thereto), and any other offering document in respect of the Certificates that makes reference to the Policy; provided, however, the term "Offering Document" not include any Computational Materials.

"Operative Documents" means this Insurance Agreement, the Certificates, the Assignment Agreement, the Custodial Agreement and the Pooling and Servicing Agreement.

"Person" means an individual, joint stock company, trust, unincorporated association, joint venture, corporation, business or owner trust, partnership or other organization or entity (whether governmental or private).

"Policy" means the Financial Guaranty Insurance Policy, No. 05030153, together with all endorsements thereto, issued by the Insurer in favor of the Trustee, for the benefit of the Holders of the Class A Certificates.

"Pooling and Servicing Agreement" has the meaning set forth in the recitals to this Insurance Agreement.

"Preliminary Offering Document" means the Prospectus, dated May 2, 2005, as supplemented by the preliminary prospectus supplement (the "Preliminary Prospectus Supplement"), dated December 6, 2005, in respect of the Offered Certificates.

"Premium" means the premium payable in accordance with the Policy, which shall be payable on each Payment Date in arrears in an amount equal to (A) on the first Distribution Date, an amount calculated by multiplying the Premium Percentage converted to a daily rate by the aggregate initial Certificate Principal Balance of the related Class A Certificates for the number of days from and including the Closing Date to but excluding the first Distribution Date, and (B) for subsequent Distribution Dates, one twelfth of the product of (i) the Premium Percentage and (ii) the aggregate Certificate Principal Balance of the related Certificates on the previous Distribution Date (after giving effect to any distributions of principal to be made on such previous Distribution Date).

"Premium Percentage" shall mean twenty (20) basis points per annum.

"RFC" means Residential Funding Corporation, a Delaware corporation, as Master Servicer under the Pooling and Servicing Agreement, and includes any successor Master Servicer.

"S&P" means Standard & Poor's, a division of The McGraw-Hill Companies, Inc., and any successor thereto.

"Securities Act" means the Securities Act of 1933, including, unless the context otherwise requires, the rules and regulations thereunder, as amended from time to time.

"Securities Exchange Act" means the Securities Exchange Act of 1934, including, unless the context otherwise requires, the rules and regulations thereunder, as amended from time to time.

"Shortfall Event" means, on any Distribution Date after the first Distribution Date on which the Overcollateralization Amount is equal to or greater than the Required Overcollateralization Amount, the failure of the Overcollateralization Amount to be equal to or greater than 85% of the Required Overcollateralization Amount.

"Transaction" means the transactions contemplated by the Operative Documents, including the transactions described in the Offering Documents.

"Trust" means the trust created pursuant to the terms of the Pooling and Servicing Agreement.

"Trust Fund" has the meaning given such term in the Pooling and Servicing Agreement.

"Underwriter" means Residential Funding Securities Corporation.

"Underwriting Agreement" means the Underwriting Agreement, dated December 13, 2005 between the Underwriter and the Depositor with respect to the Offered Certificates, as amended, modified or supplemented from time to time.

Section 1.02. Other Definitional Provisions.

The words "hereof," "herein" and "hereunder" and words of similar import when used in this Insurance Agreement shall refer to this Insurance Agreement as a whole and not to any particular provision of this Insurance Agreement. Section, subsection, Schedule and Exhibit references are to this Insurance Agreement unless otherwise specified. The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms. The words "include" and "including" shall be deemed to be followed by the phrase "without limitation."

ARTICLE II
REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 2.01. Representations and Warranties.

(a) *Representations and Warranties of RFC and the Depositor.* Each of RFC, in its capacity as Master Servicer, and the Depositor represents and warrants as of the Closing Date, as follows:

(i) *Due Organization and Qualification.* It is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation. It is duly qualified to do business, is in good standing and has obtained all necessary licenses, permits, charters, registrations and approvals (together, "approvals") necessary for the conduct of its business as currently conducted and as described in the Offering Documents and the performance of its obligations under the Operative Documents to which it is a party in each jurisdiction in which the failure to be so qualified or to obtain such approvals would render any Operative Document to which it is a party unenforceable in any material respect or would result in a Material Adverse Change.

(ii) *Power and Authority.* It has all necessary power and authority to conduct its business as currently conducted and as described in the Offering Documents, to execute, deliver and to perform its obligations under, the Operative Documents to which it is a party and to consummate the Transaction.

(iii) *Due Authorization.* The execution, delivery and performance of the Operative Documents to which it is a party have been duly authorized by all necessary actions and does not require any additional approvals or consents, or other action by or any notice to or filing with any Person, including any governmental entity or any of its

stockholders or beneficial owners, as applicable, which it has not previously obtained or given.

(iv) *Noncontravention*. Its execution and delivery of the Operative Documents to which it is a party, the consummation of the Transaction and the satisfaction of the terms and conditions of the Operative Documents do not and will not:

(1) conflict with or result in any breach or violation of any provision of its organizational documents or any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award currently in effect having applicability to it or any of its material properties, including regulations issued by any administrative agency or other governmental authority having supervisory powers over it, which conflict, breach or violation reasonably could be expected to result in a Material Adverse Change;

(2) constitute a default by it under, result in the acceleration of any of its obligations under, or breach any provision of, any loan agreement, mortgage, indenture or other agreement or instrument to which it is a party or by which any of its properties is or may be bound or affected, which default, acceleration or breach reasonably could be expected to result in a Material Adverse Change; or

(3) result in or require the creation of any lien upon or in respect of any of its assets, which lien reasonably could be expected to result in a Material Adverse Change, except as otherwise contemplated by the Operative Documents.

(v) *Legal Proceedings*. There is no action, proceeding or investigation by or before any court, governmental or administrative agency or arbitrator against or affecting it or any of its subsidiaries, or any properties or rights of itself or any of its subsidiaries, or any of the Mortgage Loans, either pending or, to its knowledge after reasonable inquiry, threatened, that could, if decided adversely to it or any such subsidiary, result in a Material Adverse Change.

(vi) *Valid and Binding Obligations*. The Operative Documents to which it is a party, when executed and delivered by itself and the other parties thereto, will constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and general equitable principles and public policy considerations as to rights of indemnification for violations of federal securities laws. The Class A Certificates, when executed, authenticated and delivered in accordance with the Pooling and Servicing Agreement, will be validly issued and outstanding and entitled to the benefits of the Pooling and Servicing Agreement. So long as no Insurer Default shall have occurred and continued beyond any grace period applicable thereto, it will not at any time in the future deny that the Operative Documents to which it is a party constitute its legal, valid and binding obligations.

(vii) *Financial Statements*. RFC has furnished copies of its Financial Statements to the Insurer, (1) those Financial Statements: (i) are, as of the dates and for the periods referred to therein, complete and correct in all material respects, (ii) present fairly its financial condition and results of operations as of the dates and for the periods indicated and (iii) have been prepared in accordance with generally accepted accounting principles consistently applied, except as noted therein (subject as to interim statements to normal year-end adjustments) and (2) since the date of the most recent of those Financial Statements, there has been no Material Adverse Change in respect of RFC.

(viii) [RESERVED].

(ix) *Taxes*. It has filed prior to the date hereof all federal and state tax returns it is required to have filed, and has paid all taxes, including any assessments received by it that are not being contested in good faith, to the extent that such taxes have become due, except with respect to any failures to file or pay that, individually or in the aggregate, will not result in a Material Adverse Change.

(x) *Accuracy of Information*. None of the Operative Documents nor any other material information relating to the Mortgage Loans, the operations of RFC or the Depositor or the financial condition of RFC or the Depositor (collectively, the "Documents"), as amended, supplemented or superseded, furnished to the Insurer in writing or in electronic form by RFC or the Depositor, including the Offering Documents (other than the Insurer Information) contains any statement of a material fact which was untrue or misleading in any material respect when made. It has no knowledge of any circumstances that could reasonably be expected to cause a Material Adverse Change. Since the furnishing of the Documents, there has been no change nor any development or event involving a prospective change known to RFC or the Depositor that would render any of the Documents untrue or misleading in any material respect.

(xi) *Compliance with Securities Laws*. The offering and sale of the Class A Certificates complies in all material respects with all requirements of law, including the registration requirements of the Securities Act and any other applicable securities laws. The Offering Documents do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; *provided, however*, that no representation is made with respect to the Insurer Information. The offering of the Class A Certificates has not been and will not be in violation of the Securities Act or any other federal or state securities laws.

(xii) *Operative Documents*. Each of the representations and warranties of RFC and the Depositor contained in the applicable Operative Documents and the Underwriting Agreement is true and correct in all material respects; *provided, however*, that the remedy for any breach of a representation and warranty of RFC in Section 4 of the Assignment Agreement and the remedy with respect to any defective Mortgage Loan or any Mortgage Loan as to which there has been a breach of a representation or warranty under Section 4 or Section 5 of the Assignment Agreement shall be limited to the remedies specified in the Assignment Agreement.

(xiii) *Solvency; Fraudulent Conveyance.* It is solvent, and will not be rendered insolvent by the Transaction. After giving effect to the Transaction, it will not be left with an unreasonably small amount of capital with which to engage in the ordinary course of its business. It does not intend to incur, and does not believe that it has incurred, debts beyond its ability to pay as they mature. It does not contemplate the commencement of insolvency, liquidation or consolidation proceedings or the appointment of a receiver, liquidator, conservator, trustee or similar official in respect of RFC or the Depositor or any of their respective assets. The amount of consideration it will receive upon the sale of the Mortgage Loans or the Class A Certificates, as applicable, pursuant to the terms and conditions of the related Operative Documents constitutes reasonably equivalent value and fair consideration for the Mortgage Loans or the Class A Certificates, as the case may be. It is not entering into the Operative Documents, or transferring any of its assets in connection with the Transaction, with any intent to hinder, delay or defraud any of its creditors.

(xiv) *Accounting Treatment.* RFC will treat the transfer of the Mortgage Loans pursuant to the Assignment Agreement as a financing in accordance with generally accepted accounting principles.

(b) *Representations and Warranties of the Trustee.* The Trustee represents and warrants as of the Closing Date, as follows and covenants with the other parties hereto as follows:

(i) *Due Organization and Qualification.* The Trustee is duly organized, existing and authorized to engage in the business of banking as a national banking association.

(ii) *Due Authorization.* The Trustee has full power, authority and right to execute, deliver and perform the Operative Documents to which it is a party, and has taken all necessary steps to authorize the execution, delivery and performance by it of the Operative Documents to which it is a party.

(iii) *Due Execution.* The Operative Documents to which the Trustee is a party have been duly executed and delivered by the Trustee.

Section 2.02. Affirmative Covenants of RFC and the Depositor.

Each of RFC and the Depositor hereby agrees that during the term of this Insurance Agreement, it will comply with the following covenants, unless the Insurer shall otherwise expressly consent in writing:

(a) *Compliance With Agreements and Applicable Laws.* It shall comply in all material respects with the terms and conditions of and perform its obligations under the Operative Documents to which it is a party and shall comply with all requirements of any law, rule or regulation applicable to it in all circumstances where non-compliance reasonably could be expected to result in a Material Adverse Change.

(b) *Existence.* Except in the case of a merger or other business combination that is consummated in compliance with the Operative Documents, it will at all times (i) maintain its existence as a corporation or a statutory trust, (ii) be duly organized under the laws of its jurisdiction of incorporation or organization and duly qualified and duly authorized (as described in subsections 2.01(a), (b) and (c) hereof) and (iii) conduct its business in accordance with the terms of its organizational documents.

(c) *Financial Statements; Accountants' Reports; Other Information.* It shall keep or cause to be kept, in reasonable detail, books and records of account of its assets and business relating to the Transaction. RFC will furnish or cause to be furnished to the Insurer:

(i) *Annual Financial Statements.* As soon as available, and in any event within 120 days after the close of each fiscal year, the audited consolidated statement of financial condition for RFC and its subsidiaries as of the end of such fiscal year of RFC and the related audited consolidated statements of operations, stockholders' equity and cash flows for such fiscal year, all in reasonable detail and stating in comparative form the respective figures for the corresponding date and period in the preceding fiscal year, prepared in accordance with generally accepted accounting principles, consistently applied, and accompanied by the audit opinion of RFC's independent accountants (which shall be a nationally recognized independent public accounting firm or otherwise acceptable to the Insurer) and by a certificate relating to such statements equivalent to the certificate required by Section 2.02(a)(ii).

(ii) *Quarterly Financial Statements.* Upon the reasonable request of the Insurer, and as soon as reasonably practicable, the unaudited consolidated statement of financial condition of RFC and its subsidiaries as of the end of the first three quarters of each fiscal year of RFC and the related unaudited consolidated statements of operations, stockholders' equity and cash flows for the portion of the fiscal year then ended, all in reasonable detail and stating in comparative form the respective figures for the corresponding date and period in the preceding fiscal year, prepared in accordance with generally accepted accounting principles consistently applied (subject to normal year-end adjustments); each delivery of quarterly financial statements shall be accompanied by a certificate of one (or more) corporate officers stating that the quarterly financial statements are correct in all material respects and present fairly the financial condition and results of operations of RFC and its subsidiaries as of the dates and for the periods indicated, in accordance with generally accepted accounting principles consistently applied (subject to normal year-end adjustments).

(iii) *Initial Report.* On or before the Closing Date, a copy of the magnetic tape or Mortgage Loan Schedule in the form of an electronic database or spreadsheet file, using database or spreadsheet software that is readily available to the Insurer, to be delivered to the Trustee on the Closing Date setting forth, as to each Mortgage Loan, the information required under the definition of "Mortgage Loan Schedule" in the Pooling and Servicing Agreement, and on each Distribution Date, RFC will ensure that updated Mortgage Loan data is available to the Insurer on RFC's or the Depositor's internet website, including changes to information discovered to have been incorrect.

(iv) *Servicing Reports*. Promptly upon receipt thereof, copies of all schedules, financial statements or other similar reports delivered to or by RFC, the Depositor or the Trustee pursuant to the terms of any of the Operative Documents, including all reports provided to either the Trustee or any Holder pursuant to the Pooling and Servicing Agreement.

(v) *Other Information*. (A) Promptly upon request, such other data as the Insurer may reasonably request relating to the Mortgage Loans, the servicing of the Mortgage Loans (including, without limitation, a detailed accounting on a loan-by-loan basis as to amounts advanced by, sold, pledged or assigned to, and reimbursed to any Advancing Person), the Transaction or the ability of any of RFC or the Depositor to perform its obligations under the Operative Documents, and (B) all information required to be furnished to the Trustee or the Holders, as the case may be.

All financial statements specified in clauses (i) and (ii) of this subsection (c) will be furnished in consolidated form for RFC and all its subsidiaries in the event that RFC consolidates its financial statements with its subsidiaries. To the extent available, the information supplied pursuant to clauses (iii), (iv) or (v) will be in Excel or Word format or another form of an electronic data file accessible by the Insurer by means of standard application software.

(d) [RESERVED].

(e) *Access to Records; Discussions with Officers and Accountants*. On an annual basis, or at any time when a Shortfall Event shall have occurred and be continuing, upon the reasonable request of the Insurer, it will permit the Insurer or its authorized agents, or cause the Insurer or its authorized agents to be permitted:

(i) to inspect the books and records of RFC or the Depositor as they may relate to the Class A Certificates, its respective obligations under the Operative Documents to which it is a party and the Transaction (including, without limitation, access to information reasonably required for purposes of complying with FASB Financial Interpretation No. 46; provided that the Insurer will maintain confidentiality with respect to such information in accordance with its internal policies);

(ii) to discuss the affairs, finances and accounts of RFC or the Depositor as they relate to the Mortgage Loans, the Transaction or the ability to perform their respective obligations under the Operative Documents with a Servicing Officer, in the case of RFC, or its responsible officers and employees, in the case of the Depositor; and

(iii) if the Insurer reasonably believes that a Material Adverse Change may have occurred and with RFC's consent, which consent shall not be unreasonably withheld or delayed, to discuss the affairs, finances and accounts of RFC or the Depositor with the independent accountants of such Person; *provided, however*, that officers of RFC shall have the right to be present during such discussions.

In addition, if requested by the Insurer, on an annual basis, or otherwise when reasonably requested by the Insurer, RFC will (x) cause the Custodian to deliver to the Insurer an updated certification, in the form of the "Interim Certification" required under the Custody Agreement,

with an exceptions list attached thereto, to enable the Insurer to track the progress of recording of Mortgages and Assignments with respect to the Mortgage Loans, and (y) use its reasonable best efforts to cause the Insurer or its authorized agents to be permitted to inspect the books and records of any Subservicer as they may relate to the Mortgage Loans or its servicing operation relating thereto and to discuss the affairs, finances and accounts of such Subservicer as they relate to the Mortgage Loans or its ability to perform its respective obligations under the related subservicing agreement with its responsible officers and employees.

Such inspections and discussions shall be conducted during normal business hours and shall not unreasonably disrupt the business of RFC or the Depositor, and no such inspections or discussions shall be commenced more frequently than three times in any twelve month period and each shall be concluded within a reasonable period of time after commencement. The books and records of RFC or the Depositor shall be maintained at the address of RFC designated herein for receipt of notices, except to the extent that RFC shall otherwise advise the parties hereto in writing.

(f) *Notice of Material Events*. It will promptly inform the Insurer in writing of the occurrence of any of the following:

(i) the submission of any claim or the initiation or threat of any legal process, litigation or administrative or judicial investigation, or the initiation of any proceeding or disciplinary proceeding by or against it that (A) it is required to disclose to the Commission (or that it would be required to disclose to the Commission if the Certificates were registered under the Securities Exchange Act and its reporting obligations under the Securities Exchange Act were not suspended) or to its shareholders or beneficial owners that relates to the Mortgage Loans, the Transaction or RFC's or the Depositor's ability to perform its obligations under any Operative Documents or (B) could result in a Material Adverse Change;

(ii) the promulgation by any governmental agency of any proposed or final rule (but only if it has actual knowledge thereof) which would likely result in a Material Adverse Change;

(iii) any change in its jurisdiction of organization;

(iv) the occurrence of any Default or Event of Default or any Material Adverse Change;

(v) the commencement of any proceedings with respect to RFC or the Depositor under any applicable bankruptcy, reorganization, liquidation, rehabilitation, insolvency or other similar law now or hereafter in effect or of any proceeding in which a receiver, liquidator, conservator, trustee or similar official shall have been, or may be, appointed or requested for it or any of its assets; or

(vi) the receipt by RFC or the Depositor of notice that (A) it is being placed under regulatory supervision, (B) any license, permit, charter, registration or approval materially necessary for the conduct of its business is to be, or may be, suspended or revoked or (C) it is to cease and desist any practice, procedure or policy it employs in the

conduct of its business, and such suspension, revocation or cessation may reasonably be expected to result in a Material Adverse Change.

(g) *Financing Statements and Further Assurances.* It will file all necessary financing statements or other instruments, and any amendments or continuation statements relating thereto, necessary to be kept and filed in such manner and in such places as may be required by law to preserve and protect fully the interest of the Trustee in the Trust Fund. Upon the reasonable request of the Insurer, from time to time, it will execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, within ten days of such request, such amendments hereto and such further instruments, and will take or cause to be taken such further action, as may be reasonably necessary to effectuate the intention, performance and provisions of the Operative Documents.

(h) *Maintenance of Licenses.* Each of RFC and the Depositor and any successors thereof, has and shall maintain all licenses, permits, charters and registrations the loss or suspension of which, or the failure to hold which, could reasonably be expected to result in a Material Adverse Change.

(i) *Retirement of Class A Certificates.* RFC and the Depositor shall instruct the Trustee upon a retirement or other payment of all of the Class A Certificates, to surrender the Policy to the Insurer for cancellation.

(j) *Rating Agencies.* It and any of its successors will cooperate with S&P and Moody's in connection with any review of the Transaction that may be undertaken by S&P and Moody's after the date hereof.

(k) *Third-Party Beneficiary.* It agrees that the Insurer shall have all rights provided to the Certificate Insurer in the Operative Documents and that the Insurer will constitute a third-party beneficiary with respect to such rights in respect of the Operative Documents and hereby incorporates and restates its representations, warranties and covenants as set forth therein for the benefit of the Insurer; *provided, however*, that the remedy for any breach of a representation and warranty of RFC in Section 4 of the Assignment Agreement and the remedy with respect to any defective Mortgage Loan or any Mortgage Loan as to which there has been a breach of a representation or warranty under Section 4 or 5 of the Assignment Agreement shall be limited to the remedies specified in the Assignment Agreement.

(l) *Servicing of Mortgage Loans.* All Mortgage Loans will be serviced in all material respects in compliance with the Pooling and Servicing Agreement.

(m) *Due Diligence.* If in the Insurer's reasonable judgment circumstances so warrant, based on the performance of the Transaction, the Insurer shall have the right, so long as the Class A Certificates remain outstanding, to conduct reviews of RFC's practices as Master Servicer through reviews of the Mortgage Loans, reappraisals of Mortgaged Properties and reviews of servicing practices, at the Insurer's expense and in a reasonable manner convenient to both RFC and the Insurer. This due diligence right is in addition to the access provided and the other rights provided for in Section 2.02(e) of this Insurance Agreement.

(n) *Closing Documents; Post Closing Matters.* The Depositor shall cause to be delivered as soon as possible (but in no event later than 120 days of the Closing Date) two closing sets to the Insurer and one closing set to its counsel, which closing sets may be delivered in electronic form and shall include execution copies of each of the Operative Documents other than the Certificates.

(o) *Disclosure Document.* Upon the written direction of the Insurer prior to the delivery of any Offering Document, each Offering Document delivered with respect to the Class A Certificates shall clearly disclose that the Policy is not covered by the property/casualty insurance security fund specified in Article 76 of the New York Insurance Law.

Section 2.03. Negative Covenants of RFC and the Depositor.

Each of RFC and the Depositor hereby agrees that during the term of this Insurance Agreement it will comply with the following covenants, unless the Insurer shall otherwise expressly consent in writing:

(a) *Impairment of Rights.* It will not take any action, or fail to take any action, if such action or failure to take action may result in a material adverse change as described in clause (i) of the definition of Material Adverse Change, or interfere in any material respect with the enforcement of any rights of the Insurer under or with respect to any of the Operative Documents. It will give the Insurer written notice when any event, action or, to its knowledge, omission to act, may result in a material adverse change as described in the definition of Material Adverse Change, on the earlier of: (i) the date upon which any publicly available filing or release is made with respect to such event, action or omission to act and (ii) promptly prior to the date of occurrence of such event, action or failure to act or, if such notice cannot be given at or before such time, as soon as possible thereafter. It will furnish to the Insurer all information reasonably requested by it that is necessary to demonstrate compliance with this paragraph.

(b) *Waiver, Amendments, Etc.* Except as provided in and in accordance with the Operative Documents, it will not modify, waive or amend, or consent to any modification, waiver or amendment of, any of the terms, provisions or conditions of the Operative Documents to which it is a party (other than any amendment to an Offering Document required by law) without the prior written consent of the Insurer thereto, which consent shall not be unreasonably withheld, conditioned or delayed.

Section 2.04. Representations, Warranties and Covenants of the Insurer.

The Insurer represents, warrants and covenants to each of RFC, the Depositor and the Trustee as follows:

(a) *Organization and Licensing.* The Insurer is duly incorporated, validly existing and in good standing New York as a stock insurance company duly qualified to conduct an insurance business in any jurisdiction where qualification may be necessary to accomplish the Transaction.

(b) *Corporate Power.* The Insurer has the corporate power and authority to issue the Policy and execute and deliver this Insurance Agreement and to perform all of its obligations hereunder and thereunder.

(c) *Authorization; Approvals.* Proceedings legally required for the issuance and execution of the Policy and the execution, delivery and performance of this Insurance Agreement have been taken and licenses, orders, consents or other authorizations or approvals of any governmental boards or bodies legally required for the enforceability of the Policy and the conduct by the Insurer of the business and activities contemplated by the Transaction have been obtained; any proceedings not taken and any licenses, authorizations or approvals not obtained are not material to the enforceability of the Policy.

(d) *Enforceability.* The Policy, when issued, and this Insurance Agreement, will constitute a legal, valid and binding obligation of the Insurer, enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium, receivership and other similar laws affecting creditors' rights generally and to general principles of equity and subject to principles of public policy limiting the right to enforce the indemnification provisions contained therein and herein, insofar as such provisions relate to indemnification for liabilities arising under federal securities laws.

(e) *Financial Information.* The balance sheet of the Insurer as of December 31, 2002, and the related statements of income, stockholder's equity and cash flows for those years, and the accompanying notes, together with an opinion thereon of KPMG LLP, independent certified public accountants, a copy of which is incorporated by reference into the registration statement relating to the Offering Documents, fairly present in all material respects the financial condition of the Insurer as of such dates and for the periods covered by such statements in accordance with generally accepted accounting principles consistently applied. The balance sheets of the Insurer as of December 31, 2003 and December 31, 2004, and for the year ended December 31, 2004 and the periods from December 18, 2003 through December 31, 2003, and from January 1, 2003 through December 17, 2003, and the related statements of income and cash flows for the periods, and the accompanying footnotes, together with an opinion thereon of Ernst & Young LLP, independent auditors, a copy of which is incorporated by reference into the registration statement relating to the Offering Documents, present fairly in all material respects the financial condition of the Insurer as of such dates and for the periods covered by such statements in accordance with generally accepted accounting principles consistently applied. The unaudited balance sheet of the Insurer as of September 30, 2005 and the related statements of income for the three-month and nine-month periods ended September 30, 2005 and September 30, 2004, and the related statements of cash flows for the nine-month periods ended September 30, 2005 and September 30, 2004, and the accompanying footnotes, a copy of which is incorporated by reference into the registration statement relating to the Offering Documents, present fairly in all material respects the financial condition of the Insurer as of such dates and for the periods covered by such statements in accordance with generally accepted accounting principles consistently applied. Since September 30, 2005, there has been no material change in such financial condition of the Insurer that would materially and adversely affect its ability to perform its obligations under the Policy.

(f) *Insurer Information.* The Insurer Information is true and correct in all material respects and does not contain any untrue statement of a material fact.

(g) *No Litigation.* There are no actions, suits, proceedings or investigations pending or, to the best of the Insurer's knowledge, threatened against it at law or in equity or before or by any court, governmental agency, board or commission or any arbitrator which, if decided adversely, would materially and adversely affect its ability to perform its obligations under the Policy or this Insurance Agreement.

(h) *Confidential Information.* The Insurer agrees that it shall comply with the terms of the Confidentiality Agreement dated September 4, 2000, between RFC and the Insurer.

(i) *Compliance with Law, Etc.* No practice, procedure or policy employed, or proposed to be employed, by the Insurer in the conduct of its business violates any law, regulation, judgment, agreement, order or decree applicable to the Insurer that, if enforced, could result in a Material Adverse Change with respect to the Insurer.

ARTICLE III
THE POLICY; REIMBURSEMENT

Section 3.01. Issuance of the Policy.

The Insurer agrees to issue the Policy on the Closing Date subject to satisfaction of the conditions precedent set forth below on or prior to the Closing Date:

(a) [RESERVED];

(b) *Operative Documents.* The Insurer shall have received a copy of each of the Operative Documents, in form and substance reasonably satisfactory to the Insurer, duly authorized, executed and delivered by each party thereto;

(c) [RESERVED];

(d) *Representations and Warranties.* The representations and warranties of RFC and the Depositor made as of the Closing Date and set forth or incorporated by reference in this Insurance Agreement shall be true and correct on and as of the Closing Date as if made on the Closing Date;

(e) *Opinions of Counsel.* The law firm of Orrick, Herrington & Sutcliffe LLP shall have delivered its opinion or opinions of counsel substantially in the form previously reviewed by and found acceptable by the Insurer's counsel; the Insurer shall have received such other opinions of counsel, addressed to the Insurer and in form and substance acceptable to the Insurer, addressing such other matters as the Insurer may reasonably request;

(f) [RESERVED];

(g) *No Litigation, Etc.* No suit, action or other proceeding, investigation or injunction, or final judgment relating thereto, shall be pending or threatened before any court,

governmental or administrative agency or arbitrator in which it is sought to restrain or prohibit or to obtain damages or other relief in connection with any of the Operative Documents or the consummation of the Transaction;

(h) *Legality.* No statute, rule, regulation or order shall have been enacted, entered or deemed applicable by any government or governmental or administrative agency or court that would make the Transaction illegal or otherwise prevent the consummation thereof;

(i) *Satisfaction of Conditions of the Underwriting Agreement.* All conditions in the Underwriting Agreement relating to the Underwriters' obligation to purchase the Offered Certificates shall have been satisfied, unless waived by the Underwriters and approved by the Insurer;

(j) *Issuance of Ratings.* The Insurer shall have received confirmation that (i) the Class A Certificates are rated at least "BBB+" by S&P and at least "Baa1" by Moody's, without regard to the Policy, and (ii) the Class A Certificates, when issued, will be rated "AAA" by S&P and "Aaa" by Moody's;

(k) *No Default.* No Default or Event of Default shall have occurred;

(l) *Satisfactory Documentation.* The Insurer and its counsel shall have reasonably determined that all documents, certificates and opinions to be delivered in connection with the Class A Certificates conform to the terms of the Pooling and Servicing Agreement and this Insurance Agreement and the descriptions thereof in the Offering Documents.

Section 3.02. Payment of Fees and Premium.

(a) *Legal, Accounting and Due Diligence Fees.* RFC shall pay or cause to be paid to the Insurer, at the Closing Date, legal fees, due diligence expenses and accounting fees incurred by the Insurer in connection with the issuance of the Policy in an amount equal to $41,000.

(b) Premium.

(i) In consideration of the issuance by the Insurer of the Policy, the Insurer shall be entitled to receive the Premium with respect to that Policy, in the amount set forth herein, as and when due and from the funds specified by Section 4.02 of the Pooling and Servicing Agreement.

(ii) The Premiums paid under the Pooling and Servicing Agreement shall be nonrefundable without regard to whether the Insurer makes any payment under any Policy or any other circumstances relating to the Class A Certificates or provision being made for payment of the Class A Certificates prior to maturity.

(c) *Rating Agency Fees.* RFC shall promptly pay the initial fees of S&P and Moody's with respect to the Class A Certificates and the transaction following receipt of a statement with respect thereto. All periodic and subsequent fees of S&P or Moody's with respect to, and directly allocable to, the Class A Certificates shall be for the account of, and shall be billed to, RFC. The fees for any other rating agency shall be paid by the party requesting such

other agency's rating unless such other agency is a substitute for S&P or Moody's in the event that S&P or Moody's is no longer rating the Class A Certificates, in which case the fees for such agency shall be paid by RFC.

Section 3.03. Reimbursement Obligation.

(a) As and when due in accordance with and from the funds specified in Section 4.02 of the Pooling and Servicing Agreement, the Insurer shall be entitled to reimbursement for any payment made by the Insurer under the Policy, which reimbursement shall be due and payable on the date that any amount is paid under the Policy, in an amount equal to the amount to be so paid and all amounts previously paid that remain unreimbursed, together with interest on any and all such amounts remaining unreimbursed (to the extent permitted by law, if in respect of any unreimbursed amounts representing interest) from the date such amounts became due until paid in full (after as well as before judgment), at a rate of interest equal to the Late Payment Rate.

(b) Anything in Sections 2.01(1) and 3.03(a) hereof or in any Operative Document to the contrary notwithstanding, the Insurer shall be entitled to full reimbursement from RFC for (i) any payment made under the Policy arising as a result of RFC's failure to substitute for or deposit an amount in respect of any defective Mortgage Loan as required pursuant to Section 4 and Section 5 of the Assignment Agreement, together with interest on any and all such amounts remaining unreimbursed (to the extent permitted by law, if in respect of any such unreimbursed amounts representing interest) from the date such amounts became due until paid in full (after as well as before judgment), at a rate of interest equal to the Late Payment Rate, and (ii) any payment made under the Policy arising as a result of RFC's or the Depositor's failure to pay or deposit any amount required to be paid or deposited pursuant to the Operative Documents, together with interest on any and all such amounts remaining unreimbursed (to the extent permitted by law, if in respect of any such unreimbursed amounts representing interest) from the date such amounts became due until paid in full (after as well as before judgment), at a rate of interest equal to the Late Payment Rate.

(c) RFC agrees to pay to the Insurer any and all reasonable charges, fees, costs and expenses that the Insurer may reasonably pay or incur, including reasonable attorneys' and accountants' fees and expenses, in connection with (i) the enforcement, defense or preservation of any rights in respect of any of the Operative Documents, including defending, monitoring or participating in any litigation or proceeding (including any insolvency proceeding in respect of any Transaction participant or any affiliate thereof) relating to any of the Operative Documents, any party to any of the Operative Documents (in its capacity as such a party) or the Transaction or (ii) any amendment, waiver or other action with respect to, or related to, any Operative Document, whether or not executed or completed. Provided that three Business Days written notice of the intended payment or incurrence shall have been given to RFC by the Insurer, such reimbursement shall be due on the dates on which such charges, fees, costs or expenses are paid or incurred by the Insurer.

(d) RFC agrees to pay to the Insurer interest (without duplication) on any and all amounts described in subsections 3.03(b), 3.03(c) and 3.03(e) and Sections 3.02 and 3.04 from the date such amounts become due or, in the case of subsection 3.03(c) or Section 3.04, are

incurred or paid by the Insurer until payment thereof in full (after as well as before judgment), at the Late Payment Rate.

(e) RFC agrees to pay to the Insurer as follows: any payments made by the Insurer on behalf of, or advanced to, RFC or the Depositor including any amounts payable by RFC or the Depositor pursuant to any of the Operative Documents on the date any such payment is made or advanced by the Insurer. Notwithstanding the foregoing, in no event shall the Insurer have any recourse under this subsection against RFC or the Depositor with respect to any payments the Insurer has made in respect of principal or interest distributions on the Class A Certificates (except pursuant to Section 3.03(b) above).

(f) The Insurer shall have no right to set-off payments to be made under the Policy against payments to be made to the Insurer by RFC or the Depositor (or any person or organization acting on their behalf), the Trustee or any Holder or any affiliate, officer or director of any of them.

Section 3.04. Indemnification.

(a) In addition to any and all of the Insurer's rights of reimbursement, indemnification, subrogation and to any other rights of the Insurer pursuant hereto or under law or in equity, RFC and the Depositor agree to pay, and to protect, indemnify and save harmless, the Insurer and its officers, directors, shareholders, employees, agents and each Person, if any, who controls the Insurer within the meaning of either Section 15 of the Securities Act or Section 20 of the Securities Exchange Act from and against, any and all claims, losses, liabilities (including penalties), actions, suits, judgments, demands, damages, costs or expenses (including reasonable fees and expenses of attorneys, consultants and auditors and reasonable costs of investigations) of any nature arising out of or relating to the breach by RFC or the Depositor of any of the representations or warranties contained in Section 2.01 or arising out of or relating to the transactions contemplated by the Operative Documents by reason of:

(i) any omission or action (other than of or by the Insurer) in connection with the offering, issuance or delivery of the Offered Certificates by RFC, the Depositor or the Trustee, other than those covered by subparagraph (v) below;

(ii) the misfeasance or malfeasance of, or gross negligence or theft committed by, any director, officer, employee or agent of RFC, the Depositor or the Trustee in connection with any Transaction arising from or relating to the Operative Documents;

(iii) the violation by RFC or the Depositor of any federal or state law, rule or regulation, or any judgment, order or decree applicable to it, which violation reasonably could result in a material adverse change as described in the definition of Material Adverse Change;

(iv) the breach by RFC or the Depositor of any representation, warranty (other than a representation or warranty in respect of the Mortgage Loans contained in Section 4 of the Assignment Agreement, or covenant under any of the Operative Documents or the occurrence, in respect of RFC or the Depositor, under any of the Operative Documents of any "event of default"; or

(v) any untrue statement or alleged untrue statement of a material fact contained in the Offering Documents or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; *provided, however*, that this Section 3.04(a)(v) does not cover the Insurer Information.

(b) The Insurer agrees to pay, and to protect, indemnify and save harmless, RFC and the Depositor and their respective officers, directors, shareholders, employees, agents and each Person, if any, who controls RFC and the Depositor within the meaning of either Section 15 of the Securities Act or Section 20 of the Securities Exchange Act from and against, any and all claims, losses, liabilities (including penalties), actions, suits, judgments, demands, damages, costs or expenses (including reasonable fees and expenses of attorneys, consultants and auditors and reasonable costs of investigations) of any nature arising out of or by reason of (i) any untrue statement or alleged untrue statement of a material fact contained in the Insurer Information or any omission or alleged omission to state in the Insurer Information a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (ii) any failure of the Insurer to make a payment required to be made under the Policy; or (iii) a breach of any of the representations and warranties of the Insurer contained in Section 2.04.

(c) If any action or proceeding (including any governmental investigation) shall be brought or asserted against any Person (individually, an "Indemnified Party" and, collectively, the "Indemnified Parties") in respect of which the indemnity provided in Section 3.04(a) or (b) may be sought from RFC or the Depositor, on the one hand, or the Insurer, on the other (each, an "Indemnifying Party") hereunder, each such Indemnified Party shall promptly notify the Indemnifying Party in writing, and the Indemnifying Party shall assume the defense thereof, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of all expenses. The omission so to notify the Indemnifying Party will not relieve it from any liability which it may have to any Indemnified Party except to the extent the Indemnifying Party is prejudiced thereby. The Indemnified Party shall have the right to employ separate counsel in any such action and to participate in the defense thereof at the expense of the Indemnified Party; *provided, however*, that the fees and expenses of such separate counsel shall be at the expense of the Indemnifying Party if (i) the Indemnifying Party has agreed in writing to pay such fees and expenses, (ii) the Indemnifying Party shall have failed within a reasonable period of time to assume the defense of such action or proceeding and employ counsel reasonably satisfactory to the Indemnified Party in any such action or proceeding or (iii) the named parties to any such action or proceeding (including any impleaded parties) include both the Indemnified Party and the Indemnifying Party, and the Indemnified Party shall have been advised by counsel that there may be one or more legal defenses available to it which are different from or additional to those available to the Indemnifying Party (in which case, if the Indemnified Party notifies the Indemnifying Party in writing that it elects to employ separate counsel at the expense of the Indemnifying Party, the Indemnifying Party shall not have the right to assume the defense of such action or proceeding on behalf of such Indemnified Party, it being understood, however, that the Indemnifying Party shall not, in connection with any one such action or proceeding or separate but substantially similar or related actions or proceedings in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys at any time for the

Indemnified Parties, which firm shall be designated in writing by the Indemnified Party and shall be reasonably satisfactory to the Indemnifying Party). The Indemnifying Party shall not be liable for any settlement of any such action or proceeding effected without its written consent, which consent shall not be unreasonably withheld, conditioned or delayed, but, if settled with its written consent, or if there is a final judgment for the plaintiff in any such action or proceeding with respect to which the Indemnifying Party shall have received notice in accordance with this subsection (c), the Indemnifying Party agrees to indemnify and hold the Indemnified Parties harmless from and against any loss or liability by reason of such settlement or judgment. Notwithstanding anything in this paragraph to the contrary, the consent of such Indemnified Party shall not be required if such settlement fully discharges, with prejudice against the plaintiff, the claim or action against such Indemnified Party.

(d) To provide for just and equitable contribution if the indemnification provided by the Indemnifying Party is determined to be unavailable or insufficient to hold harmless any Indemnified Party (other than due to application of this Section), each Indemnifying Party shall contribute to the losses incurred by the Indemnified Party on the basis of the relative fault of the Indemnifying Party, on the one hand, and the Indemnified Party, on the other hand.

Section 3.05. Payment Procedure.

In the event of any payment by the Insurer, RFC and the Depositor agree to accept the voucher or other evidence of payment as prima facie evidence of the propriety thereof and the liability, if any, described in Section 3.03 therefor to the Insurer. All payments to be made to the Insurer under this Insurance Agreement shall be made to the Insurer in lawful currency of the United States of America in immediately available funds at the notice address for the Insurer as specified in the Servicing Agreement on the date when due or as the Insurer shall otherwise direct by written notice to the other parties hereto. In the event that the date of any payment to the Insurer or the expiration of any time period hereunder occurs on a day that is not a Business Day, then such payment or expiration of time period shall be made or occur on the next succeeding Business Day with the same force and effect as if such payment was made or time period expired on the scheduled date of payment or expiration date.

Section 3.06. Liability of RFC.

RFC shall be liable for all amounts due and payable by the Depositor to the Insurer hereunder.

ARTICLE IV
FURTHER AGREEMENTS

Section 4.01. Effective Date; Term of the Insurance Agreement.

This Insurance Agreement shall take effect on the Closing Date and shall remain in effect until the later of (a) such time as the Insurer is no longer subject to a claim under the Policy and the Policy shall have been surrendered to the Insurer for cancellation and (b) all amounts payable to the Insurer by RFC or the Depositor hereunder or from any other source hereunder or under the Operative Documents and all amounts payable under the Class A Certificates have been paid

in full; *provided, however*, that the provisions of Sections 3.02, 3.03 and 3.04 hereof shall survive any termination of this Insurance Agreement.

Section 4.02. Further Assurances and Corrective Instruments.

(a) Except at such times as a default in payment under the Policy shall exist or shall have occurred, none of RFC, the Depositor or the Trustee shall grant any waiver of rights under any of the Operative Documents to which any of them is a party without the prior written consent of the Insurer, which shall not be unreasonably withheld, conditioned or delayed and any such waiver without prior written consent of the Insurer shall be null and void and of no force or effect.

(b) To the extent permitted by law, each of RFC and the Depositor agrees that it will, from time to time, following good faith negotiations in connection therewith, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as the Insurer may reasonably request and as may be required in the Insurer's reasonable judgment to effectuate the intention of or facilitate the performance of this Insurance Agreement.

Section 4.03. Obligations Absolute.

(a) So long as no Insurer Default shall have occurred and shall have continued beyond any period of cure applicable thereto, the obligations of RFC and the Depositor hereunder shall be absolute and unconditional and shall be paid or performed strictly in accordance with this Insurance Agreement under all circumstances irrespective of:

(i) any lack of validity or enforceability of any of the Operative Documents or the Certificates, or any amendment or other modifications of, or waiver, with respect to any of the Operative Documents or the Certificates, that have not been approved by the Insurer;

(ii) any exchange or release of any other obligations hereunder;

(iii) the existence of any claim, setoff, defense, reduction, abatement or other right that RFC or the Depositor may have at any time against the Insurer or any other Person;

(iv) any document presented in connection with the Policy proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;

(v) any payment by the Insurer under the Policy against presentation of a certificate or other document that does not strictly comply with terms of that Policy;

(vi) any failure of RFC or the Depositor to receive the proceeds from the sale of the Class A Certificates; and

(vii) any other circumstances, other than payment in full, that might otherwise constitute a defense available to, or discharge of, RFC or the Depositor in respect of any Operative Document.

(b) So long as no Insurer Default shall have occurred and shall have continued beyond any period of cure applicable thereto, RFC and the Depositor and any and all others who are now or may become liable for all or part of the obligations of RFC or the Depositor under this Insurance Agreement, to the extent permitted by law, irrevocably renounce the right to assert as a defense to the performance of their respective obligations each of the following: (i) any and all redemption and exemption rights and the benefit of all valuation and appraisement privileges against the indebtedness and obligations evidenced by any Operative Document or by any extension or renewal thereof; (ii) presentment and demand for payment, notices of nonpayment and of dishonor, protest of dishonor and notice of protest; (iii) all notices in connection with the delivery and acceptance hereof and all other notices in connection with the performance, default or enforcement of any payment hereunder, except as required by the Operative Documents; and (iv) all rights of abatement, diminution, postponement or deduction, or to any defense other than payment, or to any right of setoff or recoupment arising out of any breach under any of the Operative Documents, by any party thereto or any beneficiary thereof, or out of any obligation at any time owing to RFC or the Depositor.

(c) RFC and the Depositor and any and all others who are now or may become liable for all or part of the obligations of RFC or the Depositor under this Insurance Agreement, to the extent permitted by law, agree to be bound by this Insurance Agreement and (i) agree that any consent, waiver or forbearance hereunder with respect to an event shall operate only for such event and not for any subsequent event; (ii) consent to any and all extensions of time that may be granted by the Insurer with respect to any payment hereunder or other provisions hereof and to the release of any security at any time given for any payment hereunder, or any part thereof, with or without substitution, and to the release of any Person or entity liable for any such payment; and (iii) consent to the addition of any and all other makers, endorsers, guarantors and other obligors for any payment hereunder, and to the acceptance of any and all other security for any payment hereunder, and agree that the addition of any such obligors or security shall not affect the liability of the parties hereto for any payment hereunder.

(d) Nothing herein shall be construed as prohibiting RFC or the Depositor from pursuing any rights or remedies it may have against any Person in a separate legal proceeding.

Section 4.04. Assignments; Reinsurance; Third-Party Rights.

(a) This Insurance Agreement shall be a continuing obligation of the parties hereto and shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither RFC nor the Depositor may assign any of their respective rights under this Insurance Agreement or the Policy, or delegate any of their respective duties hereunder or thereunder, without the prior written consent of the Insurer, which consent shall not be unreasonably withheld. Any assignments made in violation of this Insurance Agreement shall be null and void.

(b) The Insurer shall have the right to give participations in its rights under this Insurance Agreement and to enter into contracts of reinsurance with respect to the Policy upon such terms and conditions as the Insurer may in its discretion determine; *provided, however*, that no such participation or reinsurance agreement or arrangement shall relieve the Insurer of any of its obligations hereunder or under the Policy, nor shall RFC or the Depositor be required to deal directly with any such parties.

(c) Except as provided herein with respect to participants and reinsurers, nothing in this Insurance Agreement shall confer any right, remedy or claim, express or implied, upon any Person, including, particularly, any Holder, other than the Insurer against RFC or the Depositor, or RFC or the Depositor against the Insurer, and all the terms, covenants, conditions, promises and agreements contained herein shall be for the sole and exclusive benefit of the parties hereto and their successors and permitted assigns. Neither the Trustee nor any Holder shall have any right to payment from any Premiums paid or payable hereunder or under the Pooling and Servicing Agreement or from any amounts paid by RFC pursuant to Sections 3.02, 3.03 or 3.04.

Section 4.05. Liability of the Insurer.

Neither the Insurer nor any of its officers, directors or employees shall be liable or responsible for: (a) the use that may be made of the Policy by the Trustee or for any acts or omissions of the Trustee in connection therewith; or (b) the validity, sufficiency, accuracy or genuineness of documents delivered to the Insurer in connection with any claim under the Policy, or of any signatures thereon, even if such documents or signatures should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged (unless the Insurer shall have actual knowledge thereof). In furtherance and not in limitation of the foregoing, the Insurer may accept documents that appear on their face to be in order, without responsibility for further investigation.

ARTICLE V
DEFAULTS AND REMEDIES

Section 5.01. Defaults.

The occurrence of any of the following shall constitute an Event of Default hereunder:

(a) Any representation or warranty made by RFC or the Depositor hereunder or under the Operative Documents, or in any certificate furnished hereunder or under the Operative Documents, shall prove to be untrue or incorrect in any material respect unless remedied within the cure period, if any, provided under the applicable Operative Document; *provided, however,* that a breach of a representation or warranty by RFC or the Depositor under Section 4 of the Assignment Agreement shall not constitute an Event of Default under this Section 5.01(a); *provided, further, however,* that the preceding proviso shall not affect the Insurer's rights as a third party beneficiary under the Pooling and Servicing Agreement or the existence of an Event of Default under Section 5.01(c) or (d) of this Insurance Agreement;

(b) (i) RFC or the Depositor shall fail to pay when due any amount payable by it hereunder or (ii) a legislative body has enacted any law that declares or a court of competent jurisdiction shall find or rule that this Insurance Agreement or any other Operative Document is

not valid and binding on RFC or the Depositor; *provided* that, with respect to any law or judicial action within the scope of this clause (ii), RFC and the Depositor shall have 30 days to reinstate the binding effect of this Insurance Agreement or any other Operative Document, and the Insurer agrees to take such actions as may be reasonably requested of it to facilitate the reinstatement of such binding effect;

(c) The occurrence and continuance of an "event of default" or "Event of Default," under any Operative Document;

(d) Any failure on the part of RFC or the Depositor duly to observe or perform in any material respect any other of the covenants or agreements on the part of RFC or the Depositor contained in this Insurance Agreement which continues unremedied for a period of 30 days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to RFC by the Insurer (with a copy to the Trustee) or by the Trustee (with a copy to the Insurer);

(e) A decree or order of a court or agency or supervisory authority having jurisdiction in the premises in an involuntary case under any present or future federal or state bankruptcy, insolvency or similar law or the appointment of a conservator or receiver or liquidator or other similar official in any bankruptcy, insolvency, readjustment of debt, marshaling of assets and liabilities or similar proceedings, or for the winding-up or liquidation of its affairs, shall have been entered against RFC or the Depositor and such decree or order shall have remained in force undischarged or unstayed for a period of 90 consecutive days;

(f) RFC or the Depositor shall consent to the appointment of a conservator or receiver or liquidator or other similar official in any bankruptcy, insolvency, readjustment of debt, marshaling of assets and liabilities or similar proceedings of or relating to RFC or the Depositor or of or relating to all or substantially all of their respective property;

(g) RFC or the Depositor shall become insolvent or admit in writing its inability to pay its debts generally as they become due, file a petition to take advantage of or otherwise voluntarily commence a case or proceeding under any applicable bankruptcy, insolvency, reorganization or other similar statute, make an assignment for the benefit of its creditors or voluntarily suspend payment of its obligations; or

(h) the Trust Fund shall become subject to an entity level tax or to registration as an investment company under the Investment Company Act.

Section 5.02. Remedies; No Remedy Exclusive.

(a) Upon the occurrence of an Event of Default, the Insurer may exercise any one or more of the rights and remedies set forth below:

(i) declare all indebtedness with respect to the Transaction of every type or description then owed by RFC or the Depositor to the Insurer to be immediately due and payable, and the same shall thereupon be immediately due and payable;

(ii) exercise any of its rights and remedies under the Pooling and Servicing Agreement in accordance with the terms thereof or direct the Trustee, RFC and/or the Depositor to exercise their respective rights and remedies under the Operative Documents in accordance with the terms thereof; or

(iii) take whatever action at law or in equity may appear necessary or desirable in its judgment to collect the amounts, if any, then due under this Insurance Agreement or any other Operative Document or to enforce performance and observance of any obligation, agreement or covenant of RFC or the Depositor under this Insurance Agreement or any other Operative Documents.

(b) Unless otherwise expressly provided, no remedy herein conferred or reserved is intended to be exclusive of any other available remedy, but each remedy shall be cumulative and shall be in addition to other remedies given under this Insurance Agreement, the Pooling and Servicing Agreement or the other Operative Documents, or existing at law or in equity. No delay or omission to exercise any right or power accruing under this Insurance Agreement, the Pooling and Servicing Agreement or any other Operative Document, or otherwise, upon the happening of any event set forth in Section 5.01 shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Insurer to exercise any remedy reserved to the Insurer in this Article, it shall not be necessary to give any notice, other than such notice as may be required by this Article.

Section 5.03. Waivers.

(a) No failure by the Insurer to exercise, and no delay by the Insurer in exercising, any right hereunder shall operate as a waiver thereof. The exercise by the Insurer of any right hereunder shall not preclude the exercise of any other right, and the remedies provided herein to the Insurer are declared in every case to be cumulative and not exclusive of any remedies provided by law or equity.

(b) The Insurer shall have the right, to be exercised in its complete discretion, to waive any Event of Default hereunder, by a writing setting forth the terms, conditions and extent of such waiver signed by the Insurer and delivered to RFC. Unless such writing expressly provides to the contrary, any waiver so granted shall extend only to the specific event or occurrence which gave rise to the Event of Default so waived and not to any other similar event or occurrence which occurs subsequent to the date of such waiver.

ARTICLE VI
MISCELLANEOUS

Section 6.01. Amendments, Etc.

This Insurance Agreement may be amended, modified, supplemented or terminated only by written instrument or written instruments signed by the parties hereto. RFC agrees to provide a copy of any amendment to this Insurance Agreement promptly to the Trustee and the rating agencies maintaining a rating on the Offered Certificates. No act or course of dealing shall be deemed to constitute an amendment, modification, supplement or termination hereof.

Section 6.02. Notices.

All demands, notices and other communications to be given hereunder shall be in writing (except as otherwise specifically provided herein) and shall be mailed by registered mail or personally delivered and telecopied to the recipient as follows:

(a) To the Insurer:

Financial Guaranty Insurance Company
125 Park Avenue
New York, New York 10017
Attention: Structured Finance Surveillance
Facsimile: (212) 312-3231
Confirmation: (800) 352-0001

(in each case in which notice or other communication to the Insurer refers to an Event of Default, a claim on the Policy or with respect to which failure on the part of the Insurer to respond shall be deemed to constitute consent or acceptance, then a copy of such notice or other communication should also be sent to the attention of the general counsel of each of RFC, the Insurer and the Trustee and, in all cases, both any original and all copies shall be marked to indicate "URGENT MATERIAL ENCLOSED.")

(b) To RFC:

Residential Funding Corporation
8400 Normandale Lake Boulevard
Suite 250
Minneapolis, MN 55437
Attention: Managing Director Structured Finance
Facsimile: (952) 857-7442
Confirmation: (952) 857-7000

Notice to RFC shall also constitute notice to the Depositor to the extent the party providing such notice is required to provide notice to both parties (in each case in which notice or other communication to RFC refers to an Event of Default, a claim against RFC or the Depositor or with respect to which failure on the part of RFC or the Depositor to respond shall be deemed to constitute consent or acceptance, then a copy of such notice or other communication should also be sent to the attention of the general counsel of each of RFC, the Insurer and the Trustee and, in all cases, both any original and all copies shall be marked to indicate "URGENT MATERIAL ENCLOSED.").

(c) To the Trustee, at its Corporate Trust Office; and

(d) To the Depositor:

Residential Asset Securities Corporation
8400 Normandale Lake Boulevard, Suite 250
Minneapolis, Minnesota 55437
Attention: President (RASC)
Facsimile: (952) 857-7442
Confirmation: (952) 857-7048

A party may specify an additional or different address or addresses by writing mailed or delivered to the other parties as aforesaid. All such notices and other communications shall be effective upon receipt.

Section 6.03. Severability.

In the event that any provision of this Insurance Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, the parties hereto agree that such holding shall not invalidate or render unenforceable any other provision hereof. The parties hereto further agree that the holding by any court of competent jurisdiction that any remedy pursued by any party hereto is unavailable or unenforceable shall not affect in any way the ability of such party to pursue any other remedy available to it.

Section 6.04. Governing Law.

This Insurance Agreement shall be governed by and construed in accordance with the laws of the State of New York (without giving effect to the conflict of laws provisions thereof other than Sections 5-1401 and 5-1402 of the General Obligations Law, which the parties hereto expressly rely upon as the governing law hereunder).

Section 6.05. Consent to Jurisdiction.

(a) The parties hereto hereby irrevocably submit to the non-exclusive jurisdiction of the United States District Court for the Southern District of New York and any court in the State of New York located in the City and County of New York, and any appellate court from any thereof, in any action, suit or proceeding brought against it and to or in connection with any of the Operative Documents or the Transaction or for recognition or enforcement of any judgment, and the parties hereto hereby irrevocably and unconditionally agree that all claims in respect of any such action or proceeding may be heard or determined in such New York state court or, to the extent permitted by law, in such federal court. The parties hereto agree that a final unappealable judgment in any such action, suit or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. To the extent permitted by applicable law, the parties hereto hereby waive and agree not to assert by way of motion, as a defense or otherwise in any such suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of such courts, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that the related documents or the subject matter thereof may not be litigated in or by such courts.

(b) To the extent permitted by applicable law, the parties hereto shall not seek and hereby waive the right to any review of the judgment of any such court by any court of any other nation or jurisdiction which may be called upon to grant an enforcement of such judgment.

(c) Nothing contained in this Insurance Agreement shall limit or affect any party's right to serve process in any other manner permitted by law or to start legal proceedings relating to any of the Operative Documents against any other party or its properties in the courts of any jurisdiction.

Section 6.06. Consent of the Insurer.

In the event that the consent of the Insurer is required under any of the Operative Documents, the determination whether to grant or withhold such consent shall be made by the Insurer in its sole discretion without any implied duty towards any other Person, except as otherwise expressly provided therein, and such consent is only effective when and if given by the Insurer in writing.

Section 6.07. Counterparts.

This Insurance Agreement may be executed in counterparts by the parties hereto, and all such counterparts shall constitute one and the same instrument.

Section 6.08. Headings.

The headings of Articles and Sections and the Table of Contents contained in this Insurance Agreement are provided for convenience only. They form no part of this Insurance Agreement and shall not affect its construction or interpretation.

Section 6.09. Trial by Jury Waived.

Each party hereby waives, to the fullest extent permitted by law, any right to a trial by jury in respect of any litigation arising directly or indirectly out of, under or in connection with any of the Operative Documents or any of the Transactions contemplated thereunder. Each party hereto (a) certifies that no representative, agent or attorney of any party hereto has represented, expressly or otherwise, that it would not, in the event of litigation, seek to enforce the foregoing waiver and (b) acknowledges that it has been induced to enter into the Operative Documents to which it is a party by, among other things, this waiver.

Section 6.10. Limited Liability.

No recourse under any Operative Document or the Underwriting Agreement shall be had against, and no personal liability shall attach to, any officer, employee, director, affiliate or shareholder of any party hereto, as such, by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute or otherwise in respect of any of the Operative Documents or the Underwriting Agreement, the Certificates or the Policy, it being expressly agreed and understood that each Operative Document or the Underwriting Agreement is solely a corporate obligation of each party thereto, and that any and all personal liability, either at common law or in equity, or by statute or constitution, of every such officer, employee, director,

affiliate or shareholder for breaches of any party thereto of any obligations under any Operative Document or the Underwriting Agreement is hereby expressly waived as a condition of and in consideration for the execution and delivery of this Insurance Agreement.

Section 6.11. Entire Agreement.

This Insurance Agreement and the Policy set forth the entire agreement between the parties with respect to the subject matter hereof and thereof, and this Insurance Agreement and the Policy, supersede and replace any agreement or understanding that may have existed between the parties prior to the date hereof in respect of such subject matter.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, all as of the day and year first above mentioned.

FINANCIAL GUARANTY INSURANCE COMPANY,
as Insurer

By: Dana Skelton
Name: Dana Skelton
Title: Vice President

RESIDENTIAL FUNDING CORPORATION,
as Master Servicer

By:_____
Name:
Title:

RESIDENTIAL ASSET SECURITIES CORPORATION,
as Depositor

By:_____
Name:
Title:

U.S. BANK NATIONAL ASSOCIATION
as Trustee

By:_____
Name:
Title:

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, all as of the day and year first above mentioned.

FINANCIAL GUARANTY INSURANCE COMPANY,
as Insurer

By:_____
Name:
Title:

RESIDENTIAL FUNDING CORPORATION,
as Master Servicer

By:_____
Name: Benita Bjorgo
Title: Associate

RESIDENTIAL ASSET SECURITIES CORPORATION,
as Depositor

By:_____
Name: Pieter VanZyl
Title: Vice President

U.S. BANK NATIONAL ASSOCIATION
as Trustee

By:_____
Name:
Title:

{Signature page}

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, all as of the day and year first above mentioned.

FINANCIAL GUARANTY INSURANCE COMPANY,
as Insurer

By:_____
Name:
Title:

RESIDENTIAL FUNDING CORPORATION,
as Master Servicer

By:_____
Name:
Title:

RESIDENTIAL ASSET SECURITIES CORPORATION,
as Depositor

By:_____
Name:
Title:

U.S. BANK NATIONAL ASSOCIATION
as Trustee

By: Tamara Schultz-Fugh
Name: Tamara Schultz-Fugh
Title: Vice President

Exhibit 92

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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FINANCIAL GUARANTY INSURANCE COMPANY,

Plaintiff,

-against-

ALLY FINANCIAL, INC. F/K/A GMAC, LLC; RESIDENTIAL CAPITAL, LLC F/K/A RESIDENTIAL CAPITAL CORPORATION; ALLY BANK F/K/A GMAC BANK; GMAC MORTGAGE, LLC F/K/A GMAC MORTGAGE CORPORATION,

Defendants.

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Civil Action No. 12 CV 1658

COMPLAINT

RECEIVED
MAY 20 2012
U.S.D.C. S.D. N.Y.
CASHIERS

Plaintiff Financial Guaranty Insurance Company ("FGIC"), by and through its attorneys, Jones Day, for its Complaint against defendants, Ally Financial, Inc., formerly known as GMAC, LLC ("Ally Financial"), Residential Capital, LLC, formerly known as Residential Capital Corporation ("ResCap"), Ally Bank, formerly known as GMAC Bank ("Ally Bank"), and GMAC Mortgage, LLC, formerly known as GMAC Mortgage Corporation ("GMACM"), alleges as follows:

NATURE OF THE ACTION

1. This action arises in connection with a financial guaranty insurance policy (the "2006-HE3 Policy" or the "Policy") issued by FGIC in relation to a GMACM-sponsored transaction (the "2006-HE3 Transaction" or the "Transaction"), in which GMACM Home Equity Loan Trust 2006-HE3 (the "2006-HE3 Trust" or the "Trust") issued and sold to investors over $1.14 billion aggregate principal amount of insured residential mortgage-

backed securities (the "2006-HE3 Notes"). As the sponsor of the 2006-HE3 Transaction, GMACM procured the Policy from FGIC in order to enhance the ratings and marketability of the 2006-HE3 Notes. GMACM fraudulently induced FGIC's agreement to provide this insurance through willful and material misrepresentations and omissions concerning, among other things, the nature of its business practices and the credit quality and characteristics of the tens of thousands of mortgage loans (individually the "Mortgage Loans," and collectively the "Loan Pool") that provided the collateral for the 2006-HE3 Notes. In short, the Mortgage Loans were different—and demonstrably worse—than GMACM had represented them to be. FGIC's issuance of the Policy enabled the 2006-HE3 Notes to receive a triple-A rating from the rating agencies, which in turn made the 2006-HE3 Transaction viable, and enabled GMACM and its affiliates to earn millions of dollars in transaction fees.

2. Since the closing of the 2006-HE3 Transaction, GMACM has compounded its misconduct by repeatedly and materially breaching its contractual obligations to FGIC. From the very inception of the 2006-HE3 Transaction, GMACM has violated the essential terms of its agreement with FGIC. GMACM has also breached the essential terms of the other operative documents incorporated therein.

3. To induce FGIC to enter into the Transaction, GMACM made material representations and warranties to FGIC about the manner in which the Mortgage Loans were selected and evaluated and the characteristics of the Loan Pool generally. Among the numerous misrepresentations and omissions made by GMACM regarding the characteristics of the Loan Pool was the representation that, of the Mortgage Loans transferred to the 2006-HE3 Trust at the time of the closing of the Transaction (the "Initial Mortgage Loans"), no more than 7.61% of the aggregate principal amount of those loans would be balloon mortgage

loans. As explained more fully below, the credit risk inherent in a balloon mortgage loan is typically much higher than that of a non-balloon mortgage loan. Accordingly, the representations and warranties GMACM made in respect of the balloon mortgage loans were a crucial component in assessing the true credit risk of the Transaction. In this Transaction, while GMACM represented and warranted in several instances that no more than 7.61% of the aggregate principal amount of the Initial Mortgage Loans would be balloon mortgage loans, in fact more than 26% of the aggregate principal amount of those loans consisted of these substantially higher-risk mortgages. Indeed, the Loan Pool as measured at closing (the "Initial Loan Pool") contained over 3,000 more balloon mortgage loans than GMACM's representations indicated it would contain.

4. The wholesale misrepresentation by GMACM regarding the balloon mortgage loans in the offering and operative documents governing the Transaction, and the gross over-inclusion of thousands more such mortgage loans in the Initial Loan Pool, provide the most obvious and egregious—but by no means the only—examples of the myriad ways in which GMACM (i) fraudulently induced FGIC to issue the Policy and (ii) materially breached its contractual obligations to FGIC.

5. The wrongdoing committed by GMACM, as detailed more fully below, was directed by Ally Financial, acting directly or indirectly through its wholly-owned subsidiary, ResCap. Ally Financial is the ultimate parent of ResCap, which owns GMACM. Ally Financial, as the ultimate parent of ResCap and GMACM, has the practical ability, which it has repeatedly exercised, to direct and control the activities of these (and other) subsidiaries. In many instances—including in this Transaction—Ally Financial's direction and control was effected by using ResCap as an intermediary instrument to achieve its goals. For example,

many of the material contractual breaches committed by GMACM, concerning, primarily, FGIC's right to access information in GMACM's possession and GMACM's failure to repurchase or cure certain of the Mortgage Loans backing the 2006-HE3 Notes that FGIC sought to have repurchased, were carried out by ResCap at the direction and control of Ally Financial.

6. GMACM was also substantially assisted in fraudulently inducing FGIC to issue the Policy by another Ally Financial subsidiary, Ally Bank, then doing business as GMAC Bank. Ally Bank and GMACM were the two principal originators of loans that became the collateral for the 2006-HE3 Transaction, and as such had intimate knowledge of the quality of the Loan Pool. In total, Ally Bank sold over $750 million in loans—accounting for approximately 88% of the Initial Loan Pool—that it had originated or acquired to GMACM to be securitized in the 2006-HE3 Transaction. Further, Ally Bank agreed to serve as custodian of the 2006-HE3 Transaction (the "Custodian")—one of the critical parties charged with certain oversight and maintenance duties with respect to the 2006-HE3 Trust—and received certain key operative documents with respect to the Transaction. With knowledge of GMACM's material misrepresentations and omissions regarding the Mortgage Loans, Ally Bank separately made representations and warranties regarding those loans for the purpose of aiding GMACM's inducement of FGIC to issue the Policy. By assisting GMACM in inducing FGIC to issue the Policy, Ally Bank was able to collect substantial fees as custodian and perpetuate its lucrative loan origination business.

7. Ally Bank has materially breached its own separate contractual agreement regarding its duties as Custodian, in particular by failing to ensure that essential documents

were included in the loan file and failing to notify FGIC of breaches of representations and warranties by GMACM of which Ally Bank was aware.

8. The 2006-HE3 Transaction is a mortgage loan securitization: a complex arrangement comprising multiple interdependent agreements among GMACM and several other parties whereby tens of thousands of home equity loans were pooled together and transferred to the 2006-HE3 Trust, which then issued to investors securities (*i.e.*, the 2006-HE3 Notes) collateralized by those loans.

9. In August 2006, FGIC and several other parties entered into the 2006-HE3 Transaction. The 2006-HE3 Transaction was sponsored by GMACM. To facilitate the Transaction, GMACM pooled together over sixteen thousand Mortgage Loans to provide collateral for the 2006-HE3 Notes. All of the Mortgage Loans were either originated or acquired by GMACM or Ally Bank.

10. After pooling the Mortgage Loans originated or acquired by GMACM and Ally Bank, GMACM transferred the Mortgage Loans directly or indirectly to another Ally Financial subsidiary, Residential Asset Mortgage Products, Inc. ("RAMP"). RAMP then deposited the Mortgage Loans it received from GMACM into the 2006-HE3 Trust. The 2006-HE3 Trust, in turn, issued the 2006-HE3 Notes to investors. The 2006-HE3 Trust was a legal entity created by GMACM solely for the purposes of the 2006-HE3 Transaction to hold the Mortgage Loans and to issue the 2006-HE3 Notes to investors in a registered public offering.

11. The periodic mortgage payments made by the borrowers under the Mortgage Loans held by the Trust are used to pay, among other things, principal and interest due on the 2006-HE3 Notes, and the fees and expenses of GMACM and other participants in the Transaction.

12. GMACM also acted as servicer of the 2006-HE3 Transaction (the "Servicer"). As Servicer, GMACM supervised the collection of borrower payments and performed other duties related to servicing the Mortgage Loans. As discussed in more detail below, all of GMACM's servicing operations have since been integrated into ResCap. Yet another Ally Financial subsidiary, Ally Securities, LLC ("Ally Securities" f/k/a GMAC RFC Securities), was co-manager of the 2006-HE3 Transaction. In addition, JPMorgan Chase Bank, N.A ("JPMorgan") agreed to act as indenture trustee of the Trust (the "Indenture Trustee").

13. GMACM, directed and controlled by Ally Financial, is, therefore, the hub of the 2006-HE3 Transaction: it is the sponsor of the securitization, the originator and seller of many of the Mortgage Loans, and has acted as servicer of all the loans that collateralize the 2006-HE3 Notes. The primary victim of the 2006-HE3 Transaction—which turned out to be backed by inferior loans that did not meet the underwriting standards or loan characteristics warranted by GMACM—is FGIC, which has already paid out tens of millions of dollars in losses under the Policy, with further material losses still to come.

14. FGIC, a monoline financial guaranty insurance company, was in the business of writing financial guaranty insurance policies with respect to asset-backed and debt securities, including residential mortgage-backed notes ("RMBS Notes"). At the time of the 2006-HE3 Transaction, FGIC's financial strength was rated triple-A by Moody's Investors Services, Inc. ("Moody's"), Standard and Poor's Ratings Services (a division of The McGraw-Hill Companies, Inc.) ("S&P"), and Fitch, Inc., which enabled securities that were insured by FGIC to be rated triple-A as well. FGIC's financial guaranty insurance policies for RMBS Notes typically guaranteed the timely payment of the principal and interest due on the insured securities, including the amount, if any, of principal losses allocated to the RMBS

Notes. FGIC's insurance policies thus enhanced the credit quality, and marketability, of the insured securities.

15. To enhance the ratings and marketability of the 2006-HE3 Notes, and to increase the profit that GMACM would derive from the 2006-HE3 Transaction, GMACM sought to have FGIC issue the Policy to JPMorgan, as Indenture Trustee for the 2006-HE3 Notes for the benefit of the holders of the 2006-HE3 Notes.

16. As noted, to induce FGIC to issue the Policy, GMACM, *inter alia*, offered certain material representations and warranties to FGIC regarding the Transaction. These representations and warranties were false when stated, and FGIC reasonably relied on such warranties, among others, when deciding to enter into the 2006-HE3 Transaction. Additionally, those representations and warranties were false when they were restated by GMACM (for example, when GMACM added new loans to the mortgage pool). As a result, FGIC was fraudulently induced to enter the Transaction, and the credit risk assumed by FGIC in connection with the Transaction was far greater than it would have been had GMACM's representations and warranties been true, as demonstrated by the overwhelming number of claims that have been subsequently presented to FGIC.

17. GMACM received substantial assistance from Ally Bank in fraudulently inducing FGIC to issue the Policy. Ally Bank was aware of the material misrepresentations GMACM had made to FGIC, and further represented to FGIC that it would undertake duties to monitor and certify the accuracy and completeness of certain material aspects of the Mortgage Loan files, as well as inform FGIC of certain failures by GMACM to comply with its obligations under the 2006-HE3 Transaction documents. Ally Bank made these representations to FGIC despite its knowledge that GMACM had not complied—and would

not comply—with its representations and warranties to FGIC. As such, Ally Bank actively aided and abetted GMACM's fraudulent inducement of FGIC to issue the Policy.

18. Moreover, both GMACM and Ally Bank received substantial assistance from Ally Financial in fraudulently inducing FGIC to issue the Policy. Ally Financial took actions and made statements to boost investor confidence in, and otherwise finance and support, its mortgage securitization business, which was carried out by its subsidiaries. Ally Financial was aware of the material misrepresentations GMACM and Ally Bank had made to FGIC. As a result of its dominance over ResCap, Ally Bank, and GMACM, Ally Financial knew that the representations and warranties GMACM and Ally Bank made to FGIC, prior to and at the closing, upon which FGIC reasonably relied, were false. As such, Ally Financial actively aided and abetted GMACM's and Ally Bank's fraudulent inducement of FGIC to issue the Policy.

19. The increased credit risk inherent in the Mortgage Loans—as a result, in part, of the high percentage of the aggregate principal amount of the Initial Loan Pool that was comprised of balloon and other high-risk Mortgage Loans—has resulted in extremely high levels of delinquencies, defaults, and losses on the Mortgage Loans, and the resultant claims presented to FGIC have been far in excess of what FGIC reasonably expected when it decided to issue the Policy in reliance on the (presumed) accuracy and truthfulness of GMACM's representations and warranties and affirmative covenants. In fact, the levels of defaults and losses, and the resulting amount of claims presented to FGIC have been overwhelming. Had FGIC been told the truth about the nature of GMACM's underwriting and business practices and/or the true characteristics of the Mortgage Loans, it would never have agreed to issue the

Policy, and would thereby have avoided the significant losses and liabilities it has incurred, and will incur, as a result of GMACM's misconduct.

20. Certain of the material contractual breaches committed by GMACM and Ally Bank—including, but not limited to, its refusal to honor FGIC's right to access information in GMACM's possession—were directed by Ally Financial, acting directly or indirectly through ResCap.

21. Through this Complaint, FGIC seeks relief against GMACM, Ally Bank, ResCap, and Ally Financial for GMACM's fraudulent inducement of FGIC, and for GMACM's material breaches of its insurance agreement with, and contractual obligations owed to, FGIC in connection with the 2006-HE3 Transaction.

22. Further, FGIC seeks relief against Ally Financial and Ally Bank for aiding and abetting GMACM's fraudulent inducement, as well as for Ally Bank's material breaches of its contractual obligations to FGIC.

23. FGIC also seeks a declaration from the Court that Ally Financial, ResCap and GMACM were and continue to be alter egos of each other.

THE PARTIES

24. Plaintiff FGIC is a New York stock insurance corporation with its principal place of business at 125 Park Avenue, New York, New York 10017.

25. Defendant Ally Financial is a Delaware corporation with its principal place of business in Detroit, Michigan. Ally Financial is the parent company of ResCap, GMACM, and all GMACM-affiliated entities relevant to this action.

26. Defendant GMACM is a Delaware limited liability company with its principal place of business in Fort Washington, Pennsylvania. In the period relevant to this action,

GMACM originated, acquired, and serviced residential mortgage loans, and sponsored securitizations of mortgage loans.

27. Since 2005, GMACM has been an indirect wholly-owned subsidiary of ResCap; prior to that time, GMACM was an indirect, wholly-owned subsidiary of Ally Financial.

28. Defendant ResCap is a Delaware limited liability corporation and an indirect wholly owned subsidiary of Ally Financial. ResCap is the indirect corporate parent of GMACM and its business includes originating, acquiring, selling, and servicing mortgage loans.

29. In September 2008, ResCap announced that it was closing much of its mortgage loan acquisition business.

30. Defendant Ally Bank (f/k/a GMAC Bank), an indirect, wholly-owned subsidiary of Ally Financial, was at all times relevant to this Complaint a loan originator. To facilitate the 2006-HE3 Transaction, Ally Bank sold to GMACM over $750 million in mortgage loans that it had originated or acquired to be securitized in the Transaction. These loans comprised nearly 88% of the initial Mortgage Loans. GMAC Bank was renamed Ally Bank in May 2009. Ally Bank is an online bank chartered under Utah law.

JURISDICTION AND VENUE

31. This Court has subject matter jurisdiction over this suit pursuant to 28 U.S.C. § 1332 because there is complete diversity of citizenship between the parties and the amount in controversy exceeds $75,000, exclusive of interest and costs.

32. Venue is proper in this district under 28 U.S.C. § 1391 because a substantial part of the events giving rise to this claim occurred within this judicial district. Moreover, at

least one of the defendants in this action, GMACM, has agreed to submit to the jurisdiction of this Court, and has agreed not to challenge venue in this Court.

RELEVANT NON-PARTIES

33. RAMP, a special purpose vehicle, is an indirect, wholly owned subsidiary of Ally Financial and a Delaware corporation with its principal place of business in Minnesota. To facilitate the 2006-HE3 Transaction, RAMP purchased mortgage loans from GMACM and Walnut Grove Mortgage Loan Trust 2003-A ("Walnut Grove") and deposited those loans into the 2006-HE3 Trust. The trust then issued the 2006-HE3 Notes to the underwriters, including Ally Securities (then doing business as GMAC RFC Securities), to be sold to investors.

34. Ally Securities, an entity incorporated in Delaware, is an affiliate of GMACM and RAMP and a registered broker-dealer under the Securities Exchange Act of 1934, and is registered to do business in New York. Prior to 2007, Ally Securities was known as Residential Funding Securities Corporation, and was doing business as GMAC RFC Securities. Ally Securities served as an underwriter of the 2006-HE3 Notes and, on information and belief, participated in the preparation of certain of the key offering documents for the 2006-HE3 Transaction.

35. Walnut Grove is a Delaware statutory trust established by an affiliate of GMACM. Beginning in 2003, GMACM sold to Walnut Grove second-lien mortgage loans that it had originated or acquired. To facilitate the 2006-HE3 Transaction, Walnut Grove sold certain of the Mortgage Loans to RAMP.

FACTUAL ALLEGATIONS

A. Ally Financial and its Subsidiaries

36. In the period relevant to this action, GMACM originated, acquired, sold, and serviced residential mortgage loans and, from time to time, arranged for the securitization of

those mortgage loans and the sale of securities collateralized by those mortgage loans to investors, often in the form of RMBS Notes.

37. The Mortgage Loans have suffered extremely high rates of delinquencies, defaults and losses, and it is a matter of public knowledge that the business practices of Ally Financial's subsidiaries, including those of GMACM, Ally Bank, and ResCap, led Ally Financial to seek a bailout by the federal government in 2008.

(1) GMACM, GMAC-RFC, and RFC

38. GMACM is a subsidiary of GMAC-RFC Holding Company, LLC ("GMAC-RFC") which in turn is a subsidiary of ResCap, which in turn is a subsidiary of the ultimate parent, Ally Financial.

39. Residential Funding Corporation, LLC ("RFC") is also a subsidiary of GMAC-RFC and ResCap. Like its affiliate GMACM, RFC engaged in the business of originating, acquiring, servicing, and securitizing mortgage loans during the period relevant to this action.

40. GMAC-RFC companies issued $42.34 billion of non-agency mortgage-backed securities in 2004, $56.93 billion in 2005, $66.19 billion in 2006, and $32.43 billion in 2007, according to Inside Mortgage Finance Publications, Inc. *See 2011 Mortgage Market Statistical Annual: Volume II* at 38-41. GMAC-RFC was the fifth largest issuer of non-agency mortgage-backed securities in 2005, the fourth largest in 2006, and the eighth largest in 2007. *Id.*

41. GMAC-RFC was the largest issuer of private mortgage-backed securities in 2002, when it issued $11.5 billion of private mortgage-backed securities, according to the *Financial Crisis Inquiry Report, Final Report of the National Commission on the Causes of the Financial and Economic Crisis in the United States* (the "FCIC Report"), published in

January 2011. *See* FCIC Report at 462. GMAC-RFC was also the fourth largest subprime mortgage lender in 2004, when it loaned $26 billion to subprime borrowers. *See id.* at 504.

42. The FCIC Report pointedly notes the widespread failure among the mortgage-backed security industry generally to adhere to basic standards in loan origination, selection, and evaluation—a truth FGIC would come to learn specifically in its dealings with GMACM. The FCIC Report concludes that:

> [F]irms securitizing mortgages failed to perform adequate due diligence on the mortgages they purchased and at times knowingly waived compliance with underwriting standards. Potential investors were not fully informed or were misled about the poor quality of the mortgages contained in some mortgage-related securities. These problems appear to have been significant.

Id. at 187.

43. The FCIC Report further notes that, in light of Ally Financial and its subsidiaries' systemic failure to ensure the credit quality of the mortgage loans backing its securitizations, repurchase demands against GMAC/Ally Financial have mounted. From 2007 to 2010, the Federal National Mortgage Association ("Fannie Mae") has forced Ally Financial to buy back approximately $838 million worth of mortgage loans. *Id.* at 225. And in 2009 and 2010, the Federal Home Loan Mortgage Corporation ("Freddie Mac") forced Ally Financial to buy back approximately $453 million worth of mortgage loans. *Id.*

(2) Ally Financial's Securitization Business

44. Ally Financial's business model depended on securitizations, which were conducted by its business units, including GMACM. Pooling mortgage loans and selling them into securitizations enabled GMACM to fund its ongoing mortgage loan originations and acquisitions, earned it significant fees from the resulting transactions, and reduced the credit risk it retained with respect to those loans.

45. In order to gain additional fees for performing certain administrative duties under the various transaction agreements, including collecting mortgage payments and determining whether a mortgage loan is in default based on the transaction documents, GMACM generally acted as servicer of its own securitizations. GMACM thereby earned servicing fees that normally amounted to 0.50% per annum of the aggregate principal balance of the mortgage loans, as well as collected fees in the range of approximately 20%-35% of any subsequent recoveries from charged-off loans.

46. GMACM also enriched Ally Financial and its other subsidiaries through its sponsorship of securitizations. Ally Financial entities typically participated in each of the key steps in the securitization process, and recorded gains and earned fees at each of those steps. For example, in the 2006-HE3 Transaction:

- Ally Bank gained fees for originating nearly 88% of the loans initially comprising the 2006-HE3 Trust, and proceeds from selling those loans to GMACM; Ally Bank also gained fees as custodian of the 2006-HE3 Trust for holding certain documents;
- Walnut Grove received the proceeds from selling certain of the Mortgage Loans to RAMP (after purchasing over 28% of the loans from GMACM);
- RAMP received payments for serving as the depositor of the Mortgage Loans to the 2006-HE3 Trust; and
- Ally Securities received fees for underwriting the 2006-HE3 Notes.

(3) Ally Financial, GMACM, and RFC Face Numerous Investigations and Lawsuits Relating to Their RMBS Securitizations

47. GMACM is currently being investigated by the U.S. Department of Justice (the "DOJ") for fraud related to the origination and underwriting of mortgage loans. On June 29, 2011, Ally Financial disclosed that the DOJ had served GMACM with a subpoena in June 2011, which "includes a broad request for documentation and other information in connection

with its investigation of potential fraud related to the origination and/or underwriting of mortgage loans." Ally Fin. Inc., Amendment No. 3 to Form S-1 Registration Statement under the Securities Act of 1933 (Form S-1/A), at 23 (June 29, 2011).

48. Additionally, on September 2, 2011, the Federal Housing Finance Authority ("FHFA"), as conservator for Freddie Mac, filed suit in the Supreme Court of the State of New York, New York County against Ally Financial and several of its subsidiaries for claims arising in connection with its role in the public filing of offering documents containing false and misleading statements. These claims arise from Freddie Mac's purchase of over $6 billion in certificates issued through twenty-one transactions similar to the transaction at issue here. Among other claims, FHFA brought suit for common law fraud against various Ally Financial subsidiaries and aiding and abetting fraud against Ally Financial for its intentional and substantial assistance in rendering material misrepresentations to Freddie Mac in connection with the sale of the subject certificates.

49. The FHFA also alleges violations of state and federal securities laws by Ally Financial and several of its subsidiaries stemming from false and misleading statements contained in publicly filed prospectuses, prospectus supplements, registration statements, and other offering documents. Additionally, FHFA also alleges aiding and abetting fraud against Ally Financial and certain of its affiliates for their intentional and substantial assistance in rendering material misrepresentations to Freddie Mac in connection with the sale of the certificates. The FHFA action seeks relief in the form of rescission and recovery of the $6 billion purchase price of the certificates, including lost principal and interest, as well as punitive damages and attorneys' fees and costs. In October 2011, Ally Financial and its co-

defendants removed the FHFA action to the U.S. District Court for the Southern District of New York.

50. In addition, GMACM is currently facing a lawsuit brought by MBIA Insurance Corporation ("MBIA") in New York Supreme Court in which MBIA alleges that in connection with three transactions similar to the one at issue here, GMACM affirmatively misrepresented the credit quality of tens of thousands of mortgage loans, with a total original principal balance of more than $4 billion, as a means of unfairly shifting to investors and MBIA risks that GMACM should have borne itself. On December 15, 2010, the New York Supreme Court issued a ruling denying GMACM's motion to dismiss, which allowed both the breach of representations and warranties and fraud claims, among others, to proceed to trial.

51. GMACM's sister company, RFC, is also currently facing a lawsuit brought by MBIA in New York Supreme Court for, among other things, fraud and breach of representations and warranties in connection with RMBS transactions. In December 2009, the New York Supreme Court rejected RFC's motion to dismiss certain of the claims brought against it, allowing both the breach of contract and fraud claims, among others, to proceed.

52. Additionally, according to Ally Financial's quarterly report for the third quarter of 2011, as of November 4, 2011, there were twenty-two suits in various jurisdictions pending against Ally Financial's mortgage-related business units and subsidiaries arising from numerous mortgage-backed securities offerings. The plaintiffs in those suits have alleged, among other things, that Ally Financial's various mortgage subsidiaries made misstatements and omissions in registration statements, prospectuses, prospectus supplements, and other documents related to RMBS offerings. The alleged misstatements typically concern underwriting standards. *See* Ally Fin. Inc., Quarterly Report (Form 10-Q), at 159 (Nov. 4,

2011). Further, in its 2011 annual report, Ally Financial stated that it expects additional similar claims to be brought against Ally Financial and/or its subsidiaries in the future. *See* Ally Fin. Inc., Annual Report (Form 10-K), at 20 (Feb. 28, 2011).

53. Since the filing of its November 2011 quarterly report, moreover, Ally Financial and its subsidiaries have been sued by additional plaintiffs, including HSH Nordbank AG, which have alleged, *inter alia*, material misrepresentations and omissions about the loans backing RMBS securities issued by Ally Financial's affiliates.

54. Moreover, Ally Financial has disclosed that it expects additional RMBS lawsuits from monoline insurers like FGIC given that Ally Financial and its subsidiaries sold $42.7 billion of loans into monoline-wrapped securitizations from 2004 to 2007. During 2011, Ally Financial and its subsidiaries have received repurchase claims from monoline insurers for $265 million worth of mortgages related to securitizations it consummated between 2004 and 2007. Ally Financial evidently clearly recognizes its exposure because, according to Ally Financial's CEO, Michael Carpenter, ResCap has already reserved $829 million for representations and warranties claims and, according to its own Securities and Exchange Commission ("SEC") filings, Ally Financial confirms that "litigation with . . . monolines is likely." Ally Fin. Inc., Annual Report (Form 10-K), at 98 (Feb. 28, 2012).

55. Indeed, according to Ally Financial's 2011 annual report, Ally Financial, GMACM's parent, also believes that "[t]he total exposure . . . to mortgage representation and warranty claims is most significant for loans originated and sold between 2004 through 2008, specifically the 2006 and 2007 vintages that were originated and sold prior to enhanced underwriting standards and risk-mitigation actions implemented in 2008 and forward." Ally

Fin. Inc., Annual Report (Form 10-K), at 224 (Feb. 28,, 2012). The 2006-HE3 Transaction is, as its name implies, of the 2006 vintage.

56. Additionally, Ally Financial also disclosed that the SEC served a subpoena on Ally Financial in June 2011, requesting documentation regarding certain "bulk settlements" relating to securitized mortgage loans as well as a request for materials provided to investors and prospective investors in mortgage securitization transactions. *See* Ally Fin. Inc., Amendment No. 3 to Form S-1 Registration Statement under the Securities Act of 1933 (Form S-1/A), at 23 (June 29, 2011).

(4) The Mortgage Loan Servicing Misconduct of Ally Financial and GMACM Has Come Under Scrutiny and Resulted in Severe Sanctions

57. On February 9, 2012, the Federal Reserve Board announced that Ally Financial, its subsidiaries, and several other mortgage loan servicers would be required to pay $766.5 million in monetary sanctions for "unsafe and unsound processes and practices in residential mortgage loans servicing and foreclosure processing." Press Release, Federal Reserve Board (February 9, 2011). On February 12, 2012, the Federal Reserve Board imposed well over $200 million of this fine against Ally Financial, ResCap, and GMACM pursuant to an Assessment Order, which requires that the sanctions be paid into various borrower assistance programs and nonprofit programs established to help victims of improper servicing and foreclosure practices. *See* Order of Assessment of a Civil Money Penalty Issued Upon Consent Pursuant to the Federal Deposit Insurance Act, as Amended, FRB Docket No. 12-006-CMP-HC (February 12, 2012) (the "Assessment Order"). According to the Federal Reserve Board, the sanction "takes into account the maximum amount prescribed for unsafe and unsound practices under the applicable statutory limits, the comparative severity of the

institutions' misconduct, and the comparative sizes of the institutions' foreclosure activities." *See* Press Release, Federal Reserve Board (February 9, 2011).

58. Further, also on February 9, 2012, the U.S. Attorney General announced that Ally Financial will take part in a $25 billion settlement to resolve claims brought by the government in response to the "reckless and abusive mortgage practices" of Ally Financial and four similarly situated bank holding companies. *See* Eric Holder, U.S. Attorney General, Remarks at the Mortgage Servicers Settlement Press Conference (Feb. 9, 2012). Although the settlement releases Ally Financial from certain civil claims brought by the DOJ and multiple state attorneys general, *see id.*; National Mortgage Settlement Website, Settlement Documents > Servicing Standard Highlights, *available at* http://www.nationalmortgagesettlement.com/ (last visited Feb. 12, 2012), the settlement was not designed to resolve any other liabilities that Ally Financial has incurred through its improper origination, securitization, and servicing practices, *see id.*, About the Settlement, *available at* http://www.nationalmortgagesettlement.com/about (last visited Feb. 12, 2012).

59. According to the U.S. Attorney General, the $25 billion settlement and $766.5 million sanction are just "the latest step forward" in holding Ally Financial and others accountable for "egregious mortgage loan servicing abuses." *See* Attorney General Holder, Remarks at the Mortgage Servicers Settlement Press Conference.

60. Similarly, the New York Attorney General recently announced a $136 million settlement with the nation's five largest mortgage servicers—including GMAC/Ally Financial. *See* Office of the New York Attorney General Press Release, *Schneiderman Secures Major Settlement That Allows Sweeping Mortgage Investigations To Proceed*, *available at* http://www.ag.ny.gov/media_center/2012/feb/feb9b_12.htm. As the New York

Attorney General noted, the settlement principally addressed "foreclosure abuses" by GMAC/Ally Financial and other banks, and "[i]n addition to penalties for past abuses, the settlement includes direct relief to victims of wrongful foreclosure conduct" and "imposes strong national standards for mortgage servicing" that had previously been lacking. *Id.* Additionally, the New York Attorney General's office will lead the new Residential Mortgage-Backed Securities Working Group, a component of the interagency Financial Fraud Enforcement Task Force led by the DOJ, which "brings together the Department of Justice, several state law enforcement officials, and other federal agencies to investigate those responsible for misconduct contributing to the financial crisis through the pooling and sale of residential mortgage-backed securities." *Id.*

61. In addition to these recent settlements and Assessment Order, the Federal Reserve Board and the Federal Deposit Insurance Corporation (the "FDIC") previously ordered Ally Financial, GMACM, and several other Ally Financial subsidiaries to adopt new procedures and practices in relation to mortgage loan servicing. *See* Consent Order, FRB Docket No. 11020-B-HC (April 13, 2011) (the "Consent Order").

62. The Consent Order notes that Ally Financial's mortgage servicing subsidiaries, including GMACM, have been accused, *inter alia*, of (1) failing to properly increase financial, staffing, and managerial resources in order to meet an increasing number of foreclosures; (2) failing to properly put in place "adequate internal controls, policies and procedures, compliance risk management, internal audit, training, and oversight of the foreclosure process"; (3) filing false affidavits in foreclosure actions; and (4) litigating foreclosure proceedings without "confirming that the promissory note and mortgage document were properly endorsed or assigned." *Id.* at 3-4.

63. Furthermore, under the Consent Order, Ally Financial must direct GMACM and its other mortgage servicing subsidiaries to take certain remedial action to ensure that they operate in a "safe and sound manner" in the future. *Id* at 4. Specifically, among other things, the Consent Order requires Ally Financial to take "steps to improve the information and reports that will be regularly reviewed by [Ally Financial's] board of directors. . . [to assess the performance of] residential mortgage loan servicing, Loss Mitigation, and foreclosure activities and operations . . . ." *Id.* at 8.

64. In connection with the enforcement of the Consent Order, as of November 2011, the Federal Reserve Board is permitting mortgage borrowers who were financially harmed by the foreclosure processes of GMACM to request an independent review of their files. *See* Press Release, Federal Reserve Board (November 1, 2011). This independent review will determine whether errors and misrepresentations in GMACM's foreclosure processes indeed caused financial harm to the borrower. *See id.* If the foreclosure process is found to have caused financial injury to the borrower, GMACM will then be required to provide full compensation. *See id.*

65. As a result of servicing misconduct, Ally Financial and other bank holding companies will now be required to adhere to new, heightened servicing standards. *See* Press Release, Federal Reserve Board (February 9, 2011). The Federal Reserve Board has ordered Ally Financial to remedy its servicing practices by, *inter alia*, "strengthen[ing] the coordination of communications with borrowers by providing borrowers the name of the person at the service who is their primary point of contact, establish[ing] limits on foreclosures where loan modifications have been approved, establish[ing] robust third party vendor controls, strengthen[ing] compliance programs, and provid[ing] appropriate

remediation to borrowers who suffered financial injury as a result of errors by the servicers." *See id.*

66. Moreover, the servicing and foreclosure improprieties of Ally Financial and its subsidiaries is a matter of public record. According to the sworn testimony of an Ally Financial/GMACM employee, Ally Financial's mortgage servicing subsidiaries have routinely filed false affidavits in thousands of foreclosure actions across the country. *See* Jeffrey Stephan Dep. *Federal National Mortgage Association v. Bradbury*, BRI-RE-09-65 (Me. Dist. Ct., Dist. Nine, Div. N. Cumberland) (June 7, 2010). Indeed, according to the FCIC Report:

> [L]enders have relied on "robo-signers" who substituted speed for accuracy by signing, and sometimes backdating, hundreds of affidavits claiming personal knowledge of facts about mortgages that they did not actually know to be true. One such "robosigner," Jeffrey Stephan of GMAC, said that he signed 10,000 affidavits in a month—roughly 1 per minute, in a 40-hour workweek—making it highly unlikely that he verified payment histories in each individual case of foreclosure.

FCIC Report at 407.

67. Stephan also testified that, when executing summary judgment affidavits to be used in judicial foreclosure actions, he was acting in accordance with policies and procedures, and never in fact inspected any of the exhibits to the affidavits or even ensured that the exhibits were attached, despite swearing that he had done so in the affidavits themselves. Stephan Dep. Tr. at 54:12-25. Such exhibits would generally include (or at least should have included), among other things, the mortgage note and documents relating to the assignment of the mortgage. *See id.* at 51:15-23. Stephan further testified that when he signed an affidavit affirming that the foreclosure was proper, all he knew was the borrower's name and whether he had signing authority for the GMAC entity foreclosing on the property. *Id.* at 62:23-25,

63:2-6. Stephan testified that the process he followed in signing summary judgment affidavits was in accordance with the policies and procedures required by GMACM. *Id.* at 64:8-14.

68. Additionally, in October 2010, the Ohio Attorney General filed suit against GMACM and Ally Financial, alleging, *inter alia*, that employees of GMACM had executed thousands of false affidavits in connection with foreclosures on properties in that state. *See State of Ohio v. GMAC Mortgage LLC*, CI0201006984, Court of Common Pleas, Lucas County, Ohio (Toledo). Although some of the claims brought by the Ohio Attorney General's suit have been resolved by the $25 billion multi-party settlement, many additional claims not encompassed by the settlement, including those relating to the improper assignment of mortgage notes, have survived. As of February 2012, the action remains pending in Ohio.

69. Similarly, in December 2011, the Massachusetts Attorney General filed suit against GMACM for, among other things, engaging in unfair and deceptive foreclosure practices. *See Commonwealth of Massachusetts v. Bank of America NA*, 11-4363, Suffolk County Superior Court (Boston). Days after filing suit, the Massachusetts Attorney General sent a letter to the United States Senate Committee on Banking, Housing and Urban Affairs, and the United States House Committee on Financial Services asking that the federal government investigate Ally Financial and GMACM for allegedly carrying out illegal foreclosures and submitting false documents related to property seizures. *See* Boston Globe, *Attorney General Martha Coakley Urges Congress to Investigate Ally Financial's GMAC Over Foreclosure Practices*, Dec. 6, 2011. Specifically, the Massachusetts Attorney General's letter to the Senate and House Committees stated:

> In light of Ally [Financial]'s alleged deceptive and illegal actions against homeowners in Massachusetts and across the country, I respectfully request that your committees investigate Ally [Financial]'s serious misconduct and consider what actions the

> federal government can take to ensure that Ally [Financial] adheres to the law.

Id.

70. While the $25 billion settlement ultimately resolved certain claims brought by the Massachusetts Attorney General in this action, several claims relating to improper foreclosure practices and abuse of certain state recordation systems have survived and will continue to be prosecuted. *See* Press Release, Office of the Attorney General of Massachusetts, *Massachusetts Homeowners to Receive $318 Million in Relief as Part of State-Federal Agreement Over Unlawful Foreclosures and Loan Servicing*, Feb. 9, 2012.

(5) Significant Possibility of Ally Financial Seeking Bankruptcy Protection for ResCap, GMAC-RFC, and GMACM

71. Since at least as far back as November 2011, Ally Financial has been considering filing for bankruptcy protection for ResCap, its wholly-owned subsidiary, which has reportedly lost $555 million since 2009, according to multiple published reports. GMACM is a wholly-owned, indirect subsidiary of ResCap.

72. Around that time, the financial industry was "betting that Ally [Financial] will place its Residential Capital LLC [ResCap] mortgage unit into bankruptcy instead of supporting the business as the bank prepares for an initial public offering." Bloomberg News, *Ally May Put ResCap in Bankruptcy to Ease IPO: Corporate Finance*," November 14, 2011.

73. As the article notes, Ally Financial has the power to decide whether its "mortgage unit," ResCap, should file for bankruptcy. *See id.*

74. Indeed, Ally Financial warned in its 2011 annual report that "[t]here is a significant risk that ResCap will not be able to meet its debt service obligations and other funding obligations in the near term." Ally Fin. Inc., Annual Report (Form 10-K), at 19 (Feb. 28, 2012).

75. That risk ultimately came to pass as Ally Financial recently disclosed that the penalties assessed by the federal government and numerous state attorneys general regarding the foreclosure practices of Ally Financial and its subsidiaries "resulted in our Mortgage operations recording a $230 million charge in the fourth quarter of 2011." *Id.* at 31. As Ally Financial detailed in its previous public filing, the "[t]he majority of [the charge] was recorded at Residential Capital, LLC ('ResCap') . . . [which] resulted in a covenant breach in certain of ResCap's credit facilities." Ally Financial, Current Report (Form 8-K) (January 31, 2012). Indeed, as Ally Financial more recently explained, "ResCap is required to maintain consolidated net worth . . . of $250 million at the end of each month under the terms of certain of its credit facilities. . . [and] as a result of the fourth quarter charge, ResCap's consolidated net worth was $92 million at December 31, 2011." Ally Fin. Inc., Annual Report (Form 10-K), at 31-32 (Feb. 28, 2012). ResCap's substantial shortfall, however, was "immediately remediated by Ally through a capital contribution of $197 million, which was provided through forgiveness of intercompany debt during January 2012." *Id.*

76. Moreover, in February 2012, it was reported that Ally Financial had contacted buyout firms such as Fortress Investment Group LLC and Cerberus Capital Management LP regarding a potential sale of ResCap through a pre-packaged bankruptcy to be effectuated by the end of March as ResCap faces financing and liquidity deadlines. *See* Bloomberg Businessweek, *Ally's ResCap Said to Seek Buyers for Prearranged Bankruptcy*, Feb. 8, 2012.

77. According to the report, "[p]otential bidders are being told that a pre-packaged bankruptcy filing would allow the buyer to leave behind liabilities such as [RMBS] securitizations that have been the subject of litigation." *Id.* To that end, Ally Financial's CEO, Michael Carpenter, has stated that he will not pursue the aforementioned initial public

offering for Ally Financial "until [these] legacy mortgage issues are resolved." *Id.* Nevertheless, a bondholder group representing holders of approximately $800 million in ResCap debt has expressed its desire to "fight [Ally Financial] tooth and nail" to oppose the bankruptcy, based in part on the belief that "Ally [Financial] can't legally separate itself from ResCap because it has stripped assets from the unit." Bloomberg News, *Paulson, Tepper Said Among Investors Urging Ally to Back ResCap*, Jan. 10, 2012.

78. Indeed, as Ally Financial has pointedly noted in its most recent annual report: "In light of ResCap's liquidity and capital needs combined with volatile conditions in the marketplace, there is substantial doubt about ResCap's ability to continue as a going concern." Ally Fin. Inc., Annual Report (Form 10-K), at 18 (Feb. 28, 2012).

B. GMACM's Securitizations and Financial Guaranty Insurance Generally

(1) Financial Guaranty Insurance Policies

79. To improve the marketability and ratings of the RMBS Notes issued as part of its securitizations, GMACM from time to time sought credit enhancement for the RMBS Notes from FGIC, a financial guaranty insurer, in the form of financial guaranty insurance policies. Under the terms of a financial guaranty insurance policy like the one FGIC issued here, the insurer unconditionally and irrevocably guarantees to the trustee for the benefit of the holders of the insured RMBS Notes that, if there is a shortfall in cash available to make required payments on the insured securities, the financial guaranty insurer will pay the amount of the shortfall to the trustee for the benefit of the holders of the insured securities.

80. For a trust that issues RMBS Notes, the primary source of funds is the remittance of payments on the underlying residential mortgage loans. Delinquencies by borrowers in making their mortgage loan payments will, by definition, reduce cash flows to the trust, which will directly impair the ability of the trust to make required payments on the

RMBS Notes. Delinquencies, if not cured, will eventually result in losses on the mortgage loans, which reduce the aggregate principal amount of the Loan Pool held by the trust. In this manner, high levels of mortgage loan delinquencies and defaults can lead to shortfalls in cash available to pay RMBS investors. Such shortfalls result in claims on FGIC's policies.

(2) Securitization Sponsor's Disclosures and Representations and Warranties

81. The risk FGIC assumes when it agrees to issue a policy for RMBS Notes depends upon the credit quality of the underlying mortgage loans, which in turn depends on the underwriting practices of the loan originators and the characteristics of the loans. If, for instance, GMACM and other loan originators employ substandard underwriting practices or include a significant number of balloon mortgage loans in a particular transaction, the underlying mortgage loan pool as a whole would be of inferior credit quality. Consequently, the credit risk—the risk of delinquency or default—of the underlying mortgages, and of the mortgage portfolio as a whole, would be materially increased.

82. Accordingly, FGIC generally required securitization sponsors, like GMACM, to provide substantial representations and warranties about the underlying mortgage loans, such as the ratio of the borrower's monthly debt payments to monthly income ("DTI ratio"), the ratio of the mortgage loan principal balance to the value of the mortgaged property at origination—plus, in the case of a junior lien mortgage loan, the principal balance of the senior mortgage loan on the related mortgaged property—("LTV ratio"), and the borrower's credit score ("FICO score"). Even where GMACM did not originate a particular loan, it nonetheless is typically required to make representations about that loan, thereby assuming the risk that those representations might not be accurate. GMACM's representations and warranties, including representations about the standards and procedures used to underwrite

the loans, were intended to allow FGIC to assess the credit risk inherent in the mortgage loan pool before deciding to commit to the transaction.

83. GMACM's representations and warranties in its RMBS transactions regarding the characteristics of the loans included in the mortgage loan portfolios, and the underwriting standards used to evaluate those mortgage loans, are particularly vital because each loan pool comprised thousands of mortgage loans, each of which was in itself a complex legal transaction. Each loan file typically contains (or at least is supposed to contain) a mortgage application, a credit report, income and employment verifications, an appraisal, the lender's internal documentation and a wide variety of other documentation necessary to support proper loan underwriting decisions. Moreover, in seeking financial guaranty insurance from FGIC for the 2006-HE3 Transaction, GMACM demanded that FGIC commit to the pricing and other material terms within a very limited time frame. Both GMACM and FGIC understood and intended that FGIC would rely on the information supplied by GMACM as sponsor, as well as GMACM's representations and warranties concerning that information, in assessing the credit risk of the mortgage loan pool.

84. Further, on information and belief, for each of its securitizations, GMACM as sponsor supplied the same data it provided to FGIC to one or several rating agencies in order for those agencies to create expected loan level default and loss estimates. The loan level default and loss estimates were then used by the rating agencies to create cash flow projections and potential loss estimates for the entire transaction. Finally, the rating agencies delivered to the sponsor and to FGIC a private credit assessment for the transaction (sometimes referred to as a "shadow rating") without considering the effect of FGIC's policy. The shadow rating provided an overall evaluation of the likelihood of default on the securities

FGIC would be insuring in the securitization. As sponsor, GMACM arranged for the shadow rating to be provided to FGIC knowing that it was an essential condition to FGIC's willingness to issue a financial guaranty insurance policy.

C. The GMACM 2006-HE3 Transaction

85. On August 30, 2006, GMACM pooled together and deposited many thousands of fixed rate Home Equity Loans ("HELs") into the 2006-HE3 Trust. The 2006-HE3 Trust served as the Issuer of $1,142,334,000 aggregate principal amount of 2006-HE3 Notes. Home equity loans are essentially second-lien mortgage loans, which are generally funded entirely at the closing of the loan.

86. The initial conveyance to the 2006-HE3 Trust by RAMP (acting as Depositor) contained over 16,500 HELs with an aggregate principal balance of approximately $862 million. Investors in the GMACM-sponsored 2006-HE3 Transaction were issued five classes of securities (*i.e.*, the 2006-HE3 Notes)—Class A-1 Notes, Class A-2 Notes, Class A-3 Notes, Class A-4 Notes, and Class A-5 Notes (formally termed the GMACM Home Equity Loan-Backed Term Notes, Series 2006-HE3)—which were collateralized by the Mortgage Loans transferred to and held by the 2006-HE3 Trust. In addition, approximately $287 million was deposited into a pre-funding account at closing, which was used to acquire additional Mortgage Loans in the 90 days following the closing.

87. To enhance the ratings and marketability of the 2006-HE3 Notes, GMACM sought a financial guaranty insurance policy from FGIC for the purpose of insuring the transaction for the benefit of the certificate holders. On August 30, 2006, GMACM and FGIC executed an Insurance and Indemnity Agreement (the "I&I Agreement"), under which FGIC agreed to and did issue Policy number 06030099 to insure the 2006-HE3 Notes. The I&I Agreement was signed by FGIC (as the "Insurer" of the Transaction); GMACM (as the

"Servicer" and a "Seller" for the Transaction); RAMP (as the "Depositor" for the Transaction); Walnut Grove (as a "Seller" for the Transaction); and JPMorgan (as the "Indenture Trustee" for the Transaction). The Bank of New York Trust Company, N.A., later became the successor in interest to JPMorgan as Indenture Trustee.

88. Also on August 30, 2006, Ally Bank (using its then-current name, GMAC Bank) entered into a Custodial Agreement whereby it agreed to serve as Custodian of the underlying mortgage loan notes on behalf of the 2006-HE3 Trust. FGIC is an express third party beneficiary of that agreement. *See* Custodial Agreement § 5.6.

89. The I&I Agreement provides that FGIC (the Insurer) is a third-party beneficiary of, and shall have all of the rights provided for in, the "Operative Documents." I&I Agreement § 2.02(k). "Operative Documents" are defined to include, among other documents: (i) the 2006- HE3 Notes; (ii) the Mortgage Loan Purchase Agreement dated as of August 30, 2006 among GMACM, RAMP, Walnut Grove and JPMorgan (the "MLPA"); (iii) the Servicing Agreement dated as of August 30, 2006 among GMACM, the 2006-HE3 Trust and JPMorgan; (iv) the Indenture dated as of August 30, 2006 between the 2006-HE3 Trust and JPMorgan; and (v) the Custodial Agreement dated as of August 30, 2006 among GMACM, JPMorgan, and Ally Bank. *See* I&I Agreement § 1.01. FGIC is referred to as the "Enhancer" under certain of the Operative Documents.

90. Pursuant to the I&I Agreement, FGIC insured $1,142,334,000 aggregate principal amount of the 2006-HE3 Notes. The Policy improved the marketability of the 2006-HE3 Notes by mitigating risk for potential investors and making the 2006-HE3 Notes eligible to receive a credit rating of triple-A by the rating agencies at closing.

91. GMACM and the Depositor offered the 2006-HE3 Notes for sale pursuant to a prospectus, dated August 9, 2006 (the "Prospectus"), and a prospectus supplement, dated August 28, 2006 (the "Prospectus Supplement"), which touted the Policy and the "triple-A" initial rating of the 2006-HE3 Notes, which was made possible by the Policy. The Prospectus and Prospectus Supplement, together with certain preliminary offering documents, each as further supplemented by any subsequent amendment or supplement thereto, and any other offering document that makes reference to the Policy, are referred to collectively as the "Offering Documents."

92. On August 30, 2006, an Ally Financial subsidiary, Ally Securities, sold the 2006-HE3 Notes to investors, and FGIC issued the Policy in accordance with the terms of the I&I Agreement.

D. GMACM Fraudulently Induces FGIC to Insure the 2006-HE3 Notes with Substantial Assistance from Ally Financial and Ally Bank

(1) GMACM's Fraudulent Inducement of FGIC

93. FGIC's participation in the 2006-HE3 Transaction was an essential component of the 2006-HE3 Transaction and enhanced GMACM's ability to market the securitization effectively. The Policy allowed GMACM to sell the 2006-HE3 Notes with an initial triple-A credit rating, making them more attractive to a broader pool of potential investors.

94. In order to induce FGIC to write financial guaranty insurance for the 2006-HE3 Transaction, GMACM represented to FGIC, among other things, that the percentage of the aggregate principal amount of the Initial Loan Pool that was composed of balloon mortgage loans did not exceed 7.61%; that the weighted average original term to scheduled maturity of the Initial Loan Pool was 272 months; and that the weighted average remaining term to scheduled maturity of the Initial Loan Pool was 270 months. Those representations,

among others, were formally stated in the Offering Documents, restated in the Operative Documents, and further reflected in the loan tape and other information that GMACM provided to FGIC, directly or indirectly.

95. Additionally, GMACM provided further material information, on which FGIC relied in determining whether and on what terms to issue the Policy.

96. *First*, GMACM provided to FGIC initial and final Prospectus Supplements, which summarized, among other material information, the credit quality and characteristics of the Mortgage Loans, and GMACM's loan underwriting guidelines and loan origination criteria.

97. *Second*, GMACM provided a document (generally referred to as a "loan tape" or "magnetic tape") detailing material characteristics of individual borrowers and loans expected to be included in the 2006-HE3 Transaction, together with representations regarding material statistics about the Initial Loan Pool as a whole.

98. *Third*, GMACM provided to FGIC credit ratings for the 2006-HE3 Notes determined on the basis of information concerning the characteristics of the Mortgage Loans supplied to the rating agencies by GMACM, but without considering the effect of the Policy. These ratings, which GMACM procured from the credit rating agencies, are known as "shadow ratings."

99. *Fourth*, as discussed in detail in Section E below, GMACM provided to FGIC representations, warranties, and affirmative covenants in the Operative Documents and the I&I Agreement regarding the Mortgage Loans specifically and the Loan Pool generally.

100. ***Balloon Mortgage Loans***. Included in the Prospectus Supplement and the MLPA was the representation—on which FGIC relied in deciding to issue the Policy on the

agreed terms—that, as at closing, "[a]pproximately 7.61%" of the Mortgage Loans "are not fully amortizing over their terms to maturity and, thus, will require substantial principal payments, sometimes called a balloon amount, at their stated maturity." Prospectus Supplement at S-17; *see also* MLPA § 3.1(b)(xxii).

101. In a balloon mortgage, the amount of the monthly payments to be made by the borrower are generally based on the same amortization schedule as applies to non-balloon mortgages—*e.g.*, a 30-year term—but the maturity date of the mortgage loan is fixed for some date before the expiration of the term used to set the payment schedule. The balloon mortgage loans at issue had maturity dates of approximately 15 years from the due date of the first monthly payment, while having their monthly payment amounts determined according to a 30-year amortization schedule. Since the monthly payments are based on a 30-year schedule, but the maturity date occurs some time in advance of 30 years, a balloon mortgage loan will not have fully amortized by the maturity date, leaving a significant portion of the principal outstanding at that date. The outstanding principal amount, which can be orders of magnitude larger than the borrower's usual monthly payment, must nevertheless be paid by the borrower at maturity. Thus, as the Prospectus Supplement pointedly concedes: "Mortgage loans which require payment of a balloon amount involve a greater degree of risk because the ability of a mortgagor to pay a balloon amount typically will depend upon the mortgagor's ability either to timely refinance the loan or to sell the related mortgaged property." Prospectus Supplement at S-17.

102. GMACM also represented that the weighted average remaining term to scheduled maturity for the Initial Loan Pool—including the balloon mortgage loans—would

be 270 months, and that the weighted average original term to scheduled maturity of the Initial Loan Pool would be 272 months. *See id.* at S-9; *see also* MLPA § 3.1(b)(xxii).

103. Additionally the mortgage loan tape provided to FGIC by GMACM included a "Balloon Indicators" column, which purported to flag as "N" all regularly amortizing loans (*i.e.*, all non-balloon mortgage loans), and the aggregate principal balance of balloon mortgage loans flagged as such in the Balloon Indicators column roughly corresponded with the percentage of the aggregate principal amount of the Initial Loan Pool warranted to be comprised of balloon mortgages by GMACM in the Prospectus Supplement and MLPA (*i.e.*, 7.61%).

104. ***Prospectus Supplement and Other Operative Documents.*** In determining whether to insure the 2006-HE3 Notes, FGIC relied in part upon representations and warranties regarding GMACM's loan underwriting standards made by GMACM in the Prospectus and Prospectus Supplement. The Prospectus, as supplemented by the Prospectus Supplement, was filed with the SEC and became effective on August 30, 2006. A Preliminary Prospectus Supplement was transmitted to, among others, Dana Skelton of FGIC, on or about August 23, 2006, in an email sent by Marty Howard, on behalf of GMACM. The Final Prospectus Supplement was transmitted to, among others, Dana Skelton of FGIC, on or about August 29, 2006, in an email sent by Jeffrey Wittenberg on GMACM's behalf.

105. In the Offering Documents, GMACM represented that, based on the data provided in the borrower's application and certain other applicable verifications, "a determination will have been generally made by the original lender that the borrower's monthly income, if required to be stated, would be sufficient to enable the borrower to meet

its monthly obligations on the loan and other expenses related to the property." Prospectus at 23. Further, in the Prospectus Supplement, GMACM also represented to FGIC that:

> The mortgage loans were selected for inclusion in the mortgage pool from among mortgage loans originated or purchased in connection with [GMACM's] Underwriting Standards . . . based on [GMACM's] assessment of investor preferences and rating agency criteria.

Prospectus Supplement at S-29.

106. The Prospectus Supplement expressly states that GMACM's "underwriting standards with respect to the mortgage loans generally will conform to those published in the GMAC Mortgage Corporation underwriting guidelines, including the provisions of the GMAC Mortgage Corporation underwriting guidelines applicable to the GMAC Mortgage Home Equity Program." Prospectus Supplement at S-31.

107. GMACM publishes its loan underwriting standards in a document referred to in the Prospectus Supplement as "the GMAC Mortgage Corporation underwriting guidelines" (and referred to herein as the "Underwriting Guidelines"). *Id.* In general, the Underwriting Guidelines specify documentation requirements, and substantive criteria for key credit-related characteristics, that borrowers must satisfy in order to qualify for a particular mortgage loan. Depending upon the particular type of loan, these requirements and criteria may include asset verification, income verification, employment verification, bank statements, payment histories and/or evidence of closing funds, among other things. The substantive criteria for eligibility address material characteristics of the proposed loan, such as DTI ratios, Combined Loan-to-Value ("CLTV") ratios (a ratio comparing the aggregate principal balance of first and second mortgages on a covered property to the value of the property), and occupancy status.

108. The Prospectus Supplement sets forth, among other information, the following important characteristics of the Initial Loan Pool: the ranges of and weighted average FICO

scores, the ranges of and weighted average CLTV ratios, the ranges of and weighted average outstanding principal balances of the loans, the DTI ratios of the borrowers, the geographic distribution of the loans, and the occupancy status of the borrowers (*i.e.*, whether the property securing a mortgage is: (i) the borrower's primary residence; (ii) a second home; or (iii) an investment property). *See* Prospectus Supplement at A-I-1 - A-I-7.

109. In particular, GMACM represented in the Prospectus Supplement that the loans had generally been originated with a maximum DTI ratio of 45% and a maximum CLTV ratio of 100%. *See* Prospectus Supplement at S-33. GMACM also represented that for each Mortgage Loan it had made a determination based upon all applicable employment, credit and property information regarding whether the prospective borrower had sufficient monthly income available to meet the borrower's monthly obligations. *See* Prospectus at 23 and Prospectus Supplement at S-34.

110. GMACM also represented in the Offering Documents that, with respect to occupancy status, 98.68% of the Mortgage Loans would be secured by the borrower's primary residence. *See* Prospectus Supplement at A-1-4.

111. Further, as discussed, the Prospectus Supplement contained material representations in respect of the balloon mortgage loans and the maturity characteristics of the Initial Loan Pool.

112. ***Loan Tapes.*** The loan tapes provided by GMACM set forth, for each loan in the Initial Loan Pool, key characteristics such as the borrower's FICO score, DTI ratio and the CLTV ratio for the loan. GMACM also disclosed in the Prospectus Supplement—with respect to the Loan Pool as a whole—aggregate characteristics also relevant to the assessment of the credit risk of the pool, including weighted averages of FICO scores, DTI ratios and

CLTV ratios. The loan tape also contained certain key maturity date characteristics of the Initial Loan Pool, as well as information pertaining to the number of balloon mortgage loans among the Initial Mortgage Loans. The loan tape was provided to FGIC prior to the closing of the Transaction on August 11, 2006.

113. ***Shadow Rating Letters***. GMACM, on information and belief, provided Moody's and S&P with, at a minimum, the same mortgage loan tape that it also provided to FGIC. As requested by GMACM, Moody's and S&P provided the shadow ratings to FGIC on the closing date of the Transaction. In its letter to FGIC describing the shadow rating for the 2006-HE3 Transaction, Moody's noted that it reviewed the documentation provided by GMACM and that the rating "is based primarily on the credit quality of the loans backing the transaction." Similarly, in its letter to FGIC, S&P noted that it too relied on the information provided to it by GMACM and that the shadow rating "relies on the issuer . . . for the accuracy and completeness of the information submitted in connection with the private credit assessment." Based on the information supplied by GMACM, Moody's assessed the credit quality of the Initial Loan Pool and assigned a shadow rating of Baa2 to the 2006-HE3 Notes, while S&P assigned the 2006-HE3 Notes a shadow rating of BBB-.

114. These shadow ratings, which were based, in part, on GMACM's representations in respect of the balloon mortgage loans and the maturity characteristics of the Initial Loan Pool, met FGIC's minimum requirements and were required by FGIC as an essential condition to its willingness to participate in the 2006-HE3 Transaction and issue the Policy.

(2) GMACM's Fraudulent Inducement of FGIC is Carried Out with Substantial Assistance from Ally Bank

115. Ally Bank provided substantial assistance to GMACM in fraudulently procuring the Policy from FGIC. As it originated or acquired nearly 88% of the Mortgage Loans, Ally Bank was well aware of the true characteristics of the majority of the Loan Pool.

116. Additionally, on August 29, 2006, prior to the closing of the 2006-HE3 Transaction, several representatives of Ally Bank—including Michael Hebling, Donna Harkness, Dave Chiodo, Eleanor Whittall, Linda Rogers, Lauren Coffman, and Tiffany Toale—received an e-mail sent from Jeffrey Wittenberg on behalf of GMACM that attached a true and correct copy of the MLPA.

117. As a result of its affiliate status with GMACM, its role as Custodian for the 2006-HE3 Transaction—for which it received substantial fees— and having directly received the MLPA prior to closing, Ally Bank was aware of the representations and warranties GMACM made to FGIC regarding the nature of GMACM's business practices and the characteristics of the Mortgage Loans (including the many thousands of Mortgages Loans that were originated by Ally Bank).

118. With full knowledge that GMACM had not complied—and would not comply—with the representations and warranties it made to FGIC, and direct knowledge of the many thousands of loans it had originated and sold to GMACM, which formed a substantial part of the collateral for the 2006-HE3 Transaction, Ally Bank represented to FGIC that, as Custodian, it would inform FGIC if it discovered any non-compliant Mortgage Loans or non-compliance with GMACM's obligations under the Operative Documents. By offering FGIC this false comfort, despite knowing that GMACM was fraudulently inducing

FGIC to provide financial guaranty insurance for the 2006-HE3 Transaction, Ally Bank provided material assistance to GMACM's fraud.

(3) GMACM's Fraudulent Inducement of FGIC is Carried Out with Substantial Assistance from Ally Financial

119. Ally Financial provided substantial assistance to its subsidiaries GMACM and Ally Bank in fraudulently inducing FGIC to participate in the 2006-HE3 Transaction and, ultimately, issue the Policy. Ally Financial knew that the Mortgage Loans underlying the 2006-HE3 Transaction were of a substantially poorer quality than was represented to FGIC and other participants in the Transaction, including investors. Ally Financial further knew that the Mortgage Loans were not underwritten to the standards represented in the Offering Documents and warranted in the Operative Documents. Moreover, on information and belief, as a result of its dominance over ResCap, Ally Bank, and its other subsidiaries, Ally Financial knew that the representations and warranties GMACM made to FGIC prior to and at the closing, upon which FGIC reasonably relied, were false.

120. Ally Financial, at the direction of its board of directors, took a number of actions in 2005 to engender investor confidence in, and otherwise finance and support, its mortgage securitization business, which was carried out by its subsidiaries. Ally Financial substantially restructured its subsidiaries in 2005. ResCap, for example, did not conduct any operations whatsoever until GMAC Residential Holding Corp. and GMAC-RFC Holding Corp.—two of Ally Financial's wholly-owned subsidiaries—were transferred to it in March 2005. Those two subsidiaries represented substantially all of Ally Financial's mortgage securitization business.

121. Ally Financial, at the direction of its board of directors, also provided ResCap with liquidity and capital.

122. Further, in Ally Financial's 8-K, filed on June 9, 2005, it disclosed that ResCap would enter into an operating agreement with Ally Financial, under which Ally Financial would agree to "indemnify, defend and hold [ResCap] harmless from and against any losses [ResCap] suffer[s] related to the businesses and liabilities of [Ally Financial] and its subsidiaries."

123. On information and belief, Ally Financial's restructuring and financial support of its subsidiaries was undertaken at the direction of the Ally Financial board of directors in order to improve and maintain the investment grade rating and profitability of Ally Financial's mortgage securitization business. This restructuring then enabled Ally Financial to present itself to its subsidiaries' securitization transaction partners—including FGIC—as a stable corporate parent supporting and overseeing the business of its subsidiaries, which in turn made those subsidiaries more attractive as counterparties to market participants, such as FGIC.

124. Ally Financial's corporate restructuring also allowed GMACM to explicitly represent and warrant to FGIC in the I&I Agreement that GMACM "is solvent, and will not be rendered insolvent by the Transaction. . . . [GMACM] shall not be left with an unreasonably small amount of capital with which to engage in the ordinary course of its business." I&I Agreement § 2.01(m). This statement—on which FGIC materially relied—could not have been made absent Ally Financial's decision to prop up its subsidiary GMACM.

125. Additionally, Ally Financial was aware that the true characteristics of the Mortgage Loans in the 2006-HE3 Transaction—and other securitization transactions—were far worse than was represented to FGIC and were not underwritten to the standards that were represented and warranted to FGIC. This is true in that Ally Financial's subsidiaries were, in

many cases, the acquirers, sellers, and servicers of those very loans. Indeed, the driving factor in the separation of Ally Financial from General Motors Corporation ("GM") and the creation, in particular, of ResCap, was to create an entity, the sole focus of which was the home mortgage business.

126. Moreover, as a result of its domination and control over ResCap, GMACM, and Ally Bank, as well as the shared officers and directors among and between Ally Financial and its subsidiaries, Ally Financial was aware of GMACM's representations and warranties to FGIC—and that they were untrue when stated—as well as the substantial assistance Ally Bank was rendering GMACM in aid of its fraudulent inducement of FGIC. For example, Eric A. Feldstein was Ally Financial's CEO and Chairman of its board of directors and also served as Chairman of ResCap's board of directors. Furthermore, Sanjiv Khattri has served as Executive Vice President and CFO of Ally Financial, while also serving as a director and CFO of ResCap. Numerous other individuals served as Directors and Officers of both Ally Financial and ResCap, with many serving in roles directly related to the mortgage operations of both companies. ResCap and its own subsidiaries, including GMACM, shared numerous directors and senior management as well. Similarly, William F. Muir, Ally Financial's President, has served in that capacity since at least 2004 (first at GMAC and then at Ally Financial) while also serving as President and Chairman of the Board of IB Finance Holding Company, LLC—the direct parent of Ally Bank—and as a director of Ally Bank.

127. David C. Walker is another example of the many employees who had overlapping responsibilities at Ally Financial and its subsidiaries, including GMACM and RAMP. Walker joined Ally Financial in 1985 and has served as Vice President of GMAC Group and CFO of GMAC Mortgage Group. Walker has also served as a director at ResCap,

GMACM, RFC, and RAMP, among other ResCap subsidiaries. In the 2006-HE3 Transaction, acting as a director of RAMP, Walker was a signatory to RAMP's December 20, 2005 "Unanimous Written Consent of Directors in Lieu of Meeting of Board of Directors," which was included among the closing documents of the 2006-HE3 Transaction.

128. As a result of the overlapping personnel, intertwined business operations, and the free flow of information among Ally Financial, ResCap, Ally Bank, and GMACM, it is more than reasonable to conclude that information regarding the representations and warranties being made to FGIC by GMACM was shared among and between GMACM and its parent ResCap, ResCap and its parent Ally Financial, and Ally Bank and its parent and affiliates. Indeed, at least one Ally Financial employee who was involved in the 2006-HE3 Transaction appeared on the Transaction's working group list and received all distributions that were sent to the group, including all drafts, final versions, and communications concerning the Operative and Offering Documents.

129. Ally Financial, by (1) representing that its mortgage loan practices were sound and that its securitization transactions were supported by mortgage loans that met the criteria to which they were purportedly underwritten, (2) providing financial, managerial, and strategic assistance to its subsidiaries, and (3) modifying its corporate structure to control and direct its subsidiaries, provided substantial assistance to GMACM in fraudulently inducing FGIC to participate in the Transaction and issue the Policy. Further, the issuance of the Policy, which made the 2006-HE3 Transaction possible, inured to the significant financial benefit of Ally Financial and its subsidiaries.

E. GMACM's Representations, Warranties and Affirmative Covenants

130. In connection with the 2006-HE3 Transaction, GMACM, at the direction of Ally Financial, either directly or indirectly through ResCap, gave numerous representations,

warranties and affirmative covenants to FGIC. These representations and warranties were material and concerned, among other things, the way GMACM conducted its loan origination, selection and evaluation process, the characteristics of the Mortgage Loans and the Initial and complete Loan Pool, the percentage of the aggregate principal amount of the Initial Loan Pool to be made up of balloon mortgage loans, and the accuracy and completeness of the information supplied to FGIC. These and other characteristics of the Mortgage Loans included in the Initial Loan Pool were detailed in a schedule attached to the Servicing Agreement and provided to FGIC by GMACM in the form of the loan tape (the "Mortgage Loan Schedule"). Moreover, these same representations and warranties were restated by GMACM when it transferred additional Mortgage Loans to the 2006-HE3 Trust after the closing of the Transaction (as was permitted for a short period following closing).

131. GMACM further promised to provide FGIC with a variety of information, including access to GMACM's books and records and to GMACM's Chief Financial Officer and its independent accountants.

132. GMACM's representations and warranties, and particularly GMACM's representation that the information supplied to FGIC was not materially inaccurate or misleading, induced FGIC to enter into the 2006-HE3 Transaction and to issue the Policy on the agreed terms. Further, the I&I Agreement's incorporation and restatement of the representations and warranties in the Operative Documents was intended to allow FGIC to rely upon each and every one of the representations and warranties that GMACM made in connection with the 2006-HE3 Transaction.

133. FGIC, for its part, reasonably relied on the information available to it regarding the underlying Mortgage Loans and the representations and warranties provided by GMACM.

Since FGIC had neither the right under the Operative Documents, nor the practical ability, to review the thousands of underlying Mortgage Loan files, GMACM knew that FGIC had no choice but to rely on GMACM's representations regarding the underlying loans in determining whether to issue the Policy. Further, FGIC had no reason to believe that those representations were not true and accurate.

134. Indeed, GMACM included more than 16,500 individual Mortgage Loans in the 2006-HE3 Transaction at closing, and several thousand more Mortgage Loans post-closing. Typically, each Mortgage Loan has its own voluminous file containing, among other items, mortgage applications, credit reports, income and employment verifications, the lender's internal documentation and other forms of documentation necessary to support each underwriting decision. Unlike GMACM, FGIC was under no contractual duty whatsoever to review the more than 16,500 Initial Mortgage Loans or the thousands of Mortgage Loans subsequently transferred after closing. Instead, FGIC, as contemplated by the many representations, warranties, and affirmative covenants by GMACM regarding its loan origination, selection, and evaluation practices, and the credit quality of the Mortgage Loans, reasonably relied on GMACM to conduct its underwriting processes according to the promised standards, and FGIC had no basis to conclude that GMACM's representations and warranties were false. Thus, FGIC reasonably believed that truthful and accurate information had been provided and that it would not face additional, hidden risk by virtue of material omissions or positive misrepresentations having been made.

135. Based on the information received by FGIC and the representations and warranties given by GMACM, FGIC entered into the I&I Agreement and agreed to issue the Policy to the Indenture Trustee for the benefit of the holders of the 2006-HE3 Notes. In return

for doing so, FGIC received a modest annual premium, based on a small, fixed percentage of the aggregate principal balance of the 2006-HE3 Notes. Specifically, FGIC received 0.12% per annum of the aggregate balance of the 2006-HE3 Notes for serving as insurer, a figure commensurate with the risk that FGIC believed it was accepting, based on the representations, warranties, and affirmative covenants provided by GMACM.

136. As discussed below, GMACM's information, representations and warranties were materially false when disclosed and/or provided by GMACM. GMACM knew that this information, and its representations and warranties, were materially false when made. GMACM also knew that this information and the representations and warranties were essential to FGIC's decision to issue the Policy. Indeed, GMACM intentionally made these material misrepresentations to induce FGIC to enter into the I&I Agreement and issue the Policy. The issuance by FGIC of the Policy—induced by GMACM's fraudulent misrepresentations and substantial assistance by Ally Financial—made the 2006-HE3 Notes eligible to receive an initial triple-A credit rating, thus greatly improving their marketability to potential investors.

(1) Breaches of Representations and Warranties Regarding Balloon Mortgage Loans

137. As the Transaction began to perform poorly, FGIC conducted a review of the Mortgage Loans and discovered that thousands of Mortgage Loans in the Initial Loan Pool that were in fact balloon mortgages were not characterized as such by GMACM. Instead, the "Balloon Indicators" column in the Mortgage Loan Schedule provided at closing falsely flagged those thousands of Initial Mortgage Loans as "N"—indicating to FGIC they were regularly amortizing loans and not balloon loans.

138. Despite conceding the higher degree of credit risk inherent in balloon mortgage loans, and affirmatively representing that only 7.61% of the aggregate principal amount of the Initial Loan Pool (corresponding to approximately 1,292 Mortgage Loans with an approximate aggregate principal balance of $65 million) would be comprised of balloon mortgages, in fact over 26% of the aggregate principal amount of the Initial Mortgage Loans (corresponding to approximately 4,300 Mortgage Loans with an aggregate principal balance of more than $226 million) were balloon mortgages. Each of these balloon mortgage loans had been originated or acquired and transferred to the 2006-HE3 Trust, by GMACM, , or one of its affiliates.

139. In sum, the 2006-HE3 Trust contained at least 3,013 more high-risk balloon mortgage loans—accounting for at least $160 million in aggregate principal amount—than FGIC could have reasonably expected in reliance on the percentages regarding this type of loan that GMACM represented and warranted in the Offering Documents and the MLPA, thus constituting a material breach of the I&I Agreement.

140. Additionally, the mischaracterization and omissions regarding the undisclosed balloon mortgage loans on the Mortgage Loan Schedule and/or the loan tape represent further material breaches of the I&I Agreement by GMACM.

141. Moreover, FGIC has determined that, the weighted average remaining term to scheduled maturity and the weighted average original term to scheduled maturity of the Initial Loan Pool—taking into account the previously undisclosed and misidentified balloon mortgage loans—differ materially from the figures represented to FGIC by GMACM. The true weighted average remaining term to scheduled maturity of the Initial Loan Pool was in fact approximately 236 months, and not 270 months, as stated in the Offering Documents and

the MLPA. Additionally, the true weighted average original term to scheduled maturity for the Initial Loan Pool was in fact approximately 238 months, and not 272 months, as represented in the Offering Documents. These misrepresentations by GMACM, separately and apart from the misrepresentation of the balloon loan status of the Mortgage Loans, are material breaches of the I&I Agreement.

142. Further, FGIC has determined that the rate of Mortgage Loan non-performance (*i.e.*, loans that were delinquent for more than 60 days, in foreclosure, charged-off, or liquidated) in the 2006-HE3 Transaction for the over 3,000 undisclosed and mis-flagged balloon mortgage loans was almost 50% greater than the non-performance rate of the non-balloon mortgage loans in the 2006-HE3 Transaction.

(2) Other Representations, Warranties and Affirmative Covenants Relating to the Operative and Offering Documents

143. Under Section 2.01 of the I&I Agreement, GMACM made the following representations and warranties, among others (emphasis added in each case):

- *Accuracy of Information.* **Neither the Operative Documents to which it is a party nor other information relating to the Mortgage Loans**, the operations of GMACM. . . or the financial condition of GMACM . . . furnished to [FGIC] . . . by GMACM . . . including the Offering Documents . . . **contains any statement of a material fact which was untrue or misleading in any material respect when made** . . . . GMACM . . . has no knowledge of any circumstances that could reasonably be expected to cause a Material Adverse Change with respect to GMACM . . . Since the furnishing of the Documents, there has been no change nor any development or event involving a prospective change known to GMACM . . . that would render any of the Documents untrue or misleading in any material respect.

- *Compliance with Securities Laws.* The offering and sale of the Securities complies in all material respects with all requirements of law, including the registration requirements of the Securities Act and any other applicable securities laws. **The Offering Documents do not contain any untrue statement of a material fact and do not omit to state material fact necessary to make the statements made therein,**

in light of the circumstances under which they were made, not misleading . . . .

- *Operative Documents.* **Each of the representations and warranties of GMACM . . . contained in the applicable Operative Documents and the Underwriting Agreement is true and correct in all material respects** [and] GMACM . . . hereby makes each such representation and warranty to, and for the benefit of, [FGIC] as if the same were set forth in full herein.

- *Solvency; Fraudulent Conveyance.* GMACM . . . is solvent and will not be rendered insolvent by the Transaction and . . . **GMACM . . . shall not be left with an unreasonably small amount of capital with which to engage in the ordinary course of its business**, and . . . GMACM . . . does not intend to incur, or believe that it has incurred, debts beyond its ability to pay as they mature. . . . GMACM . . . is not transferring the Mortgage Loans . . . with any intent to hinder, delay or defraud . . . creditors.

144. *First*, in the I&I Agreement, GMACM represented and warranted to FGIC that "[n]either the Operative Documents to which it is a party nor other information relating to the Mortgage Loans. . . including the Offering Documents . . . contains any statement of a material fact which was untrue or misleading in any material respect when made." I&I Agreement § 2.01(j). Through these Operative and Offering Documents, GMACM communicated several material facts about the characteristics of the mortgage loans sold to the 2006-HE3 Trust.

145. *Second*, in the I&I Agreement, GMACM represented and warranted that "[t]he Offering Documents do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading." *Id.* § 2.01(k).

146. As discussed above, in the Prospectus Supplement, GMACM represented that all of the mortgage loans sold to the 2006-HE3 Trust had been underwritten generally in

accordance with GMACM's underwriting standards, including the GMAC Mortgage Home Equity Program. Prospectus Supplement at S-31.

147. Additionally, as discussed above, GMACM also made express representations that only 7.61% of the aggregate principal amount of the Initial Mortgage Loans would be balloon mortgages, and that the Initial Loan Pool in the aggregate had a weighted average remaining term to scheduled maturity of 270 months and a weighted average original term to scheduled maturity of 272 months. *See* Prospectus Supplement at S-9; *see also* MLPA § 3.1(b)(xxii).

148. *Third*, the I&I Agreement incorporated by reference, for the benefit of FGIC, the representations and warranties contained in the "Operative Documents," as that term was defined in the I&I Agreement: "[e]ach of the representations and warranties . . . contained in the applicable Operative Documents . . . is true and correct in all material respects[.]" *See* I&I Agreement §§ 1.01, 2.01(l). The incorporation by reference of the Operative Documents into the I&I Agreement was intended to allow FGIC to rely on any representation and warranty that GMACM made to other entities, such as investors or the Indenture Trustee, in connection with the 2006-HE3 Transaction. Indeed, the I&I Agreement expressly identifies FGIC as a third-party beneficiary with respect to the related Operative Documents. *See* I&I Agreement § 2.02(k).

149. *Fourth*, GMACM also provided information to FGIC concerning the Mortgage Loans in the Loan Pool for the 2006-HE3 Transaction. *See* I&I Agreement § 2.02(c)(iii). This information included loan tapes that set forth statistics about the Loan Pool. The loan tapes purported to describe key characteristics relevant to the assessment of risk, including DTI ratios, CLTV ratios, occupancy status and FICO scores, and an identification of whether

a particular Mortgage Loan was a balloon mortgage loan. *See* MLPA § 2.1(d). On information and belief, the loan tape FGIC received at closing contains the same information as is contained in the Mortgage Loan Schedule referred to in the MLPA.

150. In turn, in the MLPA, GMACM represented that all the information in that Mortgage Loan Schedule "is true and correct in all material respects as of the date or dates respecting which such information is furnished." MLPA § 3.1(b)(i).

151. As a result of incorporating into the I&I Agreement the representations and warranties in the related Operative Documents, GMACM incorporated representations and warranties regarding the underwriting of the Mortgage Loans included in the 2006-HE3 Transaction. These representations and warranties set forth the standards governing each Mortgage Loan, including, significantly, the representation that the Mortgage Loans had been underwritten in compliance with GMACM's underwriting guidelines. *See* MLPA § 3.1(b)(xxxvi).

152. In particular, in the MLPA, GMACM represents and warrants that:

- The information set forth in the Mortgage Loan Schedule with respect to each Mortgage Loan or the Mortgage Loans is true and correct in all material respects as of the date or dates respecting which such information is initially furnished;
- As of the Cut-Off Date or related Subsequent Cut-Off Date, no Mortgage Loan was 30 days or more delinquent in payment of principal or interest;
- With respect to the GMACM Initial Mortgage Loans or, as applicable, any Subsequent Mortgage Loans sold by GMACM, the related Mortgage File contains or will contain, in accordance with the definition of "Mortgage File" in Appendix A to the Indenture, each of the documents and instruments specified to be included therein;
- As of the Cut-Off Date or Subsequent Cut-Off Date, the CLTV for each Mortgage Loan was not in excess of 100.00%;

- GMACM used no selection procedures that identified the Mortgage Loans as being less desirable or valuable than other comparable mortgage loans originated or acquired by GMACM under the GMACM Home Equity Program;
- Only 7.61% of the aggregate principal amount of the Initial Loan Pool would be comprised of balloon mortgage loans; and
- The weighted average remaining term to scheduled maturity of the Initial Mortgage Loans was 270 months.

153. Moreover, in the I&I Agreement—which expressly identifies FGIC as a third-party beneficiary with respect to the related Operative Documents—GMACM specifically covenants that it will "comply in all material respects with the terms and conditions of and perform its obligations under the Operative Documents to which it is a party . . . ." I&I Agreement § 2.02(a).

(3) Representations, Warranties, and Affirmative Covenants Regarding Servicing and Access to Information

154. The I&I Agreement also incorporates the representations and warranties that GMACM made in the Servicing Agreement in its capacity as Servicer. *See* I&I Agreement § 2.02(l). Under the I&I Agreement, GMACM covenanted that "[a]ll Mortgage Loans will be serviced in all material respects in compliance with the [Servicing Agreement]." I&I Agreement § 2.02(l). In the Servicing Agreement, GMACM covenanted, represented, and warranted that, so long as it acted as Servicer, it would service the Mortgage Loans in the 2006-HE3 Transaction in a manner consistent with its own servicing guidelines. *See* Servicing Agreement § 3.01(a).

155. Additionally, the Servicing Agreement entered into by GMACM as the original Servicer of the Transaction provides that, "documents contained in the Mortgage File . . . shall be held by the Servicer in trust as agent for the Indenture Trustee on behalf of the Noteholders." Servicing Agreement § 3.01(c). As such, and as the Servicing Agreement

makes plain, the information and documents regarding the Mortgage Loans are not the property of or otherwise owned by GMACM, but rather such files are to be held by the servicer of the Transaction—whether that party be GMACM or a third party. Moreover, through the Servicing Agreement, GMACM expressly covenanted that, in the event GMACM's servicing duties are terminated and transferred to another party, GMACM "agrees to cooperate with the Issuer, the Enhancer [*i.e.*, FGIC] and Indenture Trustee, as the case may be, in effecting the termination of the responsibilities and rights of the Servicer." *Id.* at § 7.01(a). FGIC is an express third-party beneficiary of the Servicing Agreement. *See id.* at § 8.05.

156. The I&I Agreement affords FGIC the express right to "inspect the books and records of GMACM . . . [and to] discuss the affairs, finances and accounts of GMACM with the Chief Financial Officer of GMACM; and with GMACM's consent, which consent shall not be unreasonably, withheld or delayed, to discuss the affairs, finances and accounts of GMACM with GMACM's independent accountants." I&I Agreement § 2.02(e)(i)-(iii).

157. The I&I Agreement further provides that GMACM shall furnish to FGIC, promptly upon request, such data as FGIC may reasonably request. *See* I&I Agreement § 2.02(c)(v).

F. GMACM's Breaches of Its Representations, Warranties and Affirmative Covenants

158. As discussed above, FGIC relied on material representations and warranties made by GMACM regarding the manner in which the Mortgage Loans were originated, selected, and evaluated, the characteristics of those loans, and the accuracy and completeness of information GMACM supplied to FGIC, including in respect of the balloon mortgage loans. Based on those representations and warranties, FGIC agreed to issue the Policy. In

fact, as demonstrated by the extreme levels of delinquencies and losses detailed below, the risk that FGIC assumed when it issued the Policy was many times greater than the risk disclosed by GMACM's representations and warranties. GMACM breached its representations and warranties to FGIC, and FGIC has been damaged as a result of those breaches.

159. The 2006-HE3 Transaction has performed poorly, and delinquencies and defaults for Mortgage Loans in the 2006-HE3 Transaction have been substantial. As of December 2011, a staggering 2,600 mortgage loans, had been liquidated or were delinquent. As discussed above, by making these extensive representations and warranties to FGIC, and thereby inducing FGIC to issue the Policy, which covers, *inter alia*, shortfalls in amounts paid to noteholders arising from liquidated Mortgage Loans, GMACM assumed and allocated to itself all risk associated with the Mortgage Loans failing to comply with GMACM's own representations and warranties.

160. The poor performance of the Mortgage Loans has reduced the cash flow to the 2006-HE3 Trust, which has caused, and will continue to cause, substantial claims to be presented to FGIC under the Policy to cover these shortfalls. As of February 2012, more than $82.9. million in claims had been presented to FGIC in connection with the 2006-HE3 Transaction. FGIC expects tens of millions of dollars more in claims to be presented to it under the 2006-HE3 Transaction in the future.

161. As an increasingly high percentage of the 2006-HE3 Mortgage Loans enter delinquency and default, FGIC has uncovered a wealth of material breaches of GMACM's representations and warranties regarding the characteristics of the loans and the standards to which they were underwritten.

(1) Breaches Identified Through Initial Review

162. When FGIC became concerned about the high delinquencies and default rates in the 2006-HE3 Transaction, FGIC requested that GMACM provide it with certain Mortgage Loan files underlying the 2006-HE3 Transaction.

163. FGIC selected for review a number of non-performing (*i.e.*, non-current or charged-off) loans that had resulted in a loss to the 2006-HE3 Trust. To perform this review, FGIC hired an independent outside consultant with particular skill, experience, and expertise in the review, evaluation, and re-underwriting of mortgage loans.

164. That review revealed that GMACM had breached one or more material representations and warranties with respect to approximately 97% of the loans reviewed.

(2) Breaches Identified Through Additional Review

165. In 2010, as the 2006-HE3 Transaction continued to perform poorly, FGIC again retained a professional mortgage loan review team to identify, review, and evaluate a statistically significant sample of mortgage loans in the 2006-HE3 Transaction.

166. FGIC's independent loan consultant reviewed 120 loan files received by FGIC. That review revealed that GMACM had breached one or more material representations, including those concerning balloon mortgages, with respect to 117, or an astounding 97.5%, of these loans.

(3) GMACM's Pervasive and Material Breaches of Its Representations and Warranties and Affirmative Covenants

167. FGIC ultimately obtained access to 164 Mortgage Loan files, which FGIC's independent consultant reviewed to evaluate and re-underwrite the Mortgage Loans. These reviews revealed that GMACM breached one or more material representations with respect to 160—or a shocking 97.6%—of the Mortgage Loans reviewed.

168. A small sample of these material breaches and underwriting violations are listed below:

- Loan Number 8656112510: due to an income misrepresentation, the loan closed with a DTI of 301.92%. In order for this mortgage loan to have been eligible for inclusion in the 2006-HE3 pool, the relevant guidelines for the particular type of loan underwritten permit a maximum DTI ratio of 50%.

- Loan Number 89646124: the loan was appraised using a comparable property that was sold 9 months prior to the closing date. Further, the loan was not disclosed in the Mortgage Loan Schedule as being a balloon mortgage loan. The Mortgage Loan Schedule reported the term and maturity date for the loan as 360 months and July 1, 2036, however the mortgage note states a term of 180 months and a maturity date of July 1, 2021, indicating a balloon mortgage loan.

- Loan Number 8253572070: the loan was refinanced as an owner occupied property, however the borrower's credit report did not list the property address as their current or previous address. In order for this mortgage loan to have been eligible for inclusion in the 2006-HE3 pool, the relevant guidelines for the particular type of loan underwritten require that the property is owner-occupied.

169. These examples of underwriting violations are but a small smattering of the extensive defects among the Mortgage Loans, and evidence significant breaches of the MLPA. *See* MLPA § 3.1. And it is reasonable to conclude—based on what is now known by FGIC—that a substantial majority of the Mortgage Loans that were ultimately transferred to the 2006-HE3 Trust evidence similar breaches of GMACM's representations and warranties.

170. The pervasive and overwhelming defects in the Mortgage Loan files reviewed to date indicate clear breaches of GMACM's contractual representations, warranties and affirmative covenants relating to, among other things, the characteristics of the Mortgage Loans and the Initial and final Loan Pool, including the guidelines to which the Mortgage Loans were underwritten and key statements regarding the balloon mortgage loans included in the 2006-HE3 Trust.

171. Specifically, with respect to the 2006-HE3 Transaction, GMACM made—and breached—representations and warranties stating, as of the closing date, that:

- neither the Operative Documents nor any information related to the Mortgage Loans contain any untrue or misleading statement of material fact;
- the Offering Documents (*i.e.* the Prospectus and Prospectus Supplement) contain no untrue or misleading statement of material fact;
- each representation and warranty of GMACM in the Operative Documents (including each representation and warranty in the MLPA) is true and correct in all material respects;
- the information set forth in the Mortgage Loan Schedule is true and correct in all material respects;
- no Mortgage Loan was 30 days or more delinquent as of August 1, 2006 (or the date the loan was transferred to the 2006-HE3 Trust);
- each Mortgage File contains all required documents and instruments;
- the CLTV of each Mortgage Loan did not exceed 100%;
- GMACM selected the Mortgage Loans in accordance with its underwriting guidelines (*i.e.* the Home Equity Loan Program);
- only 7.61% of the aggregate principal amount of the Initial Loan Pool would be comprised of balloon mortgage loans;
- the weighted average remaining term to scheduled maturity of the Initial Mortgage Loans was 270 months; and
- the weighted average original term to scheduled maturity of the Initial Mortgage Loans was 272 months.

172. Many of these representations were repeated in connection with the subsequent transfer of additional Mortgage Loans, and were also breached with respect to those additional Mortgage Loans.

(4) Breaches for GMACM's Refusals to Repurchase, Substitute, or Cure Improper or Non-conforming Mortgage Loans

173. Following the discovery of high defect rates among the Mortgage Loans and the 3,013 additional balloon mortgage loans improperly transferred to the 2006-HE3 Trust, FGIC, demanded that GMACM repurchase the non-compliant Mortgage Loans—including the thousands of undisclosed and mis-flagged balloon mortgage loans—pursuant to the I&I Agreement and the MLPA.

174. Of the 160 (non-balloon) loans that FGIC requested be repurchased by GMACM, only 15 (or 9%) of the non-conforming Mortgage Loans were repurchased—in clear contravention of the I&I Agreement and the Operative Documents incorporated therein.

175. Additionally, FGIC initiated a stream of correspondence with GMACM and ResCap after FGIC discovered the massive excess of high-risk balloon mortgages in the Initial Loan Pool. FGIC wrote to GMACM, as Sponsor, as well as the ResCap Repurchase Operations Department, in order to raise the issue of the balloon mortgages and demand their repurchase pursuant to FGIC's rights under the I&I Agreement and MLPA.

176. In response, GMACM and ResCap—acting for the first time through shared counsel—did not reject or deny FGIC's assertions regarding the illegitimate inclusion of thousands of excess balloon mortgage loans, and yet expressly refused to repurchase the relevant loans.

177. Indeed, GMACM and ResCap, through counsel, refused to even attempt to ascertain whether *any* of the more than 3,000 unaccounted-for balloon mortgage loans specifically identified by FGIC were improperly included in the 2006-HE3 Trust. Rather, GMACM and ResCap sought to shift the burden on to FGIC to explain why the inclusion of

these Mortgage Loans was problematic before GMACM and ResCap would agree to begin to address this glaring breach of the Operative Documents (which they continue to refuse to do).

178. The bad faith and recalcitrance of GMACM in particular in this regard is all the more egregious in light of the fact that GMACM knew, or should have known, of the over-inclusion of thousands of previously undisclosed and misidentified balloon mortgage loans in the 2006-HE3 Transaction at least as early as November 2009. Around that time, servicing duties for the 2006-HE3 Transaction were transferred from GMACM to a third party. During that process, GMACM provided spreadsheets and other information to the new servicer regarding, *inter alia*, the Mortgage Loans and the Loan Pool. The information GMACM provided to the new servicer correctly detailed the true number of balloon mortgage loans among the Initial Loan Pool. As such, at least as early as November 2009, GMACM had (or should have) discovered its breach of several representations and warranties in respect of the balloon mortgage loans and the characteristics of the Initial Loan Pool. And yet, GMACM did nothing to notify FGIC of the error or attempt to rectify it, as is required under the Operative Documents.

179. Moreover, on information and belief, GMACM is and has been aware that many of the Mortgage Loans, whether acquired at the closing or thereafter, were nonconforming for reasons unrelated to being balloon mortgage loans and, thus, failed to comply with its own representations and warranties. Despite this knowledge, GMACM has failed to repurchase the nonconforming loans or substitute them with conforming loans, as is required under the Operative Documents.

(5) GMACM's Denial of FGIC's Access To Books and Records, GMACM's CFO, and GMACM's Independent Accountants

180. On December 8, 2011, in accordance with its express rights under Sections 2.02(e)(i)-(iii) of the I&I Agreement, FGIC requested to (i) inspect the books and records of GMACM; (ii) discuss the affairs, finances and accounts of GMACM with the Chief Financial Officer of GMACM; and (iii) discuss the affairs, finances and accounts of GMACM with GMACM's independent accountants.

181. To date, GMACM has failed to respond to this request, in violation of the I&I Agreement.

(6) GMACM's Frustration of FGIC's Right to Access Information Regarding the Mortgage Loans

182. As discussed, in or around November 2009, servicing duties for the 2006-HE3 Transaction were transferred from GMACM to a third party servicer. As FGIC became aware of increasing numbers of material defects among the Mortgage Loans, as well as the gross over-inclusion in the Transaction of thousands of unidentified and mis-flagged balloon mortgage loans, FGIC sought information regarding the Mortgage Loan files from the successor (and current) servicer of the Transaction.

183. FGIC has been made aware that the current servicer of the Transaction is unable to provide the information FGIC has sought due to GMACM's repeated refusals to provide its successor with certain Mortgage Loan files and other crucial information. GMACM's refusal to turn over information in its possession to, and otherwise cooperate with, its successor servicer is a clear violation of the Servicing Agreement that GMACM entered into as the then-Servicer of the 2006-HE3 Transaction and to which FGIC is a third-party beneficiary, as well as a breach by GMACM of its obligations under the I&I Agreement to

comply with the terms of the Operative Documents. *See* Servicing Agreement §§ 3.01(c), 7.01(a), 8.05; I&I Agreement 2.02.

184. Additionally, GMACM has an independent obligation under the I&I Agreement to provide FGIC such information as FGIC may reasonably request. *See* I&I Agreement § 2.02(c)(v). As such, through its obstinate refusal to provide either FGIC or the successor servicer with material information—admittedly within its possession—regarding the Mortgage Loans, GMACM has further breached its obligations to FGIC.

185. Moreover, on information and belief, the Mortgage Loan information that GMACM refuses to provide either to FGIC or the successor servicer will evidence further material breaches of representations and warranties made by GMACM. Accordingly, FGIC reserves its rights to assert additional causes of action regarding GMACM's breaches of its representations and warranties.

G. Ally Bank's Breaches of The Custodial Agreement

186. Under the Custodial Agreement, to which FGIC is an express third party beneficiary, *see* Custodial Agreement § 5.6, and through which Ally Bank received substantial fees, Ally Bank undertook several obligations to FGIC concerning the manner in which Ally Bank would ensure that the Mortgage Loans contained complete and accurate information and that GMACM was in compliance with its representations and warranties regarding the origination, selection, and characteristics of those loans.

187. Ally Bank agreed that it would "hold the Mortgage Notes and any Loan Agreement relating to any Subsequent Mortgage Loan," and that it would review the Mortgage Notes and deliver to FGIC a certification of "the completeness of the receipt of the Mortgage Notes." *Id.* §§ 2.1, 2.2.

188. Ally Bank further agreed to notify FGIC of breaches of the MLPA by GMACM, by providing that: "Upon discovery by the Custodian of a breach of any representation or warranty made by [GMACM] in the Purchase Agreement . . .with respect to a Mortgage Loan . . . the Custodian shall give prompt written notice to [FGIC]." *Id.* § 2.3.

189. Additionally, as discussed, Ally Bank was provided with a copy of the MLPA by GMACM prior to closing.

190. An initial review of a small percentage of defective Mortgage Loans has revealed that in many instances the Mortgage Note was not included in the loan file. The lack of a Mortgage Note within a particular file constitutes a breach of the representations and warranties given by GMACM in the MLPA. Ally Bank should have been aware of the fact that Mortgage Notes were missing from certain Mortgage Loan files, and that this was a breach of the MLPA representations and warranties. Consequently, it should have notified FGIC pursuant to its own obligations under the Custodial Agreement. *See id.* §§ 2.1-2.3. Ally Bank has, however, failed to provide FGIC with any notices regarding defects in any Mortgage Loan file, and has further provided inaccurate and/or incomplete certifications regarding the Mortgage Loans, thereby breaching the Custodial Agreement to which FGIC is an express third party beneficiary.

191. Moreover, Ally Bank had an obligation to notify FGIC of any breach by GMACM of the MLPA representations and warranties that it discovered, not just those pertaining to the Mortgage Note. Since Ally Bank originated nearly 88% of the Mortgage Loans in the 2006-HE3 Transaction—which have suffered astounding defect rates—it must have been keenly aware of the breadth and scope of the underwriting failures with respect to those loans. Ally Bank, which had received the MLPA, thus, must have known that GMACM

was in breach of the representations and warranties in the MLPA. As such, its failure to so notify FGIC was a further breach of the Custodial Agreement.

H. GMACM's Fraud

192. The material breaches of GMACM's representations and warranties, including the extensive underwriting failures by GMACM, and the poor credit quality of almost all of the Mortgage Loans—including, but not limited to the balloon mortgage loans—demonstrate the knowing and wanton disregard of the material representations and warranties and affirmative covenants GMACM made to FGIC to induce its participation in the Transaction. The extraordinarily high defect and default rate among the Mortgage Loans and the inclusion of thousands more high-risk balloon mortgage loans than had been represented demonstrates not merely that GMACM breached its representations and warranties as a contractual matter, but that it did not—and never intended to—comply with them, despite representing to FGIC that, if FGIC issued the Policy, it (GMACM) would make the representations and warranties set forth in the Operative Documents, and that those representations and warranties would be true.

193. All of the Mortgage Loans underlying the 2006-HE3 Transaction were originated or acquired by GMACM and its affiliate Ally Bank. As such, GMACM had the access and ability to evaluate the Mortgage Loan files and to determine if the loans were in substantial compliance with the applicable GMACM underwriting guidelines and if the loans breached other representations and warranties made by GMACM, including those in respect of the balloon mortgage loans to be included in the 2006-HE3 Trust, as well as the weighted average remaining term to scheduled maturity and weighted average original term to scheduled maturity of the Initial Loan Pool.

194. To induce FGIC to enter into the 2006-HE3 Transaction, GMACM provided FGIC with a loan tape, which contained false and misleading information regarding, among other things, the CLTV and DTI ratios, occupancy status, and FICO scores of the borrowers, as well as an indication of the number of balloon mortgage loans contained in the Initial Loan Pool.

195. In addition, GMACM made critical misrepresentations to FGIC with respect to the credit rating agencies' assessment of the loans that were to comprise the 2006-HE3 Trust. GMACM was well aware that FGIC would not agree to insure the 2006-HE3 Notes unless GMACM obtained shadow ratings from the rating agencies that satisfied FGIC's minimum requirements. To this end, upon information and belief, GMACM provided Moody's and S&P with the same false information regarding the credit quality of the underlying Mortgage Loans that it also provided to FGIC—including material information in regard to balloon mortgage loans and the maturity characteristics of the Initial Loan Pool. Based on this faulty information, Moody's and S&P assigned shadow ratings regarding the credit quality of the 2006-HE3 Notes that met FGIC's minimum requirements—Baa2 and BBB-, respectively. In this way, GMACM made both direct and indirect misrepresentations to FGIC—first, by providing faulty information to the rating agencies to provide a risk assessment that GMACM would pass on to FGIC, and second, by causing shadow ratings of the 2006-HE3 Notes to be delivered to FGIC without disclosing to FGIC that those ratings were based on incomplete and inaccurate loan-level data.

196. GMACM was well aware that FGIC would rely on the shadow ratings—prepared with information supplied by GMACM—as the I&I Agreement specifically contemplated as a condition to issuance of the Policy that FGIC "shall have received

confirmation that the Notes insured by the Policy are rated" by S&P and Moody's at a specified minimum level "without regard to the Policy." I&I Agreement § 3.01(k).

197. As noted, the issuance of the Policy enabled the Notes to receive a triple-A rating from the rating agencies. Moreover, the receipt of a triple-A rating for the Notes, which depended on the issuance of the Policy, which in turn depended on the shadow ratings formulated using (inaccurate) information supplied by GMACM, was a critical component of the Transaction. As GMACM expressly noted in the Prospectus Supplement: "It is a condition to the issuance of the notes that they be rated 'Aaa' by Moody's . . . and 'AAA' by Standard & Poor's." Prospectus Supplement at S-98.

198. Had the information provided to the ratings agencies by GMACM been accurate and truthful, Moody's and S&P would almost certainly have assigned very different (and lower) shadow ratings to the 2006-HE3 Transaction, and FGIC, in turn, would not have issued the Policy on the agreed terms, or would have refused to issue the Policy altogether.

199. GMACM also made material misrepresentations to FGIC, on which FGIC relied, about the characteristics of the Mortgage Loans, including the guidelines and standards to which the Mortgage Loans were underwritten, the percentage of the aggregate principal amount of the Initial Mortgage Loans that would consist of balloon mortgages, and the weighted average remaining term to scheduled maturity and weighted average original term to scheduled maturity of the Initial Loan Pool.

200. For example, in the Prospectus Supplement (and in the I&I Agreement by incorporation) GMACM assured FGIC that the Mortgage Loans "were originated generally in accordance with the underwriting standards of GMAC Mortgage Corporation." Prospectus

Supplement at S-29. GMACM provided FGIC with GMACM's Underwriting Guidelines themselves, which contained extensive underwriting standards and requirements.

201. In fact, as confirmed by the overwhelming defect rates described above regarding the Loan Pool, all of which are due to Mortgage Loans that are inconsistent with GMACM's own underwriting guidelines, GMACM was well aware at the closing of the 2006-HE3 Transaction that those representations were false. In other words, at the time of the closing of the 2006-HE3 Transaction, GMACM either (1) knew or should have known that its representations were materially false because GMACM had not, among other things, determined if the Mortgage Loans were originated "generally in accordance" with its own underwriting guidelines, or (2) had reviewed whether the Mortgage Loans were originated "generally in accordance" with the its underwriting guidelines, had determined that they were not, but nonetheless materially misrepresented to FGIC that the Mortgage Loans were originated "generally in accordance" with those guidelines.

202. Moreover, GMACM represented to FGIC that, in the case of each loan within the Loan Pool, an underwriter had made an assessment that the borrower had the ability to repay his or her loan, after receiving and reviewing all applicable employment, credit, and property information. In fact, GMACM was not verifying the ability of borrowers to repay their loans in compliance with its own underwriting guidelines accurately or at all. As a result, GMACM misrepresented facts that were uniquely within its knowledge.

203. Additionally, the Prospectus Supplement and MLPA provided to FGIC by GMACM represented that, at closing, only a relatively small percentage (7.61%) of the aggregate principal amount of the Initial Loan Pool would be composed of balloon mortgages, when in fact more than 26% of the aggregate principal amount of the Initial Loan Pool was

comprised of these much higher risk mortgage loans. Indeed, despite providing representations in the MLPA and the Offering Documents to investors, ratings agencies, and FGIC that indicated that the Initial Loan Pool would contain approximately 1,292 balloon mortgage loans, GMACM and its affiliates transferred to the 2006-HE3 Trust more than three times that number of balloon mortgage loans. As FGIC would later discover as the 2006-HE3 Transaction began to perform poorly, at least 4,309 of the 16,558 Initial Mortgage Loans were balloon mortgage loans—accounting for more than $226 million of the $862 million aggregate principal amount of the Initial Loan Pool.

204. GMACM also misrepresented to FGIC that the weighted average remaining term to scheduled maturity of the Initial Mortgage Loans at closing was 270 months, when in fact, GMACM was well aware that the true number was closer to 236 months. Similarly, despite representing to FGIC that the weighted average original term to scheduled maturity of the Initial Mortgage Loans was 272 months, GMACM was aware that the actual number was approximately 238 months.

205. Moreover, the MLPA (and the I&I Agreement by incorporation) contained other false and misleading representations about the Mortgage Loans. In particular, GMACM misrepresented that, as of the closing: (i) the information set forth in the Mortgage Loan Schedule is true and correct in all material respects; (ii) no Mortgage Loan was 30 days or more delinquent as of August 1, 2006; (iii) each Mortgage File contains all required documents and instruments; (iv) the CLTV of each Mortgage Loan did not exceed 100%; and (v) GMACM selected the Mortgage Loans in accordance with its underwriting guidelines (*i.e.* the Home Equity Loan Program). The true information regarding these loans—as known by GMACM—simply could not substantiate GMACM's assurances. In short, no amount of

GMACM promising that the loans met certain standards, despite knowing otherwise, actually made those promises true.

206. GMACM knew that its representations were materially false and that these false representations were essential to FGIC's decision to issue the Policy on the terms to which FGIC agreed. GMACM intentionally made these material misrepresentations to induce FGIC to enter into the I&I Agreement and to issue the Policy.

207. GMACM knew when making the representations and warranties regarding the Mortgage Loans to FGIC prior to FGIC agreeing to issue the Policy that GMACM never intended to honor those representations and warranties, as is evidenced, *inter alia*, by the extraordinary breadth and depth of the problems FGIC has uncovered with respect to the underwriting and characteristics of those loans, the overwhelming number of undisclosed and mis-flagged balloon mortgage loans, and the poor performance of the 2006-HE3 Trust. In short, in order to induce FGIC to issue the Policy, GMACM represented to FGIC that, if FGIC issued the Policy, GMACM would comply with its contractual representations and warranties, despite knowing that it had not complied—and would not comply—with those very same obligations.

208. GMACM's repeated fraudulent acts have exposed it to investigations by the DOJ and the SEC, including the receipt of a subpoena served in connection with GMACM's suspected fraudulent origination and underwriting practices, as well as to a multitude of suits and the potential for more litigation to come.

209. Consistent with this pattern of behavior, GMACM defrauded FGIC into issuing the Policy, through its knowing misrepresentations.

I. Ally Bank Aids and Abets GMACM's Fraud

210. Ally Bank provided substantial assistance to GMACM in fraudulently inducing FGIC to issue the Policy. In its role as Custodian—for which it received substantial fees—Ally Bank undertook to provide "prompt written notice" to FGIC of any breaches of the representations and warranties in the MLPA that it discovered.

211. The MLPA, *see supra* at ¶ 152, contained several representations and warranties regarding the characteristics of the underlying Mortgage Loans as well as loans subsequently transferred to the 2006-HE3 Trust. And, as noted, prior to the closing of the 2006-HE3 Transaction, several representatives of Ally Bank received a copy of the MLPA from GMACM.

212. Furthermore, as an originator of nearly 88% of the Mortgage Loans, Ally Bank was well aware of the true nature of the Loan Pool. As a result of being a key part of the 2006-HE3 Transaction, its affiliate status with GMACM, and receipt by several of its employees of the MLPA, Ally Bank surely must have been aware of the representations and warranties GMACM routinely made to financial guaranty insurers—and did make here to FGIC—regarding the nature of GMACM's business practices and the quality of the mortgage loans that collateralized its many RMBS transactions, including the 2006-HE3 Transaction.

213. Against this backdrop, Ally Bank represented to FGIC that, if the 2006-HE3 Transaction was consummated, it (Ally Bank) would hold and monitor certain key information and documentation regarding the Mortgage Loans, and would provide notice to FGIC of any breaches by GMACM of which it was aware with respect to GMACM's representations and warranties to FGIC. As must have been known to Ally Bank, those representations and warranties made by GMACM directly concerned the Mortgage Loans, including the 88% of them that Ally Bank itself had originated or acquired. Ally Bank made

these representations to FGIC with full knowledge that GMACM had not complied—and would not comply—with its relevant representations and warranties, and, accordingly, that they were false. By representing to FGIC that it would (a) hold and certify the accuracy of certain key information and documentation regarding the Mortgage Loans, the majority of which it had originated itself, and (b) inform FGIC of any failure by GMACM to comply with its obligations, Ally Bank materially aided GMACM's fraudulent inducement of FGIC to issue the Policy. The issuance of the Policy, which made the 2006-HE3 Transaction possible, inured to the significant financial benefit of Ally Bank, given that it collected substantial fees as Custodian and also perpetuated the market for its loan origination and sales business.

J. Ally Financial Aids and Abets GMACM's Fraud

214. Ally Financial provided substantial assistance to GMACM in fraudulently inducing FGIC to issue the Policy. As the ultimate parent of an intertwined corporate enterprise, the subsidiaries of which were substantially involved in every aspect of Ally Financial's securitization business, Ally Financial was well aware of the true nature of the Mortgage Loans. Moreover, as discussed above, Ally Financial was aware of the representations and warranties GMACM made regarding the nature of GMACM's business practices and the quality of the Mortgage Loans and that such representations and warranties were false.

K. GMACM's Breach of Obligations as Servicer

215. When acting in its capacity as Servicer, GMACM failed in numerous material respects to properly perform its duties to service and administer the Mortgage Loans in accordance with the provisions of the relevant Operative Documents for the 2006-HE3 Transaction, including, but not limited to, its obligations to follow proper servicing procedures.

216. GMACM had responsibility for the servicing of the Mortgage Loans and thereby undertook certain related contractual obligations under the I&I Agreement and the Servicing Agreement with respect to the 2006-HE3 Transaction. Under the I&I Agreement, GMACM covenanted that "[a]ll Mortgage Loans will be serviced in all material respects in compliance with the [Servicing Agreement]." I&I Agreement § 2.02(l). Under the Servicing Agreement, GMACM is liable to FGIC for the servicing and administering of the Mortgage Loans, and in doing so is required to "follow such collection procedures as shall be normal and usual in its general mortgage servicing activities and consistent with the procedures the Servicer employs in servicing all other Mortgage Loans in the servicing portfolio with characteristics similar to those of the Mortgage Loans." Servicing Agreement § 3.02(a).

217. During 2007, the servicing operations of GMACM were integrated into ResCap. Following the integration, on information and belief, GMACM breached these obligations by, among other things, being deficient in its borrower contact, collections, and loss mitigation standards, and by failing to honor FGIC's contractual rights to information. In particular, an onsite review of the Ally Financial servicing arm's headquarters, including those of GMACM, on March 25, 2009 by FGIC and a third party firm, and subsequent analysis, revealed inter alia: (i) inadequate call center staffing—staffing unable to handle increased incoming and outgoing call volumes; (ii) call center staffing turnovers as high as 40% in a single year; (iii) a calling campaign that does not attempt to contact borrowers through other means when GMACM does not have a viable number or the borrower is continuously unresponsive to messages left; (iv) a lack of effort to hire personnel to visit the mortgaged property to discuss loss mitigation strategies with borrowers in default; and (v) severely infrequent use of alternative loss mitigation strategies as compared to the industry,

GMACM, as servicer, also had an obligation to notify FGIC of any material breaches of representations and warranties, and to cause GMACM, as seller, to repurchase the affected Mortgage Loans.

218. On information and belief, GMACM has failed to remedy any of its deficient servicing practices.

219. In addition, GMACM disclosed to FGIC for the first time in March 2009 that it classified loans into one of three categories or "Risk Tiers" under a servicing protocol ("Risk Protocol"). Such an approach was, upon information and belief, part of the further cost-cutting measures implemented under the direction of Ally Financial when all of the servicing operations were integrated.

220. FGIC was damaged by the use of the Risk Protocol following the Ally-directed integration. Under the Risk Protocol, the timing and frequency of calls made with respect to a loan are determined in accordance with the loan's assigned category or Risk Tier. GMACM disclosed to FGIC that all of the mortgage loans in FGIC-insured, GMACM-serviced transactions (over 90,000 mortgage loans), including all of the Mortgage Loans in the 2006-HE3 Transaction, were placed in the lowest category of risk. For such mortgage loans, regardless whether they were (i) first- or second- lien, (ii) underwritten under less stringent guidelines, or (iii) originated by non-GMAC entities—all of which are factors that require more attentive servicing—delinquent borrowers were called at a later stage of delinquency and less frequently than loans in higher risk categories. As the purchaser of the Mortgage Loans, however, GMACM clearly knew that such Mortgage Loans, by their very nature, required particularized servicing before the implementation of the Risk Protocol. The Mortgage Loans were therefore knowingly miscategorized and neglected, and intentionally

received much less care than if they had been properly categorized and appropriately serviced. Consequently, the failure by GMACM to ensure that the Mortgage Loans were serviced and administered in accordance with "procedures as shall be normal and usual in its general mortgage servicing activities" constitutes a breach of the Servicing Agreement and the I&I Agreement. *See* Servicing Agreement § 3.02(a); I&I Agreement § 2.02(l).

221. On July 8, 2009, FGIC requested: (1) additional information concerning the various Risk Tiers generally, and (2) documentation in order to assess whether or not FGIC was being harmed as a result of being placed in the lower risk tier. To date, GMACM has failed to provide such information in breach of Section 2.02(c)(v) of the I&I Agreement.

L. Ally Financial's Domination and Control of its Subsidiaries Results in an Integrated, Single Corporate Enterprise

222. As discussed in greater detail below, Ally Financial is the ultimate parent of all of the other Defendants to this action. Ally Financial owns ResCap, which owns GMACM and RFC. Ally Financial—as the ultimate parent of ResCap, GMACM, Ally Bank, and RFC—has the practical ability, which it has repeatedly and admittedly exercised, to direct and control the actions of its subsidiaries, including ResCap, GMACM, Ally Bank, and RFC.

223. As also discussed below, Ally Financial has exercised such domination and control over its subsidiaries, including ResCap, GMACM, Ally Bank, and RFC. Ally Financial exercised its direction and control in connection with the 2006-HE3 Transaction. At times, Ally Financial performed such direction and control by using ResCap as an instrument to effect its goals.

224. As mentioned above, Ally Financial has recently admitted to the Federal Reserve Board and FDIC that it "indirectly owns and controls . . . numerous direct and indirect nonbank subsidiaries, including Residential Capital, LLC . . . ('ResCap'), and its

direct and indirect subsidiaries." *See* Consent Order, *In the Matter of Ally Financial Inc., et al.*, FRB Docket No. 11020-B-HC (Apr. 13, 2011) (emphasis added).

225. As further discussed below, Ally Financial's public statements and actions at or around the time of the Transaction's close until present, also demonstrate that Ally Financial: (i) owns a majority of its subsidiaries' stock; (ii) shares resources, management and employees with its subsidiaries; (iii) considers its mortgage businesses to be "units" of its business; and (iv) has a business relationship with its subsidiaries designed to benefit itself at the expense of its subsidiaries.

(1) Evidence of Ally Financial's Domination of GMACM Directly and Indirectly Through its Control of ResCap

226. From its inception as the ultimate parent company, Ally Financial focused on controlling the management of its subsidiaries to the point that it treated ResCap as an extension of itself, rather than a subsidiary whose dealings were at arm's length.

227. ResCap, for example, did not conduct any operations whatsoever until GMAC Residential Holding Corp. and GMAC-RFC Holding Corp.—two of Ally Financial's wholly-owned subsidiaries—were transferred to it in March 2005. Those two subsidiaries represented substantially all of Ally Financial's mortgage securitization business.

228. Ally Financial, at the direction of its board of directors, also provided ResCap with liquidity and capital.

229. Further, in Ally Financial's 8-K, filed on June 9, 2005, it disclosed that ResCap would enter into an operating agreement with Ally Financial, under which Ally Financial would agree to "indemnify, defend and hold [ResCap] harmless from and against any losses [ResCap] suffer[s] related to the businesses and liabilities of [Ally Financial] and its

subsidiaries." Proposed Operating Agreement, Ex. 99.1 to Form 8-K, dated June 8, 2005 (hereinafter "2005 Operating Agreement").

230. On information and belief, Ally Financial's restructuring and financial support of its subsidiaries was undertaken at the direction of the Ally Financial board of directors in order to improve and maintain the investment grade rating and profitability of Ally Financial's mortgage securitization business. This restructuring then enabled Ally Financial to present itself to its subsidiaries' securitization transaction partners—including FGIC—as a stable corporate parent supporting and overseeing the business of its subsidiaries, which in turn made those subsidiaries more attractive as counterparties to market participants, such as FGIC.

231. On December 1, 2006, Ally Financial, had its inaugural conference call with investors, at which time Rick Buxton, the then head of Ally Financial's Investor Relations, "welcome[d everyone] to the beginning of a new era [of Ally Financial] as an independent global financial services company." On the same investor call, Eric Feldstein, Ally Financial's then CEO, demonstrated how Ally Financial was going to take initial steps to actively control its subsidiaries. For instance, Feldstein declared that one of Ally Financial's first acts as controlling parent was "to integrate certain of GMAC mortgage operations . . . with RFC operations . . . to drive some cost efficiencies." *Id.*

232. At all times since Ally Financial caused ResCap to be incorporated, it has owned 100% of ResCap.[1] Since incorporation, the ownership of ResCap has not changed—

[1] GM had created a shell company, GMAC Mortgage Group Inc., which was the direct parent of ResCap. However, there is no indication that this company conducted any business independent from Ally Financial. In fact, Ally Financial's first Annual Report as an independent entity, which was filed with the SEC on March 3, 2007, included a corporate hierarchy chart that evidenced Ally Financial's corporate structure. There was a direct line from Ally Financial to ResCap. *See* Ally Fin. Form 10-K, at 2 (March 3, 2007). In addition, there is no indication that Ally Financial ever discusses ResCap as an "indirect subsidiary." To the contrary, as discussed, below, Ally has publicly stated on numerous occasions that it is the owner of ResCap.

Ally Financial still "owns 100% of ResCap . . . ." Ally Financial Earnings Call dated Nov. 2011, statement by Michael Carpenter, Ally Financial's CEO.

233. Ally Financial has continued to exert its domination and control over ResCap via shared resources, management and employees. For example, Ally Financial and ResCap shared at least three common board members, including two individuals who were active participants with respect to the intertwined relationship between Ally Financial and ResCap: (1) ResCap's chairman and Ally Financial's CEO, Eric Feldstein; and (2) Ally Financial's CFO and a director of ResCap, Sanjiv Khattri. In fact, the 2005 Operating Agreement, between ResCap and Ally Financial, which Ally Financial filed with the SEC, and which upon information and belief is still currently in effect, "require[s] that [ResCap's] board of directors include at least two independent directors, to be selected by GMAC." Proposed Operating Agreement, Ex. 99.1 to Form 8-K, dated June 8, 2005 (emphasis added).

234. Moreover, on April 26, 2007, "ResCap Investor Relations" announced the release of Ally Financial's 2007 first quarter financial results to investors in an email bearing the ResCap logo. That announcement stated that Ally Financial's financial results were found on both Ally Financial's and ResCap's websites.

235. Moreover, David C. Walker, as discussed above, has served as Vice President of GMAC Group and CFO of GMAC Mortgage Group, and as of September 29, 2005, was a director at ResCap, GMACM, RFC, and RAMP, among other Ally Financial subsidiaries.

236. Similarly, as noted above, William F. Muir, Ally Financial's President, has also served as President and Chairman of the Board of IB Finance Holding Company, LLC—the direct parent of Ally Bank—and as a director of Ally Bank.

237. Ally Financial's domination and control of its subsidiaries, and in particular its use of ResCap to effectuate that control, is further evidenced by John Ruckdaschel, who, according to publicly available information, has served as in-house counsel at Ally Financial since October 2006. According to an e-mail sent from ResCap to FGIC, Ruckdaschel has served as "internal legal counsel for all [] securitizations" since at least May 2008. Although purportedly an Ally Financial employee, Ruckdaschel also sent and received e-mail using a ResCap e-mail address. Further, an employee of ResCap specifically instructed FGIC that all "official letters" regarding several Ally Financial subsidiaries—including GMACM, RFC, RAMP, and others—should be sent not to the relevant (and supposedly independent) subsidiary, but rather to Ruckdaschel, Ally Financial's internal counsel. Additionally, Ruckdaschel—using his Ally Financial e-mail address—received correspondence relating to the Operative Documents at issue in this Transaction.

238. In this Transaction, Ruckdaschel was included by GMACM's counsel on key correspondence regarding the repurchase of the undisclosed and misidentified balloon mortgage loans.

239. As further evidence of Ally Financial's domination over ResCap, the 2005 Operating Agreement also indicates that Ally Financial has expressly "restrict[ed] ResCap's ability to declare dividends or prepay subordinated indebtedness owed to [Ally Financial] or its other affiliates." *See id.*

240. Conversely, Ally Financial has also agreed to directly pay the losses or expenses of ResCap. In the same 2005 Operating Agreement, Ally Financial stated that it would stand behind ResCap and "indemnify, defend and hold [ResCap] harmless from and

against any losses [ResCap] suffer[s] related to the businesses and liabilities of [Ally Financial] and its subsidiaries." *Id.*

241. Ally Financial has continued to make additional public statements that further demonstrate its willingness to support and fund ResCap. For instance, in May 2007, during an investor earnings call, Sanjiv Khattri, the Executive Vice President and Chief Financial Officer of Ally Financial, repeatedly made statements that Ally Financial's board of directors "will take whatever reasonable efforts that need to be done to maintain [ResCap's] earnings." Ally Financial's Q1 2007 Earnings Call at 24 (May 2, 2007). Khattri pointed to the fact that "the [Ally Financial] Board . . . and [Ally Financial] did not hesitate to inject a billion dollars of equity when it was appropriate . . . ." Ally Financial's Q2 2007 Earnings Call at 9 (July 30, 2007). Khattri unequivocally stated that "[a]ll I can assure you [is] that if you look at the strategic plan of [Ally Financial], a strong ResCap with an investment grade rating is a key part of our plan and a key part of our value creation." *Id.* (emphasis added). Thus, Ally Financial's senior management assured the market that Ally Financial was supporting ResCap for the purposes of Ally Financial's own "value creation."

242. The financial support Ally Financial gave to ResCap began as far back as May 2005 and has persisted over many years. Upon information and belief, Ally Financial continued to prop up ResCap, an undercapitalized entity, by channeling capital and liquidity into ResCap even as its condition continued to deteriorate as the housing market crashed. In addition to the direct financial support Ally Financial contributed to ResCap, it was also instrumental in obtaining outside investments that flowed directly to its mortgage subsidiaries. In 2008, Ally Financial announced to the market that it renewed a funding facility with Citibank, which provided "funding of up to $13.8 billion." Ally Fin. Inc., Form 8-K (Sept.

19, 2008). A portion of such funding was specifically earmarked for "mortgage assets across the [Ally Financial] and [ResCap] businesses." *Id.*

243. Indeed, Ally Financial's 2011 annual report states that "ResCap remains heavily dependent on [Ally Financial] and its affiliates for funding and capital support." Ally. Fin. Inc., Annual Report (Form 10-K), at 128 (Feb. 28, 2012).

244. Additionally, Annual Reports prepared by Ally Financial further note its pursuit of strategic alternatives with ResCap, and highlight the extent to which Ally Financial manipulated its control over its subsidiaries to enhance its own financial health. According to Ally Financial: "On December 31, 2009, we announced that due to our ongoing strategic review of how to best deploy GMAC's current and future liquidity, we decided to pursue strategic alternatives with respect to ResCap and committed to a plan . . . related to management's intent to sell certain ResCap related assets and businesses. . . . In order to maximize value, we will consider a variety of options including one or more sales, spin-offs, or other potential transactions . . . [that we believe] should minimize the impact of any significant future losses related to ResCap's legacy mortgage business . . . ." Ally Fin. Inc., Annual Report (Form 10-K), at 3-4 (Feb. 26, 2010).

245. There is also substantial evidence that billions of dollars of TARP funds meant to stabilize Ally Financial were given to ResCap by Ally Financial. See TARP Report dated March 10, 2010, at 41, 44 (hereinafter "TARP Report"). Upon information and belief, the TARP funds were commingled among a variety of entities within Ally Financial's mortgage family, including ResCap.

246. Further, Ally Financial has established a "Mortgage Repurchase Reserve" to account for the potentially significant liabilities stemming from repurchase demands made on

its mortgage-related subsidiary business units. The balance of the Mortgage Repurchase Reserve was $825 million as of the fourth quarter of 2011. *See* Ally Financial's Q4 2011 Earnings Presentation at 16. Although these repurchase demands are generally made on Ally Financial's subsidiaries—such as GMACM—in discussing the reserve on an earnings call, Ally Financial CFO Jim Mackey made clear that it was Ally Financial that was recording "repurchase expense[s]" related to mortgages, as he stated that Ally Financial "had lower mortgage repurchase expense of $44 million." Ally Financial's Q4 2011 Earnings Call at 4 (Feb. 2, 2012).

247. Similarly, in discussing Ally Financial's Mortgage Repurchase Reserve on Ally Financial's third quarter 2011 earnings call, Mackey further described losses attributable mortgage loan repurchases as belonging to Ally Financial, when he stated: "Our mortgage repurchase reserve is [as it then stood] $829 million . . . . Our loss experience improved during the quarter due to the fact that we had fewer mortgage insurance rescission payments that we experienced last quarter and that did not repeat this quarter." Ally Financial's Q3 2011 Earnings Call at 6 (Nov. 2, 2011) (emphases added). On the same call, Ally Financial CEO Carpenter explained that "we have routinely repurchased problem loans voluntarily and by contract . . . ." *Id.* at 8 (emphasis added).

248. Additionally, as discussed above, Ally Financial recorded a $230 million charge in the fourth quarter of 2011, $212 million of which was recorded at its controlled subsidiary, ResCap. As a result of the penalties assessed against ResCap by government regulators, and the fact that ResCap failed to maintain sufficient tangible net worth to comply with the requirements of the terms of certain credit facilities, Ally Financial propped up its

subsidiary ResCap with a $197 million capital contribution in the form of intercompany debt forgiveness. *See* Ally Fin. Inc., Form 10-K, at 31-32 (Feb. 28, 2012).

(2) Ally Financial Has Disregarded Corporate Formalities and Treated Its Businesses as a Single Enterprise

249. Ally Financial describes its subsidiaries as its own business units rather than separate and distinct entities. For example, Ally Financial declares, in a section of its website specifically intended to inform investors, that GMACM is a "business unit" of Ally Financial, rather than an indirect subsidiary owned by ResCap. *See* Ally Financial Website, Ally Home > About Ally > Investor Relations, *available at* http://www.ally.com/about/investor/ (last visited Dec. 9, 2011).

250. In line with Ally Financial's current classification of its mortgage businesses as "units" of Ally Financial, it has consistently been involved in the day-to-day operations of its subsidiaries. For example, at least one individual, who was identified at various times as being a GM and/or Ally Financial employee, was on the working group list for transactions involving ResCap subsidiaries that FGIC insured, including this Transaction. He was included on communications surrounding the deal document drafting processes from commencement to close. Such communications sent to him concerned both the negotiation of the various Operative and Offering Documents, as well as the final executed versions of the Operative and Offering Documents, including the fraudulent representations, warranties, and affirmative covenants that are at issue in this action.

251. The origination and securitization of mortgage loans by ResCap and its subsidiaries have long been integral parts of Ally Financial's core business. In its 2006 Annual Report, Ally Financial (then reporting as GMAC LLC) stated that "[w]e are a leading real estate finance company focused primarily on the residential real estate market. Our

business activities include the origination, purchase, servicing, sale and securitization of residential mortgage loans." GMAC LLC, Annual Report (Form 10-K), at 3 (Mar. 13, 2007) (emphasis added). Ally Financial further stated that "we utilize asset and mortgage securitizations and sales as a critical component of our diversified funding strategy." *Id.* at 5 (emphasis added).

252. Ally Financial continued to publicly report on its own business and that of its subsidiaries in later filings on an integrated basis: "We engage in the origination, purchase, servicing, sale, and securitization of consumer (i.e., residential) mortgage loans and mortgage-related products. Mortgage operations include the Residential Capital, LLC (ResCap) legal entity, [and] the mortgage operations of Ally Bank . . . ." Ally Fin. Inc., Annual Report (Form 10-K), at 3 (Feb. 26, 2010). More recently, continuing to discuss its various mortgage operations as a single enterprise, Ally Financial stated that "[o]ur Origination and Servicing operations is one of the leading originators of conforming and government-insured residential mortgage loans in the United States. We are one of the largest residential mortgage loan servicers in the United States and we provide collateralized lines of credit to other mortgage originators." Ally Fin. Inc., Annual Report (Form 10-K), at 4 (Feb. 28, 2012)..

253. Moreover, as discussed above, Ally Financial—at least in the view of certain of ResCap's bondholders—is believed to have stripped assets from its subsidiary.

254. In addition to the dominance and control Ally Financial exerted over its mortgage units, ResCap also viewed GMACM and RFC as part of its own business. For example, in its investor presentation from 2007, ResCap declares that GMACM and RFC "are owned and *operated* by GMAC Residential Capital Company, LLC [ResCap]." It further states that ResCap "is part of the [Ally Financial] family of companies." As discussed above,

Ally Financial exerted its dominance and control over ResCap. Upon information and belief, when Ally Financial was not directly controlling GMACM and RFC, it was using ResCap as an instrument to do so.

255. Ally Financial is currently using its subsidiaries' resources as its own in order to earn favorable ratings by credit rating agencies. For instance, a report put out by Moody's in November 2011 rated Ally Financial as an "above average" originator of mortgage loans. It is evident from that report that Ally Financial obtained such a rating by providing information related to its mortgage units, including GMACM and Ally Bank. Ally Financial itself is not engaged in the origination business. Instead, it is using its mortgage units as instruments to obtain favorable ratings.

256. Such disregard for the corporate form has persisted over time. For instance, Fitch Ratings in 2007 publicly reported that "operations of [Ally Financial]'s residential mortgage servicing businesses—which include [GMACM, RFC], and HomeComings Financial Network—have been integrated into" ResCap. Moreover, Moody's reported that in 2007, "ResCap combined all servicing operations under one servicing entity . . . under common management [and] common systems . . . ." There is no indication that either RFC or GMACM has ceased operations or been sold to other entities or investors. Thus, upon information and belief, ResCap has conflated various businesses that currently have extensive third-party contractual relationships, such as the one GMACM has with respect to the 2006-HE3 Transaction as Servicer.

257. Even the employees of Ally Financial's subsidiaries think of themselves as employees of Ally Financial rather than separate entities since there appears to be no difference. For example, Thomas F. Marano, served as an officer of Ally Financial as well as

Chairman and CEO of ResCap. His responsibilities include overseeing the mortgage lending and servicing in ResCap. In testimony before the House Financial Services Subcommittee on November 18, 2011, Marano stated that "Ally [Financial]'s mortgage business is conducted through GMAC Mortgage." Upon information and belief, Marano—in his dual role as an officer of Ally Financial as well as Chairman and CEO of ResCap—directed and controlled the actions of GMACM and RFC.

258. In another example, Larry Hipp, a member of ResCap's Risk Analyst/Investor Repurchase Department, communicated with FGIC regarding rescission requests using an Ally Financial email address, but in those very same emails, lists his ResCap contact information, including a ResCap email address. In addition, Ally Financial/ResCap used to send FGIC secure communications bearing a "GMAC ResCap" header, but those secure communications now have an Ally Financial header.

259. A further example is supplied by Jeffrey Stephan, a loan officer of GMACM who was implicated in the robo-signing issues associated with servicing mortgage loans. He was asked the following questions at his deposition:

Q: Could you please state your name for the record.
A: My name is Jeffrey Stephan.
Q: Okay. And who do you work for?
A: GMAC, LLC [Ally Financial].
Q: And is there a difference between GMAC, LLC and GMAC Mortgage, LLC?
A: GMAC, LLC – I'm trying to think of the word to use – the most recent name.
Q: Okay.
A: It's GMCA [sic] Mortgage Corporation.
Q: Okay.
A: I'm not sure how you would word that.
Q. Okay. So are they -- does GMAC, LLC -- now has that basically taken over these other entities --
A. Yes.
Q. -- that formerly existed?

A. Yes.
Q. So these entities no longer currently exist?
A. Right.
Q. Okay. And how long then have you been employed by GMAC, LLC?
A. Five years.

Jeffrey Stephan Deposition, *GMAC Mortgage, LLC v. Neu*, 4:25-5:22, Dec. 10, 2009, Case No. 50 2008 CA 040805, (15th Cir. Ct., Palm Beach, Fl.).

M. FGIC's Contractual Remedies Under The I&I Agreement

260. The I&I Agreement provides FGIC with broad remedies for GMACM's breaches of its representations and warranties. The breadth of these remedies provided further material inducement for FGIC to issue the Policy. Specifically, Section 5.02(b) of the I&I Agreement provides:

> Unless otherwise expressly provided, no remedy herein conferred or reserved is intended to be exclusive of any other available remedy, but each remedy shall be cumulative and shall be in addition to other remedies given under this Insurance Agreement, the Indenture, or existing at law or in equity.

261. Moreover, the I&I Agreement provides that, upon an "Event of Default"—which is defined to include when "[a]ny representation or warranty" made by GMACM in the I&I Agreement or the Operative Documents is materially untrue or incomplete—FGIC can "take whatever action at law or in equity as may appear necessary or desirable in its judgment to collect the amounts, if any, then due under [the I&I Agreement] or any other Operative Document or to enforce performance and observance of any obligation, agreement or covenant of [GMACM]." I&I Agreement §§ 5.01(a), 5.02(a)(vi).

262. In addition, GMACM agreed:

> to pay, and to protect, indemnify and save harmless [FGIC] . . . from and against, any and all claims, losses, liabilities (including penalties), actions, suits, judgments, demands, damages costs or expenses (including reasonable fees and expenses of attorneys . . .) of any nature arising out of or relating to the breach

> by GMACM . . . of any of the representations or warranties contained in Section 2.01 [of the I&I Agreement] or arising out of or relating to the transactions contemplated by the Operative Documents . . . .

I&I Agreement § 3.04(a).

263. Moreover, consistent with its obligation to select Mortgage Loans that met its published criteria, GMACM agreed to repurchase or substitute Mortgage Loans that did not conform to GMACM's representations and warranties, and to indemnify FGIC for claims and losses arising from GMACM's breach of any representation or warranty. *See* I&I Agreement § 3.03(b), 3.04(a).

FIRST CAUSE OF ACTION

(As Against Ally Financial, ResCap, GMACM: Declaratory Relief Regarding GMACM's Indemnification Obligations)

264. FGIC re-alleges and incorporates by reference paragraphs 1 through 263 of this Complaint.

265. The I&I Agreement is a valid and binding agreement between the parties.

266. FGIC has performed its obligations under the I&I Agreement.

267. GMACM's representations and warranties were material to FGIC's decision to insure the 2006-HE3 Notes and to issue the 2006-HE3 Policy.

268. GMACM's pervasive and material breaches of its representations and warranties, from the very inception of the Transaction and in the years since, constitute a material breach of the I&I Agreement that has deprived FGIC of the purpose of the parties' bargain.

269. Pursuant to Section 3.04(a) of the I&I Agreement, GMACM must indemnify FGIC for any and all claims, losses, liabilities, demands, damages, costs or expenses of any nature arising out of or relating to the breach by GMACM of any of the representations or

warranties contained in Section 2.01 of the I&I Agreement or arising out of or related to the transactions contemplated by the related Operative Documents by reason of, among other things: (i) the breach by GMACM of any representation, warranty, or covenant under any of the related Operative Documents; or (ii) any untrue statement or alleged untrue statement of a material fact contained in the related Offering Documents or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

270. As explained above, GMACM has breached numerous representations, warranties, and covenants in the 2006-HE3 Offering and Operative Documents. These breaches have caused FGIC to pay claims and to incur losses, costs, and expenses; and it will continue to do so.

271. Ally Financial, acting directly and/or indirectly through ResCap, directed GMACM's actions as set forth in this cause of action.

272. FGIC therefore seeks a declaration that Ally Financial, ResCap, and GMACM must jointly and severally indemnify and reimburse FGIC for all sums arising out of the 2006-HE3 Transaction for which FGIC has or will become liable, and that FGIC is entitled to immediate indemnity: (i) for all sums it has paid to date under the 2006-HE3 Policy and to the payment of all future amounts that may fall due or claims that may be presented for payment by FGIC under the 2006-HE3 Policy as and when such sums fall due or claims are presented; or, alternatively, (ii) for all loss resulting from any breaches of the representations, warranties, and covenants of the I&I Agreement or any of the related Operative Documents; or, alternatively, (iii) in an amount to be determined at trial; and an order giving effect to such indemnification.

273. In addition, FGIC seeks a declaration that GMACM must indemnify FGIC for all sums arising out of the 2006-HE3 Transaction for which FGIC has or will become liable, and that FGIC is entitled to immediate indemnity: (i) for all sums it has paid to date under the 2006-HE3 Policy and to the payment of all future amounts that may fall due or claims that may be presented for payment by FGIC under the 2006-HE3 Policy as and when such sums fall due or claims are presented; or, alternatively, (ii) for all loss resulting from any breaches of the representations, warranties, and covenants of the I&I Agreement or any of the related Operative Documents; or, alternatively, (iii) in an amount to be determined at trial; and an order giving effect to such indemnification.

SECOND CAUSE OF ACTION

(As Against Ally Financial, ResCap, GMACM: Fraudulent Inducement — I&I Agreement)

274. FGIC re-alleges and incorporates by reference paragraphs 1 through 273 of this Complaint.

275. GMACM induced FGIC to enter into the I&I Agreement and to issue the Policy by making false representations and warranties about its business practices and the Mortgage Loans, and by agreeing to broad remedies (including indemnification) for any breach of those representations and warranties.

276. As explained above, GMACM knowingly made materially false statements to FGIC and/or omitted material facts from its statements to FGIC, with the intent to induce reliance by FGIC.

277. GMACM intended for FGIC to rely on GMACM's material false statements and/or omissions. FGIC had no reason to believe that GMACM's representations were false, and reasonably and justifiably relied on GMACM's material false statements and/or omissions

regarding information uniquely in the possession of GMACM when it decided to enter into the I&I Agreement and to issue the Policy for the 2006-HE3 Notes.

278. As a result of GMACM's material false statements and omissions, FGIC entered into the I&I Agreement, issued the Policy, and thereby agreed to insure Notes backed by a pool of Mortgage Loans that was, in actuality, materially different from the Loan Pool that GMACM represented would collateralize the 2006-HE3 Transaction.

279. Ally Financial, acting directly and/or indirectly through ResCap, directed GMACM's actions as set forth in this cause of action.

280. As a result of GMACM's material false statements and material omissions from its statements, FGIC has been damaged and will continue to be damaged in an amount to be determined at trial.

281. GMACM, ResCap and Ally Financial are jointly and severally liable for such damages.

282. Alternatively, GMACM is liable for such damages.

THIRD CAUSE OF ACTION

**(As Against Ally Financial and Ally Bank:
Aiding and Abetting Fraudulent Inducement — I&I Agreement)**

283. FGIC re-alleges and incorporates by reference paragraphs 1 through 282 of this Complaint.

284. As explained above, Ally Financial provided substantial assistance to its subsidiary GMACM in fraudulently inducing FGIC to enter the I&I Agreement and issue the Policy.

285. GMACM could not have perpetrated its fraudulent scheme against FGIC without the substantial assistance of Ally Financial.

286. Ally Financial knew that GMACM fraudulently induced FGIC to issue the Policy for the 2006-HE3 Transaction.

287. Ally Financial's statements materially aided GMACM's fraudulent inducement.

288. As a result of Ally Financial's aiding and abetting GMACM's fraud, FGIC has been damaged and will continue to be damaged in an amount to be determined at trial.

289. Moreover, as explained above, Ally Bank provided substantial assistance to its affiliate GMACM in fraudulently inducing FGIC to issue the Policy.

290. Ally Bank originated nearly 88% of the Mortgage Loans (amounting to over $500 million in loans), which form a substantial part of the collateral for the 2006-HE3 Transaction. Ally Bank was therefore aware of the characteristics of the Loan Pool. Ally Bank was also an affiliate of GMACM, received a copy of the MLPA, and served as Custodian of the 2006-HE3 Transaction, for which it received substantial fees. As such, Ally Bank was aware of the material misrepresentations GMACM had made to FGIC to fraudulently induce FGIC to issue the Policy. Ally Bank further represented to FGIC that it would undertake duties to monitor and certify the accuracy and completeness of the Mortgage Loan files, as well as inform FGIC of failures by GMACM to comply with its obligations under the Operative Documents. Ally Bank made these representations to FGIC despite its knowledge that GMACM had not complied—and would not comply—with its representations and warranties.

291. Ally Bank's representations to FGIC materially aided GMACM's fraudulent inducement of FGIC to issue the Policy.

292. As a result of Ally Bank's aiding and abetting of GMACM's fraud, FGIC has been damaged and will continue to be damaged in an amount to be determined at trial.

FOURTH CAUSE OF ACTION

(As Against Ally Financial, ResCap, and GMACM: Breach of Contract—Representations, Warranties, and Affirmative Covenants)

293. FGIC re-alleges and incorporates by reference paragraphs 1 through 292 of this Complaint.

294. The I&I Agreement is a valid and binding agreement between the parties.

295. FGIC has performed its obligations under the I&I Agreement.

296. As explained above, GMACM has materially breached its representations and warranties and affirmative covenants under Sections 2.01 and 2.02 of the I&I Agreement.

297. Ally Financial, acting directly and/or indirectly through ResCap, directed GMACM's actions as set forth in this cause of action.

298. As a result of these breaches of contract, FGIC has been damaged and will continue to be damaged in an amount to be determined at trial.

299. GMACM, ResCap and Ally Financial are jointly and severally liable for such damages.

300. Alternatively, GMACM is liable for such damages.

FIFTH CAUSE OF ACTION

(As Against Ally Bank: Breach of Custodial Agreement)

301. FGIC re-alleges and incorporates by reference paragraphs 1 through 300 of this Complaint.

302. The Custodial Agreement is a valid and binding agreement between the parties thereto.

303. FGIC is an express third party beneficiary of the Custodial Agreement.

304. As explained above, Ally Bank has materially breached its obligations under Sections 2.1, 2.2, and 2.3 of the Custodial Agreement.

305. Ally Financial, acting directly and/or indirectly through ResCap, directed Ally Bank's actions as set forth in this cause of action.

306. As a result of these breaches of contract, FGIC has been damaged and will continue to be damaged in an amount to be determined at trial.

SIXTH CAUSE OF ACTION

(As Against Ally Financial, ResCap, and GMACM: Breach of Repurchase Obligation)

307. FGIC re-alleges and incorporates by reference paragraphs 1 through 306 of this Complaint.

308. The I&I Agreement is a valid and binding agreement between the parties.

309. FGIC has performed its obligations under the I&I Agreement.

310. Pursuant to the terms of the I&I Agreement, and the provisions of the MLPA incorporated therein, FGIC has demanded that GMACM repurchase non-complying Mortgage Loans, including the more than 3,000 illegitimately included and undisclosed balloon mortgage loans. GMACM has refused to repurchase numerous non-conforming Mortgage Loans and all of the excess balloon mortgage loans.

311. GMACM has breached the I&I Agreement, and the provisions of the MLPA incorporated therein, by failing to repurchase any and all Mortgage Loans that violated GMACM's representations and warranties.

312. Ally Financial, acting directly and/or indirectly through ResCap, directed GMACM's actions as set forth in this cause of action.

313. As a result of these breaches of contract, FGIC has been damaged and will continue to be damaged in an amount to be determined at trial.

314. GMACM, ResCap and Ally Financial are jointly and severally liable for such damages.

315. Alternatively, GMACM is liable for such damages.

SEVENTH CAUSE OF ACTION

(As Against Ally Financial, ResCap, and GMACM: Breach of Contract – Declaratory Relief Regarding Access to Information)

316. FGIC re-alleges and incorporates by reference paragraphs 1 through 315 of this Complaint.

317. The I&I Agreement is a valid and binding agreement between the parties.

318. FGIC has performed its obligations under the I&I Agreement.

319. Pursuant to Sections 2.02(e)(i)-(iii) of the I&I Agreement, GMACM agreed to permit FGIC, upon its reasonable request, to (i) inspect the books and records of GMACM; (ii) discuss the affairs, finances and accounts of GMACM with GMACM's Chief Financial Officer; and (iii) discuss the affairs, finances and accounts of GMACM with GMACM's independent accountants.

320. On December 8, 2011, FGIC made a reasonable written request that GMACM permit FGIC or its authorized agent to conduct an inspection of the books and records of GMACM, as well as permit FGIC to (i) discuss the affairs, finances and accounts of GMACM with the Chief Financial Officer of GMACM, and (ii) with GMACM's consent, which consent shall not be unreasonably withheld or delayed, discuss the affairs, finances, and accounts of GMACM with GMACM's independent accountants.

321. GMACM has failed to make available such persons or to produce such information.

322. GMACM has failed to comply with its contractual obligations and breached the I&I Agreement by failing to make available the persons requested or to provide the information requested pursuant to the I&I Agreement, Section 2.02(e)(i)-(iii).

323. Pursuant to Section 2.02(c)(v) of the I&I Agreement, GMACM agreed to furnish to FGIC, promptly upon request, such data as FGIC may reasonably request. Further, pursuant to Section 7.01(a) of the Servicing Agreement, to which FGIC is an express third-party beneficiary and the provisions of which are incorporated by reference into the I&I Agreement, GMACM agreed to provide information regarding the Mortgage Loans to, and otherwise cooperate with, the successor servicer of the 2006-HE3 Transaction.

324. GMACM has failed to comply with its contractual obligations and breached the I&I Agreement and Servicing Agreement by failing to make available to FGIC and/or the successor servicer the Mortgage Loan files and other related material information.

325. Ally Financial, acting directly and/or indirectly through ResCap, directed GMACM's actions as set forth in this cause of action.

326. Accordingly, FGIC seeks a declaration that GMACM has failed to comply with Sections 2.02(e)(i)-(iii) and 2.02(c)(v) of the I&I Agreement and Section 7.01(a) of the Servicing Agreement, and an order requiring GMACM to promptly remedy those breaches and therefore comply with FGIC's and/or the successor servicer's requests and notices to GMACM pursuant to the relevant provisions, as detailed above.

EIGHTH CAUSE OF ACTION

(As Against Ally Financial, ResCap, and GMACM: Breach of Servicer Obligations)

327. FGIC re-alleges and incorporates by reference paragraphs 1 through 326 of this Complaint.

328. The I&I Agreement is a valid and binding agreement between the parties.

329. FGIC has performed its obligations under the I&I Agreement.

330. Moreover, as explained above, GMACM has breached its affirmative covenant under the I&I Agreement to have serviced all Mortgage Loans in all material respects in compliance with the Servicing Agreement.

331. GMACM's breaches of the I&I Agreement has caused substantial harm and damages to FGIC, in an amount to be proved at trial, but at a minimum including substantially higher claims on Policies and other losses and expenses.

332. Ally Financial, acting directly and/or indirectly through ResCap, directed GMACM's actions as set forth in this cause of action.

333. As a result of this breach of contract, FGIC has been damaged and will continue to be damaged in an amount to be determined at trial.

334. GMACM, ResCap and Ally Financial are jointly and severally liable for such damages.

335. Alternatively, GMACM is liable for such damages.

NINTH CAUSE OF ACTION

(As Against Ally Financial, ResCap, and GMACM: Declaratory Relief)

336. FGIC re-alleges and incorporates by reference paragraphs 1 through 335 of this Complaint.

337. As discussed above, Ally Financial, acting directly and/or indirectly through ResCap, directed GMACM's actions as set forth in this complaint.

338. For the reasons set forth in paragraphs 222 through 259, among others, Ally Financial, ResCap, and GMACM were and continue to be alter egos of each other.

339. FGIC has been damaged as a result of the actions Ally Financial, ResCap and GMACM.

340. FGIC therefore seeks a declaration that Ally Financial, ResCap, and GMACM were and continue to be alter egos of each other, and therefore are jointly and severely liable for each other's liabilities.

TENTH CAUSE OF ACTION

(As Against GMACM: Attorneys' Fees and Costs)

341. FGIC re-alleges and incorporates by reference paragraphs 1 through 340 of this Complaint.

342. The I&I Agreement is a valid and binding agreement between the parties.

343. FGIC has performed its obligations under the I&I Agreement.

344. Pursuant to Section 3.03(c) of the I&I Agreement, GMACM agreed to reimburse FGIC for any and all costs or expenses "including reasonable attorneys' . . . fees and expenses" in connection with the enforcement, defense or preservation of any rights in respect of any of the Operative Documents. Further, pursuant to Section 3.04(a) of the I&I Agreement, GMACM agreed to pay FGIC any and all costs or expenses "including reasonable fees and expenses of attorneys" arising out of or relating to the breach by GMACM of any of the representations or warranties contained in Section 2.01 of the I&I Agreement or arising out of or relating to the 2006-HE3 Transaction.

345. FGIC has incurred and will continue to incur substantial costs and expenses, including but not limited to attorneys' fees in filing and prosecuting this lawsuit, arising out of GMACM's failure to provide Mortgage Loan files, Servicing Reports, and financial information and its breach of the representations and warranties contained in Section 2.01 of the I&I Agreement and other representations, warranties, and its covenants within the Operative Documents, such as Section 2.02 of the I&I Agreement.

PRAYER FOR RELIEF

WHEREFORE, plaintiff Financial Guaranty Insurance Company demands judgment in its favor and against defendant GMAC Mortgage Company, LLC, with respect to (1), (2), (4) through (6), and (8) through (12) below, and in its favor and against Residential Capital, LLC, with respect to (1), (2), (4) through (6), (9), (11), and (12) below, and in its favor and against Ally Bank, with respect to (3), (7), and (12) below, and in its favor and against Ally Financial, Inc., with respect to (1) through (6), (9), (11), and (12) below, and the following relief:

(1) A declaration that, pursuant to GMACM's obligations under the I&I Agreement, GMACM must solely and/or Ally Financial, ResCap, and GMACM must jointly and severally reimburse and indemnify FGIC for all sums arising out of the 2006-HE3 Transaction for which FGIC has or will become liable, and that FGIC is entitled to immediate reimbursement: (i) for all sums it has paid to date under the Policy and to the payment of all future amounts that may fall due or claims that may be presented for payment by FGIC under the Policy as and when such sums fall due or such claims are presented; or, alternatively, (ii) for all loss resulting from any breaches of the representations, warranties, and covenants of the I&I Agreement or any of the related Operative Documents; or, alternatively, (iii) in an amount to be determined at trial; and (iv) an order giving effect to that declaration;

(2) Further or alternatively, an award of all legal, rescissory, equitable and punitive damages, to be proven at trial, for GMACM's fraudulent inducement of FGIC to enter into the 2006-HE3 Transaction and to issue the Policy;

(3) Further or alternatively, an award of all legal, rescissory, equitable, and punitive damages, to be proven at trial, for Ally Financial's and Ally

Bank's aiding and abetting of GMACM's fraudulent inducement of FGIC to enter into the 2006-HE3 Transaction and to issue the Policy;

(4) Further or alternatively, an award of all legal, rescissory, and equitable damages, to be proven at trial for GMACM's material breaches of the 2006-HE3 Transaction;

(5) Further or alternatively, an award of compensatory, consequential and/or equitable damages, and any other damages to be proven at trial, for GMACM's pervasive and material breaches of its representations, warranties, and affirmative covenants, which constitute material breaches of the I&I Agreement and frustration of the parties' bargain, including, but not limited to, those in respect of the more than 3,000 misidentified and undisclosed balloon mortgage loans;

(6) Further or alternatively, a declaration that GMACM must repurchase all Mortgage Loans that are in breach of GMACM's representations and warranties in the 2006-HE3 Transaction, including, but not limited to, the more than 3,000 misidentified and undisclosed balloon mortgage loans, and an order giving effect to that declaration;

(7) Further or alternatively, an award of compensatory, consequential and/or equitable damages, and any other damages to be proven at trial, for Ally Bank's material breaches of its obligations under the Custodial Agreement;

(8) Further or alternatively, a declaration that GMACM must allow FGIC to inspect the books and records of GMACM, to discuss the affairs, finances and accounts of GMACM with the Chief Financial Officer of GMACM, to discuss the affairs, finances and accounts of GMACM with GMACM's independent accountants; and that GMACM must comply with its obligations to provide FGIC and/or the successor servicer information pertaining to the Mortgage Loan files; and an order giving effect to that declaration;

(9) Further or alternatively, a declaration that Ally Financial, ResCap, and GMACM are alter egos of each other;

(10) An award of FGIC's attorneys' fees, and other costs and expenses incurred in enforcing, defending, or preserving its rights under the I&I Agreement and other Operative Documents, as defined in the I&I Agreement;

(11) An award of prejudgment interest at the statutory rate; and

(12) Any other and further relief that the Court deems just and proper.

JURY DEMAND

FGIC demands a trial by jury for all issues so triable as a matter of right.

Dated: March 6, 2012

JONES DAY

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Attorneys for Plaintiff
Financial Guaranty Insurance Company

Exhibit 93

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FINANCIAL GUARANTY INSURANCE COMPANY,
as Insurer,

RESIDENTIAL FUNDING CORPORATION
as Master Servicer,

RESIDENTIAL ASSET MORTGAGE PRODUCTS, INC.,
as Depositor

and

JPMORGAN CHASE BANK, N.A.
as Trustee

INSURANCE AND INDEMNITY AGREEMENT

MORTGAGE ASSET-BACKED PASS-THROUGH CERTIFICATES,
SERIES 2005-RS9

Dated as of November 29, 2005

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CONFIDENTIAL RC00067566

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(This Table of Contents is for convenience of reference only and shall not be deemed to be part of this Insurance Agreement. All terms used in this Insurance Agreement and not otherwise defined shall have meanings set forth in Article I of this Insurance Agreement.)

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INSURANCE AND INDEMNITY AGREEMENT (as amended, modified or supplemented from time to time, this "Insurance Agreement"), dated as of November 29, 2005, by and among FINANCIAL GUARANTY INSURANCE COMPANY, as Insurer, RESIDENTIAL FUNDING CORPORATION, as Master Servicer, RESIDENTIAL ASSET MORTGAGE PRODUCTS, INC., as Depositor and JPMORGAN CHASE BANK, N.A. as Trustee with respect to the Mortgage Asset-Backed Pass-Through Certificates, Series 2005-RS9 (the "Certificates").

W I T N E S S E T H :

WHEREAS, the Depositor has transferred and assigned its entire interest to the Trustee pursuant to that certain Pooling and Servicing Agreement dated as of November 1, 2005 (as may be amended, modified or supplemented from time to time as set forth therein, the "Pooling and Servicing Agreement") by and among the Depositor, the Master Servicer and the Trustee, for the benefit of the holders of the Certificates, in certain first lien, residential Mortgage Loans (as defined herein). The Pooling and Servicing Agreement also provides for, among other things, the issuance of the Certificates and the servicing of the Mortgage Loans by the Master Servicer;

WHEREAS, the Insurer has agreed to issue the Policy, as provided in Article III of this Insurance Agreement, pursuant to which it will agree to pay in favor of the Trustee for the benefit of the Holders of the Class A Certificates (as defined herein), certain payments in respect of the Class A Certificates;

WHEREAS, the Insurer shall be paid a Premium for the Policy as set forth herein; and

WHEREAS, each of RFC, the Depositor and the Master Servicer has undertaken certain obligations in consideration for the Insurer's issuance of the Policy;

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

Section 1.01. Defined Terms.

Unless the context clearly requires otherwise, all capitalized terms used but not defined herein shall have the respective meanings assigned to them in the Policy or, if not defined therein, in the Pooling and Servicing Agreement. For purposes of this Insurance Agreement, the following terms shall have the following meanings:

"Assignment Agreement" means the Assignment and Assumption Agreement, dated as of November 29, 2005, between RFC and the Depositor.

"Certificates" has the meaning given such term in the recitals to this Insurance Agreement.

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"Class A Certificates" means collectively, the Class A-I-1, Class A-I-2, Class A-I-3, Class A-I-4 and Class A-II Certificates.

"Closing Date" means November 29, 2005.

"Custodial Agreement" means that certain Custodial Agreement, dated as of November 1, 2005, among the Master Servicer, the Trustee, the Depositor, and Wells Fargo Bank, National Association, as custodian.

"Default" means any Event of Default or any event or circumstance that, with the giving of notice or the lapse of time or both, would result in an Event of Default.

"Depositor" means Residential Asset Mortgage Products, Inc., a Delaware corporation, or any successor thereto.

"Documents" has the meaning given such term in Section 2.01(a)(x) herein.

"Event of Default" means any event of default specified in Section 5.01 of this Insurance Agreement.

"Financial Statements" means, with respect to RFC, the consolidated statements of financial condition as of December 31, 2003 and December 31, 2004 and the statements of operations, stockholders' equity and cash flows for each of the years in the three-year period ended December 31, 2004 and the notes thereto and the unaudited statement of financial condition of RFC as of September 30, 2005 and the related unaudited statements of operations, stockholders' equity and cash flows for the portion of the fiscal year then ended..

"Holder" has the meanings given such term in the Policy.

"Insurance Agreement" has the meaning given such term in the preamble hereof.

"Insurer" means Financial Guaranty Insurance Company, or any successor thereto, as issuer of the Policy.

"Insurer Information" information in the Offering Document regarding the Insurer and the Policy, which consists solely of the information set forth under the captions "The Certificate Insurer" and "Description of the Certificates — Description of the Certificate Guaranty Insurance Policy" and the financial statements of the Insurer referred to in and incorporated by reference into the Offering Document as of December 31, 2004 and December 31, 2003 and for each of the years in the three-year period ended December 31, 2004, and the unaudited financial statements of the Insurer incorporated by reference in the Offering Document as of September 30, 2005 and for the three-month and nine-month periods ended September 30, 2005.

"Investment Company Act" means the Investment Company Act of 1940, including, unless the context otherwise requires, the rules and regulations thereunder, as amended from time to time.

"Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest publicly announced from time to time by Citibank, N.A. as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by Citibank, N.A.), and (ii) the then applicable highest rate of interest on the Class A Certificates and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days.

"Material Adverse Change" means, in respect of any Person, a material adverse change in the ability of such Person to perform its obligations under any of the Operative Documents, including any material adverse change in the business, financial condition, results of operations or properties of such Person on a consolidated basis with its subsidiaries that might have such effect. References herein to a Material Adverse Change that do not refer to a particular Person mean a Material Adverse Change with respect to either of RFC or the Depositor.

"Moody's" means Moody's Investors Service, Inc., and any successor thereto.

"Mortgage Loans" means the mortgage loans included in the Trust Fund.

"Offered Certificates" means the Mortgage Asset-Backed Pass-Through Certificates, Series 2005-RS9, Class A Certificates.

"Offering Document" means the Base Prospectus, dated July 26, 2005, as supplemented by the Prospectus Supplement, dated November 23, 2005, in respect of the Offered Certificates.

"Operative Documents" means this Insurance Agreement, the Certificates, the Assignment Agreement, the Custodial Agreement and the Pooling and Servicing Agreement.

"Person" means an individual, joint stock company, trust, unincorporated association, joint venture, corporation, business or owner trust, partnership or other organization or entity (whether governmental or private).

"Policy" means the Financial Guaranty Insurance Policy, No. 05030145, together with all endorsements thereto, issued by the Insurer in favor of the Trustee, for the benefit of the Holders of the Class A Certificates.

"Pooling and Servicing Agreement" has the meaning set forth in the recitals to this Insurance Agreement.

"Premium" means the premium payable in accordance with the Policy, which shall be payable on each Payment Date in arrears in an amount equal to (A) on the first Distribution Date, an amount calculated by multiplying the Premium Percentage converted to a daily rate by the aggregate initial Certificate Principal Balance of the related Class A Certificates for the number of days from and including the Closing Date to but excluding the first Distribution Date, and (B) for subsequent Distribution Dates, one twelfth of the product of (i) the Premium Percentage and (ii) the aggregate Certificate Principal Balance of the related Certificates on the previous Distribution Date (after giving effect to any distributions of principal to be made on such previous Distribution Date).

"Premium Percentage" shall mean sixteen (16) basis points per annum.

"RFC" means Residential Funding Corporation, a Delaware corporation, as Master Servicer under the Pooling and Servicing Agreement, and includes any successor Master Servicer.

"S&P" means Standard & Poor's, a division of The McGraw-Hill Companies, Inc., and any successor thereto.

"Securities Act" means the Securities Act of 1933, including, unless the context otherwise requires, the rules and regulations thereunder, as amended from time to time.

"Securities Exchange Act" means the Securities Exchange Act of 1934, including, unless the context otherwise requires, the rules and regulations thereunder, as amended from time to time.

"Shortfall Event" means, on any Distribution Date after the first Distribution Date on which the Overcollateralization Amount is equal to or greater than the Required Overcollateralization Amount, the failure of the Overcollateralization Amount to be equal to or greater than 85% of the Required Overcollateralization Amount.

"Transaction" means the transactions contemplated by the Operative Documents, including the transactions described in the Offering Document.

"Trust" means the trust created pursuant to the terms of the Pooling and Servicing Agreement.

"Trust Fund" has the meaning given such term in the Pooling and Servicing Agreement.

"Underwriters" means Bear, Stearns & Co. Inc., Credit Suisse First Boston LLC, Greenwich Capital markets, Inc. and Residential Funding Securities Corporation.

"Underwriting Agreement" means the Underwriting Agreement, dated November 23, 2005 among the Underwriters, or their representative, Bear, Stearns & Co. Inc., and the Depositor with respect to the Offered Certificates, as amended, modified or supplemented from time to time.

Section 1.02. Other Definitional Provisions.

The words "hereof," "herein" and "hereunder" and words of similar import when used in this Insurance Agreement shall refer to this Insurance Agreement as a whole and not to any particular provision of this Insurance Agreement. Section, subsection, Schedule and Exhibit references are to this Insurance Agreement unless otherwise specified. The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms. The words "include" and "including" shall be deemed to be followed by the phrase "without limitation."

ARTICLE II
REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 2.01. Representations and Warranties.

(a) *Representations and Warranties of RFC and the Depositor.* Each of RFC, in its capacity as Master Servicer, and the Depositor represents and warrants as of the Closing Date, as follows:

(i) *Due Organization and Qualification.* It is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation. It is duly qualified to do business, is in good standing and has obtained all necessary licenses, permits, charters, registrations and approvals (together, "approvals") necessary for the conduct of its business as currently conducted and as described in the Offering Document and the performance of its obligations under the Operative Documents to which it is a party in each jurisdiction in which the failure to be so qualified or to obtain such approvals would render any Operative Document to which it is a party unenforceable in any material respect or would result in a Material Adverse Change.

(ii) *Power and Authority.* It has all necessary power and authority to conduct its business as currently conducted and as described in the Offering Document, to execute, deliver and to perform its obligations under, the Operative Documents to which it is a party and to consummate the Transaction.

(iii) *Due Authorization.* The execution, delivery and performance of the Operative Documents to which it is a party have been duly authorized by all necessary actions and does not require any additional approvals or consents, or other action by or any notice to or filing with any Person, including any governmental entity or any of its stockholders or beneficial owners, as applicable, which it has not previously obtained or given.

(iv) *Noncontravention.* Its execution and delivery of the Operative Documents to which it is a party, the consummation of the Transaction and the satisfaction of the terms and conditions of the Operative Documents do not and will not:

(1) conflict with or result in any breach or violation of any provision of its organizational documents or any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award currently in effect having applicability to it or any of its material properties, including regulations issued by any administrative agency or other governmental authority having supervisory powers over it, which conflict, breach or violation reasonably could be expected to result in a Material Adverse Change;

(2) constitute a default by it under, result in the acceleration of any of its obligations under, or breach any provision of, any loan agreement, mortgage, indenture or other agreement or instrument to which it is a party or by which any

of its properties is or may be bound or affected, which default, acceleration or breach reasonably could be expected to result in a Material Adverse Change; or

(3) result in or require the creation of any lien upon or in respect of any of its assets, which lien reasonably could be expected to result in a Material Adverse Change, except as otherwise contemplated by the Operative Documents.

(v) *Legal Proceedings*. There is no action, proceeding or investigation by or before any court, governmental or administrative agency or arbitrator against or affecting it or any of its subsidiaries, or any properties or rights of itself or any of its subsidiaries, or any of the Mortgage Loans, either pending or, to its knowledge after reasonable inquiry, threatened, that could, if decided adversely to it or any such subsidiary, result in a Material Adverse Change.

(vi) *Valid and Binding Obligations*. The Operative Documents to which it is a party, when executed and delivered by itself and the other parties thereto, will constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and general equitable principles and public policy considerations as to rights of indemnification for violations of federal securities laws. The Class A Certificates, when executed, authenticated and delivered in accordance with the Pooling and Servicing Agreement, will be validly issued and outstanding and entitled to the benefits of the Pooling and Servicing Agreement. So long as no Insurer Default shall have occurred and continued beyond any grace period applicable thereto, it will not at any time in the future deny that the Operative Documents to which it is a party constitute its legal, valid and binding obligations.

(vii) *Financial Statements*. RFC has furnished copies of its Financial Statements to the Insurer, (1) those Financial Statements: (i) are, as of the dates and for the periods referred to therein, complete and correct in all material respects, (ii) present fairly its financial condition and results of operations as of the dates and for the periods indicated and (iii) have been prepared in accordance with generally accepted accounting principles consistently applied, except as noted therein (subject as to interim statements to normal year-end adjustments) and (2) since the date of the most recent of those Financial Statements, there has been no Material Adverse Change in respect of RFC.

(viii) [RESERVED].

(ix) *Taxes*. It has filed prior to the date hereof all federal and state tax returns it is required to have filed, and has paid all taxes, including any assessments received by it that are not being contested in good faith, to the extent that such taxes have become due, except with respect to any failures to file or pay that, individually or in the aggregate, will not result in a Material Adverse Change.

(x) *Accuracy of Information*. None of the Operative Documents nor any other material information relating to the Mortgage Loans, the operations of RFC or the

Depositor or the financial condition of RFC or the Depositor (collectively, the "Documents"), as amended, supplemented or superseded, furnished to the Insurer in writing or in electronic form by RFC or the Depositor, including the Offering Documents (other than the Insurer Information) contains any statement of a material fact which was untrue or misleading in any material respect when made. It has no knowledge of any circumstances that could reasonably be expected to cause a Material Adverse Change. Since the furnishing of the Documents, there has been no change nor any development or event involving a prospective change known to RFC or the Depositor that would render any of the Documents untrue or misleading in any material respect.

(xi) *Compliance with Securities Laws.* The offering and sale of the Class A Certificates complies in all material respects with all requirements of law, including the registration requirements of the Securities Act and any other applicable securities laws. The Offering Document does not contain any untrue statement of a material fact and does not omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; *provided, however*, that no representation is made with respect to the Insurer Information. The offering of the Class A Certificates has not been and will not be in violation of the Securities Act or any other federal or state securities laws.

(xii) *Operative Documents.* Each of the representations and warranties of RFC and the Depositor contained in the applicable Operative Documents and the Underwriting Agreement is true and correct in all material respects; *provided, however*, that the remedy for any breach of a representation and warranty of RFC in Section 4 of the Assignment Agreement and the remedy with respect to any defective Mortgage Loan or any Mortgage Loan as to which there has been a breach of a representation or warranty under Section 4 or Section 5 of the Assignment Agreement shall be limited to the remedies specified in the Assignment Agreement.

(xiii) *Solvency; Fraudulent Conveyance.* It is solvent, and will not be rendered insolvent by the Transaction. After giving effect to the Transaction, it will not be left with an unreasonably small amount of capital with which to engage in the ordinary course of its business. It does not intend to incur, and does not believe that it has incurred, debts beyond its ability to pay as they mature. It does not contemplate the commencement of insolvency, liquidation or consolidation proceedings or the appointment of a receiver, liquidator, conservator, trustee or similar official in respect of RFC or the Depositor or any of their respective assets. The amount of consideration it will receive upon the sale of the Mortgage Loans or the Class A Certificates, as applicable, pursuant to the terms and conditions of the related Operative Documents constitutes reasonably equivalent value and fair consideration for the Mortgage Loans or the Class A Certificates, as the case may be. It is not entering into the Operative Documents, or transferring any of its assets in connection with the Transaction, with any intent to hinder, delay or defraud any of its creditors.

(xiv) *Accounting Treatment.* RFC will treat the transfer of the Mortgage Loans pursuant to the Assignment Agreement as a financing in accordance with generally accepted accounting principles.

(b) *Representations and Warranties of the Trustee.* The Trustee represents and warrants as of the Closing Date, as follows and covenants with the other parties hereto as follows:

(i) *Due Organization and Qualification.* The Trustee is duly organized, existing and authorized to engage in the business of banking as a New York banking corporation.

(ii) *Due Authorization.* The Trustee has full power, authority and right to execute, deliver and perform the Operative Documents to which it is a party, and has taken all necessary steps to authorize the execution, delivery and performance by it of the Operative Documents to which it is a party.

(iii) *Due Execution.* The Operative Documents to which the Trustee is a party have been duly executed and delivered by the Trustee.

Section 2.02. Affirmative Covenants of RFC and the Depositor.

Each of RFC and the Depositor hereby agrees that during the term of this Insurance Agreement, it will comply with the following covenants, unless the Insurer shall otherwise expressly consent in writing:

(a) *Compliance With Agreements and Applicable Laws.* It shall comply in all material respects with the terms and conditions of and perform its obligations under the Operative Documents to which it is a party and shall comply with all requirements of any law, rule or regulation applicable to it in all circumstances where non-compliance reasonably could be expected to result in a Material Adverse Change.

(b) *Existence.* Except in the case of a merger or other business combination that is consummated in compliance with the Operative Documents, it will at all times (i) maintain its existence as a corporation or a statutory trust, (ii) be duly organized under the laws of its jurisdiction of incorporation or organization and duly qualified and duly authorized (as described in subsections 2.01(a), (b) and (c) hereof) and (iii) conduct its business in accordance with the terms of its organizational documents.

(c) *Financial Statements; Accountants' Reports; Other Information.* It shall keep or cause to be kept, in reasonable detail, books and records of account of its assets and business relating to the Transaction. RFC will furnish or cause to be furnished to the Insurer:

(i) *Annual Financial Statements.* As soon as available, and in any event within 120 days after the close of each fiscal year, the audited consolidated statement of financial condition for RFC and its subsidiaries as of the end of such fiscal year of RFC and the related audited consolidated statements of operations, stockholders' equity and cash flows for such fiscal year, all in reasonable detail and stating in comparative form the respective figures for the corresponding date and period in the preceding fiscal year, prepared in accordance with generally accepted accounting principles, consistently applied, and accompanied by the audit opinion of RFC's independent accountants (which shall be a nationally recognized independent public accounting firm or otherwise

acceptable to the Insurer) and by a certificate relating to such statements equivalent to the certificate required by Section 2.02(a)(ii).

(ii) *Quarterly Financial Statements.* Upon the reasonable request of the Insurer, and as soon as reasonably practicable, the unaudited consolidated statement of financial condition of RFC and its subsidiaries as of the end of the first three quarters of each fiscal year of RFC and the related unaudited consolidated statements of operations, stockholders' equity and cash flows for the portion of the fiscal year then ended, all in reasonable detail and stating in comparative form the respective figures for the corresponding date and period in the preceding fiscal year, prepared in accordance with generally accepted accounting principles consistently applied (subject to normal year-end adjustments); each delivery of quarterly financial statements shall be accompanied by a certificate of one (or more) corporate officers stating that the quarterly financial statements are correct in all material respects and present fairly the financial condition and results of operations of RFC and its subsidiaries as of the dates and for the periods indicated, in accordance with generally accepted accounting principles consistently applied (subject to normal year-end adjustments).

(iii) *Initial Report.* On or before the Closing Date, a copy of the magnetic tape or Mortgage Loan Schedule in the form of an electronic database or spreadsheet file, using database or spreadsheet software that is readily available to the Insurer, to be delivered to the Trustee on the Closing Date setting forth, as to each Mortgage Loan, the information required under the definition of "Mortgage Loan Schedule" in the Pooling and Servicing Agreement, and on each Distribution Date, RFC will ensure that updated Mortgage Loan data is available to the Insurer on RFC's or the Depositor's internet website, including changes to information discovered to have been incorrect.

(iv) *Servicing Reports.* Promptly upon receipt thereof, copies of all schedules, financial statements or other similar reports delivered to or by RFC, the Depositor or the Trustee pursuant to the terms of any of the Operative Documents, including all reports provided to either the Trustee or any Holder pursuant to the Pooling and Servicing Agreement.

(v) *Other Information.* (A) Promptly upon request, such other data as the Insurer may reasonably request relating to the Mortgage Loans, the servicing of the Mortgage Loans (including, without limitation, a detailed accounting on a loan-by-loan basis as to amounts advanced by, sold, pledged or assigned to, and reimbursed to any Advancing Person), the Transaction or the ability of any of RFC or the Depositor to perform its obligations under the Operative Documents, and (B) all information required to be furnished to the Trustee or the Holders, as the case may be.

All financial statements specified in clauses (i) and (ii) of this subsection (c) will be furnished in consolidated form for RFC and all its subsidiaries in the event that RFC consolidates its financial statements with its subsidiaries. To the extent available, the information supplied pursuant to clauses (iii), (iv) or (v) will be in Excel or Word format or another form of an electronic data file accessible by the Insurer by means of standard application software.

(d) [RESERVED].

(e) *Access to Records; Discussions with Officers and Accountants.* On an annual basis, or at any time when a Shortfall Event shall have occurred and be continuing, upon the reasonable request of the Insurer, it will permit the Insurer or its authorized agents, or cause the Insurer or its authorized agents to be permitted:

(i) to inspect the books and records of RFC or the Depositor as they may relate to the Class A Certificates, its respective obligations under the Operative Documents to which it is a party and the Transaction (including, without limitation, access to information reasonably required for purposes of complying with FASB Financial Interpretation No. 46; provided that the Insurer will maintain confidentiality with respect to such information in accordance with its internal policies);

(ii) to discuss the affairs, finances and accounts of RFC or the Depositor as they relate to the Mortgage Loans, the Transaction or the ability to perform their respective obligations under the Operative Documents with a Servicing Officer, in the case of RFC, or its responsible officers and employees, in the case of the Depositor; and

(iii) if the Insurer reasonably believes that a Material Adverse Change may have occurred and with RFC's consent, which consent shall not be unreasonably withheld or delayed, to discuss the affairs, finances and accounts of RFC or the Depositor with the independent accountants of such Person; *provided, however*, that officers of RFC shall have the right to be present during such discussions.

In addition, if requested by the Insurer, on an annual basis, or otherwise when reasonably requested by the Insurer, RFC will cause the Custodian to deliver to the Insurer an updated certification, in the form of the "Interim Certification" required under the Custody Agreement, with an exceptions list attached thereto, to enable the Insurer to track the progress of recording of Mortgages and Assignments with respect to the Mortgage Loans.

Such inspections and discussions shall be conducted during normal business hours and shall not unreasonably disrupt the business of RFC or the Depositor, and no such inspections or discussions shall be commenced more frequently than three times in any twelve month period and each shall be concluded within a reasonable period of time after commencement. The books and records of RFC or the Depositor shall be maintained at the address of RFC designated herein for receipt of notices, except to the extent that RFC shall otherwise advise the parties hereto in writing.

(f) *Notice of Material Events.* It will promptly inform the Insurer in writing of the occurrence of any of the following:

(i) the submission of any claim or the initiation or threat of any legal process, litigation or administrative or judicial investigation, or the initiation of any proceeding or disciplinary proceeding by or against it that (A) it is required to disclose to the Commission (or that it would be required to disclose to the Commission if the Certificates were registered under the Securities Exchange Act and its reporting obligations under the Securities Exchange Act were not suspended) or to its shareholders

or beneficial owners that relates to the Mortgage Loans, the Transaction or RFC's or the Depositor's ability to perform its obligations under any Operative Documents or (B) could result in a Material Adverse Change;

(ii) the promulgation by any governmental agency of any proposed or final rule (but only if it has actual knowledge thereof) which would likely result in a Material Adverse Change;

(iii) any change in its jurisdiction of organization;

(iv) the occurrence of any Default or Event of Default or any Material Adverse Change;

(v) the commencement of any proceedings with respect to RFC or the Depositor under any applicable bankruptcy, reorganization, liquidation, rehabilitation, insolvency or other similar law now or hereafter in effect or of any proceeding in which a receiver, liquidator, conservator, trustee or similar official shall have been, or may be, appointed or requested for it or any of its assets; or

(vi) the receipt by RFC or the Depositor of notice that (A) it is being placed under regulatory supervision, (B) any license, permit, charter, registration or approval materially necessary for the conduct of its business is to be, or may be, suspended or revoked or (C) it is to cease and desist any practice, procedure or policy it employs in the conduct of its business, and such suspension, revocation or cessation may reasonably be expected to result in a Material Adverse Change.

(g) *Financing Statements and Further Assurances.* It will file all necessary financing statements or other instruments, and any amendments or continuation statements relating thereto, necessary to be kept and filed in such manner and in such places as may be required by law to preserve and protect fully the interest of the Trustee in the Trust Fund. Upon the reasonable request of the Insurer, from time to time, it will execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, within ten days of such request, such amendments hereto and such further instruments, and will take or cause to be taken such further action, as may be reasonably necessary to effectuate the intention, performance and provisions of the Operative Documents.

(h) *Maintenance of Licenses.* Each of RFC and the Depositor and any successors thereof, has and shall maintain all licenses, permits, charters and registrations the loss or suspension of which, or the failure to hold which, could reasonably be expected to result in a Material Adverse Change.

(i) *Retirement of Class A Certificates.* RFC and the Depositor shall instruct the Trustee upon a retirement or other payment of all of the Class A Certificates, to surrender the Policy to the Insurer for cancellation.

(j) *Rating Agencies.* It and any of its successors will cooperate with S&P and Moody's in connection with any review of the Transaction that may be undertaken by S&P and Moody's after the date hereof.

(k) *Third-Party Beneficiary.* It agrees that the Insurer shall have all rights provided to the Certificate Insurer in the Operative Documents and that the Insurer will constitute a third-party beneficiary with respect to such rights in respect of the Operative Documents and hereby incorporates and restates its representations, warranties and covenants as set forth therein for the benefit of the Insurer; *provided, however,* that the remedy for any breach of a representation and warranty of RFC in Section 4 of the Assignment Agreement and the remedy with respect to any defective Mortgage Loan or any Mortgage Loan as to which there has been a breach of a representation or warranty under Section 4 or 5 of the Assignment Agreement shall be limited to the remedies specified in the Assignment Agreement.

(l) *Servicing of Mortgage Loans.* All Mortgage Loans will be serviced in all material respects in compliance with the Pooling and Servicing Agreement.

(m) *Due Diligence.* If in the Insurer's reasonable judgment circumstances so warrant, based on the performance of the Transaction, the Insurer shall have the right, so long as the Class A Certificates remain outstanding, to conduct reviews of RFC's practices as Master Servicer through reviews of the Mortgage Loans, reappraisals of Mortgaged Properties and reviews of servicing practices, at the Insurer's expense and in a reasonable manner convenient to both RFC and the Insurer. This due diligence right is in addition to the access provided and the other rights provided for in Section 2.02(e) of this Insurance Agreement.

(n) *Closing Documents; Post Closing Matters.* The Depositor shall cause to be delivered as soon as possible (but in no event later than 120 days of the Closing Date) two closing sets to the Insurer and one closing set to its counsel, which closing sets may be delivered in electronic form and shall include execution copies of each of the Operative Documents other than the Certificates.

(o) *Disclosure Document.* Upon the written direction of the Insurer prior to the delivery of such Offering Document, each Offering Document delivered with respect to the Class A Certificates shall clearly disclose that the Policy is not covered by the property/casualty insurance security fund specified in Article 76 of the New York Insurance Law.

Section 2.03. Negative Covenants of RFC and the Depositor.

Each of RFC and the Depositor hereby agrees that during the term of this Insurance Agreement it will comply with the following covenants, unless the Insurer shall otherwise expressly consent in writing:

(a) *Impairment of Rights.* It will not take any action, or fail to take any action, if such action or failure to take action may result in a material adverse change as described in clause (i) of the definition of Material Adverse Change, or interfere in any material respect with the enforcement of any rights of the Insurer under or with respect to any of the Operative Documents. It will give the Insurer written notice when any event, action or, to its knowledge, omission to act, may result in a material adverse change as described in the definition of Material Adverse Change, on the earlier of: (i) the date upon which any publicly available filing or release is made with respect to such event, action or omission to act and (ii) promptly prior to the date of occurrence of such event, action or failure to act or, if such notice cannot be given at or

before such time, as soon as possible thereafter. It will furnish to the Insurer all information reasonably requested by it that is necessary to demonstrate compliance with this paragraph.

(b) *Waiver, Amendments, Etc.* Except as provided in and in accordance with the Operative Documents, it will not modify, waive or amend, or consent to any modification, waiver or amendment of, any of the terms, provisions or conditions of the Operative Documents to which it is a party (other than any amendment to the Offering Document required by law) without the prior written consent of the Insurer thereto, which consent shall not be unreasonably withheld, conditioned or delayed.

Section 2.04. Representations, Warranties and Covenants of the Insurer.

The Insurer represents, warrants and covenants to each of RFC, the Depositor and the Trustee as follows:

(a) *Organization and Licensing.* The Insurer is duly incorporated, validly existing and in good standing New York as a stock insurance company duly qualified to conduct an insurance business in any jurisdiction where qualification may be necessary to accomplish the Transaction.

(b) *Corporate Power.* The Insurer has the corporate power and authority to issue the Policy and execute and deliver this Insurance Agreement and to perform all of its obligations hereunder and thereunder.

(c) *Authorization; Approvals.* Proceedings legally required for the issuance and execution of the Policy and the execution, delivery and performance of this Insurance Agreement have been taken and licenses, orders, consents or other authorizations or approvals of any governmental boards or bodies legally required for the enforceability of the Policy and the conduct by the Insurer of the business and activities contemplated by the Transaction have been obtained; any proceedings not taken and any licenses, authorizations or approvals not obtained are not material to the enforceability of the Policy.

(d) *Enforceability.* The Policy, when issued, and this Insurance Agreement, will constitute a legal, valid and binding obligation of the Insurer, enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium, receivership and other similar laws affecting creditors' rights generally and to general principles of equity and subject to principles of public policy limiting the right to enforce the indemnification provisions contained therein and herein, insofar as such provisions relate to indemnification for liabilities arising under federal securities laws.

(e) *Financial Information.* The balance sheet of the Insurer as of December 31, 2002, and the related statements of income, stockholder's equity and cash flows for those years, and the accompanying notes, together with an opinion thereon of KPMG LLP, independent certified public accountants, a copy of which is incorporated by reference into the registration statement relating to the Offering Document, fairly present in all material respects the financial condition of the Insurer as of such dates and for the periods covered by such statements in accordance with generally accepted accounting principles consistently applied. The balance sheets of the Insurer as of December 31, 2003 and December 31, 2004, and for the year ended December 31, 2004

and the periods from December 18, 2003 through December 31, 2003, and from January 1, 2003 through December 17, 2003, and the related statements of income and cash flows for the periods, and the accompanying footnotes, together with an opinion thereon of Ernst & Young LLP, independent auditors, a copy of which is incorporated by reference into the registration statement relating to the Offering Document, present fairly in all material respects the financial condition of the Insurer as of such dates and for the periods covered by such statements in accordance with generally accepted accounting principles consistently applied. The unaudited balance sheet of the Insurer as of September 30, 2005 and the related statements of income for the three-month and nine-month periods ended September 30, 2005 and September 30, 2004, and the related statements of cash flows for the nine-month periods ended September 30, 2005 and September 30, 2004, and the accompanying footnotes, a copy of which is incorporated by reference into the registration statement relating to the Offering Document, present fairly in all material respects the financial condition of the Insurer as of such dates and for the periods covered by such statements in accordance with generally accepted accounting principles consistently applied. Since September 30, 2005, there has been no material change in such financial condition of the Insurer that would materially and adversely affect its ability to perform its obligations under the Policy.

(f) *Insurer Information.* The Insurer Information is true and correct in all material respects and does not contain any untrue statement of a material fact.

(g) *No Litigation.* There are no actions, suits, proceedings or investigations pending or, to the best of the Insurer's knowledge, threatened against it at law or in equity or before or by any court, governmental agency, board or commission or any arbitrator which, if decided adversely, would materially and adversely affect its ability to perform its obligations under the Policy or this Insurance Agreement.

(h) *Confidential Information.* The Insurer agrees that it shall comply with the terms of the Confidentiality Agreement dated September 4, 2000, between RFC and the Insurer.

(i) *Compliance with Law, Etc.* No practice, procedure or policy employed, or proposed to be employed, by the Insurer in the conduct of its business violates any law, regulation, judgment, agreement, order or decree applicable to the Insurer that, if enforced, could result in a Material Adverse Change with respect to the Insurer.

ARTICLE III
THE POLICY; REIMBURSEMENT

Section 3.01. Issuance of the Policy.

The Insurer agrees to issue the Policy on the Closing Date subject to satisfaction of the conditions precedent set forth below on or prior to the Closing Date:

(a) [RESERVED];

(b) *Operative Documents.* The Insurer shall have received a copy of each of the Operative Documents, in form and substance reasonably satisfactory to the Insurer, duly authorized, executed and delivered by each party thereto;

(c) [RESERVED];

(d) *Representations and Warranties.* The representations and warranties of RFC and the Depositor made as of the Closing Date and set forth or incorporated by reference in this Insurance Agreement shall be true and correct on and as of the Closing Date as if made on the Closing Date;

(e) *Opinions of Counsel.* The law firm of Mayer, Brown, Rowe & Maw LLP shall have delivered its opinion or opinions of counsel substantially in the form previously reviewed by and found acceptable by the Insurer's counsel; the Insurer shall have received such other opinions of counsel, addressed to the Insurer and in form and substance acceptable to the Insurer, addressing such other matters as the Insurer may reasonably request;

(f) [RESERVED];

(g) *No Litigation, Etc.* No suit, action or other proceeding, investigation or injunction, or final judgment relating thereto, shall be pending or threatened before any court, governmental or administrative agency or arbitrator in which it is sought to restrain or prohibit or to obtain damages or other relief in connection with any of the Operative Documents or the consummation of the Transaction;

(h) *Legality.* No statute, rule, regulation or order shall have been enacted, entered or deemed applicable by any government or governmental or administrative agency or court that would make the Transaction illegal or otherwise prevent the consummation thereof;

(i) *Satisfaction of Conditions of the Underwriting Agreement.* All conditions in the Underwriting Agreement relating to the Underwriters' obligation to purchase the Offered Certificates shall have been satisfied, unless waived by the Underwriters and approved by the Insurer;

(j) *Issuance of Ratings.* The Insurer shall have received confirmation that (i) the Class A Certificates are rated at least "BBB-" by S&P and at least "Baa3" by Moody's, without regard to the Policy, and (ii) the Class A Certificates, when issued, will be rated "AAA" by S&P and "Aaa" by Moody's;

(k) *No Default.* No Default or Event of Default shall have occurred;

(l) *Satisfactory Documentation.* The Insurer and its counsel shall have reasonably determined that all documents, certificates and opinions to be delivered in connection with the Class A Certificates conform to the terms of the Pooling and Servicing Agreement and this Insurance Agreement and the descriptions thereof in the Offering Document.

Section 3.02. Payment of Fees and Premium.

(a) *Legal, Accounting and Due Diligence Fees.* RFC shall pay or cause to be paid to the Insurer, at the Closing Date, legal fees, due diligence expenses and accounting fees incurred by the Insurer in connection with the issuance of the Policy in an amount equal to $35,000.

(b) Premium.

(i) In consideration of the issuance by the Insurer of the Policy, the Insurer shall be entitled to receive the Premium with respect to that Policy, in the amount set forth herein, as and when due and from the funds specified by Section 4.02 of the Pooling and Servicing Agreement.

(ii) The Premiums paid under the Pooling and Servicing Agreement shall be nonrefundable without regard to whether the Insurer makes any payment under any Policy or any other circumstances relating to the Class A Certificates or provision being made for payment of the Class A Certificates prior to maturity.

(c) *Rating Agency Fees.* RFC shall promptly pay the initial fees of S&P and Moody's with respect to the Class A Certificates and the transaction following receipt of a statement with respect thereto. All periodic and subsequent fees of S&P or Moody's with respect to, and directly allocable to, the Class A Certificates shall be for the account of, and shall be billed to, RFC. The fees for any other rating agency shall be paid by the party requesting such other agency's rating unless such other agency is a substitute for S&P or Moody's in the event that S&P or Moody's is no longer rating the Class A Certificates, in which case the fees for such agency shall be paid by RFC.

Section 3.03. Reimbursement Obligation.

(a) As and when due in accordance with and from the funds specified in Section 4.02 of the Pooling and Servicing Agreement, the Insurer shall be entitled to reimbursement for any payment made by the Insurer under the Policy, which reimbursement shall be due and payable on the date that any amount is paid under the Policy, in an amount equal to the amount to be so paid and all amounts previously paid that remain unreimbursed, together with interest on any and all such amounts remaining unreimbursed (to the extent permitted by law, if in respect of any unreimbursed amounts representing interest) from the date such amounts became due until paid in full (after as well as before judgment), at a rate of interest equal to the Late Payment Rate.

(b) Anything in Sections 2.01(1) and 3.03(a) hereof or in any Operative Document to the contrary notwithstanding, the Insurer shall be entitled to full reimbursement from RFC for (i) any payment made under the Policy arising as a result of RFC's failure to substitute for or deposit an amount in respect of any defective Mortgage Loan as required pursuant to Section 4 and Section 5 of the Assignment Agreement, together with interest on any and all such amounts remaining unreimbursed (to the extent permitted by law, if in respect of any such unreimbursed amounts representing interest) from the date such amounts became due until paid in full (after as well as before judgment), at a rate of interest equal to the Late Payment Rate, and (ii) any payment made under the Policy arising as a result of RFC's or the Depositor's failure to pay or deposit any amount required to be paid or deposited pursuant to the Operative Documents, together with interest on any and all such amounts remaining unreimbursed (to the extent permitted by law, if in respect of any such unreimbursed amounts representing interest) from the date such amounts became due until paid in full (after as well as before judgment), at a rate of interest equal to the Late Payment Rate.

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(c) RFC agrees to pay to the Insurer any and all reasonable char expenses that the Insurer may reasonably pay or incur, including reason accountants' fees and expenses, in connection with (i) the enforcement, def of any rights in respect of any of the Operative Documents, including defe participating in any litigation or proceeding (including any insolvency prc any Transaction participant or any affiliate thereof) relating to any of the Operative any party to any of the Operative Documents (in its capacity as such a party) or the Transaction or (ii) any amendment, waiver or other action with respect to, or related to, any Operative Document, whether or not executed or completed. Provided that three Business Days written notice of the intended payment or incurrence shall have been given to RFC by the Insurer, such reimbursement shall be due on the dates on which such charges, fees, costs or expenses are paid or incurred by the Insurer.

(d) RFC agrees to pay to the Insurer interest (without duplication) on any and all amounts described in subsections 3.03(b), 3.03(c) and 3.03(e) and Sections 3.02 and 3.04 from the date such amounts become due or, in the case of subsection 3.03(c) or Section 3.04, are incurred or paid by the Insurer until payment thereof in full (after as well as before judgment), at the Late Payment Rate.

(e) RFC agrees to pay to the Insurer as follows: any payments made by the Insurer on behalf of, or advanced to, RFC or the Depositor including any amounts payable by RFC or the Depositor pursuant to any of the Operative Documents on the date any such payment is made or advanced by the Insurer. Notwithstanding the foregoing, in no event shall the Insurer have any recourse under this subsection against RFC or the Depositor with respect to any payments the Insurer has made in respect of principal or interest distributions on the Class A Certificates (except pursuant to Section 3.03(b) above).

(f) The Insurer shall have no right to set-off payments to be made under the Policy against payments to be made to the Insurer by RFC or the Depositor (or any person or organization acting on their behalf), the Trustee or any Holder or any affiliate, officer or director of any of them.

Section 3.04. Indemnification.

(a) In addition to any and all of the Insurer's rights of reimbursement, indemnification, subrogation and to any other rights of the Insurer pursuant hereto or under law or in equity, RFC and the Depositor agree to pay, and to protect, indemnify and save harmless, the Insurer and its officers, directors, shareholders, employees, agents and each Person, if any, who controls the Insurer within the meaning of either Section 15 of the Securities Act or Section 20 of the Securities Exchange Act from and against, any and all claims, losses, liabilities (including penalties), actions, suits, judgments, demands, damages, costs or expenses (including reasonable fees and expenses of attorneys, consultants and auditors and reasonable costs of investigations) of any nature arising out of or relating to the breach by RFC or the Depositor of any of the representations or warranties contained in Section 2.01 or arising out of or relating to the transactions contemplated by the Operative Documents by reason of:

(i) any omission or action (other than of or by the Insurer) in connection with the offering, issuance or delivery of the Offered Certificates by RFC, the Depositor or the Trustee, other than those covered by subparagraph (v) below;

(ii) the misfeasance or malfeasance of, or gross negligence or theft committed by, any director, officer, employee or agent of RFC, the Depositor or the Trustee in connection with any Transaction arising from or relating to the Operative Documents;

(iii) the violation by RFC or the Depositor of any federal or state law, rule or regulation, or any judgment, order or decree applicable to it, which violation reasonably could result in a material adverse change as described in the definition of Material Adverse Change;

(iv) the breach by RFC or the Depositor of any representation, warranty (other than a representation or warranty in respect of the Mortgage Loans contained in Section 4 of the Assignment Agreement, or covenant under any of the Operative Documents or the occurrence, in respect of RFC or the Depositor, under any of the Operative Documents of any "event of default"; or

(v) any untrue statement or alleged untrue statement of a material fact contained in the Offering Document or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; *provided, however*, that this Section 3.04(a)(v) does not cover the Insurer Information.

(b) The Insurer agrees to pay, and to protect, indemnify and save harmless, RFC and the Depositor and their respective officers, directors, shareholders, employees, agents and each Person, if any, who controls RFC and the Depositor within the meaning of either Section 15 of the Securities Act or Section 20 of the Securities Exchange Act from and against, any and all claims, losses, liabilities (including penalties), actions, suits, judgments, demands, damages, costs or expenses (including reasonable fees and expenses of attorneys, consultants and auditors and reasonable costs of investigations) of any nature arising out of or by reason of (i) any untrue statement or alleged untrue statement of a material fact contained in the Insurer Information or any omission or alleged omission to state in the Insurer Information a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (ii) any failure of the Insurer to make a payment required to be made under the Policy; or (iii) a breach of any of the representations and warranties of the Insurer contained in Section 2.04.

(c) If any action or proceeding (including any governmental investigation) shall be brought or asserted against any Person (individually, an "Indemnified Party" and, collectively, the "Indemnified Parties") in respect of which the indemnity provided in Section 3.04(a) or (b) may be sought from RFC or the Depositor, on the one hand, or the Insurer, on the other (each, an "Indemnifying Party") hereunder, each such Indemnified Party shall promptly notify the Indemnifying Party in writing, and the Indemnifying Party shall assume the defense thereof, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of all expenses. The omission so to notify the Indemnifying Party will not relieve it

from any liability which it may have to any Indemnified Party except to the extent the Indemnifying Party is prejudiced thereby. The Indemnified Party shall have the right to employ separate counsel in any such action and to participate in the defense thereof at the expense of the Indemnified Party; *provided, however*, that the fees and expenses of such separate counsel shall be at the expense of the Indemnifying Party if (i) the Indemnifying Party has agreed in writing to pay such fees and expenses, (ii) the Indemnifying Party shall have failed within a reasonable period of time to assume the defense of such action or proceeding and employ counsel reasonably satisfactory to the Indemnified Party in any such action or proceeding or (iii) the named parties to any such action or proceeding (including any impleaded parties) include both the Indemnified Party and the Indemnifying Party, and the Indemnified Party shall have been advised by counsel that there may be one or more legal defenses available to it which are different from or additional to those available to the Indemnifying Party (in which case, if the Indemnified Party notifies the Indemnifying Party in writing that it elects to employ separate counsel at the expense of the Indemnifying Party, the Indemnifying Party shall not have the right to assume the defense of such action or proceeding on behalf of such Indemnified Party, it being understood, however, that the Indemnifying Party shall not, in connection with any one such action or proceeding or separate but substantially similar or related actions or proceedings in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys at any time for the Indemnified Parties, which firm shall be designated in writing by the Indemnified Party and shall be reasonably satisfactory to the Indemnifying Party). The Indemnifying Party shall not be liable for any settlement of any such action or proceeding effected without its written consent, which consent shall not be unreasonably withheld, conditioned or delayed, but, if settled with its written consent, or if there is a final judgment for the plaintiff in any such action or proceeding with respect to which the Indemnifying Party shall have received notice in accordance with this subsection (c), the Indemnifying Party agrees to indemnify and hold the Indemnified Parties harmless from and against any loss or liability by reason of such settlement or judgment. Notwithstanding anything in this paragraph to the contrary, the consent of such Indemnified Party shall not be required if such settlement fully discharges, with prejudice against the plaintiff, the claim or action against such Indemnified Party.

(d) To provide for just and equitable contribution if the indemnification provided by the Indemnifying Party is determined to be unavailable or insufficient to hold harmless any Indemnified Party (other than due to application of this Section), each Indemnifying Party shall contribute to the losses incurred by the Indemnified Party on the basis of the relative fault of the Indemnifying Party, on the one hand, and the Indemnified Party, on the other hand.

Section 3.05. Payment Procedure.

In the event of any payment by the Insurer, RFC and the Depositor agree to accept the voucher or other evidence of payment as prima facie evidence of the propriety thereof and the liability, if any, described in Section 3.03 therefor to the Insurer. All payments to be made to the Insurer under this Insurance Agreement shall be made to the Insurer in lawful currency of the United States of America in immediately available funds at the notice address for the Insurer as specified in the Servicing Agreement on the date when due or as the Insurer shall otherwise direct by written notice to the other parties hereto. In the event that the date of any payment to the Insurer or the expiration of any time period hereunder occurs on a day that is not a Business

Day, then such payment or expiration of time period shall be made or occur on the next succeeding Business Day with the same force and effect as if such payment was made or time period expired on the scheduled date of payment or expiration date.

Section 3.06. Liability of RFC.

RFC shall be liable for all amounts due and payable by the Depositor to the Insurer hereunder.

ARTICLE IV
FURTHER AGREEMENTS

Section 4.01. Effective Date; Term of the Insurance Agreement.

This Insurance Agreement shall take effect on the Closing Date and shall remain in effect until the later of (a) such time as the Insurer is no longer subject to a claim under the Policy and the Policy shall have been surrendered to the Insurer for cancellation and (b) all amounts payable to the Insurer by RFC or the Depositor hereunder or from any other source hereunder or under the Operative Documents and all amounts payable under the Class A Certificates have been paid in full; *provided, however*, that the provisions of Sections 3.02, 3.03 and 3.04 hereof shall survive any termination of this Insurance Agreement.

Section 4.02. Further Assurances and Corrective Instruments.

(a) Except at such times as a default in payment under the Policy shall exist or shall have occurred, none of RFC, the Depositor or the Trustee shall grant any waiver of rights under any of the Operative Documents to which any of them is a party without the prior written consent of the Insurer, which shall not be unreasonably withheld, conditioned or delayed and any such waiver without prior written consent of the Insurer shall be null and void and of no force or effect.

(b) To the extent permitted by law, each of RFC and the Depositor agrees that it will, from time to time, following good faith negotiations in connection therewith, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as the Insurer may reasonably request and as may be required in the Insurer's reasonable judgment to effectuate the intention of or facilitate the performance of this Insurance Agreement.

Section 4.03. Obligations Absolute.

(a) So long as no Insurer Default shall have occurred and shall have continued beyond any period of cure applicable thereto, the obligations of RFC and the Depositor hereunder shall be absolute and unconditional and shall be paid or performed strictly in accordance with this Insurance Agreement under all circumstances irrespective of:

(i) any lack of validity or enforceability of any of the Operative Documents or the Certificates, or any amendment or other modifications of, or waiver, with respect

to any of the Operative Documents or the Certificates, that have not been approved by the Insurer;

(ii) any exchange or release of any other obligations hereunder;

(iii) the existence of any claim, setoff, defense, reduction, abatement or other right that RFC or the Depositor may have at any time against the Insurer or any other Person;

(iv) any document presented in connection with the Policy proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;

(v) any payment by the Insurer under the Policy against presentation of a certificate or other document that does not strictly comply with terms of that Policy;

(vi) any failure of RFC or the Depositor to receive the proceeds from the sale of the Class A Certificates; and

(vii) any other circumstances, other than payment in full, that might otherwise constitute a defense available to, or discharge of, RFC or the Depositor in respect of any Operative Document.

(b) So long as no Insurer Default shall have occurred and shall have continued beyond any period of cure applicable thereto, RFC and the Depositor and any and all others who are now or may become liable for all or part of the obligations of RFC or the Depositor under this Insurance Agreement, to the extent permitted by law, irrevocably renounce the right to assert as a defense to the performance of their respective obligations each of the following: (i) any and all redemption and exemption rights and the benefit of all valuation and appraisement privileges against the indebtedness and obligations evidenced by any Operative Document or by any extension or renewal thereof; (ii) presentment and demand for payment, notices of nonpayment and of dishonor, protest of dishonor and notice of protest; (iii) all notices in connection with the delivery and acceptance hereof and all other notices in connection with the performance, default or enforcement of any payment hereunder, except as required by the Operative Documents; and (iv) all rights of abatement, diminution, postponement or deduction, or to any defense other than payment, or to any right of setoff or recoupment arising out of any breach under any of the Operative Documents, by any party thereto or any beneficiary thereof, or out of any obligation at any time owing to RFC or the Depositor.

(c) RFC and the Depositor and any and all others who are now or may become liable for all or part of the obligations of RFC or the Depositor under this Insurance Agreement, to the extent permitted by law, agree to be bound by this Insurance Agreement and (i) agree that any consent, waiver or forbearance hereunder with respect to an event shall operate only for such event and not for any subsequent event; (ii) consent to any and all extensions of time that may be granted by the Insurer with respect to any payment hereunder or other provisions hereof and to the release of any security at any time given for any payment hereunder, or any part thereof, with or without substitution, and to the release of any Person or entity liable for any such payment; and (iii) consent to the addition of any and all other makers, endorsers, guarantors and other

obligors for any payment hereunder, and to the acceptance of any and all other security for any payment hereunder, and agree that the addition of any such obligors or security shall not affect the liability of the parties hereto for any payment hereunder.

(d) Nothing herein shall be construed as prohibiting RFC or the Depositor from pursuing any rights or remedies it may have against any Person in a separate legal proceeding.

Section 4.04. Assignments; Reinsurance; Third-Party Rights.

(a) This Insurance Agreement shall be a continuing obligation of the parties hereto and shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither RFC nor the Depositor may assign any of their respective rights under this Insurance Agreement or the Policy, or delegate any of their respective duties hereunder or thereunder, without the prior written consent of the Insurer, which consent shall not be unreasonably withheld. Any assignments made in violation of this Insurance Agreement shall be null and void.

(b) The Insurer shall have the right to give participations in its rights under this Insurance Agreement and to enter into contracts of reinsurance with respect to the Policy upon such terms and conditions as the Insurer may in its discretion determine; *provided, however*, that no such participation or reinsurance agreement or arrangement shall relieve the Insurer of any of its obligations hereunder or under the Policy, nor shall RFC or the Depositor be required to deal directly with any such parties.

(c) Except as provided herein with respect to participants and reinsurers, nothing in this Insurance Agreement shall confer any right, remedy or claim, express or implied, upon any Person, including, particularly, any Holder, other than the Insurer against RFC or the Depositor, or RFC or the Depositor against the Insurer, and all the terms, covenants, conditions, promises and agreements contained herein shall be for the sole and exclusive benefit of the parties hereto and their successors and permitted assigns. Neither the Trustee nor any Holder shall have any right to payment from any Premiums paid or payable hereunder or under the Pooling and Servicing Agreement or from any amounts paid by RFC pursuant to Sections 3.02, 3.03 or 3.04.

Section 4.05. Liability of the Insurer.

Neither the Insurer nor any of its officers, directors or employees shall be liable or responsible for: (a) the use that may be made of the Policy by the Trustee or for any acts or omissions of the Trustee in connection therewith; or (b) the validity, sufficiency, accuracy or genuineness of documents delivered to the Insurer in connection with any claim under the Policy, or of any signatures thereon, even if such documents or signatures should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged (unless the Insurer shall have actual knowledge thereof). In furtherance and not in limitation of the foregoing, the Insurer may accept documents that appear on their face to be in order, without responsibility for further investigation.

ARTICLE V
DEFAULTS AND REMEDIES

Section 5.01. Defaults.

The occurrence of any of the following shall constitute an Event of Default hereunder:

(a) Any representation or warranty made by RFC or the Depositor hereunder or under the Operative Documents, or in any certificate furnished hereunder or under the Operative Documents, shall prove to be untrue or incorrect in any material respect unless remedied within the cure period, if any, provided under the applicable Operative Document; *provided, however,* that a breach of a representation or warranty by RFC or the Depositor under Section 4 of the Assignment Agreement shall not constitute an Event of Default under this Section 5.01(a); *provided, further, however,* that the preceding proviso shall not affect the Insurer's rights as a third party beneficiary under the Pooling and Servicing Agreement or the existence of an Event of Default under Section 5.01(c) or (d) of this Insurance Agreement;

(b) (i) RFC or the Depositor shall fail to pay when due any amount payable by it hereunder or (ii) a legislative body has enacted any law that declares or a court of competent jurisdiction shall find or rule that this Insurance Agreement or any other Operative Document is not valid and binding on RFC or the Depositor; *provided* that, with respect to any law or judicial action within the scope of this clause (ii), RFC and the Depositor shall have 30 days to reinstate the binding effect of this Insurance Agreement or any other Operative Document, and the Insurer agrees to take such actions as may be reasonably requested of it to facilitate the reinstatement of such binding effect;

(c) The occurrence and continuance of an "event of default" or "Event of Default," under any Operative Document;

(d) Any failure on the part of RFC or the Depositor duly to observe or perform in any material respect any other of the covenants or agreements on the part of RFC or the Depositor contained in this Insurance Agreement which continues unremedied for a period of 30 days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to RFC by the Insurer (with a copy to the Trustee) or by the Trustee (with a copy to the Insurer);

(e) A decree or order of a court or agency or supervisory authority having jurisdiction in the premises in an involuntary case under any present or future federal or state bankruptcy, insolvency or similar law or the appointment of a conservator or receiver or liquidator or other similar official in any bankruptcy, insolvency, readjustment of debt, marshaling of assets and liabilities or similar proceedings, or for the winding-up or liquidation of its affairs, shall have been entered against RFC or the Depositor and such decree or order shall have remained in force undischarged or unstayed for a period of 90 consecutive days;

(f) RFC or the Depositor shall consent to the appointment of a conservator or receiver or liquidator or other similar official in any bankruptcy, insolvency, readjustment of debt, marshaling of assets and liabilities or similar proceedings of or relating to RFC or the Depositor or of or relating to all or substantially all of their respective property;

(g) RFC or the Depositor shall become insolvent or admit in writing its inability to pay its debts generally as they become due, file a petition to take advantage of or otherwise voluntarily commence a case or proceeding under any applicable bankruptcy, insolvency, reorganization or other similar statute, make an assignment for the benefit of its creditors or voluntarily suspend payment of its obligations; or

(h) the Trust Fund shall become subject to an entity level tax or to registration as an investment company under the Investment Company Act.

Section 5.02. Remedies; No Remedy Exclusive.

(a) Upon the occurrence of an Event of Default, the Insurer may exercise any one or more of the rights and remedies set forth below:

(i) declare all indebtedness with respect to the Transaction of every type or description then owed by RFC or the Depositor to the Insurer to be immediately due and payable, and the same shall thereupon be immediately due and payable;

(ii) exercise any of its rights and remedies under the Pooling and Servicing Agreement in accordance with the terms thereof or direct the Trustee, RFC and/or the Depositor to exercise their respective rights and remedies under the Operative Documents in accordance with the terms thereof; or

(iii) take whatever action at law or in equity may appear necessary or desirable in its judgment to collect the amounts, if any, then due under this Insurance Agreement or any other Operative Document or to enforce performance and observance of any obligation, agreement or covenant of RFC or the Depositor under this Insurance Agreement or any other Operative Documents.

(b) Unless otherwise expressly provided, no remedy herein conferred or reserved is intended to be exclusive of any other available remedy, but each remedy shall be cumulative and shall be in addition to other remedies given under this Insurance Agreement, the Pooling and Servicing Agreement or the other Operative Documents, or existing at law or in equity. No delay or omission to exercise any right or power accruing under this Insurance Agreement, the Pooling and Servicing Agreement or any other Operative Document, or otherwise, upon the happening of any event set forth in Section 5.01 shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Insurer to exercise any remedy reserved to the Insurer in this Article, it shall not be necessary to give any notice, other than such notice as may be required by this Article.

Section 5.03. Waivers.

(a) No failure by the Insurer to exercise, and no delay by the Insurer in exercising, any right hereunder shall operate as a waiver thereof. The exercise by the Insurer of any right hereunder shall not preclude the exercise of any other right, and the remedies provided herein to the Insurer are declared in every case to be cumulative and not exclusive of any remedies provided by law or equity.

(b) The Insurer shall have the right, to be exercised in its complete discretion, to waive any Event of Default hereunder, by a writing setting forth the terms, conditions and extent of such waiver signed by the Insurer and delivered to RFC. Unless such writing expressly provides to the contrary, any waiver so granted shall extend only to the specific event or occurrence which gave rise to the Event of Default so waived and not to any other similar event or occurrence which occurs subsequent to the date of such waiver.

ARTICLE VI
MISCELLANEOUS

Section 6.01. Amendments, Etc.

This Insurance Agreement may be amended, modified, supplemented or terminated only by written instrument or written instruments signed by the parties hereto. RFC agrees to provide a copy of any amendment to this Insurance Agreement promptly to the Trustee and the rating agencies maintaining a rating on the Offered Certificates. No act or course of dealing shall be deemed to constitute an amendment, modification, supplement or termination hereof.

Section 6.02. Notices.

All demands, notices and other communications to be given hereunder shall be in writing (except as otherwise specifically provided herein) and shall be mailed by registered mail or personally delivered and telecopied to the recipient as follows:

(a) To the Insurer:

Financial Guaranty Insurance Company
125 Park Avenue
New York, New York 10017
Attention: Structured Finance Surveillance
Facsimile: (212) 312-3231
Confirmation: (800) 352-0001

(in each case in which notice or other communication to the Insurer refers to an Event of Default, a claim on the Policy or with respect to which failure on the part of the Insurer to respond shall be deemed to constitute consent or acceptance, then a copy of such notice or other communication should also be sent to the attention of the general counsel of each of RFC, the Insurer and the Trustee and, in all cases, both any original and all copies shall be marked to indicate "URGENT MATERIAL ENCLOSED.")

(b) To RFC:

Residential Funding Corporation
8400 Normandale Lake Boulevard
Suite 250
Minneapolis, MN 55437

Attention: Managing Director Structured Finance
Facsimile: (952) 857-7442
Confirmation: (952) 857-7000

Notice to RFC shall also constitute notice to the Depositor to the extent the party providing such notice is required to provide notice to both parties (in each case in which notice or other communication to RFC refers to an Event of Default, a claim against RFC or the Depositor or with respect to which failure on the part of RFC or the Depositor to respond shall be deemed to constitute consent or acceptance, then a copy of such notice or other communication should also be sent to the attention of the general counsel of each of RFC, the Insurer and the Trustee and, in all cases, both any original and all copies shall be marked to indicate "URGENT MATERIAL ENCLOSED.").

(c) To the Trustee, at its Corporate Trust Office; and

(d) To the Depositor:

Residential Asset Mortgage Products, Inc.
8400 Normandale Lake Boulevard, Suite 250
Minneapolis, Minnesota 55437
Attention: President (RAMP)
Facsimile: (952) 857-7442
Confirmation: (952) 857-7048

A party may specify an additional or different address or addresses by writing mailed or delivered to the other parties as aforesaid. All such notices and other communications shall be effective upon receipt.

Section 6.03. Severability.

In the event that any provision of this Insurance Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, the parties hereto agree that such holding shall not invalidate or render unenforceable any other provision hereof. The parties hereto further agree that the holding by any court of competent jurisdiction that any remedy pursued by any party hereto is unavailable or unenforceable shall not affect in any way the ability of such party to pursue any other remedy available to it.

Section 6.04. Governing Law.

This Insurance Agreement shall be governed by and construed in accordance with the laws of the State of New York (without giving effect to the conflict of laws provisions thereof other than Sections 5-1401 and 5-1402 of the General Obligations Law, which the parties hereto expressly rely upon as the governing law hereunder).

Section 6.05. Consent to Jurisdiction.

(a) The parties hereto hereby irrevocably submit to the non-exclusive jurisdiction of the United States District Court for the Southern District of New York and any court in the State of New York located in the City and County of New York, and any appellate court from any thereof, in any action, suit or proceeding brought against it and to or in connection with any of the Operative Documents or the Transaction or for recognition or enforcement of any judgment, and the parties hereto hereby irrevocably and unconditionally agree that all claims in respect of any such action or proceeding may be heard or determined in such New York state court or, to the extent permitted by law, in such federal court. The parties hereto agree that a final unappealable judgment in any such action, suit or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. To the extent permitted by applicable law, the parties hereto hereby waive and agree not to assert by way of motion, as a defense or otherwise in any such suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of such courts, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that the related documents or the subject matter thereof may not be litigated in or by such courts.

(b) To the extent permitted by applicable law, the parties hereto shall not seek and hereby waive the right to any review of the judgment of any such court by any court of any other nation or jurisdiction which may be called upon to grant an enforcement of such judgment.

(c) Nothing contained in this Insurance Agreement shall limit or affect any party's right to serve process in any other manner permitted by law or to start legal proceedings relating to any of the Operative Documents against any other party or its properties in the courts of any jurisdiction.

Section 6.06. Consent of the Insurer.

In the event that the consent of the Insurer is required under any of the Operative Documents, the determination whether to grant or withhold such consent shall be made by the Insurer in its sole discretion without any implied duty towards any other Person, except as otherwise expressly provided therein, and such consent is only effective when and if given by the Insurer in writing.

Section 6.07. Counterparts.

This Insurance Agreement may be executed in counterparts by the parties hereto, and all such counterparts shall constitute one and the same instrument.

Section 6.08. Headings.

The headings of Articles and Sections and the Table of Contents contained in this Insurance Agreement are provided for convenience only. They form no part of this Insurance Agreement and shall not affect its construction or interpretation.

Confidential

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, all as of the day and year first above mentioned.

FINANCIAL GUARANTY INSURANCE COMPANY,
as Insurer

By:_____
Name:
Title:

RESIDENTIAL FUNDING CORPORATION,
as Master Servicer

By:_____
Name: Pieter VanZyl
Title: Associate

RESIDENTIAL ASSET MORTGAGE PRODUCTS, INC.,
as Depositor

By:_____
Name: Joseph Orning
Title: Vice President

JPMORGAN CHASE BANK, N.A.
as Trustee

By:_____
Name:
Title:

Confidential

CONFIDENTIAL

Confidential

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, all as of the day and year first above mentioned.

FINANCIAL GUARANTY INSURANCE COMPANY,
as Insurer

By:_____
Name:
Title:

RESIDENTIAL FUNDING CORPORATION,
as Master Servicer

By:_____
Name:
Title:

RESIDENTIAL ASSET MORTGAGE PRODUCTS, INC.,
as Depositor

By:_____
Name:
Title:

JPMORGAN CHASE BANK, N.A.
as Trustee

By:_____
Name: Joanne Murray
Title: Asst. Vice President

Confidential

CONFIDENTIAL

RC00067500

Exhibit 94

EXECUTION COPY

MBIA INSURANCE CORPORATION,
as Insurer,

GMAC MORTGAGE, LLC,
as Seller and Servicer,

WALNUT GROVE MORTGAGE LOAN TRUST 2003-A,
as Seller,

GMACM HOME EQUITY LOAN TRUST 2007-HE1,
as Issuer,

RESIDENTIAL ASSET MORTGAGE PRODUCTS, INC.,
as Depositor,

WILMINGTON TRUST COMPANY,
as Owner Trustee,

and

THE BANK OF NEW YORK TRUST COMPANY, N.A.,
as Indenture Trustee

INSURANCE AGREEMENT

$1,185,871,000
GMACM Home Equity Loan Trust 2007-HE1
GMACM Home Equity Loan-Backed Term Notes, Series 2007-HE1
Class A-1, Class A-2, Class A-3, Class A-4 and Class A-5

Dated as of March 1, 2007

4840-8084-4289.2

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INSURANCE AGREEMENT

This INSURANCE AGREEMENT (this "Insurance Agreement"), dated as of March 1, 2007 by and among **MBIA INSURANCE CORPORATION,** as Insurer (the "Insurer"), **GMAC MORTGAGE, LLC** ("GMACM"), as Seller and Servicer, **WALNUT GROVE MORTGAGE LOAN TRUST 2003-A** ("Walnut Grove"), as Seller, **GMACM HOME EQUITY LOAN TRUST 2007-HE1** (the "Issuer"), as Issuer, **RESIDENTIAL ASSET MORTGAGE PRODUCTS, INC.** (the "Depositor"), as Depositor, **WILMINGTON TRUST COMPANY** (the "Owner Trustee"), as Owner Trustee and **THE BANK OF NEW YORK TRUST COMPANY, N.A.** (the "Indenture Trustee"), as Indenture Trustee.

RECITALS

WHEREAS, GMACM, as Seller, and Walnut Grove, as Seller, have sold and assigned their respective interests to the Depositor, and the Depositor has accepted from GMACM the sale and assignment of such interests, in the Initial Mortgage Loans pursuant to the Mortgage Loan Purchase Agreement dated as of March 29, 2007 (the "Purchase Agreement"), by and among the Depositor, GMACM, Walnut Grove, the Issuer and the Indenture Trustee;

WHEREAS, GMACM and Walnut Grove may sell and assign its respective interests to the Issuer, and the Issuer intends to accept from GMACM and Walnut Grove the sale and assignment of such interests, in certain Subsequent Mortgage Loans pursuant to the Purchase Agreement and any related Subsequent Transfer Agreement;

WHEREAS, a Servicing Agreement dated as of March 29, 2007, by and among GMACM, as Servicer, the Issuer and the Indenture Trustee (as may be amended, modified or supplemented from time to time as set forth therein, the "Servicing Agreement") provides for the administration and servicing of the Mortgage Loans;

WHEREAS, a Trust Agreement dated as of March 29, 2007, by and between the Depositor and the Owner Trustee (as may be amended, modified or supplemented from time to time as set forth therein, the "Trust Agreement") provides for, among other things, the formation of the GMACM Home Equity Loan Trust 2007-HE1 (the "Issuer" or the "Trust"), the sale of the Initial Mortgage Loans by the Depositor to the Issuer and the issuance of GMACM Home Equity Loan-Backed Certificates, Series 2007-HE1 (the "Certificates") representing undivided beneficial ownership interests in the Trust;

WHEREAS, an Indenture dated as of March 29, 2007 (the "Indenture"), by and between the Issuer and the Indenture Trustee (as may be amended, modified or supplemented from time to time as set forth therein, the "Indenture") provides for, among other things, the issuance of the $1,185,871,000 GMACM Home Equity Loan Trust 2007-HE1 GMACM Home Equity Loan-Backed Term Notes, Series 2007-HE1 Class A-1, Class A-2, Class A-3, Class A-4 and Class A-5 (the "Notes"), representing indebtedness of the Trust;

WHEREAS, the Notes will be secured by all of the Issuer's right, title and interest in the Initial Mortgage Loans, the Subsequent Mortgage Loans and certain other accounts and funds;

WHEREAS, the Insurer has issued the Policy, pursuant to which it has agreed to pay in favor of the Indenture Trustee on behalf of the Issuer and for the benefit of the Owners of the Notes certain payments as set forth in the Policy;

WHEREAS, the Insurer shall be paid a Premium as set forth herein; and

WHEREAS, each of GMACM, Walnut Grove, the Issuer and the Depositor has undertaken certain obligations in consideration for the Insurer's issuance of the Policy;

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

The terms defined in this Article I shall have the meanings provided herein for all purposes of this Insurance Agreement, unless the context clearly requires otherwise, in both singular and plural form, as appropriate. Unless the context clearly requires otherwise, all capitalized terms used herein and not otherwise defined in this Article I shall have the meanings assigned to them in Appendix A to the Indenture. All words used herein shall be construed to be of such gender or number as the circumstances require. This "Insurance Agreement" shall mean this Insurance Agreement as a whole and as the same may, from time to time hereafter, be amended, supplemented or modified. The words "herein," "hereby," "hereof," "hereto," "hereinabove" and "hereinbelow," and words of similar import, refer to this Insurance Agreement as a whole and not to any particular paragraph, clause or other subdivision hereof, unless otherwise specifically noted.

"*Business Day*" means any day other than (i) a Saturday or a Sunday or (ii) a day on which the Insurer is closed or a day on which banking institutions in New York City or in the city in which the corporate trust office of the Indenture Trustee is located are authorized or obligated by law or executive order to close.

"*Certificates*" means the GMACM Home Equity Loan-Backed Certificates, Series 2007-HE1 issued pursuant to the Trust Agreement.

"*Closing Date*" means March 29, 2007.

"*Commission*" means the Securities and Exchange Commission.

"*Custodial Agreement*" means the Custodial Agreement dated as of March 29, 2007 between the Indenture Trustee, the Issuer, GMACM, as Servicer, and the Custodian, as the Custodian, as the same may be amended or supplemented from time to time in accordance with the terms thereof.

"*Custodian*" means GMAC Bank.

"*Default*" means any event which results, or which with the giving of notice or the lapse of time or both would result, in an Event of Default.

"*Depositor Documents*" has the meaning in Section 2.04(i).

"*Event of Default*" means any event of default specified in Section 5.01 of this Insurance Agreement.

"*Financial Statements*" means, with respect to GMACM, the consolidated statements of financial condition and the statements of operations, stockholders' equity and cash flows and the notes thereto which have been provided to the Insurer.

"*Fiscal Agent*" means the Fiscal Agent, if any, designated pursuant to the terms of the Policy.

"*GMACM*" means GMAC Mortgage, LLC, as a Seller under the Purchase Agreement and Servicer under the Servicing Agreement and the Custodial Agreement, and any successor thereto under any of these agreements.

"*GMACM Documents*" has the meaning in Section 2.01(j).

"*GMACM Information*" has the meaning in Section 3.05A(a).

"*Indenture*" has the meaning in the Recitals.

"*Indenture Trustee*" means The Bank of New York Trust Company, N.A., a national banking association, as Indenture Trustee under the Indenture, and any successor to the Indenture Trustee under the Indenture.

"*Insurance Agreement*" has the meaning in the initial paragraph hereof.

"*Insurer*" means MBIA Insurance Corporation or any successor thereto, as the issuer of the Policy.

"*Insurer Information*" shall have the meaning in Section 2.12A hereof.

"*Investment Company Act*" means the Investment Company Act of 1940, including, unless the context otherwise requires, the rules and regulations thereunder, as amended.

"*Issuer*" has the meaning in the Recitals.

"*Late Payment Rate*" means, for any date of determination, the rate of interest as it is publicly announced by Citibank, N.A. at its principal office in New York, New York as its prime rate (any change in such prime rate of interest to be effective on the date such change is announced by Citibank, N.A.) plus 3%. The Late Payment Rate shall be applied to the amounts due and owing the Insurer hereunder and computed on the basis of a year of 365 days and calculating the actual number of days elapsed. In no event shall the Late Payment Rate exceed the maximum rate permissible under any applicable law limiting interest rates.

"*Liabilities*" shall have the meaning in Section 3.04(a) hereof.

"*Material Adverse Change*" means, in respect of any Person, a material adverse change in the ability of such Person to perform its obligations under any of the Transaction Documents, including any material adverse change in the business, financial condition, results of operations or properties of such Person on a consolidated basis with its subsidiaries which might have such effect.

"*Moody's*" means Moody's Investors Service, Inc., a Delaware corporation, and any successor thereto, and, if such corporation shall for any reason no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized rating agency designated by the Insurer.

"*Note*" means any one of the Securities designated as a Note, substantially in the form of Exhibit A-1 or A-2 to the Indenture.

"*Offering Documents*" means the Prospectus dated December 4, 2006, the Preliminary Prospectus Supplement thereto dated March 22, 2007 (as supplemented by the Supplement dated March 26, 2007) and the Prospectus Supplement thereto dated March 28, 2007, in respect of the Notes (and any amendment or supplement thereto) and any other offering document in respect of the Securities prepared by or on behalf of GMACM that makes reference to the Policy.

"*Owner Trustee*" means Wilmington Trust Company, a banking corporation organized and existing under the laws of Delaware, as owner trustee under the Trust Agreement, and any successor thereto under the Trust Agreement.

"*Owners*" means registered holders of the Notes.

"*Person*" means an individual, joint stock company, trust, unincorporated association, joint venture, corporation, business or owner trust, limited liability company, partnership or other organization or entity (whether governmental or private).

"*Policy*" means the Note Guaranty Insurance Policy No. 493870 issued by the Insurer in favor of the Indenture Trustee, for the benefit of the Owners.

"*Premium*" means the premium payable in accordance with Section 3.02 hereof.

"*Premium Letter*" means the Premium Letter from the Insurer to GMACM dated March 29, 2007.

"*Premium Percentage*" shall have the meaning ascribed to such term in Section 3.02 hereof.

"*Purchase Agreement*" has the meaning given such term in the Recitals.

"*Registration Statement*" means the registration statement on Form S-3, including the form of prospectus, relating to the Notes, as amended or supplemented to the date hereof.

"*Regulation AB*" means Subpart 229.1100 – Asset Backed Securities (Regulation AB), 17 C.F.R. §§229.1100-229.1123, as such may be amended from time to time, and subject to such clarification and interpretation as have been provided by the Commission in the adopting release (Asset-Backed Securities, Securities Act Release No. 33-8518, 70 Fed. Reg. 1,506, 1,531 (Jan. 7, 2005)) or by the staff of the Commission, or as may be provided by the Commission or its staff from time to time.

"*Securities*" means the Notes and the Certificates.

"*Securities Act*" means the Securities Act of 1933, including, unless the context otherwise requires, the rules and regulations thereunder, as amended from time to time.

"*Securities Exchange Act*" means the Securities Exchange Act of 1934, including, unless the context otherwise requires, the rules and regulations thereunder, as amended from time to time.

"*Servicing Agreement*" has the meaning given to such term in the Recitals.

"*S&P*" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., and any successor thereto, and, if such corporation shall for any reason no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized rating agency designated by the Insurer.

"*Term of the Insurance Agreement*" shall be determined as provided in Section 4.01 hereof.

"*Transaction*" means the transactions contemplated by the Transaction Documents, including the transactions described in the Offering Documents.

"*Transaction Documents*" means this Insurance Agreement, the Premium Letter, the Indenture, the Servicing Agreement, the Offering Documents, the Securities, the Purchase Agreement, the Underwriting Agreement, the Custodial Agreement, the Indemnification Agreement and each Subsequent Transfer Agreement.

"*Trust*" means the GMACM Home Equity Loan Trust 2007-HE1 created pursuant to the Trust Agreement.

"*Trust Indenture Act*" means the Trust Indenture Act of 1939, including, unless the context otherwise requires, the rules and regulations thereunder, as amended from time to time.

"*Underwriters*" means Greenwich Capital Markets, Inc., J.P. Morgan Securities Inc. and Residential Funding Securities, LLC.

"*Underwriter Information*" means the statements under the caption "UNDERWRITING" in the Prospectus Supplement, insofar as such information relates to the Underwriters.

"*Underwriting Agreement*" means the Underwriting Agreement between the Depositor and the Underwriters with respect to the offer and sale of the Notes, as the same may be amended from time to time.

ARTICLE II

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 2.01. Representations and Warranties of GMACM. GMACM represents and warrants as of the Closing Date, and as of the date of each transfer of a Subsequent Mortgage Loan to the Trust pursuant to the related Subsequent Transfer Agreement, as follows:

(a) *Due Organization and Qualification.* GMACM is duly organized, validly existing and in good standing under the laws of its organization. GMACM is, or will become, duly qualified to do business, is, or will be, in good standing and has obtained, or will obtain, all necessary licenses, permits, charters, registrations and approvals (together, "approvals") necessary for the conduct of its business as currently conducted and as described in the Offering Documents and the performance of its obligations under the Transaction Documents to which it is a party in each jurisdiction in which the failure to be so qualified or to obtain such approvals would render any Transaction Document to which it is a party unenforceable in any respect or would have a material adverse effect upon the Transaction, the Owners or the Insurer.

(b) *Power and Authority.* GMACM has all necessary power and authority to conduct its business as currently conducted and as described in the Offering Documents, to execute, deliver and perform its obligations under the Transaction Documents to which it is a party and to consummate the Transaction.

(c) *Due Authorization.* The execution, delivery and performance of the Transaction Documents to which it is a party by GMACM have been duly authorized by all necessary action and do not require any additional approvals or consents of, or other action by or any notice to or filing with, any Person, including, without limitation, any governmental entity or any of the stockholders of GMACM, which have not previously been obtained or given by GMACM.

(d) *Noncontravention.* The execution and delivery by GMACM of the Transaction Documents to which it is a party, the consummation of the Transaction and the satisfaction of the terms and conditions of the Transaction Documents to which it is a party do not and will not:

(i) conflict with or result in any breach or violation of any provision of the applicable organizational documents of GMACM or any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award currently in effect having applicability to GMACM or any of its material properties, including regulations issued by any administrative agency or other governmental authority having supervisory powers over GMACM, which

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conflict, breach or violation might reasonably result in a Material Adverse Change;

(ii) constitute a default by GMACM under, result in the acceleration of any obligation under, or breach any provision of any loan agreement, mortgage, indenture or other agreement or instrument to which GMACM is a party or by which any of its properties is or may be bound or affected, which default, acceleration or breach reasonably could result in a Material Adverse Change; or

(iii) result in or require the creation of any lien upon or in respect of any assets of GMACM, which lien reasonably could result in a Material Adverse Change, other than any lien created by the Transaction Documents.

(e) *Legal Proceedings*. There is no action, proceeding or investigation by or before any court, governmental or administrative agency or arbitrator against or affecting GMACM or any of its subsidiaries, any properties or rights of GMACM or any of its subsidiaries or any of the Mortgage Loans pending or, to GMACM's knowledge after reasonable inquiry, threatened, which, in any case, if decided adversely to GMACM or any such subsidiary could reasonably be expected to result in a Material Adverse Change with respect to GMACM.

(f) *Valid and Binding Obligations*. The Transaction Documents (other than the Securities) to which it is a party, when executed and delivered by GMACM, will constitute the legal, valid and binding obligations of GMACM enforceable in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and general equitable principles and public policy considerations as to rights of indemnification for violations of federal securities laws.

(g) *Financial Statements*. The Financial Statements of GMACM, copies of which have been furnished to the Insurer, (i) are, as of the dates and for the periods referred to therein, complete and correct in all material respects, (ii) present fairly the financial condition and results of operations of GMACM as of the dates and for the periods indicated and (iii) have been prepared in accordance with generally accepted accounting principles consistently applied, except as noted therein (subject as to interim statements to normal year-end adjustments). Since the date of the most recent Financial Statements, there has been no Material Adverse Change in respect of GMACM. Except as disclosed in the Financial Statements, GMACM is not subject to any contingent liabilities or commitments that, individually or in the aggregate, have a material possibility of causing a Material Adverse Change in respect of GMACM.

(h) *Compliance With Law, Etc.* No practice, procedure or policy employed, or proposed to be employed, by GMACM in the conduct of its business violates any law, regulation, judgment, agreement, order or decree applicable to GMACM that, if enforced, could result in a Material Adverse Change with respect to GMACM.

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(i) *Taxes* . GMACM has filed prior to the date hereof all federal and state tax returns that are required to be filed and has paid all taxes, including any assessments received by it that are not being contested in good faith, to the extent that such taxes have become due. Any taxes, fees and other governmental charges payable by GMACM in connection with the Transaction, the execution and delivery of the Transaction Documents to which it is a party and the issuance of the Securities have been paid or shall have been paid at or prior to the Closing Date if such taxes, fees or other governmental charges were due on or prior to the Closing Date.

(j) *Accurac y of Information.* Neither the information supplied by GMACM contained in the Transaction Documents to which it is a party nor other material information relating to the Mortgage Loans, the operations of GMACM or the financial condition of GMACM (collectively, the "GMACM Documents"), as amended, supplemented or superseded, furnished to the Insurer by GMACM in writing or in electronic form by GMACM contains any statement of a material fact made by GMACM which was untrue or misleading in any material respect as of the date reflected therein. GMACM has no knowledge of any circumstances that could reasonably be expected to cause a Material Adverse Change with respect to GMACM. Since the furnishing of the GMACM Documents, there has been no change nor any development or event involving a prospective change known to GMACM that would render any of the GMACM Documents untrue or misleading in any material respect as of the Closing Date.

(k) *OH&S Opinion.* (i) The factual assumptions in the Orrick, Herrington & Sutcliffe LLP true sale opinion dated as of March 29, 2007 (the "OH&S Opinion") remain true and accurate.

(ii) The Mortgage Loans sold by Walnut Grove pursuant to the Purchase Agreement (as defined herein) were previously sold to Walnut Grove Funding, Inc. ("WG Funding") pursuant to the Purchase Agreement, as defined in the OH&S Opinion and WG Funding, in turn, transferred such Mortgage Loans to Walnut Grove pursuant to a Trust Agreement, dated as of January 31, 2003, between WG Funding, as Depositor and Wilmington Trust Company, as Owner Trustee (the "WG Trust Agreement").

(iii) Any interest of WG Funding, Walnut Grove or any party to the Purchase Agreement (as defined in the OH&S Opinion) in the Mortgage Loans sold by Walnut Grove pursuant to the Purchase Agreement (as defined herein), which interest is derived from the Purchase Agreement (as defined in the OH&S Opinion) or the WG Trust Agreement, has been released.

(iv) Walnut Grove retains no residual interest in the Mortgage Loans sold by Walnut Grove.

(l) Reserved.

(m) *Transaction Documents.* Each of the representations and warranties of GMACM contained in the Transaction Documents to which it is a party is true and correct in all material respects as of the date reflected therein, and GMACM hereby

makes each such representation and warranty to, and for the benefit of, the Insurer as if the same were set forth in full herein; provided, however, that the remedy for any breach of a representation and warranty of GMACM in Section 3.1 of the Purchase Agreement and the remedy with respect to any defective Mortgage Loans under Section 3.1 of the Purchase Agreement shall be limited to the remedies specified in the Purchase Agreement.

(n) *Solvency; Fraudulent Conveyance.* GMACM is solvent and will not be rendered insolvent by the Transaction and, after giving effect to the Transaction, GMACM will not be left with an unreasonably small amount of capital with which to engage in the ordinary course of its business, and GMACM does not intend to incur, or believe that it has incurred, debts beyond its ability to pay as they mature. GMACM does not contemplate the commencement of insolvency, bankruptcy, liquidation or consolidation proceedings or the appointment of a receiver, liquidator, conservator, trustee or similar official in respect of GMACM or any of its assets. The amount of consideration being received by GMACM upon the sale of the Initial Mortgage Loans to the Depositor constitutes reasonably equivalent value and fair consideration. GMACM is not transferring the Initial Mortgage Loans to the Depositor, as provided in the Transaction Documents, with any intent to hinder, delay or defraud any of GMACM's creditors.

(o) *Principal Place of Business.* The principal place of business of GMACM is located in Horsham, Pennsylvania, and GMACM is a limited liability company organized under the laws of Delaware. "GMAC Mortgage, LLC" is the correct legal name of GMACM indicated on the public records of GMACM's jurisdiction which shows GMACM to be organized.

Section 2.02. Representations and Warranties of Walnut Grove. Walnut Grove represents and warrants as of the Closing Date, and as of the date of each transfer of a Subsequent Mortgage Loan to the Trust pursuant to the related Subsequent Transfer Agreement, as follows:

(a) *Due Organization and Qualification.* Walnut Grove is a trust duly organized, validly existing and in good standing under the laws of State of Delaware. Walnut Grove is, or will become, duly qualified to do business, is, or will be, in good standing and has obtained, or will obtain, all necessary licenses, permits, charters, registrations and approvals (together, "approvals") necessary for the conduct of its business as currently conducted and as described in the Offering Documents and the performance of its obligations under the Transaction Documents to which it is a party in each jurisdiction in which the failure to be so qualified or to obtain such approvals would render any Transaction Document to which it is a party unenforceable in any respect or would have a material adverse effect upon the Transaction, the Owners or the Insurer.

(b) *Power and Authority.* Walnut Grove has all necessary power and authority to conduct its business as currently conducted and as described in the Offering Documents, to execute, deliver and perform its obligations under the Transaction Documents to which it is a party and to consummate the Transaction.

(c) *Due Authorization.* The execution, delivery and performance of the Transaction Documents to which it is a party by Walnut Grove have been duly authorized by all necessary action and do not require any additional approvals or consents of, or other action by or any notice to or filing with, any Person, including, without limitation, any governmental entity or any of the beneficiaries of Walnut Grove, which have not previously been obtained or given by Walnut Grove.

(d) *Noncontravention.* The execution and delivery by Walnut Grove of the Transaction Documents to which it is a party, the consummation of the Transaction and the satisfaction of the terms and conditions of the Transaction Documents to which it is a party do not and will not:

(i) conflict with or result in any breach or violation of any provision of the applicable organizational documents of Walnut Grove or any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award currently in effect having applicability to Walnut Grove or any of its material properties, including regulations issued by any administrative agency or other governmental authority having supervisory powers over Walnut Grove, which conflict, breach or violation might reasonably result in a Material Adverse Change;

(ii) constitute a default by Walnut Grove under, result in the acceleration of any obligation under, or breach any provision of any loan agreement, mortgage, indenture or other agreement or instrument to which Walnut Grove is a party or by which any of its properties is or may be bound or affected, which default, acceleration or breach reasonably could result in a Material Adverse Change; or

(iii) result in or require the creation of any lien upon or in respect of any assets of Walnut Grove, which lien reasonably could result in a Material Adverse Change, other than any lien created by the Transaction Documents.

(e) *Legal Proceedings.* There is no action, proceeding or investigation by or before any court, governmental or administrative agency or arbitrator against or affecting Walnut Grove, any properties or rights of Walnut Grove or any of the Mortgage Loans pending or, to Walnut Grove's knowledge after reasonable inquiry, threatened, which, in any case, if decided adversely to Walnut Grove could reasonably be expected to result in a Material Adverse Change with respect to Walnut Grove.

(f) *Valid and Binding Obligations.* The Transaction Documents (other than the Securities) to which it is a party, when executed and delivered by Walnut Grove, will constitute the legal, valid and binding obligations of Walnut Grove enforceable in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and general equitable principles and public policy considerations as to rights of indemnification for violations of federal securities laws.

(g) *Compliance With Law, Etc.* No practice, procedure or policy employed, or proposed to be employed, by Walnut Grove in the conduct of its business violates any law, regulation, judgment, agreement, order or decree applicable to Walnut Grove that, if enforced, could result in a Material Adverse Change with respect to Walnut Grove.

(h) *Taxes.* Walnut Grove has filed prior to the date hereof all federal and state tax returns that are required to be filed and has paid all taxes, including any assessments received by it that are not being contested in good faith, to the extent that such taxes have become due. Any taxes, fees and other governmental charges payable by Walnut Grove in connection with the Transaction, the execution and delivery of the Transaction Documents to which it is a party and the issuance of the Securities have been paid or shall have been paid at or prior to the Closing Date if such taxes, fees or other governmental charges were due on or prior to the Closing Date.

(i) *Reserved.*

(j) *Transaction Documents.* Each of the representations and warranties of Walnut Grove contained in the Transaction Documents to which it is a party is true and correct in all material respects as of the date reflected therein, and Walnut Grove hereby makes each such representation and warranty to, and for the benefit of, the Insurer as if the same were set forth in full herein; provided, however, that the remedy for any breach of a representation and warranty of Walnut Grove in Section 3.1 of the Purchase Agreement and the remedy with respect to any defective Mortgage Loans under Section 3.1 of the Purchase Agreement shall be limited to the remedies specified in the Purchase Agreement.

(k) *Solvency; Fraudulent Conveyance.* Walnut Grove is solvent and will not be rendered insolvent by the Transaction and, after giving effect to the Transaction, Walnut Grove will not be left with an unreasonably small amount of capital with which to engage in the ordinary course of its business, and Walnut Grove does not intend to incur, or believe that it has incurred, debts beyond its ability to pay as they mature. Walnut Grove does not contemplate the commencement of insolvency, bankruptcy, liquidation or consolidation proceedings or the appointment of a receiver, liquidator, conservator, trustee or similar official in respect of Walnut Grove or any of its assets. The amount of consideration being received by Walnut Grove upon the sale of the Initial Mortgage Loans to the Depositor constitutes reasonably equivalent value and fair consideration. Walnut Grove is not transferring the Initial Mortgage Loans to the Depositor, as provided in the Transaction Documents, with any intent to hinder, delay or defraud any of Walnut Grove's creditors.

(l) *Principal Place of Business.* The principal place of business of Walnut Grove is located in Wilmington, Delaware, and Walnut Grove is a statutory trust organized under the laws of the State of Delaware. "Walnut Grove Mortgage Loan Trust 2003-A" is the correct legal name of Walnut Grove indicated on the public records of Walnut Grove's jurisdiction which shows Walnut Grove to be organized.

Section 2.03. Representations and Warranties of the Issuer. The Issuer represents and warrants as of the Closing Date, and as of the date of each transfer of a Subsequent Mortgage Loan to the Trust pursuant to the related Subsequent Transfer Agreement, as follows:

(a) *Due Organization and Qualification.* The Issuer is a statutory trust duly organized, validly existing and in good standing under the laws of Delaware. The Issuer is, or will become, duly qualified to do business, is, or will be, in good standing and has obtained, or will obtain, all necessary licenses, permits, charters, registrations and approvals (together, "approvals") necessary for the conduct of its business as currently conducted and as described in the Offering Documents and the performance of its obligations under the Transaction Documents to which it is a party in each jurisdiction in which the failure to be so qualified or to obtain such approvals would render any Transaction Document to which it is a party unenforceable in any respect or would have a material adverse effect upon the Transaction.

(b) *Power and Authority.* The Issuer has all necessary power and authority to conduct its business as currently conducted and as described in the Offering Documents, to execute, deliver and perform its obligations under the Transaction Documents to which it is a party and to consummate the Transaction.

(c) *Due Authorization.* The execution, delivery and performance by the Issuer of the Transaction Documents to which it is a party by the Issuer have been duly authorized by all necessary action and do not require any additional approvals or consents of, or other action by or any notice to or filing with, any Person, including, without limitation, any governmental entity or any of the beneficial owners of the Issuer, which have not previously been obtained or given by the Issuer.

(d) *Noncontravention.* The execution and delivery by the Issuer of the Transaction Documents to which it is a party, the consummation of the Transaction and the satisfaction of the terms and conditions of the Transaction Documents to which it is a party do not and will not:

(i) conflict with or result in any breach or violation of any provision of the applicable organizational documents of the Issuer or any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award currently in effect having applicability to the Issuer or any of its material properties, including regulations issued by any administrative agency or other governmental authority having supervisory powers over the Issuer, which conflict, breach or violation reasonably could result in a Material Adverse Change;

(ii) constitute a default by the Issuer under, result in the acceleration of any obligation under, or breach any provision of any loan agreement, mortgage, indenture or other agreement or instrument to which the Issuer is a party or by which any of its properties is or may be bound or affected, which default, acceleration or breach reasonably could result in a Material Adverse Change; or

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(iii) result in or require the creation of any lien upon or in respect of any assets of the Issuer, which lien reasonably could result in a Material Adverse Change, other than any lien created by the Transaction Documents.

(e) *Legal Proceedings*. There is no action, proceeding or investigation by or before any court, governmental or administrative agency or arbitrator against or affecting the Issuer, any properties or rights of the Issuer or any of the Mortgage Loans pending or, to the Issuer's knowledge after reasonable inquiry, threatened, which, in any case, if decided adversely to the Issuer could reasonably be expected to result in a Material Adverse Change with respect to the Issuer.

(f) *Valid and Binding Obligations*. The Transaction Documents (other than the Securities) to which it is a party, when executed and delivered by the Issuer, will constitute the legal, valid and binding obligations of the Issuer, enforceable in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and general equitable principles and public policy considerations as to rights of indemnification for violations of federal securities laws. The Notes, when executed, authenticated and delivered in accordance with the Indenture, will be validly issued and outstanding and entitled to the benefits of the Indenture, and the Certificates, when executed, authenticated and delivered in accordance with the Trust Agreement, will be validly issued and outstanding and entitled to the benefits of the Trust Agreement.

(g) *Compliance With Law, Etc.* No practice, procedure or policy employed, or proposed to be employed, by the Issuer in the conduct of its business violates any law, regulation, judgment, agreement, order or decree applicable to the Issuer that, if enforced, could result in a Material Adverse Change with respect to the Issuer.

(h) *Taxes*. The Issuer has filed prior to the date hereof all federal and state tax returns that are required to be filed and has paid all taxes, including any assessments received by it that are not being contested in good faith, to the extent that such taxes have become due. Any taxes, fees and other governmental charges payable by the Issuer in connection with the Transaction, the execution and delivery of the Transaction Documents to which it is a party and the issuance of the Securities have been paid or shall have been paid at or prior to the Closing Date if such taxes, fees or other governmental charges were due on or prior to the Closing Date.

(i) *Accurac y of Information*. Neither the Transaction Documents to which it is a party nor other material information relating to the Mortgage Loans, the operations of the Issuer or the financial condition of the Issuer (collectively, the "Issuer Documents"), as amended, supplemented or superseded, furnished to the Insurer by the Issuer in writing or in electronic form by the Issuer contains any statement of a material fact by the Issuer which was untrue or misleading in any material respect when made. The Issuer has no knowledge of any circumstances that could reasonably be expected to cause a Material Adverse Change with respect to the Issuer. Since the furnishing of the Issuer Documents, there has been no change nor any development or event involving a prospective change

known to Issuer that would render any of the Issuer Documents untrue or misleading in any material respect as of the Closing Date.

(j) *Compliance With Securities Laws.* The Offering Documents did not, as of the Closing Date, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; provided, however, that no representation is made with respect to the GMACM Information, the Depositor Information, the Underwriter Information or the Insurer Information. The offer and the sale of the Notes has not been and will not be in violation of the Securities Act or any other federal or state securities laws. Based upon the advice of legal counsel, the Trust Agreement is not required to be qualified under the Trust Indenture Act and the Trust is not required to be registered as an "investment company" under the Investment Company Act. The Issuer will satisfy in all material respects any of the information reporting requirements of the Securities Exchange Act arising out of the Transaction to which it is subject.

(k) *Transaction Documents.* Each of the representations and warranties of the Issuer contained in the Transaction Documents to which it is a party is true and correct in all material respects as of the date reflected therein, and the Issuer hereby makes each such representation and warranty to, and for the benefit of, the Insurer as if the same were set forth in full herein.

(l) *Solvency ; Fraudulent Conveyance.* The Issuer is solvent and will not be rendered insolvent by the Transaction and, after giving effect to the Transaction, the Issuer will not be left with an unreasonably small amount of capital with which to engage in the ordinary course of its business, and the Issuer does not intend to incur, or believe that it has incurred, debts beyond its ability to pay as they mature. The Issuer does not contemplate the commencement of insolvency, bankruptcy, liquidation or consolidation proceedings or the appointment of a receiver, liquidator, conservator, trustee or similar official in respect of the Issuer or any of its assets. The amount of consideration being received by the Issuer upon the sale of the Securities constitutes reasonably equivalent value and fair consideration for the ownership and/or debt interest evidenced by the Securities. The Issuer is not selling the Securities, as provided in the Transaction Documents, with any intent to hinder, delay or defraud any of the Issuer's creditors.

(m) *Principal Place of Business.* The principal place of business of the Issuer is located in Wilmington, Delaware, and the Issuer is a statutory trust organized under the laws of the State of Delaware. "GMACM Home Equity Loan Trust 2007-HE1" is the correct legal name of the Issuer indicated on the public records of the Issuer's jurisdiction which shows the Issuer to be organized.

Section 2.04. Representations and Warranties of the Depositor. The Depositor represents and warrants as of the Closing Date as follows:

(a) *Due Organization and Qualification.* The Depositor is a corporation, duly organized, validly existing and in good standing under the laws of Delaware. The Depositor is, or will become, duly qualified to do business, is, or will be, in good

standing and has obtained, or will obtain, all necessary licenses, permits, charters, registrations and approvals (together, "approvals") necessary for the conduct of its business as currently conducted and as described in the Offering Documents and the performance of its obligations under the Transaction Documents to which it is a party in each jurisdiction in which the failure to be so qualified or to obtain such approvals would render any Transaction Document to which it is a party unenforceable in any respect or would have a material adverse effect upon the Transaction, the Owners or the Insurer.

(b) *Power and Authority.* The Depositor has all necessary corporate power and authority to conduct its business as currently conducted and as described in the Offering Documents, to execute, deliver and perform its obligations under the Transaction Documents to which it is a party and to consummate the Transaction.

(c) *Due Authorization.* The execution, delivery and performance of its obligations under the Transaction Documents to which it is a party by the Depositor have been duly authorized by all necessary corporate action and do not require any additional approvals or consents of, or other action by or any notice to or filing with, any Person, including, without limitation, any governmental entity or any of the stockholders of the Depositor, which have not previously been obtained or given by the Depositor.

(d) *Noncontravention.* The execution and delivery by the Depositor of the Transaction Documents to which it is a party, the consummation of the Transaction and the satisfaction of the terms and conditions of the Transaction Documents to which it is a party do not and will not:

(i) conflict with or result in any breach or violation of any provision of the applicable organizational documents of the Depositor or any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award currently in effect having applicability to the Depositor or any of its material properties, including regulations issued by any administrative agency or other governmental authority having supervisory powers over the Depositor, which conflict, breach, or violation reasonably could result in a Material Adverse Change;

(ii) constitute a default by the Depositor under, result in the acceleration of any obligation under, or breach any provision of any loan agreement, mortgage, indenture or other agreement or instrument to which the Depositor is a party or by which any of its properties is or may be bound or affected, which default, acceleration or breach might reasonably result in a Material Adverse Change; or

(iii) result in or require the creation of any lien upon or in respect of any assets of the Depositor, which lien might reasonably result in a Material Adverse Change.

(e) *Legal Proceedings.* There is no action, proceeding or investigation by or before any court, governmental or administrative agency or arbitrator against or affecting

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the Depositor or any of its subsidiaries, any properties or rights of the Depositor or any of its subsidiaries or any of the Initial Mortgage Loans pending or, to the Depositor's knowledge after reasonable inquiry, threatened, which, in any case, if decided adversely to the Depositor or any such subsidiary could reasonably be expected to result in a Material Adverse Change with respect to the Depositor.

(f) *Valid and Binding Obligations*. The Transaction Documents (other than the Securities) to which it is a party, when executed and delivered by the Depositor, will constitute the legal, valid and binding obligations of the Depositor, enforceable in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and general equitable principles and public policy considerations as to rights of indemnification for violations of federal securities laws.

(g) *Compliance With Law, Etc.* No practice, procedure or policy employed, or proposed to be employed, by the Depositor in the conduct of its business violates any law, regulation, judgment, agreement, order or decree applicable to the Depositor that, if enforced, could result in a Material Adverse Change with respect to the Depositor.

(h) *Taxes.* The Depositor has filed prior to the date hereof all federal and state tax returns that are required to be filed and has paid all taxes, including any assessments received by it that are not being contested in good faith, to the extent that such taxes have become due. Any taxes, fees and other governmental charges payable by the Depositor in connection with the Transaction, the execution and delivery of the Transaction Documents to which it is a party and the issuance of the Securities have been paid or shall have been paid at or prior to the Closing Date if such taxes, fees or other governmental charges were due on or prior to the Closing Date.

(i) *Accur acy of Information.* Neither the material information supplied by the Depositor contained in the Transaction Documents to which it is a party nor other material information relating to the Initial Mortgage Loans supplied by the Depositor, the operations of the Depositor or the financial condition of the Depositor (collectively, the "Depositor Documents"), as amended, supplemented or superseded, furnished to the Insurer by the Depositor in writing or in electronic form by the Depositor contains any statement of a material fact by the Depositor which was untrue or misleading in any material respect when made. The Depositor has no knowledge of any circumstances that could reasonably be expected to cause a Material Adverse Change with respect to the Depositor. Since the furnishing of the Depositor Documents, there has been no change nor any development or event involving a prospective change known to the Depositor that would render any of the Depositor Documents untrue or misleading in any material respect as of the Closing Date.

(j) *Reserved* .

(k) *Transaction Documents.* Each of the representations and warranties of the Depositor contained in the Transaction Documents to which it is a party is true and correct in all material respects as of the date reflected therein, and the Depositor hereby

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makes each such representation and warranty to, and for the benefit of, the Insurer as if the same were set forth in full herein.

(l) *Solvency ; Fraudulent Conveyance.* The Depositor is solvent and will not be rendered insolvent by the Transaction and, after giving effect to the Transaction, the Depositor will not be left with an unreasonably small amount of capital with which to engage in the ordinary course of its business, and the Depositor does not intend to incur, or believe that it has incurred, debts beyond its ability to pay as they mature. The Depositor does not contemplate the commencement of insolvency, bankruptcy, liquidation or consolidation proceedings or the appointment of a receiver, liquidator, conservator, trustee or similar official in respect of the Depositor or any of its assets. The Depositor is not transferring the Initial Mortgage Loans to the Trust nor, to the best of the Depositor's knowledge, is the Trust selling the Securities, as provided in the Transaction Documents, with any intent to hinder, delay or defraud any of the Depositor's creditors.

(m) *Principal Place of Business.* The principal place of business of the Depositor is located in Minneapolis, Minnesota, and the Depositor is a corporation organized under the laws of the State of Delaware. "Residential Asset Mortgage Products, Inc." is the correct legal name of the Depositor indicated on the public records of the Depositor's jurisdiction which shows the Depositor to be organized.

Section 2.05. Affirmative Covenants of GMACM. GMACM hereby agrees that during the Term of the Insurance Agreement, unless the Insurer shall otherwise expressly consent in writing:

(a) *Compliance With Agreements and Applicable Laws.* GMACM shall comply in all material respects with the terms and conditions of and perform its obligations under the Transaction Documents to which it is a party in all cases in which the failure to so comply or perform would result in a default thereunder and shall comply with all requirements of any law, rule or regulation applicable to it in all circumstances where non-compliance reasonably could result in a Material Adverse Change. GMACM will not at any time in the future deny that the Transaction Documents to which it is a party constitute the legal, valid and binding obligations of GMACM.

(b) *Legal Existence.* GMACM and its successors and permitted assigns, shall maintain its legal existence and shall at all times continue to be duly organized under the laws of its jurisdiction of organization and duly qualified and duly authorized (as described in Section 2.01(a), (b) and (c) hereof) and shall conduct its business in accordance with the terms of its applicable organizational documents. Notwithstanding anything to the contrary set forth herein, any Person into which GMACM may be merged or converted or with which it may be consolidated, or any Person resulting from any merger, conversion or consolidation to which GMACM shall be a party, or any Person succeeding to the business of GMACM, shall be the successor of GMACM, hereunder, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

(c) *Financial Statements; Accountants' Reports; Other Information.* GMACM shall keep or cause to be kept in reasonable detail books and records of account of its assets and business relating to the Transaction, and shall, as applicable, clearly reflect therein the sale of the Initial Mortgage Loans to the Depositor, the transfer of the Initial Mortgage Loans by the Depositor to the Trust and the sale of the Certificates, respectively, as a sale of the Initial Mortgage Loans by GMACM to the Depositor, a sale of the Initial Mortgage Loans by the Depositor to the Trust and a sale of the equity interest in the Trust to the holders of the Certificates. GMACM shall furnish or cause to be furnished to the Insurer:

(i) *Annual Financial Statements.* As soon as available, and in any event within 105 days after the close of each fiscal year of GMACM, the audited consolidated statements of financial condition of GMACM and its subsidiaries as of the end of such fiscal year and the related audited consolidated statements of operations, stockholders' equity and cash flows for such fiscal year, all in reasonable detail and stating in comparative form the respective figures for the corresponding date and period in the preceding fiscal year, prepared in accordance with generally accepted accounting principles consistently applied and accompanied by the audit opinion of GMACM's independent accountants (which shall be a nationally recognized independent public accounting firm or otherwise acceptable to the Insurer) and by the certificate specified in Section 2.05(d) hereof.

(ii) *Quarterly Financial Statements.* Upon the reasonable request of the Insurer, the unaudited consolidated statement of financial condition of GMACM and its subsidiaries as of the end of the first three fiscal quarters of each fiscal year of GMACM and the related unaudited consolidated statements of operations, stockholders' equity and cash flows for the portion of the fiscal year then ended, all in reasonable detail and stating in comparative form the respective figures for the corresponding date and period in the preceding fiscal year, prepared in accordance with generally accepted accounting principles consistently applied (subject to normal year-end adjustments), and each delivery of quarterly financial statements shall be accompanied by a certificate of one (or more) corporate officers stating that the quarterly financial statements are correct in all material respects and present fairly the financial condition and results of operations of GMACM and its subsidiaries as of the dates and for the periods indicated, in accordance with generally accepted accounting principles, consistently applied (subject to normal year-end adjustments).

(iii) *Initial and Continuing Reports.* On or before the Closing Date, GMACM will provide the Insurer a copy of the magnetic tape or Mortgage Loan Schedule to be delivered to the Indenture Trustee on the Closing Date, setting forth, as to each Initial Mortgage Loan, the information required under the definition of "Mortgage Loan Schedule" in Appendix A to the Indenture.

(iv) *Certain Information.* Upon the reasonable request of the Insurer, GMACM shall promptly provide copies of any requested proxy statements,

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financial statements, reports and registration statements which GMACM files with, or delivers to, the Commission or any national securities exchange.

(v) *Other Information.* (A) Promptly upon receipt thereof, GMACM shall provide copies of all schedules, financial statements or other similar reports delivered to or by GMACM pursuant to the terms of any of the Transaction Documents, including all reports provided to either the Indenture Trustee, any Noteholder or holder of a Certificate pursuant to the Indenture or the Servicing Agreement, (B) promptly upon request, such other data as the Insurer may reasonably request and (C) all information required to be furnished to the Owner Trustee, the Indenture Trustee, the Noteholders or the holders of the Certificates simultaneously with the furnishing thereof to the Owner Trustee, the Indenture Trustee, the Noteholders or the holders of the Certificates, as the case may be.

The Insurer agrees that it and its agents, accountants and attorneys shall keep confidential all financial statements, reports and other information delivered by GMACM pursuant to this Section 2.05(c) to the extent provided in Section 2.05(e) hereof.

(d) *Compliance Certificate.* GMACM (in its capacity as Servicer) shall deliver to the Insurer, concurrently with the delivery of the financial statements required pursuant to Section 2.05(c)(i) and (ii) hereof, one or more certificates signed by an officer of GMACM authorized to execute such certificates on behalf of GMACM stating that:

(i) a review of GMACM's performance under the Transaction Documents to which it is a party during such period has been made under such officer's supervision;

(ii) to the best of such officer's knowledge following reasonable inquiry, no Default or Event of Default has occurred or, if a Default or Event of Default has occurred, specifying the nature thereof and, if GMACM has a right to cure pursuant to Section 7.01 of the Servicing Agreement, stating in reasonable detail (including, if applicable, any supporting calculations) the steps, if any, being taken by GMACM to cure such Default or Event of Default or to otherwise comply with the terms of the agreement to which such Default or Event of Default relates;

(iii) the attached financial statements submitted in accordance with Section 2.05(c)(i) or (ii) hereof, as the case may be, are complete and correct in all material respects and present fairly the financial condition and results of operations of GMACM as of the dates and for the periods indicated, in accordance with generally accepted accounting principles consistently applied (subject as to interim statements to normal year-end adjustments); and

(iv) GMACM, as Servicer, has in full force and effect a fidelity bond (or direct surety bond) and an errors and omissions insurance policy in accordance with the terms and requirements of Section 3.13 of the Servicing Agreement.

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So long as GMACM shall continue to act as Servicer, the annual Officer's Certificate prepared by GMACM as Servicer pursuant to Section 3.10 of the Servicing Agreement shall be deemed to satisfy GMACM's obligations as imposed by clauses (i) and (ii) of this Section 2.05(d).

(e) *Access to Records; Discussions With Officers and Accountants.* On an annual basis, or upon the occurrence of a Material Adverse Change, GMACM shall, upon the reasonable request of the Insurer, permit the Insurer or its authorized agents:

(i) to inspect the books and records of GMACM as they may relate to the Securities, the obligations of GMACM under the Transaction Documents to which it is a party, and the Transaction;

(ii) to discuss the affairs, finances and accounts of GMACM with the chief financial officer of GMACM; and

(iii) if the Insurer reasonably believes that a Material Adverse Change may have occurred and with GMACM's consent, which consent shall not be unreasonably withheld or delayed, to discuss the affairs, finances and accounts of GMACM with GMACM's independent accountants, provided that an officer of GMACM shall have the right to be present during such discussions.

Such inspections and discussions shall be conducted during normal business hours and shall not unreasonably disrupt the business of GMACM. The books and records of GMACM shall be maintained at the address of GMACM designated herein for receipt of notices, unless GMACM shall otherwise advise the parties hereto in writing.

The Insurer agrees that it and its shareholders, directors, agents, accountants and attorneys shall keep confidential any matter of which it becomes aware through such inspections or discussions (unless readily available from public sources), except as may be otherwise required by regulation, law or court order or requested by appropriate governmental authorities or as necessary to preserve its rights or security under or to enforce the Transaction Documents, provided that the foregoing shall not limit the right of the Insurer to make such information available to its regulators, securities rating agencies, reinsurers, credit and liquidity providers, counsel and accountants.

(f) *Notice of Material Events.* GMACM shall be obligated (which obligation shall be satisfied if performed by GMACM or the Issuer) promptly to inform the Insurer in writing of the occurrence of any of the following to the extent any of the following relate to it:

(i) the submission of any claim or the initiation or threat of any legal process, litigation or administrative or judicial investigation in any federal, state or local court or before any arbitration board or rule making or disciplinary proceeding by or against GMACM that (A) would be required to be disclosed to the Commission or to GMACM's members or (B) could result in a Material Adverse Change with respect to GMACM, or the promulgation of any proceeding

or any proposed or final rule which would likely result in a Material Adverse Change with respect to GMACM or any of its subsidiaries;

(ii) any change in the location of GMACM's principal office or the principal office of any of its subsidiaries, GMACM's jurisdiction of organization, legal name as indicated on the public records of GMACM's jurisdiction of organization which shows GMACM to be organized, or any change in the location of GMACM's books and records;

(iii) the occurrence of any Default or Event of Default or of any Material Adverse Change in respect of GMACM;

(iv) the commencement of any proceedings by or against GMACM under any applicable bankruptcy, reorganization, liquidation, rehabilitation, insolvency or other similar law now or hereafter in effect or of any proceeding in which a receiver, liquidator, conservator, trustee or similar official shall have been, or may be, appointed or requested for GMACM or any of its assets; or

(v) the receipt of notice that (A) GMACM is being placed under regulatory supervision, (B) any license, permit, charter, registration or approval necessary for the conduct of GMACM's business is to be, or may be, suspended or revoked or (C) GMACM is to cease and desist any practice, procedure or policy employed by GMACM in the conduct of its business, and such suspension, revocation or cessation may reasonably be expected to result in a Material Adverse Change with respect to GMACM.

(g) *Financing Statements and Further Assurances*. GMACM will cause to be filed all necessary financing statements or other instruments, and any amendments or continuation statements relating thereto, necessary to be kept and filed in such manner and in such places as may be required by law to preserve and protect fully the interest of the Indenture Trustee in the Trust Estate. GMACM shall, upon the reasonable request of the Insurer, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, within 10 days of such request, such amendments hereto and such further instruments and take such further action as may be reasonably necessary to effectuate the intention, performance and provisions of the Transaction Documents to which it is a party. In addition, GMACM agrees to cooperate with S&P and Moody's in connection with any review of the Transaction that may be undertaken by S&P and Moody's after the date hereof and to provide all information reasonably requested by S&P and Moody's.

(h) *Maintenance of Licenses*. GMACM, and any successors thereof, shall maintain or cause to be maintained all licenses, permits, charters and registrations the loss or suspension of which could result in a Material Adverse Change.

(i) *Disclosure Document*. Any Offering Documents delivered with respect to the Notes shall clearly disclose that the Policy is not covered by the property/casualty insurance security fund specified in Article 76 of the New York Insurance Law.

(j) *Servicing of Mortgage Loans.* All Mortgage Loans will be serviced in all material respects in compliance with the Servicing Agreement and the Indenture and GMACM, as Servicer, agrees that the Servicing Agreement shall provide that GMACM's obligations under this Insurance Agreement shall be binding on any successor servicers thereunder but only to the extent of GMACM's obligations as Servicer under the Servicing Agreement and from the effective time of any such succession.

(k) *Closing Documents.* GMACM shall provide or cause to be provided to the Insurer an executed original copy of each document executed in connection with the Transaction within 60 days after the Closing Date.

(l) *Legal Formalities.* GMACM shall observe all formalities necessary to preserve its existence under the laws of the State of its organization including (i) the obligation to hold annual meetings of its members or its board of directors and (ii) the obligation to prepare and file annual income, franchise and other tax returns.

(m) *Due Diligence.* The Insurer shall have the right, so long as any of the Notes remain outstanding, to conduct an ongoing review of GMACM's practices as Servicer through reviews of the Mortgage Loans, reappraisals of Mortgaged Properties and reviews of servicing practices. Such ongoing due diligence shall be conducted at the expense of the Insurer and shall be conducted in a reasonable manner convenient to both GMACM and the Insurer.

Section 2.06. Affirmative Covenants of Walnut Grove. Walnut Grove hereby agrees that during the Term of the Insurance Agreement, unless the Insurer shall otherwise expressly consent in writing:

(a) *Compliance With Agreements and Applicable Laws.* Walnut Grove shall comply in all material respects with the terms and conditions of and perform its obligations under the Transaction Documents to which it is a party in all cases in which the failure to so comply or perform would result in a default thereunder and shall comply with all requirements of any law, rule or regulation applicable to it in all circumstances where non-compliance reasonably could result in a Material Adverse Change. Walnut Grove will not at any time in the future deny that the Transaction Documents to which it is a party constitute the legal, valid and binding obligations of Walnut Grove.

(b) *Notice of Material Events.* Walnut Grove shall be obligated (which obligation shall be satisfied if performed by Walnut Grove or the Issuer) promptly to inform the Insurer in writing of the occurrence of any of the following to the extent any of the following relate to it:

(i) the submission of any claim or the initiation or threat of any legal process, litigation or administrative or judicial investigation in any federal, state or local court or before any arbitration board or rule making or disciplinary proceeding by or against Walnut Grove that (A) would be required to be disclosed to the Commission or to Walnut Grove's beneficiaries or (B) could result in a Material Adverse Change with respect to Walnut Grove, or the promulgation of

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any proceeding or any proposed or final rule which would likely result in a Material Adverse Change with respect to Walnut Grove;

(ii) any change in the location of Walnut Grove's principal office, jurisdiction of organization, legal name as indicated on the public records of Walnut Grove's jurisdiction of organization which shows Walnut Grove to be organized, or any change in the location of Walnut Grove's books and records;

(iii) the commencement of any proceedings by or against Walnut Grove under any applicable bankruptcy, reorganization, liquidation, rehabilitation, insolvency or other similar law now or hereafter in effect or of any proceeding in which a receiver, liquidator, conservator, trustee or similar official shall have been, or may be, appointed or requested for Walnut Grove or any of its assets; or

(iv) the receipt of notice that (A) Walnut Grove is being placed under regulatory supervision, (B) any license, permit, charter, registration or approval necessary for the conduct of Walnut Grove's business is to be, or may be, suspended or revoked or (C) Walnut Grove is to cease and desist any practice, procedure or policy employed by Walnut Grove in the conduct of its business, and such suspension, revocation or cessation may reasonably be expected to result in a Material Adverse Change with respect to Walnut Grove.

(c) *Maintenance of Licenses.* Walnut Grove, and any successors thereof, shall maintain or cause to be maintained all licenses, permits, charters and registrations the loss or suspension of which could result in a Material Adverse Change.

Section 2.07. Affirmative Covenants of the Issuer. The Issuer hereby agrees that during the Term of this Insurance Agreement, unless the Insurer shall otherwise expressly consent in writing:

(a) *Compliance with Agreements and Applicable Laws.* The Issuer shall comply in all material respects with the terms and conditions of and perform its obligations under the Transaction Documents to which it is a party in all cases in which the failure to so comply or perform would result in a default thereunder and shall comply with all requirements of any law, rule or regulation applicable to it in all circumstances where non-compliance reasonably could result in a Material Adverse Change. The Issuer will not at any time in the future deny that the Transaction Documents to which it is a party constitute the legal, valid and binding obligations of the Issuer.

(b) *Trust Existence.* The Issuer and its successors and permitted assigns shall maintain its trust existence and shall at all times continue to be duly organized under the laws of its formation and duly qualified and duly authorized (as described in Sections 2.03(a), (b) and (c) hereof) and shall conduct its business in accordance with the terms of its applicable organizational documents.

(c) *Financial Statements; Accountants' Reports; Other Information.* The Issuer shall keep or cause to be kept in reasonable detail books and records of account of its

assets and business relating to the Transaction and shall, as applicable, clearly reflect therein the sale of the Initial Mortgage Loans to the Depositor, the transfer of the Initial Mortgage Loans by the Depositor to the Trust and the sale of the Certificates, respectively, as a sale of the Initial Mortgage Loans by GMACM to the Depositor, a sale of the Initial Mortgage Loans by the Depositor to the Trust and a sale of the equity interest in the Trust to the holders of the Certificates. The Issuer shall furnish or cause to be furnished to the Insurer:

(i) *Certain Information.* Upon the reasonable request of the Insurer, copies of any proxy statements, financial statements, reports and registration statements that the Issuer files with, or delivers to, the Commission or any national securities exchange.

(ii) *Other Information.* (A) Promptly upon receipt thereof, copies of all schedules, financial statements or other similar reports delivered to or by the Issuer pursuant to the terms of any of the Transaction Documents, including all reports to be provided either to the Indenture Trustee or to any Noteholder or holder of the Certificates pursuant to the Servicing Agreement, (B) promptly upon request, such other data as the Insurer may reasonably request and (C) all information required to be furnished to the Owner Trustee, the Indenture Trustee, the Owners or the holders of the Certificates, as the case may be.

(d) *Compliance Certificate.* The Issuer shall deliver to the Insurer, at the time that the delivery of the financial statements of GMACM are required pursuant to Section 2.05(c)(i) and (ii) on or before March 31 of each year, beginning in March 31, 2008, certificates of one (or more) of its officers stating that:

(i) a review of the performance of the Issuer under the Transaction Documents to which it is a party during such period has been made under such officer's supervision; and

(ii) to the best of such officer's knowledge following reasonable inquiry, no Default or Event of Default has occurred or, if a Default or Event of Default has occurred, specifying the nature thereof and, if the Issuer has a right to cure pursuant to Section 5.01 of the Indenture, stating in reasonable detail (including, if applicable, any supporting calculations) the steps, if any, being taken by the Issuer to cure such Default or Event of Default or to otherwise comply with the terms of the agreement to which such Default or Event of Default relates.

(e) *Access to Records; Discussions with Officers and Accountants.* On an annual basis, or upon the occurrence of a Material Adverse Change, the Issuer shall, upon the reasonable request of the Insurer, permit the Insurer or its authorized agents:

(i) to inspect the books and records of the Issuer as they may relate to the Securities, the obligations of the Issuer under the Transaction Documents to which it is a party, and the Transaction;

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(ii) to discuss the affairs, finances and accounts of the Issuer with an officer of the Issuer; and

(iii) if the Insurer reasonably believes that a Material Adverse Change may have occurred and with the Issuer's consent, which consent shall not be unreasonably withheld or delayed, to discuss the affairs, finances and accounts of the Issuer with the Issuer's independent accountants; provided that an officer of the Issuer shall have the right to be present during such discussions.

Such inspections and discussions shall be conducted during normal business hours and shall not unreasonably disrupt the business of the Issuer. The books and records of the Issuer shall be maintained at the address of the Owner Trustee, unless the Issuer shall otherwise advise the parties hereto in writing.

(f) *Notice of Material Events*. The Issuer shall be obligated (which obligation shall be satisfied if performed by GMACM or the Issuer) promptly to inform the Insurer in writing of the occurrence of any of the following to the extent any of the following relate to it:

(i) the submission of any claim or the initiation or threat of any legal process, litigation or administrative or judicial investigation in any federal, state or local court or before any arbitration board or rule making or disciplinary proceeding by or against the Issuer that (A) would be required to be disclosed to the Commission or to the Issuer's beneficial owners or (B) could result in a Material Adverse Change with respect to the Issuer, or the promulgation of any proceeding or any proposed or final rule which would likely result in a Material Adverse Change with respect to the Issuer;

(ii) any change in the location of the Issuer's principal office, jurisdiction of organization, legal name as indicated on the public records of the Issuer's jurisdiction of organization which shows the Issuer to be organized, or any change in the location of the Issuer's books and records;

(iii) the occurrence of any Default or Event of Default or of any Material Adverse Change in respect of the Issuer;

(iv) the commencement of any proceedings by or against the Issuer under any applicable bankruptcy, reorganization, liquidation, rehabilitation, insolvency or other similar law now or hereafter in effect or of any proceeding in which a receiver, liquidator, conservator, trustee or similar official shall have been, or may be, appointed or requested for the Issuer or any of its assets; or

(v) the receipt of notice that (A) the Issuer is being placed under regulatory supervision, (B) any license, permit, charter, registration or approval necessary for the conduct of the Issuer's business is to be, or may be, suspended or revoked, or (C) the Issuer is to cease and desist any practice, procedure or policy employed by the Issuer in the conduct of its business, and such suspension,

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revocation or cessation may reasonably be expected to result in a Material Adverse Change with respect to the Issuer.

(g) *Further Assurances.* The Issuer shall, upon the reasonable request of the Insurer, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, within 10 days of such request, such amendments hereto and such further instruments and take such further action as may be reasonably necessary to effectuate the intention, performance and provisions of the Transaction Documents to which it is a party. In addition, the Issuer agrees to cooperate with S&P and Moody's in connection with any review of the Transaction that may be undertaken by S&P and Moody's after the date hereof.

(h) *Maintenance of Licenses.* The Issuer shall maintain all licenses, permits, charters and registrations the loss or suspension of which could result in a Material Adverse Change.

(i) *Retirement of Notes.* The Issuer shall instruct the Indenture Trustee, upon a retirement or other payment of all of the Notes, to surrender the Policy to the Insurer for cancellation.

(j) *Observation of Formalities.* The Issuer shall observe all formalities necessary to preserve its existence under the laws of the State of its formation, including (i) the obligation to hold annual meetings of its beneficial owners or its board of directors and (ii) the obligation to prepare and file annual income, franchise and other tax returns.

GMACM, in its capacity as Servicer, shall use commercially reasonable efforts to cause the Issuer to observe the provisions of this Section 2.07.

Section 2.08. Affirmative Covenants of the Depositor. The Depositor hereby agrees that during the Term of this Insurance Agreement, unless the Insurer shall otherwise expressly consent in writing:

(a) *Compliance With Agreements and Applicable Laws.* The Depositor shall comply in all material respects with the terms and conditions of and perform its obligations under the Transaction Documents to which it is a party in all cases in which the failure to so comply or perform would result in a default thereunder and shall comply with all requirements of any law, rule or regulation applicable to it in all circumstances where non-compliance reasonably could result in a Material Adverse Change. The Depositor will not at any time in the future deny that the Transaction Documents to which it is a party constitute the legal, valid and binding obligations of the Depositor.

(b) *Legal Existence.* The Depositor and its successors and permitted assigns shall maintain its existence and shall at all times continue to be duly organized under the laws of the jurisdiction of organization and duly qualified and duly authorized (as described in Section 2.04(a), (b) and (c) hereof) and shall conduct its business in accordance with the terms of its applicable organizational documents.

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(c) *Books and Records; Other Information.* The Depositor shall keep or cause to be kept in reasonable detail books and records of account of its assets and business relating to the Transaction, and shall, as applicable, clearly reflect therein the sale of the Initial Mortgage Loans to the Depositor, the transfer of the Initial Mortgage Loans to the Trust and the sale of the Certificates, respectively, as a sale of the Initial Mortgage Loans by GMACM to the Depositor, a sale of the Initial Mortgage Loans by the Depositor to the Trust and a sale of the beneficial interests in the Trust to the holders of the Certificates. The Depositor shall furnish or cause to be furnished to the Insurer: (i) promptly upon receipt thereof, copies of all schedules, financial statements or other similar reports delivered to or by the Depositor pursuant to the terms of any of the Transaction Documents, including all reports to be provided either to the Indenture Trustee, the Owner Trustee or any Noteholder or holder of the Certificates pursuant to any of the Transaction Documents to which it is a party, (ii) promptly upon request, such other data relating to the Transaction as the Insurer may reasonably request and (iii) all information required to be furnished by the Depositor to the Owner Trustee, the Indenture Trustee, the Noteholders or the holders of the Certificates, as the case may be.

(d) *Securities Exchange Act Filings.* If the Depositor shall prepare and file with the Commission any reports required to be filed under the Securities Exchange Act with respect to the Notes, upon the request of the Insurer, the Depositor shall deliver or cause to be delivered to the Insurer copies of any such filings.

(e) *Access To Records; Discussions with Officers and Accountants.* On an annual basis, or upon the occurrence of a Material Adverse Change, the Depositor shall, upon the reasonable request of the Insurer, permit the Insurer or its authorized agents:

(i) to inspect the books and records of the Depositor as they may relate to the Securities, the obligations of the Depositor under the Transaction Documents to which it is a party, and the Transaction;

(ii) to discuss the affairs, finances and accounts of the Depositor with the Chief Operating Officer and the Chief Financial Officer of the Depositor; and

(iii) if the Insurer reasonably believes that a Material Adverse Change may have occurred and with the Depositor's consent, which consent shall not be unreasonably withheld or delayed, to discuss the affairs, finances and accounts of the Depositor with the Depositor's independent accountants, provided that an officer of the Depositor shall have the right to be present during such discussions.

Such inspections and discussions shall be conducted during normal business hours and shall not unreasonably disrupt the business of the Depositor. The books and records of the Depositor with respect to the Transaction shall be maintained at the address of the Depositor designated herein for receipt of notices, unless the Depositor shall otherwise advise the parties hereto in writing.

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(f) *Notice of Material Events.* The Depositor shall be obligated promptly to inform the Insurer in writing of the occurrence of any of the following to the extent any of the following relate to it:

(i) the submission of any claim or the initiation or threat of any legal process, litigation or administrative or judicial investigation in any federal, state or local court or before any arbitration board or rule making or disciplinary proceeding by or against the Depositor that (A) would be required to be disclosed to the Commission or to the Depositor's shareholders or (B) could result in a Material Adverse Change with respect to the Depositor, or the promulgation of any proceeding or any proposed or final rule which would likely result in a Material Adverse Change with respect to the Depositor or any of its subsidiaries;

(ii) any change in the location of the Depositor's principal office or the principal office of any of its subsidiaries, the Depositor's jurisdiction of organization, legal name as indicated on the public records of the Depositor's jurisdiction of organization which shows the Depositor to be organized, or any change in the location of the Depositor's books and records;

(iii) the occurrence of any Default or Event of Default or of any Material Adverse Change in respect of the Depositor;

(iv) the commencement of any proceedings by or against the Depositor under any applicable bankruptcy, reorganization, liquidation, rehabilitation, insolvency or other similar law now or hereafter in effect or of any proceeding in which a receiver, liquidator, conservator, trustee or similar official shall have been, or may be, appointed or requested for the Depositor or any of its assets; or

(v) the receipt of notice that (A) the Depositor is being placed under regulatory supervision, (B) any license, permit, charter, registration or approval necessary for the conduct of the Depositor's business is to be, or may be, suspended or revoked, or (C) the Depositor is to cease and desist any practice, procedure or policy employed by the Depositor in the conduct of its business, and such suspension, revocation or cessation may reasonably be expected to result in a Material Adverse Change with respect to the Depositor.

(g) *Further Assurances.* The Depositor shall, upon the reasonable request of the Insurer, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, within 10 days of such request, such amendments hereto and such further instruments and take such further action as may be reasonably necessary to effectuate the intention, performance and provisions of the Transaction Documents to which it is a party. In addition, the Depositor agrees to cooperate with S&P and Moody's in connection with any review of the Transaction that may be undertaken by S&P and Moody's after the date hereof and to provide all information reasonably requested by S&P and Moody's.

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(h) *Maintenance of Licenses*. The Depositor and any successors thereof, shall maintain or cause to be maintained all licenses, permits, charters and registrations the loss or suspension of which could result in a Material Adverse Change.

(i) *Legal Formalities*. The Depositor shall observe all formalities necessary to preserve its existence under the laws of the State of its organization, including (i) the obligation to hold annual meetings of its shareholders or its board of directors and (ii) the obligation to prepare and file annual income, franchise and other tax returns.

Section 2.09. Negative Covenants of GMACM. GMACM hereby agrees that during the Term of the Insurance Agreement, unless the Insurer shall otherwise expressly consent in writing:

(a) *Impairment of Rights*. GMACM shall take any action, or fail to take any action, if such action or failure to take action may result in a Material Adverse Change with respect to GMACM, or may interfere in any material respect with the enforcement of any rights of the Insurer under or with respect to any of the Transaction Documents. GMACM shall give the Insurer written notice of any such action or, to the best of the knowledge of GMACM, any such failure to act on the earlier of (i) the date upon which any publicly available filing or release is made with respect to such action or failure to act and (ii) promptly prior to the date of consummation of such action or failure to act. GMACM shall furnish to the Insurer all information reasonably requested by the Insurer that is reasonably necessary to determine compliance with this Section 2.09(a).

(b) *Waiver, Amendments, Etc*. GMACM shall not modify, waive or amend, nor consent to any modification, waiver or amendment of, any of the terms, provisions or conditions of any of the Transaction Documents to which it is a party (other than any amendment to the Offering Documents required by law) without the prior written consent of the Insurer thereto, which consent shall not be unreasonably withheld, conditioned or delayed.

(c) *Limitation on Mergers, etc.* GMACM shall not consolidate with or merge with or into any Person or transfer all or substantially all of its assets to any Person or liquidate or dissolve except as provided in the Transaction Documents or as permitted hereby. GMACM shall furnish to the Insurer all information requested by the Insurer that is reasonably necessary to determine compliance with this Section 2.09(c).

(d) *Successors*. GMACM shall not terminate or designate, nor consent to the termination or designation of, any successor Servicer, Paying Agent, Indenture Trustee or Owner Trustee without the prior written approval of the Insurer, which approval shall not be unreasonably withheld, conditioned or delayed.

Section 2.10. Negative Covenants of Walnut Grove. Walnut Grove hereby agrees that during the Term of the Insurance Agreement, unless the Insurer shall otherwise expressly consent in writing:

(a) *Impairment of Rights*. Walnut Grove shall not take any action, or fail to take any action, if such action or failure to take action may result in a Material Adverse

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Change with respect to Walnut Grove, or may interfere in any material respect with the enforcement of any rights of the Insurer under or with respect to any of the Transaction Documents. Walnut Grove shall give the Insurer written notice of any such action or, to the best of the knowledge of Walnut Grove, any such failure to act on the earlier of (i) the date upon which any publicly available filing or release is made with respect to such action or failure to act and (ii) promptly prior to the date of consummation of such action or failure to act. Walnut Grove shall furnish to the Insurer all information reasonably requested by the Insurer that is reasonably necessary to determine compliance with this Section 2.10(a).

(b) *Waiver, Amendments, Etc.* Walnut Grove shall not modify, waive or amend, nor consent to any modification, waiver or amendment of, any of the terms, provisions or conditions of any of the Transaction Documents to which it is a party (other than any amendment to the Offering Documents required by law) without the prior written consent of the Insurer thereto, which consent shall not be unreasonably withheld, conditioned or delayed.

(c) *Limitation on Mergers, etc.* Walnut Grove shall not consolidate with or merge with or into any Person or transfer all or substantially all of its assets to any Person or liquidate or dissolve if such event would likely result in a Material Adverse Change with respect to Walnut Grove. Walnut Grove shall furnish to the Insurer all information requested by the Insurer that is reasonably necessary to determine compliance with this Section 2.10(c).

(d) *Successors.* Walnut Grove shall not terminate or designate, nor consent to the termination or designation of, any successor Servicer, Paying Agent, Indenture Trustee or Owner Trustee without the prior written approval of the Insurer, which approval shall not be unreasonably withheld, conditioned or delayed.

Section 2.11. Negative Covenants of the Issuer. The Issuer hereby agrees that during the Term of the Insurance Agreement, unless the Insurer shall otherwise expressly consent in writing:

(a) *Impairment of Rights.* The Issuer shall not take any action, or fail to take any action, if such action or failure to take action may result in a Material Adverse Change with respect to the Issuer, or may interfere in any material respect with the enforcement of any rights of the Insurer under or with respect to any of the Transaction Documents. The Issuer shall give the Insurer written notice of any such action or, to the best of the knowledge of the Issuer, any such failure to act on the earlier of: (i) the date upon which any publicly available filing or release is made with respect to such action or failure to act and (ii) promptly prior to the date of consummation of such action or failure to act. The Issuer shall furnish to the Insurer all information reasonably requested by the Insurer that is reasonably necessary to determine compliance with this Section 2.11(a).

(b) *Waiver, Amendments, Etc.* The Issuer shall not modify, waive or amend, nor consent to any modification, waiver or amendment of, any of the terms, provisions or conditions of any of the Transaction Documents to which it is a party (other than any

amendment to the Offering Documents required by law) without the prior written consent of the Insurer thereto, which consent shall not be unreasonably withheld, conditioned or delayed.

(c) *Limitations on Mergers, etc.* The Issuer shall not consolidate with or merge with or into any Person or transfer all or substantially all of its assets to any Person or liquidate or dissolve except as provided in the Transaction Documents or as permitted hereby. The Issuer shall furnish to the Insurer all information required by the Insurer that is reasonably necessary to determine compliance with this Section 2.11(c).

(d) *Successors.* The Issuer shall not terminate or designate, nor consent to the termination or designation of, any successor Servicer, Paying Agent, Indenture Trustee or Owner Trustee without the prior written approval of the Insurer, which approval shall not be unreasonably withheld, conditioned or delayed.

GMACM, in its capacity as Servicer, shall use commercially reasonable efforts to cause the Issuer to observe the provisions of this Section 2.11.

Section 2.12. Negative Covenants of the Depositor. The Depositor hereby agrees that during the Term of the Insurance Agreement, unless the Insurer shall otherwise expressly consent in writing:

(a) *Impairment of Rights.* The Depositor shall not take any action, or fail to take any action, if such action or failure to take action may result in a Material Adverse Change with respect to the Depositor, or may interfere in any material respect with the enforcement of any rights of the Insurer under or with respect to any of the Transaction Documents. The Depositor shall give the Insurer written notice of any such action or, to the best of the knowledge of the Depositor, any such failure to act on the earlier of: (i) the date upon which any publicly available filing or release is made with respect to such action or failure to act and (ii) promptly prior to the date of consummation of such action or failure to act. The Depositor shall furnish to the Insurer all information reasonably requested by the Insurer that is reasonably necessary to determine compliance with this Section 2.12(a).

(b) *Waiver, Amendments, Etc.* The Depositor shall not modify, waive or amend, nor consent to any modification, waiver or amendment of, any of the terms, provisions or conditions of any of the Transaction Documents to which it is a party (other than any amendment to the Offering Documents required by law) without the prior written consent of the Insurer thereto, which consent shall not be unreasonably withheld, conditioned or delayed.

(c) *Limitation on Mergers, etc.* The Depositor shall not consolidate with or merge with or into any Person or transfer all or substantially all of its assets to any Person or liquidate or dissolve except as provided in the Transaction Documents or as permitted hereby. The Depositor shall furnish to the Insurer all information requested by the Insurer that is reasonably necessary to determine compliance with this Section 2.12(c).

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(d) *Successors.* The Depositor shall not terminate or designate, nor consent to the termination or designation of, any successor Servicer, Paying Agent, Indenture Trustee or Owner Trustee without the prior written approval of the Insurer, which approval shall not be unreasonably withheld, conditioned or delayed.

Section 2.12A. Representations and Warranties of GMACM, Walnut Grove and the Depositor.

(a) GMACM and the Depositor represent and warrant, jointly and severally, as of the Closing Date and as of the date of each transfer of a Subsequent Mortgage Loan to the Trust pursuant to the related Subsequent Transfer Agreement that the GMACM Information in the Offering Documents did not, as of the Closing Date, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; provided, however, that no representation is made with respect to the Underwriter Information or the information regarding the Insurer set forth under the captions "DESCRIPTION OF THE POLICY" and "THE CREDIT ENHANCER" or the consolidated financial statements of the Insurer incorporated by reference in the Offering Documents (the "Insurer Information"). GMACM hereby agrees that it will satisfy in all material respects any of the information reporting requirements of the Securities Exchange Act arising out of the Transaction to which it is subject.

(b) GMACM and the Depositor further represent and warrant, jointly and severally, as of the Closing Date and as of the date of each transfer of a Subsequent Mortgage Loan to the Trust pursuant to the related Subsequent Transfer Agreement that the offer and sale of the Notes complies or will comply in all material respects with all requirements of law, including the registration requirements of applicable securities laws. Based upon the legal advice of counsel, the Trust Agreement is not required to be qualified under the Trust Indenture Act and the Trust is not required to be registered as an "investment company" under the Investment Company Act. The Depositor will satisfy in all material respects any of the information reporting requirements of the Securities Exchange Act arising out of the Transaction to which it is subject.

Section 2.13. Representations, Warranties and Covenants of the Indenture Trustee. The Indenture Trustee represents and warrants to, as of the Closing Date, and covenants with the other parties hereto as follows:

(a) *Due Organization and Qualification.* The Indenture Trustee is a national banking association duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation. The Indenture Trustee is duly qualified to do business, is in good standing and has obtained all licenses, permits, charters, registrations and approvals (together, "approvals") necessary for the conduct of its business as currently conducted and as described in the Offering Documents and the performance of its obligations under the Transaction Documents in each jurisdiction in which the failure to be so qualified or to obtain such approvals would render any Transaction Document unenforceable in any respect or would have a material adverse effect upon the Transaction, the Owners or the Insurer.

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(b) *Due Authorization.* The execution, delivery and performance of the Transaction Documents to which it is a party by the Indenture Trustee have been duly authorized by all necessary corporate action and do not require any additional approvals or consents of, or other action by or any notice to or filing with, any Person, including, without limitation, any governmental entity or the Indenture Trustee's stockholders, which have not previously been obtained or given by the Indenture Trustee.

(c) *Noncontravention.* None of the execution and delivery of the Transaction Documents to which it is a party by the Indenture Trustee, the consummation of the transactions contemplated thereby or the satisfaction of the terms and conditions of the Transaction Documents to which it is a party do not and will not:

(i) conflict with or result in any breach or violation of any provision of the certificate or articles of incorporation or bylaws of the Indenture Trustee or any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award currently in effect having applicability to the Indenture Trustee or any of its material properties, including regulations issued by an administrative agency or other governmental authority having supervisory powers over the Indenture Trustee;

(ii) constitute a default by the Indenture Trustee under or a breach of any provision of any loan agreement, mortgage, indenture or other agreement or instrument to which the Indenture Trustee is a party or by which any of its properties, which are individually or in the aggregate material to the Indenture Trustee, is or may be bound or affected; or

(iii) result in or require the creation of any lien upon or in respect of any assets of the estate granted to the Indenture Trustee under the Indenture, except as contemplated by the Transaction Documents.

(d) *Legal Proceedings.* There is no action, proceeding or investigation by or before any court, governmental or administrative agency or arbitrator against or affecting the Indenture Trustee or any of its subsidiaries, or any properties or rights of the Indenture Trustee or any of its subsidiaries, pending or, to the Indenture Trustee's knowledge after reasonable inquiry, threatened, which in any case could reasonably be expected to result in a Material Adverse Change with respect to the Indenture Trustee.

(e) *Valid and Binding Obligations.* The Transaction Documents (other than the Securities) to which it is a party, when executed and delivered by the Indenture Trustee, will constitute the legal, valid and binding obligations of the Indenture Trustee, enforceable in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and general equitable principles. The Indenture Trustee will not at any time in the future deny that the Transaction Documents constitute the legal, valid and binding obligations of the Indenture Trustee.

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(f) *Compliance With Law, Etc.* No practice, procedure or policy employed, or proposed to be employed, by the Indenture Trustee in the conduct of its business violates any law, regulation, judgment, agreement, order or decree applicable to the Indenture Trustee that, if enforced, could reasonably be expected to result in a Material Adverse Change with respect to the Indenture Trustee. The Indenture Trustee is not in breach of or in default under any applicable law or administrative regulation of its jurisdiction of organization, or any department, division, agency or instrumentality thereof or of the United States or any applicable judgment or decree or any loan agreement, note, resolution, certificate, agreement or other instrument to which the Indenture Trustee is a party or is otherwise subject which, if enforced, would have a material adverse effect on the ability of the Indenture Trustee, to perform its obligations under the Transaction Documents.

(g) *Transaction Documents.* Each of the representations and warranties of the Indenture Trustee contained in the Transaction Documents to which it is a party is true and correct in all material respects, and the Indenture Trustee hereby makes each such representation and warranty to, and for the benefit of, the Insurer as if the same were set forth in full herein.

(h) *Compliance and Amendments.* The Indenture Trustee shall comply in all material respects with the terms and conditions of the Transaction Documents to which it is a party and the Indenture Trustee shall not agree to any amendment to or modification of the terms of any of the Transaction Documents to which it is a party unless the Insurer shall otherwise give its prior written consent.

(i) *Preferenc e Amounts.* With respect to any Preference Amount (as defined in the Policy), the Indenture Trustee shall provide to the Insurer upon the request of the Insurer:

(i) a certified copy of the final nonappealable order of a court having competent jurisdiction ordering the recovery by a Indenture Trustee in bankruptcy as voidable preference amounts included in previous distributions under Section 3.05 of the Indenture to any Owner pursuant to the United States Bankruptcy Code, 11 U.S.C. §§ 101 et seq., as amended (the "Bankruptcy Code");

(ii) an opinion of counsel satisfactory to the Insurer, and upon which the Insurer shall be entitled to rely, stating that such order is final and is not subject to appeal;

(iii) an assignment in such form as reasonably required by the Insurer, irrevocably assigning to the Insurer all rights and claims of the Servicer, the Indenture Trustee and any Owner relating to or arising under the Mortgage Loan against the debtor which made such preference payment or otherwise with respect to such preference amount; and

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(iv) appropriate instruments to effect (when executed by the affected party) the appointment of the Insurer as agent for the Indenture Trustee and any Owner in any legal proceeding relating to such preference payment being in a form satisfactory to the Insurer.

Section 2.14. Representations, Warranties and Covenants of the Owner Trustee. The Owner Trustee represents and warrants to, as of the Closing Date, and covenants with the other parties hereto as follows:

(a) *Due Organization and Qualification.* As of the Closing Date, each of the representations and warranties of the Owner Trustee set forth in the Transactions Documents to which it is a party is true and correct in all material respects and the Owner Trustee makes each such representation and warranty to, and for the benefit of, the Insurer as if the same were set forth in full herein.

(b) *Compliance and Amendments.* The Owner Trustee shall comply in all material respects with the terms and conditions of the Transaction Documents to which it is a party and the Owner Trustee shall not agree to any amendment to or modification of the terms of any Transaction Document to which it is a party unless the Insurer shall otherwise give its prior written consent.

(c) *Principal Place of Business.* The principal place of business of the Owner Trustee is located in Wilmington, Delaware.

Section 2.15. Additional Covenants of the Insurer Relating to Regulation AB

(a) Upon the filing of its unaudited financial statements for the March 2007, June 2007 and September 2007 fiscal quarters and the filing of its audited financial statements for the 2007 fiscal year, the Insurer hereby authorizes the Depositor to incorporate into reports filed pursuant to the Exchange Act relating to this transaction such unaudited or audited financial statements, as appropriate for the related period meeting the requirements of Regulation S-X of the Securities Act. The Insurer hereby authorizes the Depositor to incorporate into reports filed pursuant to the Exchange Act relating to this transaction the Insurer's quarterly and annual financial statements for so long as such financial statements may be required for the Depositor to comply with its reporting requirements under the Exchange Act. All written notices to the Insurer under this Section 2.15 shall be sent to the Insurer via electronic mail at IPMSTFMortgageBacked@mbia.com.

(b) The Insurer shall give the Depositor written notice in the event (i) MBIA Inc. no longer files reports with the Commission pursuant to section 13(a) or 15(d) of the Exchange Act or (ii) the Insurer determines that it otherwise fails to satisfy the conditions set forth for incorporation by reference in Item 1100(c) under Regulation AB. If the Insurer gives the Depositor any such written notice, upon the written request of the Depositor, the Insurer shall furnish to the Depositor the Insurer's unaudited financial statements for each of the March, June and September fiscal quarters and audited financial statements for each fiscal year (the "Insurer Financial Statements") as soon as

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reasonably practical after the release thereof for the period specified below in this Section 2.15(b). Subject to the provisions of this Section 2.15(b), (i) the Insurer Financial Statements shall be delivered in electronic form via electronic mail to SFRegABCoordinator@gmacrfc.com, or such other address that has been designated by the Depositor and provided in writing to the Insurer, and (ii) the Insurer shall continue to furnish Insurer Financial Statements to the Depositor as soon as reasonably practical after the release thereof for so long as the Depositor is subject to reporting requirements under the Exchange Act in relation to the Notes and such Insurer Financial Statements are required for the Depositor to comply with such reporting requirements.

(c) If the Depositor is required to include information required by Item 1119 of Regulation AB in the Depositor's Report on Form 10-K and the Depositor provides written notice to the Insurer via electronic mail, referencing "Reg AB Item 1119 Reporting" (i) identifying the relevant parties to the transaction as required under paragraph (a) of Item 1119 of Regulation AB (such parties, the "Transaction Parties") and (ii) requesting that the Insurer identify whether the Insurer is an affiliate of any of the Transaction Parties, then the Insurer shall provide the following information to the Depositor in electronic form via electronic mail to SFRegABCoordinator@gmacrfc.com, or such other address that has been designated by the Depositor, not later than 30 days after such request by the Depositor: (x) any Transaction Party that directly controls, or is directly controlled by the Insurer and (y) any Transaction Party that, to the knowledge of senior management of the Insurer, indirectly controls, is indirectly controlled by, or is under common control with, the Insurer.

(d) The requirements for the delivery of notices, financial statements and information pursuant to this Section 2.15 shall be satisfied to the extent that the Insurer provided such items pursuant to any similar transaction in which GMACM is acting as "Seller." The Insurer shall use commercially reasonable efforts to identify each transaction to which the deliveries relate, provided that the failure to denote such transactions shall not be deemed a failure to deliver an item pursuant to this Section 2.15.

ARTICLE III

THE POLICY; REIMBURSEMENT

Section 3.01. Issuance of the Policy. The Insurer agrees to issue the Policy on the Closing Date subject to satisfaction of the conditions precedent set forth below on or prior to the Closing Date:

(a) *Payment of Initial Premium and Expenses.* The Insurer shall have been paid, by GMACM that portion of a nonrefundable Premium payable on the Closing Date, and GMACM shall agree to reimburse or pay directly other fees and expenses identified in Section 3.02 hereof as payable.

(b) *Transaction Documents.* The Insurer shall have received a fully executed copy of the Premium Letter and a copy of each of the Transaction Documents, in form

and substance satisfactory to the Insurer, duly authorized, executed and delivered by each party thereto.

(c) *Certified Documents and Resolutions.* The Insurer shall have received (i) a copy of the applicable organizational documents of GMACM, Walnut Grove, the Issuer and the Depositor and (ii) the certificate of the Secretary or Assistant Secretary of GMACM, the Issuer and the Depositor dated the Closing Date stating that attached thereto is a true, complete and correct copy of resolutions duly adopted by the Board of Directors or other governing body, as applicable, of GMACM, the Issuer and the Depositor authorizing the sale of the Initial Mortgage Loans, the issuance of the Securities and the execution, delivery and performance by GMACM, the Issuer and the Depositor, respectively, of the Transaction Documents to which it is a party and the consummation of the Transaction and that such applicable organizational documents and resolutions are in full force and effect without amendment or modification on the Closing Date.

(d) *Incumbency Certificate.* The Insurer shall have received a certificate of the Secretary or an Assistant Secretary of each of GMACM, the Depositor and the Issuer certifying the names and signatures of the officers of GMACM, the Depositor and the Issuer authorized to execute and deliver the Transaction Documents to which it is a party and that shareholder or beneficial owner consent to the execution and delivery of such documents is not necessary or has been obtained.

(e) *Representations and Warranties; Certificate.* The representations and warranties of GMACM, Walnut Grove, the Issuer and the Depositor set forth or incorporated by reference in this Insurance Agreement shall be true and correct on and as of the Closing Date as if made on the Closing Date, and the Insurer shall have received a certificate of appropriate officers of GMACM, the Depositor and the Issuer to that effect.

(f) *Opinions of Counsel.* The Insurer shall have received all the opinions of counsel addressed to Moody's, S&P, the Indenture Trustee, the Owner Trustee, GMACM, the Issuer, the Depositor and the Underwriter, in respect of GMACM, Walnut Grove, the Issuer and the Depositor or any other parties to the Transaction Documents and the Transaction dated the Closing Date in form and substance reasonably satisfactory to the Insurer and its counsel, addressed to the Insurer and addressing such matters as the Insurer may reasonably request, and the counsel providing each such opinion shall have been instructed by its client to deliver such opinion to the addressees thereof.

(g) *Approvals, Etc.* The Insurer shall have received true and correct copies of all approvals, licenses and consents, if any, including, without limitation, any required approval of the shareholders or the beneficial owners, as applicable, of GMACM, Walnut Grove, the Issuer and the Depositor, required in connection with the Transaction.

(h) *No Litigation, Etc.* No suit, action or other proceeding, investigation or injunction, or final judgment relating thereto, shall be pending or threatened before any court, governmental or administrative agency or arbitrator in which it is sought to restrain

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or prohibit or to obtain damages or other relief in connection with any of the Transaction Documents or the consummation of the Transaction.

(i) *Legality* . No statute, rule, regulation or order shall have been enacted, entered or deemed applicable by any government or governmental or administrative agency or court that would make the transactions contemplated by any of the Transaction Documents illegal or otherwise prevent the consummation thereof.

(j) *Satisfaction of Conditions of the Underwriting Agreement*. All conditions in the Underwriting Agreement relating to the Underwriter's obligation, if any, to purchase the Notes, if any, shall have been satisfied, without taking into account any waiver by the Underwriter of any condition unless such waiver has been approved by the Insurer. The Insurer shall have received copies of each of the documents, and shall be entitled to rely on each of the documents, required to be delivered to the Underwriter pursuant to the Underwriting Agreement.

(k) *Issuance of Ratings*. The Insurer shall have received confirmation that the risk secured by the Policy constitutes at least "BBB" by S&P and "Baa3" by Moody's and that the Notes, when issued, will be rated "AAA" by S&P and "Aaa" by Moody's.

(l) *No Default* . No Default or Event of Default shall have occurred.

(m)*Additional Items*. The Insurer shall have received such other documents, instruments, approvals or opinions requested by the Insurer or its counsel as may be reasonably necessary to effect the Transaction, including, but not limited to, evidence satisfactory to the Insurer and its counsel that the conditions precedent, if any, in the Transaction Documents have been satisfied.

(n) *Satisfactory Documentation*. The Insurer and its counsel shall have reasonably determined that all documents, certificates and opinions to be delivered in connection with the Securities conform to the terms of the Transaction Documents.

(o) *Indemnification Letter*. The Insurer shall have received from the Underwriter an indemnification letter or agreement with respect to securities law matters in form and substance reasonably satisfactory to the Insurer.

(p) *Compliance With Premium Letter*. All other terms, conditions and requirements of the Premium Letter shall have been satisfied.

Section 3.02. Payment of Fees and Premium.

(a) *Legal and Accounting Fees*. GMACM shall pay or cause to be paid to the Insurer, on the Closing Date, legal fees and disbursements incurred by the Insurer in connection with the issuance of the Policy and any fees of the Insurer's auditors in accordance with the terms of the Premium Letter. Any fees of the Insurer's auditors payable in respect of any amendment or supplement to the Offering Documents or any other Offering Documents incurred after the Closing Date shall be paid by GMACM on demand.

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(b) *Premium.* In consideration of the issuance by the Insurer of the Policy, the Insurer shall be entitled to receive the Premium as and when due in accordance with the terms of the Premium Letter pursuant to Section 3.05(a) of the Indenture. For purposes of the Indenture, the term "Premium Percentage" shall have the meaning set forth in paragraph 1(a) of the Premium Letter. The Premium shall be calculated according to paragraph 1(b) of the Premium Letter for the amount due on each Payment Date. The Premium paid hereunder or under the Indenture shall be nonrefundable without regard to whether the Insurer makes any payment under the Policy or any other circumstances relating to the Notes or provision being made for payment of the Notes prior to maturity. The Indenture Trustee shall make payments of Premium by wire transfer to an account designated from time to time by the Insurer by written notice to the Indenture Trustee.

Section 3.03. Reimbursement and Additional Payment Obligation.

(a) In accordance with the priorities established in Section 3.05(a) of the Indenture, the Insurer shall be entitled to reimbursement for any payment made by the Insurer under the Policy, which reimbursement shall be due and payable on the date that any amount is to be paid pursuant to a Notice (as defined in the Policy), in an amount equal to the amount to be so paid and all amounts previously paid that remain unreimbursed, together with interest on any and all amounts remaining unreimbursed (to the extent permitted by law, if in respect of any unreimbursed amounts representing interest) from the date such amounts became due until paid in full (after as well as before judgment), at a rate of interest equal to the Late Payment Rate.

(b) Notwithstanding anything in Section 3.03(a) to the contrary, GMACM agrees to reimburse the Insurer as follows: (i) for payments made under the Policy arising as a result of GMACM's or Walnut Grove's failure to substitute for or deposit an amount in respect of any defective Mortgage Loan as required pursuant to Section 3.1 of the Purchase Agreement, together with interest on any and all amounts remaining unreimbursed (to the extent permitted by law, if in respect of any unreimbursed amounts representing interest) from the date such amounts became due until paid in full (after as well as before judgment), at a rate of interest equal to the Late Payment Rate, and (ii) for payments made under the Policy arising as a result of (A) GMACM's and Walnut Grove's failure to pay or deposit any amount required to be so paid or deposited pursuant to the Transaction Documents or (B) GMACM's and Walnut Grove's failure to honor any demand made by the Indenture Trustee under Section 3.12 of the Indenture, together with interest on any and all amounts remaining unreimbursed (to the extent permitted by law, if in respect to any unreimbursed amounts representing interest) from the date such amounts became due until paid in full (after as well as before judgment), at a rate of interest equal to the Late Payment Rate.

(c) GMACM agrees to pay to the Insurer as follows: any and all charges, fees, costs and expenses that the Insurer may reasonably pay or incur, including, but not limited to, reasonable attorneys' and accountants' fees and expenses, in connection with (i) the enforcement, defense or preservation of any rights in respect of any of the Transaction Documents, including defending, monitoring or participating in any litigation or proceeding (including any insolvency or bankruptcy proceeding in respect of any

Transaction participant or any affiliate thereof) relating to any of the Transaction Documents, any party to any of the Transaction Documents, in its capacity as such a party, or the Transaction or (ii) any amendment, waiver or other action with respect to, or related to, any Transaction Document, whether or not executed or completed. Provided that three Business Days' written notice of the intended payment or incurrence shall have been given to GMACM by the Insurer, such reimbursement shall be due on the dates on which such charges, fees, costs or expenses are paid or incurred by the Insurer.

(d) The Depositor agrees to pay to the Insurer any and all charges, fees, costs and expenses that the Insurer may reasonably pay or incur, including reasonable attorneys' and accountants' fees and expenses, in connection with (i) the enforcement, defense or preservation of any rights in respect of any of the Transaction Documents as such may involve the Depositor, including defending, monitoring or participating in any litigation or proceeding (including any insolvency proceeding in respect of any Transaction participant or any affiliate thereof) relating to any of the Transaction Documents, any party to any of the Transaction Documents (in its capacity as such a party) or the Transaction or (ii) any amendment, waiver or other action with respect to, or related to, any Transaction Document that may involve the Depositor, whether or not executed or completed. Provided that three Business Days' written notice of the intended payment or incurrence shall have been given to the Depositor by the Insurer, such reimbursement shall be due on the dates on which such charges, fees, costs or expenses are paid or incurred by the Insurer.

(e) GMACM agrees to pay to the Insurer as follows: interest on any and all amounts described in subsections (b), (c), (g) and (h) of this Section 3.03 from the date payable or paid by such party until payment thereof in full, and interest on any and all amounts described in Section 3.02 hereof from the date due until payment thereof in full, in each case payable to the Insurer at the Late Payment Rate per annum.

(f) The Depositor agrees to pay to the Insurer interest on any and all amounts described in Section 3.03(d) and (i) and Section 3.05 from the date such amounts become due or, in the case of Sections 3.03(d), (i) or Section 3.05, are incurred or paid by the Insurer until payment thereof in full (after as well as before judgment), at the Late Payment Rate.

(g) GMACM agrees to pay to the Insurer as follows: any payments made by the Insurer on behalf of, or advanced to GMACM or the Issuer including, without limitation, any amounts payable by GMACM or the Issuer pursuant to the Notes or any other Transaction Document, on the date any such payment is made or advanced by the Insurer.

(h) In the event GMACM shall exercise its right to purchase the Mortgage Loans and the REO Property pursuant to Section 8.08 of the Servicing Agreement, GMACM agrees to reimburse the Insurer for any Insured Payments required to be made pursuant to the Policy after the purchase of the Mortgage Loans and the REO Property.

(i) The Depositor agrees to pay to the Insurer as follows: any payments made by the Insurer on behalf of, or advanced to, the Depositor, including any amounts payable by

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the Depositor pursuant to the Notes or any Transaction Documents, on the date any such payment is made or advanced by the Insurer.

Section 3.04. Indemnification with Respect to GMACM, Walnut Grove and the Issuer.

(a) In addition to any and all of the Insurer's rights of reimbursement, indemnification, subrogation and to any other rights of the Insurer pursuant hereto or under law or in equity, GMACM, Walnut Grove and the Issuer agree, jointly and severally, to pay, and to protect, indemnify and save harmless, the Insurer and its officers, directors, shareholders, employees, agents and each Person, if any, who controls the Insurer within the meaning of either Section 15 of the Securities Act or Section 20 of the Securities Exchange Act from and against any and all claims, losses, liabilities (including penalties), actions, suits, judgments, demands, damages, costs or reasonable expenses (including, without limitation, reasonable fees and expenses of attorneys, consultants and auditors and reasonable costs of investigations) or obligations whatsoever paid by the Insurer (herein collectively referred to as "Liabilities") of any nature arising out of or relating to the breach by GMACM, Walnut Grove or the Issuer of any of the representations or warranties contained in Sections 2.01 (except for any representation or warranty contained in Section 2.01(k)), 2.02 or 2.03 or arising out of or relating to the transactions contemplated by the Transaction Documents by reason of:

(i) any omission or action (other than of or by the Insurer) in connection with the offering, issuance, sale, remarketing or delivery of the Securities by GMACM, Walnut Grove, the Issuer, the Owner Trustee or the Indenture Trustee;

(ii) the negligence, bad faith, willful misconduct, misfeasance, malfeasance or theft committed by any director, officer, employee or agent of GMACM, Walnut Grove, the Issuer, the Owner Trustee or the Indenture Trustee in connection with any Transaction arising from or relating to the Transaction Documents;

(iii) the violation of GMACM, Walnut Grove or the Issuer of any domestic or foreign law, rule or regulation, or any judgment, order or decree applicable to it, which violation reasonably could result in a Material Adverse Change; or

(iv) the breach by GMACM, Walnut Grove or the Issuer of any representation or warranty (other than a representation in respect of the Mortgage Loans in Section 3.1 of the Purchase Agreement or a representation or warranty contained in Section 2.01(k) of this Insurance Agreement) or covenant under any of the Transaction Documents to which it is a party or the occurrence, with respect to GMACM, Walnut Grove or the Issuer, under any of the Transaction Document of any "event of default" or any event which, with the giving of notice or the lapse of time or both, would constitute any "event of default."

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(b) If any action or proceeding (including any governmental investigation) shall be brought or asserted against any Person (individually, an "Indemnified Party" and, collectively, the "Indemnified Parties") in respect to which the indemnity provided in Section 3.04(a) may be sought from GMACM, Walnut Grove or the Issuer (each, an "Indemnifying Party") hereunder, each such Indemnified Party shall promptly notify the Indemnifying Party in writing, and the Indemnifying Party shall assume the defense thereof, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of all expenses. The Indemnified Party shall have the right to employ separate counsel in any such action and to participate in the defense thereof at the expense of the Indemnified Party; provided, however, that the fees and expenses of such separate counsel shall be at the expense of the Indemnifying Party if (i) the Indemnifying Party has agreed to pay such fees and expenses, (ii) the Indemnifying Party shall have failed within a reasonable period of time to assume the defense of such action or proceeding and employ counsel reasonably satisfactory to the Indemnified Party in any such action or proceeding or (iii) the named parties to any such action or proceeding (including any impleaded parties) include both the Indemnified Party and the Indemnifying Party, and the Indemnified Party shall have been advised by counsel that there may be one or more legal defenses available to it which are different from or additional to those available to the Indemnifying Party (in which case, if the Indemnified Party notifies the Indemnifying Party in writing that it elects to employ separate counsel at the expense of the Indemnifying Party, the Indemnifying Party shall not have the right to assume the defense of such action or proceeding on behalf of the Indemnified Party, it being understood, however, that the Indemnifying Party shall not, in connection with any one such action or proceeding or separate but substantially similar or related actions or proceedings in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys at any time for the Indemnified Parties, which firm shall be designated in writing by the Indemnified Party and shall be reasonably satisfactory to the Indemnifying Party). The Indemnifying Party shall not be liable for any settlement of any such action or proceeding effected without its written consent, which consent shall not be unreasonably withheld, conditioned or delayed, but, if settled with its written consent, or if there is a final judgment for the plaintiff in any such action or proceeding with respect to which the Indemnifying Party shall have received notice in accordance with this subsection (b), the Indemnifying Party agrees to indemnify and hold the Indemnified Parties harmless from and against any loss or liability by reason of such settlement or judgment.

(c) To provide for just and equitable contribution if the indemnification provided by the Indemnifying Party is determined to be unavailable or insufficient to hold harmless any Indemnified Party (other than due to the application of this Section 3.04), each Indemnifying Party shall contribute to the losses incurred by the Indemnified Party on the basis of the relative fault of the Indemnifying Party on the one hand, and the Indemnified Party, on the other hand.

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Section 3.05. Indemnification with Respect to the Depositor.

(a) In addition to any and all of the Insurer's rights of reimbursement, indemnification, subrogation and to any other rights of the Insurer pursuant hereto or under law or in equity, the Depositor agrees to pay, and to protect, indemnify and save harmless, the Insurer and its officers, directors, shareholders, employees, agents and each Person, if any, who controls the Insurer within the meaning of either Section 15 of the Securities Act or Section 20 of the Securities Exchange Act from and against any and all claims, losses, liabilities (including penalties), actions, suits, judgments, demands, damages, costs or reasonable expenses (including, without limitation, reasonable fees and expenses of attorneys, consultants and auditors and reasonable costs of investigations) or obligations whatsoever paid by the Insurer of any nature arising out of or relating to the breach by the Depositor of any of the representations or warranties contained in Section 2.04 or arising directly out of or relating directly to the Transaction contemplated by the Transaction Documents by reason of:

(i) the negligence, bad faith, willful misconduct, misfeasance, malfeasance or theft committed by any director, officer, employee or agent of the Depositor in connection with any Transaction arising from or relating to the Transaction Documents;

(ii) the violation by the Depositor of any domestic or foreign law, rule or regulation, or any judgment, order or decree applicable to it, which violation reasonably could result in a Material Adverse Change; or

(iii) the breach by the Depositor of any of its representations, warranties or covenants under any of the Transaction Documents to which it is a party or the occurrence, in respect of the Depositor, under any of the Transaction Documents to which the Depositor is a party of any "event of default" or any event which, with the giving of notice or the lapse of time or both, would constitute any "event of default."

(b) If any action or proceeding (including any governmental investigation) shall be brought or asserted against any Person (individually, an "Indemnified Party" and, collectively, the "Indemnified Parties") in respect to which the indemnity provided in Section 3.05(a) may be sought from the Depositor (the "Indemnifying Party") hereunder, each such Indemnified Party shall promptly notify the Indemnifying Party in writing, and the Indemnifying Party shall assume the defense thereof, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of all expenses. The Indemnified Party shall have the right to employ separate counsel in any such action and to participate in the defense thereof at the expense of the Indemnified Party; provided, however, that the fees and expenses of such separate counsel shall be at the expense of the Indemnifying Party if (i) the Indemnifying Party has agreed to pay such fees and expenses, (ii) the Indemnifying Party shall have failed within a reasonable period of time to assume the defense of such action or proceeding and employ counsel reasonably satisfactory to the Indemnified Party in any such action or proceeding or (iii) the named parties to any such action or proceeding (including any impleaded parties)

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include both the Indemnified Party and the Indemnifying Party, and the Indemnified Party shall have been advised by counsel that there may be one or more legal defenses available to it which are different from or additional to those available to the Indemnifying Party (in which case, if the Indemnified Party notifies the Indemnifying Party in writing that it elects to employ separate counsel at the expense of the Indemnifying Party, the Indemnifying Party shall not have the right to assume the defense of such action or proceeding on behalf of the Indemnified Party, it being understood, however, that the Indemnifying Party shall not, in connection with any one such action or proceeding or separate but substantially similar or related actions or proceedings in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys at any time for the Indemnified Parties, which firm shall be designated in writing by the Indemnified Party and shall be reasonably satisfactory to the Indemnifying Party). The Indemnifying Party shall not be liable for any settlement of any such action or proceeding effected without its written consent, which consent shall not be unreasonably withheld, conditioned or delayed, but, if settled with its written consent, or if there is a final judgment for the plaintiff in any such action or proceeding with respect to which the Indemnifying Party shall have received notice in accordance with this subsection (b), the Indemnifying Party agrees to indemnify and hold the Indemnified Parties harmless from and against any loss or liability by reason of such settlement or judgment.

To provide for just and equitable contribution if the indemnification provided by the Indemnifying Party is determined to be unavailable or insufficient to hold harmless any Indemnified Party (other than due to the application of this Section 3.05), each Indemnifying Party shall contribute to the losses incurred by the Indemnified Party on the basis of the relative fault of the Indemnifying Party on the one hand, and the Indemnified Party, on the other hand.

Section 3.05A. Indemnification with Respect to GMACM, Walnut Grove and the Depositor.

(a) In addition to any and all of the Insurer's rights of reimbursement, indemnification, subrogation and to any other rights of the Insurer pursuant hereto or under law or in equity, GMACM, Walnut Grove and the Depositor agree, jointly and severally, to pay, and to protect, indemnify and save harmless, the Insurer and its officers, directors, shareholders, employees, agents and each Person, if any, who controls the Insurer within the meaning of either Section 15 of the Securities Act or Section 20 of the Securities Exchange Act from and against any and all claims, losses, liabilities (including penalties), actions, suits, judgments, demands, damages, costs or reasonable expenses (including, without limitation, reasonable fees and expenses of attorneys, consultants and auditors and reasonable costs of investigations) or obligations whatsoever paid by the Insurer (herein collectively referred to as "Liabilities") of any nature arising out of or relating to the breach by GMACM, Walnut Grove or the Depositor of any of the representations or warranties contained in Section 2.12A or arising out of or relating to the transactions contemplated by the Transaction Documents by reason of any untrue statement or alleged untrue statement of a material fact contained in the Offering Documents other than the Insurer Information and the Underwriter Information (the "GMACM Information") or any omission or alleged omission to state in the GMACM

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Information a material fact required to be stated in the GMACM Information or necessary to make the statements in the GMACM Information, in light of the circumstances under which they were made, not misleading) except insofar as such claims, losses, liabilities (including penalties), actions, suits, judgments, demands, damages, costs or expenses (including reasonable fees and expenses of attorneys, consultants and auditors and reasonable costs of investigations) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact or omission or alleged omission of a material fact in the Insurer Information or the Underwriter Information.

(b) If any action or proceeding (including any governmental investigation) shall be brought or asserted against any Person (individually, an "Indemnified Party" and, collectively, the "Indemnified Parties") in respect to which the indemnity provided in Section 3.05A(a) may be sought from GMACM, Walnut Grove or the Depositor (each, an "Indemnifying Party") hereunder, each such Indemnified Party shall promptly notify the Indemnifying Party in writing, and the Indemnifying Party shall assume the defense thereof, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of all expenses. The Indemnified Party shall have the right to employ separate counsel in any such action and to participate in the defense thereof at the expense of the Indemnified Party; provided, however, that the fees and expenses of such separate counsel shall be at the expense of the Indemnifying Party if (i) the Indemnifying Party has agreed to pay such fees and expenses, (ii) the Indemnifying Party shall have failed within a reasonable period of time to assume the defense of such action or proceeding and employ counsel reasonably satisfactory to the Indemnified Party in any such action or proceeding or (iii) the named parties to any such action or proceeding (including any impleaded parties) include both the Indemnified Party and the Indemnifying Party, and the Indemnified Party shall have been advised by counsel that there may be one or more legal defenses available to it which are different from or additional to those available to the Indemnifying Party (in which case, if the Indemnified Party notifies the Indemnifying Party in writing that it elects to employ separate counsel at the expense of the Indemnifying Party, the Indemnifying Party shall not have the right to assume the defense of such action or proceeding on behalf of the Indemnified Party, it being understood, however, that the Indemnifying Party shall not, in connection with any one such action or proceeding or separate but substantially similar or related actions or proceedings in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys at any time for the Indemnified Parties, which firm shall be designated in writing by the Indemnified Party and shall be reasonably satisfactory to the Indemnifying Party). The Indemnifying Party shall not be liable for any settlement of any such action or proceeding effected without its written consent, which consent shall not be unreasonably withheld, conditioned or delayed, but, if settled with its written consent, or if there is a final judgment for the plaintiff in any such action or proceeding with respect to which the Indemnifying Party shall have received notice in accordance with this subsection (b), the Indemnifying Party agrees to indemnify and hold the Indemnified Parties harmless from and against any loss or liability by reason of such settlement or judgment.

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(c) To provide for just and equitable contribution if the indemnification provided by the Indemnifying Party is determined to be unavailable or insufficient to hold harmless any Indemnified Party (other than due to the application of this Section 3.05A), each Indemnifying Party shall contribute to the losses incurred by the Indemnified Party on the basis of the relative fault of the Indemnifying Party on the one hand, and the Indemnified Party, on the other hand.

Section 3.06. Indemnification with Respect to the Indenture Trustee. In addition to any and all rights of indemnification or any other rights of the Insurer pursuant hereto or under law or equity, the Indenture Trustee agrees to pay, and to protect, indemnify and save harmless, the Insurer and its officers, directors, shareholders, employees, agents, including each person, if any, who controls the Insurer within the meaning of either Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Securities and Exchange Act of 1934, as amended, from and against any and all claims, losses, liabilities (including penalties), actions, suits, judgments, demands, damages, costs or reasonable expenses (including, without limitation, reasonable fees and expenses of attorneys, consultants and auditors and reasonable costs of investigations) or obligations whatsoever of any nature arising out of the breach by the Indenture Trustee of any of its obligations under this Insurance Agreement or under the Indenture. This indemnity provision shall survive the termination of this Insurance Agreement and shall survive until the statute of limitations has run on any causes of action which arise from one of these reasons and until all suits filed as a result thereof have been finally concluded.

Section 3.07. Indemnification with Respect to Insurer.

(a) In addition to any and all of the rights of GMACM and the Depositor pursuant hereto or under law or in equity, the Insurer agrees to pay, and to protect, indemnify and save harmless, each of GMACM and the Depositor and their officers, directors, shareholders, employees, agents and each Person, if any, who controls GMACM or the Depositor within the meaning of either Section 15 of the Securities Act or Section 20 of the Securities Exchange Act from and against any and all claims, losses, liabilities (including penalties), actions, suits, judgments, demands, damages, costs or reasonable expenses (including, without limitation, reasonable fees and expenses of attorneys, consultants and auditors and reasonable costs of investigations) or obligations whatsoever paid by them (herein collectively referred to as "Liabilities") of any nature arising out of or relating to the breach by the Insurer of any of the covenants contained in Section 2.15 or arising out of or relating to the transactions contemplated by the Transaction Documents by reason of any untrue statement or alleged untrue statement of a material fact contained in the information delivered by the Insurer pursuant to Section 2.15 (the "Insurer Regulation AB Information") or any omission or alleged omission to state in the Insurer Regulation AB Information a material fact required to be stated in the Insurer Regulation AB Information or necessary to make the statements in the Insurer Regulation AB Information, in light of the circumstances under which they were made, not misleading.

(b) If any action or proceeding (including any governmental investigation) shall be brought or asserted against any Person (individually, an "Indemnified Party" and, collectively, the "Indemnified Parties") in respect to which the indemnity provided in

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Section 3.07(a) may be sought from the Insurer (the "Indemnifying Party") hereunder, each such Indemnified Party shall promptly notify the Indemnifying Party in writing, and the Indemnifying Party shall assume the defense thereof, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of all expenses. The Indemnified Party shall have the right to employ separate counsel in any such action and to participate in the defense thereof at the expense of the Indemnified Party; provided, however, that the fees and expenses of such separate counsel shall be at the expense of the Indemnifying Party if (i) the Indemnifying Party has agreed to pay such fees and expenses, (ii) the Indemnifying Party shall have failed within a reasonable period of time to assume the defense of such action or proceeding and employ counsel reasonably satisfactory to the Indemnified Party in any such action or proceeding or (iii) the named parties to any such action or proceeding (including any impleaded parties) include both the Indemnified Party and the Indemnifying Party, and the Indemnified Party shall have been advised by counsel that there may be one or more legal defenses available to it which are different from or additional to those available to the Indemnifying Party (in which case, if the Indemnified Party notifies the Indemnifying Party in writing that it elects to employ separate counsel at the expense of the Indemnifying Party, the Indemnifying Party shall not have the right to assume the defense of such action or proceeding on behalf of the Indemnified Party, it being understood, however, that the Indemnifying Party shall not, in connection with any one such action or proceeding or separate but substantially similar or related actions or proceedings in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys at any time for the Indemnified Parties, which firm shall be designated in writing by the Indemnified Party and shall be reasonably satisfactory to the Indemnifying Party). The Indemnifying Party shall not be liable for any settlement of any such action or proceeding effected without its written consent, which consent shall not be unreasonably withheld, conditioned or delayed, but, if settled with its written consent, or if there is a final judgment for the plaintiff in any such action or proceeding with respect to which the Indemnifying Party shall have received notice in accordance with this subsection (b), the Indemnifying Party agrees to indemnify and hold the Indemnified Parties harmless from and against any loss or liability by reason of such settlement or judgment.

(c) To provide for just and equitable contribution if the indemnification provided by the Indemnifying Party is determined to be unavailable or insufficient to hold harmless any Indemnified Party (other than due to the application of this Section 3.07), each Indemnifying Party shall contribute to the losses incurred by the Indemnified Party on the basis of the relative fault of the Indemnifying Party on the one hand, and the Indemnified Party, on the other hand.

Section 3.08. Payment Procedure. In the event of any payment by the Insurer, the Indenture Trustee, GMACM, Walnut Grove, the Issuer and the Depositor agree to accept the voucher or other evidence of payment as prima facie evidence of the propriety thereof and the liability, if any, described in Section 3.03 therefor to the Insurer. All payments to be made to the Insurer under this Insurance Agreement shall be made to the Insurer in lawful currency of the United States of America in immediately available funds at the notice address for the Insurer as specified in Section 6.02 hereof on the date when due or as the Insurer shall otherwise direct by

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written notice to the other parties hereto. In the event that the date of any payment to the Insurer or the expiration of any time period hereunder occurs on a day that is not a Business Day, then such payment or expiration of time period shall be made or occur on the next succeeding Business Day with the same force and effect as if such payment was made or time period expired on the scheduled date of payment or expiration date. Payments to be made to the Insurer under this Insurance Agreement shall bear interest at the Late Payment Rate from the date when due to the date paid.

Section 3.09. Joint and Several Liability. GMACM, Walnut Grove and the Issuer shall be jointly and severally liable for all amounts due and payable to the Insurer hereunder by any such parties.

ARTICLE IV

FURTHER AGREEMENTS

Section 4.01. Effective Date; Term of the Insurance Agreement. This Insurance Agreement shall take effect on the Closing Date and shall remain in effect until the later of (a) such time as the Insurer is no longer subject to a claim under the Policy and the Policy shall have been surrendered to the Insurer for cancellation and (b) all amounts payable to the Insurer by GMACM, Walnut Grove, the Indenture Trustee, the Issuer, the Owner Trustee or the Depositor hereunder or from any other source hereunder or under the Transaction Documents and all amounts payable under the Notes have been paid in full; provided, however, that the provisions of Sections 3.02, 3.03, 3.04, 3.05, 3.05A, 3.06 and 4.06 hereof shall survive any termination of this Insurance Agreement; provided, with respect to Section 4.06, that Section 4.06 shall survive the termination of this Insurance Agreement for the period of time specified in Section 4.06.

Section 4.02. Further Assurances and Corrective Instruments.

(a) Except at such times as a default in payment under the Policy shall exist or shall have occurred, none of GMACM, Walnut Grove, the Indenture Trustee, the Issuer, the Owner Trustee or the Depositor shall grant any waiver of rights under any of the Transaction Documents to which any of them is a party without the prior written consent of the Insurer, which shall not be unreasonably withheld, conditioned or delayed, and any such waiver without the prior written consent of the Insurer shall be null and void and of no force or effect.

(b) To the extent permitted by law, each of GMACM, Walnut Grove, the Indenture Trustee, the Issuer, the Owner Trustee and the Depositor agrees that it will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as the Insurer may reasonably request and as may be required in the Insurer's reasonable judgment to effectuate the intention of or facilitate the performance of this Insurance Agreement.

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Section 4.03. Obligations Absolute.

(a) So long as no Enhancer Default shall have occurred and be continuing, the obligations of GMACM, Walnut Grove, the Indenture Trustee, the Issuer, the Owner Trustee and the Depositor hereunder shall be absolute and unconditional and shall be paid or performed strictly in accordance with this Insurance Agreement under all circumstances irrespective of:

(i) any lack of validity or enforceability of, or any amendment or other modifications of, or waiver, with respect to any of the Transaction Documents or the Securities that have not been approved by the Insurer;

(ii) any exchange or release of any other obligations hereunder;

(iii) the existence of any claim, setoff, defense, reduction, abatement or other right that GMACM, Walnut Grove, the Indenture Trustee, the Issuer, the Owner Trustee or the Depositor may have at any time against the Insurer or any other Person;

(iv) any document presented in connection with the Policy proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;

(v) any payment by the Insurer under the Policy against presentation of a certificate or other document that does not strictly comply with terms of the Policy;

(vi) any failure of GMACM, Walnut Grove, the Indenture Trustee, the Issuer, the Owner Trustee or the Depositor to receive the proceeds from the sale of the Securities;

(vii) any breach by GMACM, Walnut Grove, the Indenture Trustee, the Issuer, the Owner Trustee or the Depositor of any representation, warranty or covenant contained in any of the Transaction Documents; or

(viii) any other circumstances, other than payment in full, that might otherwise constitute a defense available to, or discharge of, GMACM, Walnut Grove, the Issuer, the Indenture Trustee, the Owner Trustee or the Depositor.

(b) So long as no Enhancer Default shall have occurred and be continuing, GMACM, Walnut Grove, the Indenture Trustee, the Issuer, the Owner Trustee or the Depositor and any and all others who are now or may become liable for all or part of the obligations of GMACM, Walnut Grove, the Indenture Trustee, the Issuer, the Owner Trustee or the Depositor under this Insurance Agreement agree to be bound by this Insurance Agreement and (i) to the extent permitted by law, waive and renounce any and all redemption and exemption rights and the benefit of all valuation and appraisement privileges against the indebtedness and obligations evidenced by any Transaction Document or by any extension or renewal thereof; (ii) waive presentment and demand for

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payment, notices of nonpayment and of dishonor, protest of dishonor and notice of protest; (iii) waive all notices in connection with the delivery and acceptance hereof and all other notices in connection with the performance, default or enforcement of any payment hereunder, except as required by the Transaction Documents; (iv) waive all rights of abatement, diminution, postponement or deduction, or any defense other than payment, or any right of setoff or recoupment arising out of any breach under any of the Transaction Documents by any party thereto or any beneficiary thereof, or out of any obligation at any time owing to GMACM, Walnut Grove, the Indenture Trustee, the Issuer, the Owner Trustee or the Depositor; (v) agree that its liabilities hereunder shall, except as otherwise expressly provided in this Section 4.03, be unconditional and without regard to any setoff, counterclaim or the liability of any other Person for the payment hereof; (vi) agree that any consent, waiver or forbearance hereunder with respect to an event shall operate only for such event and not for any subsequent event; (vii) consent to any and all extensions of time that may be granted by the Insurer with respect to any payment hereunder or other provisions hereof and to the release of any security at any time given for any payment hereunder, or any part thereof, with or without substitution, and to the release of any Person or entity liable for any such payment; and (viii) consent to the addition of any and all other makers, endorsers, guarantors and other obligors for any payment hereunder, and to the acceptance of any and all other security for any payment hereunder, and agree that the addition of any such obligors or security shall not affect the liability of the parties hereto for any payment hereunder.

Nothing herein shall be construed as prohibiting GMACM, Walnut Grove, the Indenture Trustee, the Issuer, the Owner Trustee or the Depositor from pursuing any rights or remedies it may have against any other Person in a separate legal proceeding.

Section 4.04. Assignments; Reinsurance; Third-Party Rights.

(a) This Insurance Agreement shall be a continuing obligation of the parties hereto and shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. None of GMACM, Walnut Grove, the Indenture Trustee, the Issuer, the Owner Trustee or the Depositor may assign its rights under this Insurance Agreement, or delegate any of its duties hereunder, without the prior written consent of the Insurer. Any assignment made in violation of this Insurance Agreement shall be null and void.

(b) The Insurer shall have the right to give participations in its rights under this Insurance Agreement and to enter into contracts of reinsurance with respect to the Policy upon such terms and conditions as the Insurer may in its discretion determine; provided, however, that no such participation or reinsurance agreement or arrangement shall relieve the Insurer of any of its obligations hereunder or under the Policy.

(c) In addition, the Insurer shall be entitled to assign or pledge to any bank or other lender providing liquidity or credit with respect to the Transaction or the obligations of the Insurer in connection therewith any rights of the Insurer under the Transaction Documents or with respect to any real or personal property or other interests

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pledged to the Insurer, or in which the Insurer has a security interest, in connection with the Transaction.

(d) Except as provided herein with respect to participants and reinsurers, nothing in this Insurance Agreement shall confer any right, remedy or claim, express or implied, upon any Person, including, particularly, any Owner, other than the Insurer against GMACM, Walnut Grove, the Indenture Trustee, the Issuer, the Owner Trustee or the Depositor, and all the terms, covenants, conditions, promises and agreements contained herein shall be for the sole and exclusive benefit of the parties hereto and their successors and permitted assigns. Neither the Indenture Trustee nor any Owner shall have any right to payment from any Premiums paid or payable hereunder or under the Indenture or from any other amounts paid by GMACM, Walnut Grove, the Indenture Trustee, the Issuer, the Owner Trustee or the Depositor pursuant to Sections 3.02, 3.03, 3.04, 3.05, 3.05A and 3.06 hereof.

(e) GMACM, Walnut Grove, the Depositor the Issuer, the Owner Trustee and the Indenture Trustee agree that the Insurer shall have all rights of a third-party beneficiary in respect of the Indenture and each other Transaction Document to which it is not a signing party and hereby incorporate and restate their representations, warranties and covenants as set forth therein for the benefit of the Insurer.

Section 4.05. Liability of the Insurer. Neither the Insurer nor any of its officers, directors or employees shall be liable or responsible for (a) the use that may be made of the Policy by the Indenture Trustee or for any acts or omissions of the Indenture Trustee in connection therewith or (b) the validity, sufficiency, accuracy or genuineness of documents delivered to the Insurer (or its Fiscal Agent) in connection with any claim under the Policy, or of any signatures thereon, even if such documents or signatures should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged (unless the Insurer shall have actual knowledge thereof). In furtherance and not in limitation of the foregoing, the Insurer (or its Fiscal Agent) may accept documents that appear on their face to be in order, without responsibility for further investigation.

Section 4.06. Parties Will Not Institute Insolvency Proceedings. So long as this Agreement is in effect, and for one year following its termination, none of the parties hereto will file any involuntary petition or otherwise institute any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding or other proceedings under any federal or state bankruptcy or similar law against the Depositor or the Issuer.

Section 4.07. Indenture Trustee, Depositor, the Issuer, the Owner Trustee, and GMACM To Join in Enforcement Action. To the extent necessary to enforce any right of the Insurer in or remedy of the Insurer under any Mortgage Loan, each of the Indenture Trustee, the Depositor, the Issuer, the Owner Trustee, GMACM and Walnut Grove agrees to join in any action initiated by the Trust or the Insurer for the protection of such right or exercise of such remedy; provided, however, to the extent GMACM incurs expenses, fees and costs related to an enforcement action that are not reimbursable to GMACM in its capacity as Servicer, the Insurer hereby agrees that it shall reimburse GMACM for any expenses, fees and costs incurred by

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GMACM with respect to an enforcement action that have not been previously reimbursed to GMACM as Servicer.

Section 4.08. Use of Insurer's Name. Each of the Indenture Trustee, the Depositor, the Issuer, the Owner Trustee, GMACM and Walnut Grove agree not to use the Insurer's name in any public document including, without limitation, a press release or presentation, announcement or forum without the Insurer's prior consent; provided however, such prohibition on the use of the Insurer's name shall not relate to the use of the Insurer's standard approved form of disclosure in public documents issued in connection with the Securities to be issued in accordance with the terms of the Premium Letter; and provided further such prohibition shall not apply to the use of the Insurer's name in order to comply with public notice, public meeting or public reporting requirements.

ARTICLE V

DEFAULTS; REMEDIES

Section 5.01. Defaults. The occurrence of any of the following events shall constitute an Event of Default hereunder:

(a) any representation or warranty made by GMACM, Walnut Grove, the Indenture Trustee, the Issuer, the Owner Trustee or the Depositor hereunder or under the Transaction Documents, or in any certificate furnished hereunder or under the Transaction Documents, shall prove to be untrue or incomplete in any material respect;

(b) (i) GMACM, Walnut Grove, the Indenture Trustee, the Issuer, the Owner Trustee or the Depositor shall fail to pay when due any amount payable by GMACM, Walnut Grove, the Indenture Trustee, the Issuer, the Owner Trustee or the Depositor hereunder or (ii) a legislative body has enacted any law that declares or a court of competent jurisdiction shall find or rule that any Transaction Document is not valid and binding on GMACM or Walnut Grove; provided that with respect to any law or judicial action within the scope of this clause (ii), GMACM, Walnut Grove, the Indenture Trustee, the Issuer, the Owner Trustee or the Depositor shall have 30 days to reinstate the binding effect of such Transaction Document and the Insurer agrees to take such actions as may be reasonably required, at the expense of the requesting party, to facilitate the reinstatement of such binding effect;

(c) the occurrence and continuance of an "event of default", or any event which given the lapse of time or notice would constitute an "event of default," under any Transaction Document;

(d) any failure on the part of GMACM, Walnut Grove, the Indenture Trustee, the Issuer, the Owner Trustee or the Depositor duly to observe or perform in any material respect any other of the covenants or agreements on the part of GMACM, Walnut Grove, the Indenture Trustee, the Issuer, the Owner Trustee or the Depositor contained in this Insurance Agreement or in any other Transaction Document which continues unremedied for a period of 30 days with respect to this Insurance Agreement, or, with respect to any

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other Transaction Document, beyond any cure period provided for therein, after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer, the Issuer, the Owner Trustee or the Depositor, as applicable, by the Insurer (with a copy to the Indenture Trustee) or by the Indenture Trustee (with a copy to the Insurer);

(e) a decree or order of a court or agency or supervisory authority having jurisdiction in the premises in an involuntary case under any present or future federal or state bankruptcy, insolvency or similar law or the appointment of a conservator or receiver or liquidator or other similar official in any bankruptcy, insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings, or for the winding-up or liquidation of its affairs, shall have been entered against GMACM, Walnut Grove, the Issuer or the Depositor and such decree or order shall have remained in force undischarged or unstayed for a period of 90 consecutive days;

(f) GMACM, Walnut Grove, the Issuer or the Depositor shall consent to the appointment of a conservator or receiver or liquidator or other similar official in any bankruptcy, insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings of or relating to GMACM, Walnut Grove, the Issuer or the Depositor or of or relating to all or substantially all of their respective property;

(g) GMACM, Walnut Grove, the Issuer or the Depositor shall admit in writing its inability to pay its debts generally as they become due, file a petition to take advantage of or otherwise voluntarily commence a case or proceeding under any applicable bankruptcy, insolvency, reorganization or other similar statute, make an assignment for the benefit of its creditors or voluntarily suspend payment of its obligations; or

(h) the Issuer shall become subject to an entity level tax or to registration as an investment company under the Investment Company Act.

Section 5.02. Remedies; No Remedy Exclusive.

(a) Upon the occurrence of an Event of Default, the Insurer may exercise any one or more of the rights and remedies set forth below:

(i) declare all indebtedness of every type or description then owed by GMACM, Walnut Grove, the Issuer, the Depositor or the Indenture Trustee to the Insurer to be immediately due and payable, and the same shall thereupon be immediately due and payable;

(ii) exercise any rights and remedies under the Transaction Documents in accordance with the terms of the Transaction Documents or direct the Indenture Trustee or the Owner Trustee to exercise such remedies in accordance with the terms of the Transaction Documents;

(iii) take whatever action at law or in equity as may appear necessary or desirable in its judgment to collect the amounts, if any, then due under the Transaction Documents or to enforce performance and observance of any

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obligation, agreement or covenant of GMACM, Walnut Grove, the Indenture Trustee, the Issuer, the Owner Trustee or the Depositor under the Transaction Documents;

(iv) exercise any rights and remedies under the Indenture in accordance with the terms thereof or direct the Indenture Trustee to exercise such remedies in accordance with the terms of the Indenture; or

(v) exercise any rights and remedies under the Servicing Agreement in accordance with the terms thereof or direct GMACM to exercise such remedies in accordance with the terms of the Servicing Agreement.

(b) Unless otherwise expressly provided, no remedy herein conferred or reserved is intended to be exclusive of any other available remedy, but each remedy shall be cumulative and shall be in addition to other remedies given under the Transaction Documents or existing at law or in equity. No delay or omission to exercise any right or power accruing under the Transaction Documents upon the happening of any event set forth in Section 5.01 hereof shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Insurer to exercise any remedy reserved to the Insurer in this Article V, it shall not be necessary to give any notice other than such notice as may be required in this Article V.

Section 5.03. Waivers.

(a) No failure by the Insurer to exercise, and no delay by the Insurer in exercising, any right hereunder shall operate as a waiver thereof. The exercise by the Insurer of any right hereunder shall not preclude the exercise of any other right, and the remedies provided herein to the Insurer are declared in every case to be cumulative and not exclusive of any remedies provided by law or equity.

(b) The Insurer shall have the right, to be exercised in its complete discretion, to waive any Event of Default hereunder, by a writing setting forth the terms, conditions and extent of such waiver signed by the Insurer and delivered to GMACM, Walnut Grove, the Indenture Trustee, the Issuer, the Owner Trustee and the Depositor. Unless such writing expressly provides to the contrary, any waiver so granted shall extend only to the specific event or occurrence which gave rise to the Event of Default so waived and not to any other similar event or occurrence which occurs subsequent to the date of such waiver.

ARTICLE VI

MISCELLANEOUS

Section 6.01. Amendments, Etc. This Insurance Agreement may be amended, modified, supplemented or terminated only by written instrument or written instruments signed by the parties hereto. GMACM and Walnut Grove agree promptly to provide a copy of any amendment to this Insurance Agreement to the Indenture Trustee, S&P, and Moody's. No act or

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course of dealing shall be deemed to constitute an amendment, modification, supplement or termination hereof.

Section 6.02. Notices. All demands, notices and other communications to be given hereunder shall be in writing (except as otherwise specifically provided herein) and shall be mailed by registered mail or personally delivered or telecopied to the recipient as follows:

(a) To the Insurer:

MBIA Insurance Corporation
113 King Street
Armonk, NY 10504
Attention: Insured Portfolio Management-Structured Finance (IPM-SF)
(GMACM Home Equity Loan Trust 2007-HE1)
Telecopy No.: (914) 765-3810
Telephone No.: (914) 765-3781

(in each case in which notice or other communication to the Insurer refers to an Event of Default, a claim on the Policy or with respect to which a failure on the part of the Insurer to respond shall be deemed to constitute consent or acceptance, then a copy of such notice or other communication should also be sent to the attention of each of the general counsel and the Insurer and shall be marked to indicate "URGENT MATERIAL ENCLOSED.")

(b) To GMACM:

GMAC Mortgage, LLC
100 Witmer Road
Horsham, PA 19044
Attention: Senior Vice President, Capital Markets
Telecopy No.: (215) 682-1467

(in each case in which notice or other communication to GMACM refers to an Event of Default, a claim against GMACM or with respect to a failure on the part of GMACM to respond shall be deemed to constitute consent or acceptance, then a copy of such notice or other communication shall also be sent to the attention of the general counsel of GMACM, and, in all cases, both any original and all copies shall be marked to indicate "URGENT MATERIAL ENCLOSED")

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(c) To Walnut Grove:

Walnut Grove Mortgage Loan Trust 2003-A
c/o Wilmington Trust Company
1100 Market Street
Wilmington, DE 19890
Attention: Corporate Trust Administration
Telecopy No.: (302) 651-8653
Telephone No.: (302) 651-8882

(d) To the Indenture Trustee:

The Bank of New York Trust Company, N.A.
2 North LaSalle Street, Suite 1020
Chicago, IL 60602
Attention: Structured Finance Services - GMACM Home Equity Loan Trust 2007-HE1

(e) To the Depositor:

Residential Asset Mortgage Products, Inc.
8400 Normandale Lake Boulevard, Suite 600
Minneapolis, Minnesota 55437
Attention: President (GMACM Home Equity Loan Trust 2007-HE1)
Telecopy No.: (612) 832-7442
Telephone No.: (612) 832-7000

With a copy to:

GMACM
GMAC Mortgage, LLC
100 Witmer Road
Horsham, PA 19044
Attention: Senior Vice President, Capital Markets
Telecopy No.: (215) 682-1467

(in each case in which notice or other communication to the Depositor refers to an Event of Default, a claim against the Depositor or with respect to which a failure on the part of the Depositor to respond shall be deemed to constitute consent or acceptance, then a copy of such notice or other communication should also be sent to the attention of each of the general counsel of the Depositor and shall be marked to indicate "URGENT MATERIAL ENCLOSED.")

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(f) To the Owner Trustee:

Wilmington Trust Company
Rodney Square North
1100 North Market Street
Wilmington, DE 19890
Attention: Corporate Trust Administration
Telecopy No.: (302) 651-8653
Telephone No.: (302) 651-8882

(g) To the Issuer:

GMACM Home Equity Loan Trust 2007-HE1
c/o Wilmington Trust Company
Rodney Square North
1100 North Market Street
Wilmington, DE 19890
Attention: Corporate Trust Administration
Telecopy No.: (302) 651-8653
Telephone No.: (302) 651-8882

(in each case in which notice or other communication to the Issuer refers to an Event of Default, a claim against the Issuer or with respect to which a failure on the part of the Issuer to respond shall be deemed to constitute consent or acceptance, then a copy of such notice or other communication shall also be sent to the attention of GMACM and the general counsel of GMACM and, in all cases, both any original and any copies shall be marked to indicate "URGENT MATERIAL ENCLOSED.")

A party may specify an additional or different address or addresses by writing mailed or delivered to the other parties as aforesaid. All such notices and other communications shall be effective upon receipt.

Section 6.03. Severability. In the event that any provision of this Insurance Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, the parties hereto agree that such holding shall not invalidate or render unenforceable any other provision hereof. The parties hereto further agree that the holding by any court of competent jurisdiction that any remedy pursued by any party hereto is unavailable or unenforceable shall not affect in any way the ability of such party to pursue any other remedy available to it.

Section 6.04. Governing Law. THIS INSURANCE AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CHOICE OF LAW PROVISIONS.

Section 6.05. Consent to Jurisdiction.

(a) The parties hereto hereby irrevocably submit to the jurisdiction of the United States District Court for the Southern District of New York and any court in the State of

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New York located in the City and County of New York, and any appellate court from any thereof, in any action, suit or proceeding brought against it and to or in connection with any of the Transaction Documents or the transactions contemplated thereunder or for recognition or enforcement of any judgment, and the parties hereto hereby irrevocably and unconditionally agree that all claims in respect of any such action or proceeding may be heard or determined in such New York state court or, to the extent permitted by law, in such federal court. The parties hereto agree that a final nonappealable judgment in any such action, suit or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. To the extent permitted by applicable law, the parties hereto hereby waive and agree not to assert by way of motion, as a defense or otherwise in any such suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of such courts, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that the related documents or the subject matter thereof may not be litigated in or by such courts.

(b) To the extent permitted by applicable law, the parties hereto shall not seek and hereby waive the right to any review of the judgment of any such court by any court of any other nation or jurisdiction which may be called upon to grant an enforcement of such judgment.

Except as provided in Section 4.06 herein, nothing contained in this Insurance Agreement shall limit or affect the Insurer's right to serve process in any other manner permitted by law or to start legal proceedings relating to any of the Transaction Documents against any party hereto or its or their property in the courts of any jurisdiction.

Section 6.06. Consent of the Insurer. In the event that the consent of the Insurer is required under any of the Transaction Documents, the determination whether to grant or withhold such consent shall be made by the Insurer in its sole discretion without any implied duty towards any other Person except as otherwise expressly provided herein.

Section 6.07. Counterparts. This Insurance Agreement may be executed in counterparts by the parties hereto, and all such counterparts shall constitute one and the same instrument.

Section 6.08. Headings. The headings of Articles and Sections and the Table of Contents contained in this Insurance Agreement are provided for convenience only. They form no part of this Insurance Agreement and shall not affect its construction or interpretation. Unless otherwise indicated, all references to Articles and Sections in this Insurance Agreement refer to the corresponding Articles and Sections of this Insurance Agreement.

Section 6.09. Trial by Jury Waived. Each party hereto hereby waives, to the fullest extent permitted by law, any right to a trial by jury in respect of any litigation arising directly or indirectly out of, under or in connection with any of the Transaction Documents or any of the transactions contemplated thereunder. Each party hereto (a) certifies that no representative, agent or attorney of any party hereto has represented, expressly or otherwise, that it would not, in the event of litigation, seek to enforce the foregoing waiver and (b) acknowledges that it has

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been induced to enter into the Transaction Documents to which it is a party by, among other things, this waiver.

Section 6.10. Limited Liability. No recourse under any Transaction Document shall be had against, and no personal liability shall attach to, any officer, employee, director, affiliate or shareholder of any party hereto, as such, by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute or otherwise in respect of any of the Transaction Documents, the Securities or the Policy, it being expressly agreed and understood that each Transaction Document is solely a corporate obligation of each party thereto, and that any and all personal liability, either at common law or in equity, or by statute or constitution, of every such officer, employee, director, affiliate or shareholder for breaches by any party hereto of any obligations under any Transaction Document is hereby expressly waived as a condition of and in consideration for the execution and delivery of this Insurance Agreement.

Section 6.11. Entire Agreement. The Transaction Documents and the Policy set forth the entire agreement between the parties with respect to the subject matter thereof, and this Insurance Agreement supersedes and replaces any agreement or understanding that may have existed between the parties prior to the date hereof in respect of such subject matter.

[Remainder of page intentionally blank; signature page follows]

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IN WITNESS WHEREOF, the parties hereto have caused this Indemnification Agreement to be duly executed and delivered by their respective officers thereunto duly authorized, all as of the date first above written.

MBIA INSURANCE CORPORATION, as Insurer

By _____
Title Assistant Secretary

[EXECUTION PAGE OF INSURER TO INDEMNIFICATION AGREEMENT]

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GMAC MORTGAGE, LLC, as Servicer and as Seller,

By _____
Title Sandy Blitzer
Vice President

[EXECUTION PAGE OF SERVICER AND SELLER TO INSURANCE AGREEMENT]

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WALNUT GROVE MORTGAGE LOAN
TRUST 2003-A, as Seller

By: Wilmington Trust Company, not in its individual capacity but solely as Owner Trustee,

By _____
Title Patricia A. Evans
Vice President

[EXECUTION PAGE OF SELLER TO INSURANCE AGREEMENT]

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GMACM HOME EQUITY LOAN TRUST
2007-HE1, as Issuer,

By: Wilmington Trust Company, not in its individual capacity but solely as Owner Trustee,

By _____
Patricia A. Evans

Title _____
Vice President

[EXECUTION PAGE OF ISSUER TO INSURANCE AGREEMENT]

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RESIDENTIAL ASSET MORTGAGE
PRODUCTS, INC., as Depositor,

By _____
Title Sandy Blitzer
Vice President

[EXECUTION PAGE OF DEPOSITOR TO INSURANCE AGREEMENT]

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WILMINGTON TRUST COMPANY, as
Owner Trustee

By _____
Title Patricia A. Evans
Vice President

[EXECUTION PAGE OF OWNER TRUSTEE TO INSURANCE AGREEMENT]

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THE BANK OF NEW YORK TRUST
COMPANY, N.A., as Indenture Trustee

By _____
Title VICE PRESIDENT

[EXECUTION PAGE OF INDENTURE TRUSTEE TO INSURANCE AGREEMENT]

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Exhibit 95

CLEARY GOTTLIEB STEEN & HAMILTON LLP

ONE LIBERTY PLAZA
NEW YORK, NY 10006-1470
(212) 225-2000
FACSIMILE (212) 225-3999
WWW.CLEARYGOTTLIEB.COM

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SETH GROSSHANDLER
WILLIAM A. GROLL
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JEFFREY D. KARPF
KIMBERLY BROWN BLACKLOW
ROBERT J. RAYMOND
LEONARD C. JACOBY
SANDRA L. FLOW
FRANCISCO L. CESTERO
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WILLIAM L. MCRAE
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MEREDITH E. KOTLER
CHANTAL E. KORDULA
BENET J. O'REILLY
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ADAM E. FLEISHER
SEAN A. ONEAL
GLENN P. MCGRORY
CHRISTOPHER P. MOORE
JOON H. KIM
MATTHEW P. SALERNO
MICHAEL J. ALBANO
VICTOR L. HOU
ROGER A. COOPER
AMY R. SHAPIRO
JENNIFER KENNEDY PARK
RESIDENT PARTNERS

SANDRA M. ROCKS
S. DOUGLAS BORISKY
JUDITH KASSEL
DAVID E. WEBB
PENELOPE L. CHRISTOPHOROU
BOAZ S. MORAG
MARY E. ALCOCK
DAVID H. HERRINGTON
HEIDE H. ILGENFRITZ
JONATHAN S. KOLODNER
HUGH C. CONROY JR.
KATHLEEN M. EMBERGER
WALLACE L. LARSON JR.
JAMES D. SMALL
AVRAM E. LUFT
ELIZABETH LENAS
DANIEL ILAN
ANDREW WEAVER
HELENA K. GRANNIS
GRANT M. BINDER
RESIDENT COUNSEL

August 21, 2012

VIA E-MAIL

Larren M. Nashelsky
Morrison & Foerster LLP
1290 Avenue of the Americas
New York, NY 10104

Re: Residential Capital, LLC (12-12020 *et al.*)

Dear Larren:

As you know, we represent certain holders (the "Noteholders") of the senior unsecured notes (the "Notes") issued by Residential Capital, LLC ("Residential Capital," and with its affiliated debtors, the "Debtors"). As discussed at the last hearing, we are in the process of becoming engaged as special counsel to Wilmington Trust, National Association, as Indenture Trustee for the Notes. We were extraordinarily surprised to see in the recent *Supplemental Motion Pursuant to Fed. R. Bankr. P. 9019 For Approval of the RMBS Trust Settlement Agreements* (Doc. No. 1176) filed on August 15, 2012 a new "HoldCo Election," which would permit settling trustees to allocate up to 20% of their proposed allowed claim against Residential Capital, which, as you know, is the obligor on the Notes.

The Supplemental Motion raises very serious concerns about the conduct of Residential Capital and its advisors. Based on our conversations with you and the Debtors' other advisors, we justifiably expected to be informed before Residential Capital purported to make any commitments that could materially affect the Noteholders' recovery. Our concern grew when we learned that the Official Committee of Unsecured Creditors was not at the table and

CLEARY GOTTLIEB STEEN & HAMILTON LLP OR AN AFFILIATED ENTITY HAS AN OFFICE IN EACH OF THE CITIES LISTED ABOVE

was completely blindsided by the proposed HoldCo Election. We doubt that the proposed HoldCo Election was approved by independent fiduciaries of Residential Capital truly focused on the interests and perspectives of Residential Capital and its creditors. If there was, in fact, an independent and informed review, we request a prompt and complete explanation by the end of this week.

Our need for an explanation is amplified because the Debtors have stymied each of our requests for information on the status of the RMBS settlement and its potential impact on our debtor, and have even told us that it does not impact us at all. As you recall, on July 25, 2012, we requested from you inter alia (1) information concerning the RMBS settlement agreement, including valuations, appraisals, and fairness opinions, and any tolling agreements in connection therewith; and (2) copies of the "Executive Summaries" dated May 9, 2012 and May 12, 2012, as described in certain plan support agreements and/or settlement agreements with parties in interest, which purportedly describe the methodology of allocation of sale proceeds, settlement proceeds, and all other matters that determine distribution to creditors. On a July 26, 2012 conference call with attorneys from your firm and FTI Consulting, we were promised access to meaningful information that would answer our diligence questions. Notably during that call, Mr. Mark Renzi of FTI Consulting stated that the RMBS settlements did not concern the Noteholders (and he specifically questioned the need for us to receive such information in the first instance). On August 3, 2012, after receiving no meaningful information, we again asked for information, including the information identified under (1) and (2), above. On August 10, 2012, Ms. Jamie Levitt at your firm denied our request ostensibly because producing information would be administratively burdensome as those documents would be available through the examiner's document depository at some unspecified point in the future.

There is no substantive or rational basis for purporting to compromise an alter ego or single enterprise claim at the Residential Capital level (assuming it has any merit as to which we do not yet express a view) as opposed to further up the corporate chain to Ally Financial Inc. Nor is there any basis for the Debtors to purport to settle substantive consolidation issues without providing information to, and receiving input from, the Noteholders, especially where the Debtors are making settlement proposals in advance of a Chapter 11 plan process and prior to the publication of the report of the Examiner who has been charged to look at those issues. Moreover, we do not understand how the Debtors and you, as counsel, could even take sides on these inter-debtor issues that involve inherent conflicts of interest without actively involving the creditors of Residential Capital. *See In re Adelphia Commc'ns Corp.*, 336 B.R. 610 (Bankr. S.D.N.Y. 2006).

The Debtors' conduct in these cases demonstrates repeated attempts to stonewall our legitimate requests for information and to abdicate their fiduciary responsibilities to Residential Capital and its creditors. You are hereby on notice (as surely you are already) that the Debtors and their counsel should preserve all documents and communications related to this

settlement, including, without limitation, documents relating to who negotiated or approved the settlement and what information they were given prior to or as part of such negotiation or approval.

Sincerely,

Sean O'Neal

Sean O'Neal

cc: Mr. Todd Gorren, Morrison & Foerster LLP (via email)
Mr. Howard Seife, Chadbourne & Parke LLP (via email)
Mr. Kenneth Eckstein, Kramer Levin Naftalis & Frankel LLP (via email)

Exhibit 96

In Re:

RESIDENTIAL CAPITAL, LLC, et al. v.

Case No. 12-12020-mg

A.M. SESSION ONLY

September 11, 2012

---

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1

2 UNITED STATES BANKRUPTCY COURT

3 SOUTHERN DISTRICT OF NEW YORK

4 Case No. 12-12020-mg

5 -x

6 In the Matter of:

7

8 RESIDENTIAL CAPITAL, LLC, et al.,

9

10 Debtors.

11

12 -x

13

14 United States Bankruptcy Court

15 One Bowling Green

16 New York, New York

17

18 September 11, 2012

19 10:06 AM

20

21 B E F O R E:

22 HON. MARTIN GLENN

23 U.S. BANKRUPTCY JUDGE

24

25

you is going to get the honors here.

Go ahead, Mr. Princi.

MR. PRINCI: -- out of the 1,500 loan files requested, they have 1,462 as of today, I'm informed.

In any event, Judge, let me get to the other points of the status report. Let me address the Holdco election.

First let me explain to the Court how that evolved and let me explain to you why we are now, in light of the objections that we got from certain parties, in the process of removing it.

THE COURT: Can I -- I don't want to interrupt for this.

MR. PRINCI: Please.

THE COURT: The history is undoubtedly fascinating how it got in there --

MR. PRINCI: It's really not.

THE COURT: -- and whether it comes out of there. I'm more interested in what it's going to be at the end of the day.

MR. PRINCI: Okay.

THE COURT: Okay?

MR. PRINCI: So the Holdco election, Judge, simply put, addressed the institutional investors' claim vis-a-vis the parent debtor company, ResCap LLC. ResCap LLC is a holding company. And ResCap LLC is not involved in the sale because ResCap LLC isn't an operating company. It doesn't have any of

Exhibit 97

RESIDENTIAL ASSET MORTGAGE PRODUCTS, INC.,

Depositor,

RESIDENTIAL FUNDING CORPORATION,

Master Servicer,

And

JPMORGAN CHASE BANK, N.A.

Trustee

POOLING AND SERVICING AGREEMENT

Dated as of April 1, 2006

Mortgage Asset-Backed Pass-through Certificates

Series 2006-RP2

5122616 06053263

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Exhibit E	Form of Custodial Agreement
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Exhibit W	Schedule of Yield Maintenance Agreement Notional Balances
Exhibit Y	Schedule of Monthly Strike Rates

This Pooling and Servicing Agreement, effective as of April 1, 2006, among RESIDENTIAL ASSET MORTGAGE PRODUCTS, INC., as the depositor (together with its permitted successors and assigns, the "Depositor"), RESIDENTIAL FUNDING CORPORATION, as master servicer (together with its permitted successors and assigns, the "Master Servicer"), and JPMORGAN CHASE BANK, N.A., a banking association organized under the laws of the United States, as trustee (together with its permitted successors and assigns, the "Trustee").

PRELIMINARY STATEMENT:

The Depositor intends to sell mortgage asset-backed pass-through certificates (collectively, the "Certificates"), to be issued hereunder in nine classes, which in the aggregate will evidence the entire beneficial ownership interest in the Mortgage Loans (as defined herein) and certain other related assets.

REMIC I

As provided herein, the REMIC Administrator will make an election to treat the segregated pool of assets consisting of the Mortgage Loans and certain other related assets (exclusive of the Yield Maintenance Agreement and any payments thereunder) subject to this Agreement as a REMIC for federal income tax purposes, and such segregated pool of assets will be designated as "REMIC I." The Class R-I Certificates will represent the sole class of "residual interests" in REMIC I for purposes of the REMIC Provisions. The following table irrevocably sets forth the designation, the Uncertificated REMIC I Pass-Through Rate and initial Uncertificated Principal Balance for each of the "regular interests" in REMIC I (the "REMIC I Regular Interests"). The "latest possible maturity date" (determined for purposes of satisfying Treasury Regulation Section 1.860G-1(a)(4)(iii)) is set forth below. None of the REMIC I Regular Interests will be certificated.

Designation	Uncertificated REMIC I Pass-Through Rate	Initial Uncertificated Principal Balance	Latest Possible Maturity Date
AA	(1)	$325,278,348.36	February 2037
A	(1)	$2,439,590.00	February 2037
M-1	(1)	$406,600.00	February 2037
M-2	(1)	$160,980.00	February 2037
M-3	(1)	$82,980.00	February 2037
M-4	(1)	$33,190.00	February 2037
M-5	(1)	$46,470.00	February 2037
ZZ	(1)	$3,468,523.64	February 2037

(1) Calculated as provided in the definition of Uncertificated REMIC I Pass-Through Rate.

REMIC II

As provided herein, the REMIC Administrator will elect to treat the segregated pool of assets consisting of the REMIC I Regular Interests as a REMIC for federal income tax purposes, and such segregated pool of assets will be designated as "REMIC II." The Class R-II Certificates will represent the sole class of "residual interests" in REMIC II for purposes of the REMIC Provisions. The following table irrevocably sets forth the designation, Pass-Through Rate, Initial Certificate Principal Balance, certain features, Maturity Date and initial ratings for each Class of Certificates comprising the interests representing "regular interests" in REMIC II. The "latest possible maturity date" (determined for purposes of satisfying Treasury Regulation Section 1.860G-1(a)(4)(iii)) is set forth below and reflected as Maturity Date.

Designation	Type	Pass-Through-Rate	Initial Certificate Principal Balance	Features	Maturity Date	Initial Ratings		
						S&P	Moody's	Fitch
Class A	Senior	Adjustable(1)(2)	$243,959,000	Senior	February 2037	AAA	Aaa	AAA
Class M-1	Mezzanine	Adjustable(1)(2)	$40,660,000	Mezzanine	February 2037	AA	Aa2	AA
Class M-2	Mezzanine	Adjustable(1)(2)	$16,098,000	Mezzanine	February 2037	A	A2	A+
Class M-3	Mezzanine	Adjustable(1)(2)	$8,298,000	Mezzanine	February 2037	BBB+	A3	A-
Class M-4	Mezzanine	Adjustable(1)(2)	$3,319,000	Mezzanine	February 2037	BBB	Baa1	BBB+
Class M-5	Mezzanine	Adjustable(1)(2)	$4,647,000	Mezzanine	February 2037	BBB-	Baa2	BBB
Class SB	Subordinate	Variable(3)	$14,935,682	Subordinate	February 2037	N/R	N/R	N/R
Class R-I	Residual	N/A	N/A	Residual	February 2037	N/R	N/R	N/R
Class R-II	Residual	N/A	N/A	Residual	February 2037	N/R	N/R	N/R

(1) Calculated in accordance with the definition of "Pass-Through Rate" herein.
(2) Subject to a cap as described in the definition of "Pass-Through Rate" herein.
(3) Calculated in accordance with the definition of "Pass-Through Rate" herein. The Class SB Certificates will not accrue interest on their Certificate Principal Balance.

The Mortgage Loans have an aggregate Cut-off Date Principal Balance equal to $331,916,682. The Mortgage Loans are fixed-rate and adjustable-rate, fully amortizing, negatively amortizing and balloon payment, first lien and second lien mortgage loans having terms to maturity at origination or modification of generally not more than 30 years.

In consideration of the mutual agreements herein contained, the Depositor, the Master Servicer and the Trustee agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Definitions

Whenever used in this Agreement, the following words and phrases, unless the context otherwise requires, shall have the meanings specified in this Article.

Accrued Certificate Interest: With respect to each Distribution Date and any Class of the Class A Certificates and Class M Certificates, interest accrued during the preceding Interest Accrual Period on its Certificate Principal Balance immediately prior to such Distribution Date, at the related Pass-Through Rate.

The amount of Accrued Certificate Interest on each Class of the Class A and Class M Certificates shall be reduced by the amount of Prepayment Interest Shortfalls on the Mortgage Loans during the prior calendar month (to the extent not covered by Eligible Master Servicing Compensation pursuant to Section 3.16) and Relief Act Shortfalls on the Mortgage Loans during the related Due Period, in each case to the extent allocated to that Class of Certificates pursuant to Section 4.02(f), and by any Deferred Interest Shortfalls to the extent allocated to that Class of Certificates pursuant to Section 4.02(h). The Accrued Certificate Interest for each Class of the Class A and Class M Certificates shall be further reduced by the interest portion of Realized Losses allocated to each Class of Certificates pursuant to Section 4.05.

With respect to each Distribution Date and the Class SB Certificates, interest accrued during the preceding Interest Accrual Period at the related Pass-Through Rate on the notional amount as specified in the definition of Pass-Through Rate, immediately prior to such Distribution Date in each case, reduced by any interest shortfalls including Prepayment Interest Shortfalls to the extent not covered by Eligible Master Servicing Compensation pursuant to Section 3.16 or by Excess Cash Flow pursuant to clauses (x) or (xi) of Section 4.02(c). In addition, Accrued Certificate Interest with respect to each Distribution Date, as to the Class SB Certificates, shall be reduced by an amount equal to the interest portion of Realized Losses allocated to the Overcollateralization Amount, as applicable, pursuant to Section 4.05 hereof. Accrued Certificate Interest on the Class SB Certificates shall accrue on the basis of a 360-day year consisting of twelve 30-day months. Accrued Certificate Interest on the Class A Certificates and Class M Certificates shall accrue on the basis of a 360-day year and the actual number of days in the related Interest Accrual Period.

Adjusted Mortgage Rate: With respect to any Mortgage Loan and any date of determination, the Mortgage Rate borne by the related Mortgage Note, less the rate at which the related Subservicing Fee accrues.

Adjustment Date: As to each adjustable rate Mortgage Loan, each date set forth in the related Mortgage Note on which an adjustment to the interest rate on such Mortgage Loan becomes effective.

Advance: As to any Mortgage Loan, any advance made by the Master Servicer, pursuant to Section 4.04.

Affiliate: With respect to any Person, any other Person controlling, controlled by or under common control with such first Person. For the purposes of this definition, "control" means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

Agreement: This Pooling and Servicing Agreement and all amendments hereof and supplements hereto.

Amount Held for Future Distribution: As to any Distribution Date, the total of the amounts held in the Custodial Account at the close of business on the preceding Determination Date on account of (i) Liquidation Proceeds, Subsequent Recoveries, REO Proceeds, Insurance Proceeds, Principal Prepayments, Mortgage Loan purchases made pursuant to Section 2.02, 2.03, 2.04 or 4.07 and Mortgage Loan substitutions made pursuant to Section 2.03 or 2.04 received or made in the month of such Distribution Date (other than such Liquidation Proceeds, Subsequent Recoveries, REO Proceeds, Insurance Proceeds and purchases of Mortgage Loans that the Master Servicer has deemed to have been received in the preceding month in accordance with Section 3.07(b)) and (ii) payments which represent early receipt of scheduled payments of principal and interest due on a date or dates subsequent to the Due Date in the related Due Period.

Appraised Value: As to any Mortgaged Property, one of the following: (i) the lesser of (a) the appraised value of such Mortgaged Property based upon the appraisal made at the time of the origination of the related Mortgage Loan, and (b) the sales price of the Mortgaged Property at such time of origination, (ii) in the case of a Mortgaged Property securing a refinanced or modified Mortgage Loan, one of (1) the appraised value based upon the appraisal made at the time of origination of the loan which was refinanced or modified, (2) the appraised value determined in an appraisal made at the time of refinancing or modification or (3) the sales price of the Mortgaged Property, or (iii) with respect to the Mortgage Loans for which a broker's price opinion was obtained, the value contained in such opinion.

Arrearage: With respect to each Mortgage Loan, the amount of previously delinquent payments and any servicing advances or other items owed by the related Mortgagor or other arrearages indicated as such in the repayment plan or bankruptcy plan which are not included in the Cut-off Date Balance of such Mortgage Loan as indicated in the Mortgage Loan Schedule and which have not been capitalized and added to the Stated Principal Balance of such Mortgage Loan pursuant to a Servicing Modification.

Assignment: An assignment of the Mortgage, notice of transfer or equivalent instrument, in recordable form, sufficient under the laws of the jurisdiction wherein the related Mortgaged Property is located to reflect of record the sale of the Mortgage Loan to the Trustee for the benefit of Certificateholders, which assignment, notice of transfer or equivalent instrument may be in the form of one or more blanket assignments covering Mortgages secured by Mortgaged Properties located in the same county, if permitted by law and accompanied by an Opinion of Counsel to that effect.

Assignment Agreement: The Assignment and Assumption Agreement, dated the Closing Date, between Residential Funding and the Depositor relating to the transfer and assignment of the Mortgage Loans.

Available Distribution Amount: As to any Distribution Date, an amount equal to (a) the sum of (i) the amount on deposit in the Custodial Account as of the close of business on the immediately preceding Determination Date, including any Subsequent Recoveries, and amounts deposited in the Custodial Account in connection with the substitution of Qualified Substitute Mortgage Loans, (ii) the amount of any Advance made on the immediately preceding Certificate Account Deposit Date, (iii) any amount deposited in the Certificate Account on the related Certificate Account Deposit Date pursuant to the second paragraph of Section 3.12(a), (iv) any amount that the Master Servicer is not permitted to withdraw from the Custodial Account pursuant to Section 3.16(e) and (v) any amount deposited in the Certificate Account pursuant to Section 4.07 and any amount deposited in the Custodial Account pursuant to Section 9.01, reduced by (b) the sum as of the close of business on the immediately preceding Determination Date of (w) any payments or collections consisting of prepayment charges on the Mortgage Loans that were received during the related Prepayment Period, (x) the Amount Held for Future Distribution and (y) amounts permitted to be withdrawn by the Master Servicer from the Custodial Account in respect of the Mortgage Loans pursuant to clauses (ii)-(x), inclusive, of Section 3.10(a).

Balloon Loan: Each of the Mortgage Loans having an original term to maturity that is shorter than the related amortization term.

Balloon Payment: With respect to any Balloon Loan, the related Monthly Payment payable on the stated maturity date of such Balloon Loan.

Bankruptcy Code: The Bankruptcy Code of 1978, as amended.

Bankruptcy Loss: With respect to any Mortgage Loan, a Deficient Valuation or Debt Service Reduction; *provided, however*, that neither a Deficient Valuation nor a Debt Service Reduction shall be deemed a Bankruptcy Loss hereunder so long as the Master Servicer has notified the Trustee in writing that the Master Servicer is diligently pursuing any remedies that may exist in connection with the representations and warranties made regarding the related Mortgage Loan and either (A) the related Mortgage Loan is not in default with regard to payments due thereunder or (B) delinquent payments of principal and interest under the related Mortgage Loan and any premiums on any applicable primary hazard insurance policy and any related escrow payments in respect of such Mortgage Loan are being advanced on a current basis by the Master Servicer or a Subservicer, in either case without giving effect to any Debt Service Reduction.

Basis Risk Shortfall: With respect to the Class A Certificates and Class M Certificates and any Distribution Date for which the Pass-Through Rate for such Certificates is equal to the Net WAC Cap Rate, the excess, if any, of (x) Accrued Certificate Interest for such Class calculated at a rate equal to the lesser of (i) LIBOR plus the related Margin, as calculated for such Distribution Date and (ii) 14.000% per annum, over (y) Accrued Certificate Interest for such Class at the related Net WAC Cap Rate.

Basis Risk Shortfall Carry-Forward Amount: With respect to any Class of Class A Certificates and Class M Certificates and each Distribution Date, the sum of (a) the aggregate amount of Basis Risk Shortfall for such Class on such Distribution Date, plus (b) any Basis Risk Shortfall for such Class Remaining unpaid from the preceding Distribution Date, plus (c) one month's interest on the amount in clause (b) (based on the number of days in the preceding Interest Accrual Period), to the extent previously unreimbursed by Excess Cash Flow, calculated at a rate equal to the lesser of (i) LIBOR plus the related Margin and (ii) 14.000% per annum.

Book-Entry Certificate: Any Certificate registered in the name of the Depository or its nominee.

Business Day: Any day other than (i) a Saturday or a Sunday or (ii) a day on which banking institutions in the State of New York, the State of California, the State of Illinois, the State of Michigan or the State of Minnesota (and such other state or states in which the Custodial Account or the Certificate Account are at the time located) are required or authorized by law or executive order to be closed.

Calendar Quarter: A Calendar Quarter shall consist of one of the following time periods in any given year: January 1 through March 31, April 1 through June 30, July 1 though September 30, and October 1 through December 31.

Call Rights: As defined in Section 9.01(e).

Capitalization Reimbursement Amount: With respect to any Distribution Date, the amount of unreimbursed Advances or Servicing Advances that were added to the Stated Principal Balance of the related Mortgage Loans during the preceding calendar month and reimbursed to the Master Servicer or Subservicer pursuant to Section 3.10(a)(vii) on or prior to such Distribution Date.

Cash Liquidation: As to any defaulted Mortgage Loan other than a Mortgage Loan as to which an REO Acquisition occurred, a determination by the Master Servicer that it has received all Insurance Proceeds, Liquidation Proceeds and other payments or cash recoveries which the Master Servicer reasonably and in good faith expects to be finally recoverable with respect to such Mortgage Loan.

Certificate: Any Class A Certificate, Class M Certificate, Class SB Certificate or Class R Certificate.

Certificate Account: The account or accounts created and maintained pursuant to Section 4.01, which shall be entitled "JPMorgan Chase Bank, N.A., as trustee, in trust for the registered holders of Residential Asset Mortgage Products, Inc., Mortgage Asset-Backed Pass-Through Certificates, Series 2006-RP2" and which must be an Eligible Account.

Certificate Account Deposit Date: As to any Distribution Date, the Business Day prior thereto.

Certificateholder or Holder: The Person in whose name a Certificate is registered in the Certificate Register, except that neither a Disqualified Organization nor a Non-United States Person shall be a holder of a Class R Certificate for any purpose hereof. Solely for the purpose of giving any consent or direction pursuant to this Agreement, any Certificate, other than a Class R Certificate, registered in the name of the Depositor, the Master Servicer or any Subservicer or any Affiliate thereof shall be deemed not to be outstanding and the Percentage Interest or Voting Rights evidenced thereby shall not be taken into account in determining whether the requisite amount of Percentage Interests or Voting Rights necessary to effect any such consent or direction has been obtained. All references herein to "Holders" or "Certificateholders" shall reflect the rights of Certificate Owners as they may indirectly exercise such rights through the Depository and participating members thereof, except as otherwise specified herein; *provided, however*, that the Trustee shall be required to recognize as a "Holder" or "Certificateholder" only the Person in whose name a Certificate is registered in the Certificate Register.

Certificate Owner: With respect to a Book-Entry Certificate, the Person who is the beneficial owner of such Certificate, as reflected on the books of an indirect participating brokerage firm for which a Depository Participant acts as agent, if any, and otherwise on the books of a Depository Participant, if any, and otherwise on the books of the Depository.

Certificate Principal Balance: With respect to any Class A Certificate and Class M Certificate on any date of determination, an amount equal to the Initial Certificate Principal Balance of such Certificate as specified on the face thereof, minus (i) the sum of (x) the aggregate of all amounts previously distributed with respect to such Certificate (or any predecessor Certificate) and applied to reduce the Certificate Principal Balance or amount thereof pursuant to Sections 4.02(c) and 4.02(d) and (y) the aggregate of all reductions in Certificate Principal Balance deemed to have occurred in connection with Realized Losses which were previously allocated to such Certificate (or any predecessor Certificate) pursuant to Section 4.05, provided, that with respect to any Distribution Date, the Certificate Principal Balance of any outstanding class of Class A Certificates and Class M Certificates to which a Realized Loss was previously allocated and remains unreimbursed will be increased, sequentially, as follows: to the Class A, Class M-1, Class M-2, Class M-3, Class M-4 and Class M-5 Certificates, in that order, to the extent of Realized Losses previously allocated thereto and remaining unreimbursed, but only to the extent of Subsequent Recoveries received during the previous calendar month and available for distribution pursuant to Section 4.02(c)(vii). With respect to each Class SB Certificate, on any date of determination, an amount equal to the Percentage Interest evidenced by such Certificate times an amount equal to (i) the excess, if any, of (A) the then aggregate Stated Principal Balance of the Mortgage Loans over (B) the then aggregate Certificate Principal Balance of the Class A Certificates and Class M Certificates then outstanding. The Class R Certificates will not have a Certificate Principal Balance.

Certificate Register and Certificate Registrar: The register maintained and the registrar appointed pursuant to Section 5.02.

Class: Collectively, all of the Certificates or uncertificated interests bearing the same designation.

Class A Certificate: The Class A Certificates executed by the Trustee and authenticated by the Certificate Registrar, substantially in the form annexed hereto as Exhibit A, senior to the Class M-1, Class M-2, Class M-3, Class M-4, Class M-5, Class SB, Class R-I and Class R-II Certificates with respect to distributions and the allocation of Realized Losses in respect of the Mortgage Loans as set forth in Section 4.05 and evidencing an interest designated as a "regular interest" in REMIC II for purposes of the REMIC Provisions.

Class A Interest Distribution Amount: As defined in Section 4.02(c)(i).

Class A Principal Distribution Amount: With respect to any Distribution Date (i) prior to the Stepdown Date or on or after the Stepdown Date if a Trigger Event is in effect for that Distribution Date, the Principal Distribution Amount for that Distribution Date, but not more than the aggregate Certificate Principal Balance of the Class A Certificates immediately prior to that Distribution Date, or (ii) on or after the Stepdown Date if a Trigger Event is not in effect for that Distribution Date, the lesser of:

(i) the Principal Distribution Amount for that Distribution Date; and

(ii) the excess, if any, of (A) the aggregate Certificate Principal Balance of the Class A Certificates immediately prior to that Distribution Date over (B) the lesser of (x) the product of (1) the applicable Subordination Percentage and (2) the aggregate Stated Principal Balance of the Mortgage Loans after giving effect to distributions to be made on that Distribution Date and (y) the aggregate Stated Principal Balance of the Mortgage Loans after giving effect to distributions to be made on that Distribution Date, less the Overcollateralization Floor.

Class M Certificates: Any one of the Class M-1, Class M-2, Class M-3, Class M-4 or Class M-5 Certificates.

Class M-1 Certificate: Any one of the Class M-1 Certificates executed by the Trustee and authenticated by the Certificate Registrar substantially in the form annexed hereto as Exhibit B, senior to the Class M-2, Class M-3, Class M-4, Class M-5, Class SB and Class R-II Certificates with respect to distributions and the allocation of Realized Losses in respect of the Mortgage Loans as set forth in Section 4.05, and evidencing an interest designated as a "regular interest" in REMIC II for purposes of the REMIC Provisions.

Class M-1 Interest Distribution Amount: As defined in Section 4.02(c)(ii).

Class M-1 Principal Distribution Amount: With respect to any Distribution Date (i) prior to the Stepdown Date or on or after the Stepdown Date if a Trigger Event is in effect for that Distribution Date, the remaining Principal Distribution Amount for that Distribution Date after distribution of the Class A Principal Distribution Amount, but not more than the aggregate Certificate Principal Balance of the Class M-1 Certificates immediately prior to that Distribution Date, or (ii) on or after the Stepdown Date if a Trigger Event is not in effect for that Distribution Date, the lesser of:

(i) the remaining Principal Distribution Amount for that Distribution Date after distribution of the Class A Principal Distribution Amount; and

(ii) the excess, if any, of (A) the sum of (1) the aggregate Certificate Principal Balance of the Class A Certificates (after taking into account the payment of the Class A Principal Distribution Amount for that Distribution Date) and (2) the Certificate Principal Balance of the Class M-1 Certificates immediately prior to that Distribution Date over (B) the lesser of (x) the product of (1) the applicable Subordination Percentage and (2) the aggregate Stated Principal Balance of the Mortgage Loans after giving effect to distributions to be made on that Distribution Date and (y) the aggregate Stated Principal Balance of the Mortgage Loans after giving effect to distributions to be made on that Distribution Date, less the Overcollateralization Floor.

Class M-2 Certificate: Any one of the Class M-2 Certificates executed by the Trustee and authenticated by the Certificate Registrar substantially in the form annexed hereto as Exhibit B, senior to the Class M-3, Class M-4, Class M-5, Class SB and Class R-II Certificates with respect to distributions and the allocation of Realized Losses in respect of the Mortgage Loans as set forth in Section 4.05, and evidencing an interest designated as a "regular interest" in REMIC II for purposes of the REMIC Provisions.

Class M-2 Interest Distribution Amount: As defined in Section 4.02(c)(iii).

Class M-2 Principal Distribution Amount: With respect to any Distribution Date (i) prior to the Stepdown Date or on or after the Stepdown Date if a Trigger Event is in effect for that Distribution Date, the remaining Principal Distribution Amount for that Distribution Date after distribution of the Class A Principal Distribution Amount and the Class M-1 Principal Distribution Amount, but not more than the aggregate Certificate Principal Balance of the Class M-2 Certificates immediately prior to that Distribution Date, or (ii) on or after the Stepdown Date if a Trigger Event is not in effect for that Distribution Date, the lesser of:

(i) the remaining Principal Distribution Amount for that Distribution Date after distribution of the Class A Principal Distribution Amount and the Class M-1 Principal Distribution Amount; and

(ii) the excess, if any, of (A) the sum of (1) the aggregate Certificate Principal Balance of the Class A Certificates and the Class M-1 Certificates (after taking into account the payment of the Class A Principal Distribution Amount and the Class M-1 Principal Distribution Amount for that Distribution Date) and (2) the Certificate Principal Balance of the Class M-2 Certificates immediately prior to that Distribution Date over (B) the lesser of (x) the product of (1) the applicable Subordination Percentage and (2) the aggregate Stated Principal Balance of the Mortgage Loans after giving effect to distributions to be made on that Distribution Date and (y) the aggregate Stated Principal Balance of the Mortgage Loans after giving effect to distributions to be made on that Distribution Date, less the Overcollateralization Floor.

Class M-3 Certificate: Any one of the Class M-3 Certificates executed by the Trustee and authenticated by the Certificate Registrar substantially in the form annexed hereto as Exhibit B, senior to the Class M-4, Class M-5, Class SB and Class R-II Certificates with respect to distributions and the allocation of Realized Losses in respect of the Mortgage Loans as set forth in Section 4.05, and evidencing an interest designated as a "regular interest" in REMIC II for purposes of the REMIC Provisions.

Class M-3 Interest Distribution Amount: As defined in Section 4.02(c)(iv).

Class M-3 Principal Distribution Amount: With respect to any Distribution Date (i) prior to the Stepdown Date or on or after the Stepdown Date if a Trigger Event is in effect for that Distribution Date, the remaining Principal Distribution Amount for that Distribution Date after distribution of the Class A Principal Distribution Amount, the Class M-1 Principal Distribution Amount and the Class M-2 Principal Distribution Amount, but not more than the aggregate Certificate Principal Balance of the Class M-3 Certificates immediately prior to that Distribution Date, or (ii) on or after the Stepdown Date if a Trigger Event is not in effect for that Distribution Date, the lesser of:

(i) the remaining Principal Distribution Amount for that Distribution Date after distribution of the Class A Principal Distribution Amount, the Class M-1 Principal Distribution Amount and the Class M-2 Principal Distribution Amount; and

(ii) the excess, if any, of (A) the sum of (1) the aggregate Certificate Principal Balance of the Class A Certificates, the Class M-1 Certificates and the Class M-2 Certificates (after taking into account the payment of the Class A Principal Distribution Amount, the Class M-1 Principal Distribution Amount and the Class M-2 Principal Distribution Amount for that Distribution Date) and (2) the Certificate Principal Balance of the Class M-3 Certificates immediately prior to that Distribution Date over (B) the lesser of (x) the product of (1) the applicable Subordination Percentage and (2) the aggregate Stated Principal Balance of the Mortgage Loans after giving effect to distributions to be made on that Distribution Date and (y) the aggregate Stated Principal Balance of the Mortgage Loans after giving effect to distributions to be made on that Distribution Date, less the Overcollateralization Floor.

Class M-4 Certificate: Any one of the Class M-4 Certificates executed by the Trustee and authenticated by the Certificate Registrar substantially in the form annexed hereto as Exhibit B, senior to the Class M-5, Class SB Certificates and Class R-II Certificates with respect to distributions and the allocation of Realized Losses in respect of the Mortgage Loans as set forth in Section 4.05, and evidencing an interest designated as a "regular interest" in REMIC II for purposes of the REMIC Provisions.

Class M-4 Interest Distribution Amount: As defined in Section 4.02(c)(v).

Class M-4 Principal Distribution Amount: With respect to any Distribution Date (i) prior to the Stepdown Date or on or after the Stepdown Date if a Trigger Event is in effect for that Distribution Date, the remaining Principal Distribution Amount for that Distribution Date after distribution of the Class A Principal Distribution Amount, the Class M-1 Principal Distribution Amount, the Class M-2 Principal Distribution Amount and the Class M-3 Principal Distribution Amount, but not more than the aggregate Certificate Principal Balance of the Class M-4 Certificates immediately prior to that Distribution Date, or (ii) on or after the Stepdown Date if a Trigger Event is not in effect for that Distribution Date, the lesser of:

(i) the remaining Principal Distribution Amount for that Distribution Date after distribution of the Class A Principal Distribution Amount, the Class M-1 Principal Distribution Amount, the Class M-2 Principal Distribution Amount and the Class M-3 Principal Distribution Amount; and

(ii) the excess, if any, of (A) the sum of (1) the aggregate Certificate Principal Balance of the Class A Certificates, the Class M-1 Certificates, the Class M-2 Certificates and the Class M-3 Certificates (after taking into account the payment of the Class A Principal Distribution Amount, the Class M-1 Principal Distribution Amount, the Class M-2 Principal Distribution Amount and the Class M-3 Principal Distribution Amount for that Distribution Date) and (2) the Certificate Principal Balance of the Class M-4 Certificates immediately prior to that Distribution Date over (B) the lesser of (x) the product of (1) the applicable Subordination Percentage and (2) the aggregate Stated Principal Balance of the Mortgage Loans after giving effect to distributions to be made on that Distribution Date and (y) the aggregate Stated Principal Balance of the Mortgage Loans after giving effect to distributions to be made on that Distribution Date, less the Overcollateralization Floor.

Class M-5 Certificate: Any one of the Class M-5 Certificates executed by the Trustee and authenticated by the Certificate Registrar substantially in the form annexed hereto as Exhibit B, senior to the Class SB Certificates and Class R-II Certificates with respect to distributions and the allocation of Realized Losses in respect of the Mortgage Loans as set forth in Section 4.05, and evidencing an interest designated as a "regular interest" in REMIC II for purposes of the REMIC Provisions.

Class M-5 Interest Distribution Amount: As defined in Section 4.02(c)(vi).

Class M-5 Principal Distribution Amount: With respect to any Distribution Date (i) prior to the Stepdown Date or on or after the Stepdown Date if a Trigger Event is in effect for that Distribution Date, the remaining Principal Distribution Amount for that Distribution Date after distribution of the Class A Principal Distribution Amount, the Class M-1 Principal Distribution Amount, the Class M-2 Principal Distribution Amount, the Class M-3 Principal Distribution Amount and the Class M-4 Principal Distribution Amount, but not more than the aggregate Certificate Principal Balance of the Class M-5 Certificates immediately prior to that Distribution Date, or (ii) on or after the Stepdown Date if a Trigger Event is not in effect for that Distribution Date, the lesser of:

(iii) the remaining Principal Distribution Amount for that Distribution Date after distribution of the Class A Principal Distribution Amount, the Class M-1 Principal Distribution Amount, the Class M-2 Principal Distribution Amount, the Class M-3 Principal Distribution Amount and the M-4 Principal Distribution Amount; and

(iv) the excess, if any, of (A) the sum of (1) the aggregate Certificate Principal Balance of the Class A Certificates, the Class M-1 Certificates, the Class M-2 Certificates, the Class M-3 Certificates and the M-4 Certificates (after taking into account the payment of the Class A Principal Distribution Amount, the Class M-1 Principal Distribution Amount, the Class M-2 Principal Distribution Amount, the Class M-3 Principal Distribution Amount and the Class M-4 Principal Distribution Amount for that Distribution Date) and (2) the Certificate Principal Balance of the Class M-5 Certificates immediately prior to that Distribution Date over (B) the lesser of (x) the product of (1) the applicable Subordination Percentage and (2) the aggregate Stated Principal Balance of the Mortgage Loans after giving effect to distributions to be made on that Distribution Date and (y) the aggregate Stated Principal Balance of the Mortgage Loans after giving effect to distributions to be made on that Distribution Date, less the Overcollateralization Floor.

Class R Certificate: Any one of the Class R-I Certificates or Class R-II Certificates.

Class R-I Certificate: Any one of the Class R-I Certificates executed by the Trustee and authenticated by the Certificate Registrar substantially in the form annexed hereto as Exhibit D and evidencing an interest designated as a "residual interest" in REMIC I for purposes of the REMIC Provisions.

Class R-II Certificate: Any one of the Class R-II Certificates executed by the Trustee and authenticated by the Certificate Registrar substantially in the form annexed hereto as Exhibit D and evidencing an interest designated as a "residual interest" in REMIC II for purposes of the REMIC Provisions.

Class SB Certificate: Any one of the Class SB Certificates executed by the Trustee and authenticated by the Certificate Registrar substantially in the form annexed hereto as Exhibit C, subordinate to the Class A Certificates and Class M Certificates with respect to distributions and the allocation of Realized Losses in respect of the Mortgage Loans as set forth in Section 4.05, and evidencing an interest designated as a "regular interest" in REMIC II for purposes of the REMIC Provisions.

Class SB Distribution Amount: With respect to any Distribution Date, the sum of (i) the Overcollateralization Reduction Amount for such Distribution Date and (ii) for any Distribution Date on or after the Distribution Date on which the Certificate Principal Balances of the Class A Certificates and Class M Certificates have been reduced to zero, the Overcollateralization Amount.

Closing Date: May 9, 2006.

Code: The Internal Revenue Code of 1986, as amended.

Commission: The Securities and Exchange Commission.

Corporate Trust Office: The principal office of the Trustee at which at any particular time its corporate trust business with respect to this Agreement shall be administered, which office at the date of the execution of this instrument is located at 4 New York Plaza, 6th Floor, New York, New York 10004, Attention: RAMP, Series 2006-RP2.

Corresponding Class: With respect to each REMIC I Regular Interest other than REMIC I Regular Interests AA and ZZ, the Certificate with the corresponding designation.

Curtailment: Any Principal Prepayment made by a Mortgagor which is not a Principal Prepayment in Full.

Custodial Account: The custodial account or accounts created and maintained pursuant to Section 3.07 in the name of a depository institution, as custodian for the holders of the Certificates, for the holders of certain other interests in mortgage loans serviced or sold by the Master Servicer and for the Master Servicer, into which the amounts set forth in Section 3.07 shall be deposited directly. Any such account or accounts shall be an Eligible Account.

Custodial Agreement: An agreement that may be entered into among the Depositor, the Master Servicer, the Trustee and a Custodian in substantially the form of Exhibit E hereto.

Custodian: A custodian appointed pursuant to a Custodial Agreement.

Cut-off Date: April 1, 2006.

Cut-off Date Balance: $331,916,682.

Cut-off Date Principal Balance: As to any Mortgage Loan, the unpaid principal balance thereof at the Cut-off Date after giving effect to all installments of principal due on or prior thereto (or due during the month of April 2006), whether or not received, exclusive of any Arrearages.

Debt Service Reduction: With respect to any Mortgage Loan, a reduction in the scheduled Monthly Payment for such Mortgage Loan by a court of competent jurisdiction in a proceeding under the Bankruptcy Code, except such a reduction constituting a Deficient Valuation or any reduction that results in a permanent forgiveness of principal.

Deferred Interest: With respect to any Neg Am Loan, as of any Due Date, the amount, if any, by which the Mortgage Loan Accrued Interest for such Due Date exceeds the Monthly Payment for such Due Date and which amount, pursuant to the terms of the Mortgage Note, is added to the principal balance of the Mortgage Loan.

Deferred Interest Shortfall: With respect to any Class of the Class A and Class M Certificates and any Distribution Date for which Deferred Interest exists and upon which the Accrued Certificate Interest on the Class A and Class M Certificates exceeds the Available Distribution Amount on such Distribution Date, the lesser of (a) such excess and (b) the amount of such Deferred Interest.

Deficient Valuation: With respect to any Mortgage Loan, 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, or any reduction in the amount of principal to be paid in connection with any scheduled Monthly Payment that constitutes a permanent forgiveness of principal, which valuation or reduction results from a proceeding under the Bankruptcy Code.

Definitive Certificate: Any definitive, fully registered Certificate.

Deleted Mortgage Loan: A Mortgage Loan replaced or to be replaced with a Qualified Substitute Mortgage Loan.

Delinquent: As used herein, a Mortgage Loan is considered to be: "30 to 59 days" or "30 or more days" delinquent when a payment due on any scheduled due date remains unpaid as of the close of business on the next following monthly scheduled due date; "60 to 89 days" or "60 or more days" delinquent when a payment due on any scheduled due date remains unpaid as of the close of business on the second following monthly scheduled due date; and so on. The determination as to whether a Mortgage Loan falls into these categories is made as of the close of business on the last business day of each month. For example, a Mortgage Loan with a payment due on July 1 that remained unpaid as of the close of business on August 31 would then be considered to be 30 to 59 days delinquent. Delinquency information as of the Cut-off Date is determined and prepared as of the close of business on the last business day immediately prior to the Cut-off Date. As used hereunder, a Mortgage Loan that is a Re-Performing Loan is not Delinquent so long as that Mortgage Loan is making timely payments under the related repayment plan or bankruptcy plan, and the length of delinquency of any such Mortgage Loan at any time for purposes of this Agreement shall be as of the time such Mortgage Loan became delinquent with respect to the related plan or agreement, and only with respect to the related Monthly Payment.

Depositor: As defined in the preamble hereto.

Depository: The Depository Trust Company, or any successor Depository hereafter named. The nominee of the initial Depository for purposes of registering those Certificates that are to be Book-Entry Certificates is Cede & Co. The Depository shall at all times be a "clearing corporation" as defined in Section 8-102(5) of the Uniform Commercial Code of the State of New York and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended.

Depository Participant: A broker, dealer, bank or other financial institution or other Person for whom from time to time a Depository effects book-entry transfers and pledges of securities deposited with the Depository.

Derivative Contract: Any ISDA Master Agreement, together with the related Schedule and Confirmation, entered into by the Trustee and a Derivative Counterparty in accordance with Section 4.10.

Derivative Counterparty: Any counterparty to a Derivative Contract as provided in Section 4.10.

Destroyed Mortgage Note: A Mortgage Note the original of which was permanently lost or destroyed and has not been replaced.

Determination Date: With respect to any Distribution Date, the 20th day (or if such 20th day is not a Business Day, the Business Day immediately following such 20th day) of the month of the related Distribution Date.

Disqualified Organization: Any organization defined as a "disqualified organization" under Section 860E(e)(5) of the Code, which includes any of the following: (i) the United States, any State or political subdivision thereof, any possession of the United States, or any agency or instrumentality of any of the foregoing (other than an instrumentality which is a corporation if all of its activities are subject to tax and, except for Freddie Mac, a majority of whose board of directors is not selected by such governmental unit), (ii) a foreign government, any international organization, or any agency or instrumentality of any of the foregoing, (iii) any organization (other than certain farmers' cooperatives described in Section 521 of the Code) which is exempt from the tax imposed by Chapter 1 of the Code (including the tax imposed by Section 511 of the Code on unrelated business taxable income) and (iv) rural electric and telephone cooperatives described in Section 1381(a)(2)(C) of the Code. A Disqualified Organization also includes any "electing large partnership," as defined in Section 775(a) of the Code and any other Person so designated by the Trustee based upon an Opinion of Counsel that the holding of an Ownership Interest in a Class R Certificate by such Person may cause any REMIC or any Person having an Ownership Interest in any Class of Certificates (other than such Person) to incur a liability for any federal tax imposed under the Code that would not otherwise be imposed but for the Transfer of an Ownership Interest in a Class R Certificate to such Person. The terms "United States," "State" and "international organization" shall have the meanings set forth in Section 7701 of the Code or successor provisions.

Distribution Date: The 25th day of any month, commencing in May 2006, or, if such 25th day is not a Business Day, the Business Day immediately following such 25th day.

Due Date: With respect to any Distribution Date and any Mortgage Loan, the day during the related Due Period on which the Monthly Payment is due.

Due Period: With respect to any Distribution Date, the calendar month of such Distribution Date.

Eligible Account: An account that is any of the following: (i) maintained with a depository institution the debt obligations of which have been rated by each Rating Agency in its highest rating available, or (ii) an account or accounts in a depository institution in which such accounts are fully insured to the limits established by the FDIC, provided that any deposits not so insured shall, to the extent acceptable to each Rating Agency, as evidenced in writing, be maintained such that (as evidenced by an Opinion of Counsel delivered to the Trustee and each Rating Agency) the registered Holders of Certificates have a claim with respect to the funds in such account or a perfected first security interest against any collateral (which shall be limited to Permitted Investments) securing such funds that is superior to claims of any other depositors or creditors of the depository institution with which such account is maintained, or (iii) in the case of the Custodial Account, either (A) a trust account or accounts maintained in the corporate trust department of U.S. Bank National Association, or (B) an account or accounts maintained in the corporate asset services department of JPMorgan Chase Bank, N.A. as long as its short term debt obligations are rated P-1 (or the equivalent) or better by each Rating Agency, and its long term debt obligations are rated A2 (or the equivalent) or better, by each Rating Agency, or (iv) in the case of the Certificate Account, a trust account or accounts maintained in the corporate trust division of JPMorgan Chase Bank, N.A., or (v) an account or accounts of a depository institution acceptable to each Rating Agency (as evidenced in writing by each Rating Agency that use of any such account as the Custodial Account or the Certificate Account will not reduce the rating assigned to any Class of Certificates by such Rating Agency below the lower of the then-current rating or the rating assigned to such Certificates as of the Closing Date by such Rating Agency).

Eligible Master Servicing Compensation: With respect to any Distribution Date, an amount equal to Prepayment Interest Shortfalls resulting from Principal Prepayments in Full or Curtailments during the related Prepayment Period, but not more than the lesser of (a) one-twelfth of 0.125% of the Stated Principal Balance of the Mortgage Loans immediately preceding such Distribution Date and (b) the sum of the Servicing Fee, all income and gain on amounts held in the Custodial Account and the Certificate Account and payable to the Certificateholders with respect to such Distribution Date and servicing compensation to which the Master Servicer may be entitled pursuant to Section 3.10(a)(v) and (vi); provided that for purposes of this definition the amount of the Servicing Fee will not be reduced pursuant to Section 7.02 except as may be required pursuant to the last sentence of Section 7.02(a).

ERISA: The Employee Retirement Income Security Act of 1974, as amended.

Event of Default: As defined in Section 7.01.

Excess Cash Flow: With respect to any Distribution Date, an amount equal to the sum of (A) the excess of (1) the Available Distribution Amount for that Distribution Date over (2) the sum of (x) the Interest Distribution Amount for that Distribution Date and (y) the Principal Remittance Amount for that Distribution Date, (B) the Overcollateralization Reduction Amount, if any, for that Distribution Date and (C) any Yield Maintenance Payment for that Distribution Date.

Excess Cash Principal Payment Amount: As defined in Section 4.02(c)(xv).

Excess Overcollateralization Amount: With respect to any Distribution Date, the excess, if any, of (a) the Overcollateralization Amount on such Distribution Date over (b) the Required Overcollateralization Amount for such Distribution Date.

Exchange Date: As defined in Section 5.02(e)(iii).

Fannie Mae: Fannie Mae, a federally chartered and privately owned corporation organized and existing under the Federal National Mortgage Association Charter Act, or any successor thereto.

FDIC: The Federal Deposit Insurance Corporation or any successor thereto.

FHA: The Federal Housing Administration, or its successor.

Final Distribution Date: The Distribution Date on which the final distribution in respect of the Certificates will be made pursuant to Section 9.01, which Final Distribution Date shall in no event be later than the end of the 90-day liquidation period described in Section 9.02.

Final Scheduled Distribution Date: Solely for purposes of the face of the Certificates, as follows: with respect to the Class A Certificates and Class M Certificates, February 2037. No event of default under this Agreement will arise or become applicable solely by reason of the failure to retire the entire Certificate Principal Balance of any Class of Class A Certificates on or before its Final Scheduled Distribution Date.

Fitch: Fitch, Inc., or its successor in interest.

Foreclosure Profits: As to any Distribution Date or related Determination Date and any Mortgage Loan, the excess, if any, of Liquidation Proceeds, Insurance Proceeds and REO Proceeds (net of all amounts reimbursable therefrom pursuant to Section 3.10(a)(ii)) in respect of each Mortgage Loan or REO Property for which a Cash Liquidation or REO Disposition occurred in the related Prepayment Period over the sum of the unpaid principal balance of such Mortgage Loan or REO Property (determined, in the case of an REO Disposition, in accordance with Section 3.14) plus accrued and unpaid interest at the Mortgage Rate on such unpaid principal balance from the Due Date to which interest was last paid by the Mortgagor to the first day of the month following the month in which such Cash Liquidation or REO Disposition occurred.

Foreclosure Restricted Loan: A Mortgage Loan which was 90 or more days delinquent as of the Closing Date, as indicated on Exhibit V; provided, that such Mortgage Loan will no longer be a Foreclosure Restricted Loan if such Mortgage Loan was 90 or more days delinquent as of the Closing Date, it repays all of its Arrearages and it becomes current for three consecutive Monthly Payments.

Freddie Mac: The Federal Home Loan Mortgage Corporation, a corporate instrumentality of the United States created and existing under Title III of the Emergency Home Finance Act of 1970, as amended, or any successor thereto.

Gross Margin: As to each adjustable rate Mortgage Loan, the fixed percentage set forth in the related Mortgage Note and indicated in Exhibit F hereto as the "NOTE MARGIN," which percentage is added to the related Index on each Adjustment Date to determine (subject to rounding in accordance with the related Mortgage Note, the Periodic Cap, the Maximum Mortgage Rate and the Minimum Mortgage Rate) the interest rate to be borne by such Mortgage Loan until the next Adjustment Date.

Hazardous Materials: Any dangerous, toxic or hazardous pollutants, chemicals, wastes, or substances, including, without limitation, those so identified pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq., or any other environmental laws now existing, and specifically including, without limitation, asbestos and asbestos-containing materials, polychlorinated biphenyls, radon gas, petroleum and petroleum products, urea formaldehyde and any substances classified as being "in inventory," "usable work in progress" or similar classification which would, if classified unusable, be included in the foregoing definition.

High Cost Loan: The Mortgage Loans set forth hereto as Exhibit O that are subject to special rules, disclosure requirements and other provisions that were added to the Federal Truth in Lending Act by the Home Ownership and Equity Protection Act of 1994.

Independent: When used with respect to any specified Person, means such a Person who (i) is in fact independent of the Depositor, the Master Servicer and the Trustee, or any Affiliate thereof, (ii) does not have any direct financial interest or any material indirect financial interest in the Depositor, the Master Servicer or the Trustee or in an Affiliate thereof, and (iii) is not connected with the Depositor, the Master Servicer or the Trustee as an officer, employee, promoter, underwriter, trustee, partner, director or person performing similar functions.

Index: With respect to any adjustable rate Mortgage Loan and as to any Adjustment Date therefor, the related index as stated in the related Mortgage Note.

Initial Certificate Principal Balance: With respect to each Class of Certificates (other than the Class R Certificates), the Certificate Principal Balance of such Class of Certificates as of the Closing Date as set forth in the Preliminary Statement hereto.

Insurance Proceeds: Proceeds paid in respect of the Mortgage Loans pursuant to any Primary Insurance Policy or any other related insurance policy covering a Mortgage Loan, to the extent such proceeds are payable to the mortgagee under the Mortgage, any Subservicer, the Master Servicer or the Trustee and are not applied to the restoration of the related Mortgaged Property or released to the Mortgagor in accordance with the procedures that the Master Servicer would follow in servicing mortgage loans held for its own account.

Interest Accrual Period: With respect to the Class SB Certificates and any Distribution Date, the prior calendar month. With respect to the Class A Certificates and Class M Certificates (i) with respect to the Distribution Date in May 2006, the period commencing on the Closing Date and ending on the day preceding the Distribution Date in May 2006, and (ii) with respect to any Distribution Date after the Distribution Date in May 2006, the period commencing on the Distribution Date in the month immediately preceding the month in which such Distribution Date occurs and ending on the day preceding such Distribution Date.

Interest Distribution Amount: The sum of the Class A Interest Distribution Amount, the Class M-1 Interest Distribution Amount, the Class M-2 Interest Distribution Amount, the Class M-3 Interest Distribution Amount, the Class M-4 Interest Distribution Amount and the Class M-5 Interest Distribution Amount.

Interested Person: As of any date of determination, the Depositor, the Master Servicer, the Trustee, any Mortgagor, any Manager of a Mortgaged Property, or any Person known to a Responsible Officer of the Trustee to be an Affiliate of any of them.

Interim Certification: As defined in Section 2.02.

Late Collections: With respect to any Mortgage Loan, all amounts received during any Due Period, whether as late payments of Monthly Payments or as Insurance Proceeds, Liquidation Proceeds or otherwise, which represent late payments or collections of Monthly Payments due but delinquent for a previous Due Period and not previously recovered.

LIBOR: With respect to any Distribution Date, the arithmetic mean of the London interbank offered rate quotations for one-month U.S. Dollar deposits, expressed on a per annum basis, determined in accordance with Section 1.02.

LIBOR Business Day: Any day other than (i) a Saturday or Sunday or (ii) a day on which banking institutions in London, England are required or authorized to by law to be closed.

LIBOR Rate Adjustment Date: With respect to each Distribution Date, the second LIBOR Business Day immediately preceding the commencement of the related Interest Accrual Period.

Limited Repurchase Right Holder: RFC Asset Holdings II, Inc., or its successor.

Liquidation Proceeds: Amounts (other than Insurance Proceeds) received by the Master Servicer in connection with the taking of an entire Mortgaged Property by exercise of the power of eminent domain or condemnation or in connection with the liquidation of a defaulted Loan through trustee's sale, foreclosure sale or otherwise, other than REO Proceeds and Subsequent Recoveries.

Loan-to-Value Ratio: As of any date, the fraction, expressed as a percentage, the numerator of which is the current principal balance of the related Mortgage Loan at the date of determination and the denominator of which is the Appraised Value of the related Mortgaged Property.

Margin: With respect to the Class A, Class M-1, Class M-2, Class M-3, Class M-4 and Class M-5 Certificates, initially 0.250%, 0.500%, 1.250%, 2.250%, 1.750%, and 2.500% per annum, respectively, and on any Distribution Date on or after the second Distribution Date after the first possible Optional Termination Date for the Mortgage Loans 0.500%, 0.750%, 1.875%, 3.375%, 2.625%, and 3.750% per annum, respectively.

Marker Rate: With respect to the Class SB Certificates and any Distribution Date, a per annum rate equal to two (2) multiplied by the weighted average of the Uncertificated REMIC I Pass-Through Rates for each REMIC I Regular Interest (other than REMIC I Regular Interest AA), with the rates on each such REMIC I Regular Interest (other than REMIC I Regular Interest ZZ) subject to a cap equal to the Pass-Through Rate for the Corresponding Class for such REMIC I Regular Interest, and the rate on REMIC I Regular Interest ZZ subject to a cap of zero, in each case for purposes of this calculation.

Maturity Date: With respect to each Class of Certificates of regular interest or Uncertificated Regular Interest issued by each of REMIC I and REMIC II, the latest possible maturity date, for purposes of Section 1.860G-1(a)(4)(iii) of the Treasury regulations, by which the principal balance of each such Class of Certificates or Uncertificated Regular Interest representing a regular interest in the Trust Fund would be reduced to zero, which is, for each such regular interest, February 2037.

Maximum Mortgage Rate: As to any adjustable rate Mortgage Loan, the rate indicated in Exhibit F hereto as the "NOTE CEILING," which rate is the maximum interest rate that may be applicable to such adjustable rate Mortgage Loan at any time during the life of such Mortgage Loan.

Maximum Net Mortgage Rate: As to any adjustable rate Mortgage Loan and any date of determination, the Maximum Mortgage Rate minus the sum of (i) the rate at which the related Subservicing Fee accrues and (ii) the Servicing Fee Rate, and as to any fixed rate Mortgage Loan and any date of determination, the Net Mortgage Rate thereof.

MERS: Mortgage Electronic Registration Systems, Inc., a corporation organized and existing under the laws of the State of Delaware, or any successor thereto.

MERS® System: The system of recording transfers of Mortgages electronically maintained by MERS.

MIN: The Mortgage Identification Number for Mortgage Loans registered with MERS on the MERS®System.

Minimum Mortgage Rate: As to any adjustable rate Mortgage Loan, the greater of (i) the Note Margin and (ii) the rate indicated in Exhibit F hereto as the "NOTE FLOOR," which rate may be applicable to such adjustable rate Mortgage Loan at any time during the life of such adjustable rate Mortgage Loan, and as to any fixed rate Mortgage Loan and any date of determination, the Net Mortgage Rate thereof..

Modified Mortgage Loan: Any Mortgage Loan that has been the subject of a Servicing Modification.

Modified Mortgage Rate: As to any Mortgage Loan that is the subject of a Servicing Modification, the Mortgage Rate, minus the rate per annum by which the Mortgage Rate on such Mortgage Loan was reduced.

Modified Net Mortgage Rate: As to any Mortgage Loan that is the subject of a Servicing Modification, the Net Mortgage Rate, minus the rate per annum by which the Mortgage Rate on such Mortgage Loan was reduced.

MOM Loan: With respect to any Mortgage Loan, MERS acting as the mortgagee of such Mortgage Loan, solely as nominee for the originator of such Mortgage Loan and its successors and assigns, at the origination thereof.

Monthly Payment: With respect to any Mortgage Loan (including any REO Property) and the Due Date in any Due Period, the payment of principal and interest due thereon in accordance with the amortization schedule at the time applicable thereto (after adjustment, if any, for Curtailments and for Deficient Valuations occurring prior to such Due Date but before any adjustment to such amortization schedule by reason of any bankruptcy, other than a Deficient Valuation, or similar proceeding or any moratorium or similar waiver or grace period and before any Servicing Modification that constitutes a reduction of the interest rate on such Mortgage Loan).

Monthly Strike Rate: With respect to each Distribution Date, the rate set forth in Exhibit Y attached hereto.

Moody's: Moody's Investors Service, Inc., or its successor in interest.

Mortgage: With respect to each Mortgage Note related to a Mortgage Loan, the mortgage, deed of trust or other comparable instrument creating a first or junior lien on an estate in fee simple interest in real property securing a Mortgage Note.

Mortgage File: The mortgage documents listed in Section 2.01 pertaining to a particular Mortgage Loan and any additional documents required to be added to the Mortgage File pursuant to this Agreement.

Mortgage Loan Accrued Interest: With respect to each Neg Am Loan and each Due Date, the aggregate amount of interest accrued at the Mortgage Rate in respect of such Mortgage Loan since the preceding Due Date (or in the case of the initial Due Date, since the Cut-off Date) to but not including such Due Date with respect to which the Mortgage Loan Accrued Interest is being calculated in accordance with the terms of such Mortgage Loan, after giving effect to any previous Principal Prepayments, Deficient Valuation or Debt Service Reduction in respect of such Neg Am Loan.

Mortgage Loan Schedule: The lists of the Mortgage Loans attached hereto as Exhibit F (as amended from time to time to reflect the addition of Qualified Substitute Mortgage Loans), which lists shall set forth at a minimum the following information as to each Mortgage Loan:

(i) the Mortgage Loan identifying number ("RFC LOAN #");

(ii) [reserved];

(iii) the maturity of the Mortgage Note ("MATURITY DATE," or "MATURITY DT" for Mortgage Loans and if such Mortgage Loan is a Balloon Loan, the amortization term thereof;

(iv) the Mortgage Rate as of origination ("ORIG RATE")

(v) the Mortgage Rate as of the Cut-off Date for an adjustable rate Mortgage Loan ("CURR RATE");

(vi) the Net Mortgage Rate as of the Cut-off Date ("CURR NET");

(vii) the scheduled monthly payment of principal, if any, and interest as of the Cut-off Date ("ORIGINAL P & I" or "CURRENT P & I" for the adjustable rate Mortgage Loans);

(viii) the Cut-off Date Principal Balance ("PRINCIPAL BAL");

(ix) the Loan-to-Value Ratio at origination ("LTV");

(x) a code "T," "BT" or "CT" under the column "LN FEATURE," indicating that the Mortgage Loan is secured by a second or vacation residence (the absence of any such code means the Mortgage Loan is secured by a primary residence);

(xi) a code "N" under the column "OCCP CODE," indicating that the Mortgage Loan is secured by a non-owner occupied residence (the absence of any such code means the Mortgage Loan is secured by an owner occupied residence);

(xii) the Maximum Mortgage Rate for the adjustable rate Mortgage Loans ("NOTE CEILING");

(xiii) the Maximum Net Mortgage Rate for the adjustable rate Mortgage Loans ("NET CEILING");

(xiv) the Note Margin for the adjustable rate Mortgage Loans ("NOTE MARGIN");

(xv) the first Adjustment Date after the Cut-off Date for the adjustable rate Mortgage Loans ("NXT INT CHG DT");

(xvi) the Periodic Cap for the adjustable rate Mortgage Loans ("PERIODIC DECR" or "PERIODIC INCR"); and

(xvii) the rounding of the semi-annual or annual adjustment to the Mortgage Rate with respect to the adjustable rate Mortgage Loans ("NOTE METHOD").

Such schedules may consist of multiple reports that collectively set forth all of the information required.

Mortgage Loans: The mortgage loans transferred and assigned to the Trustee pursuant to Section 2.01 as from time to time are held or deemed to be held as a part of the Trust Fund, the Mortgage Loans originally so held being identified in the initial Mortgage Loan Schedule, and Qualified Substitute Mortgage Loans held or deemed held as part of the Trust Fund including, without limitation, each related Mortgage Note, Mortgage and all other documents contained in the Mortgage File and all rights appertaining thereto.

Mortgage Note: The originally executed note or other evidence of indebtedness evidencing the indebtedness of a Mortgagor under a Mortgage Loan, together with any modification thereto.

Mortgage Rate: As to any Mortgage Loan, the interest rate borne by the related Mortgage Note, or any modification thereto other than a Servicing Modification. The Mortgage Rate on the adjustable rate Mortgage Loans will adjust on each Adjustment Date to equal the sum (rounded to the nearest multiple of one-eighth of one percent (0.125%) or up to the nearest one-eighth of one percent, which are indicated by a "U" on Exhibit F hereto, as applicable, except in the case of the adjustable rate Mortgage Loans indicated by an "X" on Exhibit F hereto under the heading "NOTE METHOD"), of the related Index plus the Note Margin, in each case subject to the applicable Periodic Cap, Maximum Mortgage Rate and Minimum Mortgage Rate.

Mortgaged Property: The underlying real property securing a Mortgage Loan.

Mortgagor: The obligor on a Mortgage Note.

Neg Am Loan: Any Mortgage Loan providing for negative amortization, as indicated in the Mortgage Loan Schedule.

Net Mortgage Rate: With respect to any Mortgage Loan as of any date of determination, a per annum rate equal to the Adjusted Mortgage Rate for such Mortgage Loan as of such date minus the Servicing Fee Rate; provided that, with respect to each adjustable rate Mortgage Loan, (i) the Net Mortgage Rate becoming effective on any Adjustment Date shall not be greater or less than the Net Mortgage Rate immediately prior to such Adjustment Date plus or minus the Periodic Cap applicable to such Mortgage Loan and (ii) the Net Mortgage Rate for any such Mortgage Loan shall not exceed a rate equal to the Maximum Net Mortgage Rate for such Mortgage Loan.

Net WAC Cap Rate: With respect to the Class A Certificates and Class M Certificates and for any Distribution Date, a per annum rate equal to (1) the weighted average of the Net Mortgage Rates of the Mortgage Loans in effect for the scheduled payments due on such Mortgage Loans during the related Due Period, multiplied by (2) a fraction equal to 30 divided by the actual number of days in the related Interest Accrual Period. For federal income tax purposes, however, item (1) above shall be the equivalent of the foregoing, expressed as a per annum rate equal to the weighted average of the Uncertificated REMIC I Pass-Through Rates on the REMIC I Regular Interests, weighted on the basis of the Uncertificated Principal Balance of each such REMIC I Regular Interest.

Non-Primary Residence Loans: The Mortgage Loans designated as secured by second or vacation residences, or by non-owner occupied residences, on the Mortgage Loan Schedule.

Non-United States Person: Any Person other than a United States Person.

Nonrecoverable Advance: Any Advance previously made or proposed to be made by the Master Servicer in respect of a Mortgage Loan (other than a Deleted Mortgage Loan) which, in the good faith judgment of the Master Servicer, will not, or, in the case of a proposed Advance, would not, be ultimately recoverable by the Master Servicer from related Late Collections, Insurance Proceeds, Liquidation Proceeds or REO Proceeds. To the extent that any Mortgagor is not obligated under the related Mortgage documents to pay or reimburse any portion of any Advances that are outstanding with respect to the related Mortgage Loan as a result of a modification of such Mortgage Loan by the Master Servicer, which forgives unpaid Monthly Payments or other amounts which the Master Servicer had previously advanced, and the Master Servicer determines that no other source of payment or reimbursement for such advances is available to it, such Advances shall be deemed to be nonrecoverable; *provided, however*, that in connection with the foregoing, the Master Servicer shall provide an Officers' Certificate as described below. The determination by the Master Servicer that it has made a Nonrecoverable Advance shall be evidenced by a certificate of a Servicing Officer, Responsible Officer or Vice President or its equivalent or senior officer of the Master Servicer, delivered to the Depositor, the Trustee and the Master Servicer setting forth such determination, which shall include any other information or reports obtained by the Master Servicer such as property operating statements, rent rolls, property inspection reports and engineering reports, which may support such determinations. Notwithstanding the above, the Trustee shall be entitled to rely upon any determination by the Master Servicer that any Advance previously made is a Nonrecoverable Advance or that any proposed Advance, if made, would constitute a Nonrecoverable Advance.

Nonsubserviced Mortgage Loan: Any Mortgage Loan that, at the time of reference thereto, is not subject to a Subservicing Agreement.

Note Margin: As to each adjustable rate Mortgage Loan, the fixed percentage set forth in the related Mortgage Note and indicated in Exhibit F hereto as the "NOTE MARGIN," which percentage is added to the Index on each Adjustment Date to determine (subject to rounding in accordance with the related Mortgage Note, the Periodic Cap, the Maximum Mortgage Rate and the Minimum Mortgage Rate) the interest rate to be borne by such adjustable rate Mortgage Loan until the next Adjustment Date.

Notice: As defined in Section 4.04.

Officers' Certificate: A certificate signed by the Chairman of the Board, the President, a Vice President, Assistant Vice President, Director, Managing Director, the Treasurer, the Secretary, an Assistant Treasurer or an Assistant Secretary of the Depositor or the Master Servicer, as the case may be, and delivered to the Trustee, as required by this Agreement.

Opinion of Counsel: A written opinion of counsel acceptable to the Trustee and the Master Servicer, who may be counsel for the Depositor or the Master Servicer, provided that any opinion of counsel (i) referred to in the definition of "Disqualified Organization" or (ii) relating to the qualification of REMIC I or REMIC II as REMICs or compliance with the REMIC Provisions must, unless otherwise specified, be an opinion of independent counsel.

Optional Termination Date: Any Distribution Date on or after which the Stated Principal Balance (after giving effect to distributions to be made on such Distribution Date) of the Mortgage Loans is less than 10.00% of the Cut-off Date Balance.

Outstanding Mortgage Loan: As to the Due Date in any Due Period, a Mortgage Loan (including an REO Property) that was not the subject of a Principal Prepayment in Full, Cash Liquidation or REO Disposition and that was not purchased, deleted or substituted for prior to such Due Date pursuant to Section 2.02, 2.03, 2.04 or 4.07.

Overcollateralization Amount: With respect to any Distribution Date, the excess, if any, of (a) the aggregate Stated Principal Balance of the Mortgage Loans before giving effect to distributions of principal to be made on such Distribution Date over (b) the aggregate Certificate Principal Balance of the Class A Certificates and Class M Certificates as of such date, before taking into account distributions of principal to be made on that Distribution Date.

Overcollateralization Floor: An amount equal to 0.50% of the Cut-off Date Balance.

Overcollateralization Increase Amount: With respect to any Distribution Date, an amount equal to the lesser of (i) the Excess Cash Flow for that Distribution Date available for distribution pursuant to Section 4.02(c)(x) and (ii) the excess, if any, of (x) the Required Overcollateralization Amount for that Distribution Date over (y) the Overcollateralization Amount for that Distribution Date.

Overcollateralization Reduction Amount: With respect to any Distribution Date for which the Excess Overcollateralization Amount is, or would be, after taking into account all other distributions to be made on that Distribution Date, greater than zero, an amount equal to the lesser of (i) the Excess Overcollateralization Amount for that Distribution Date and (ii) the Principal Remittance Amount for that Distribution Date.

Ownership Interest: As to any Certificate, any ownership or security interest in such Certificate, including any interest in such Certificate as the Holder thereof and any other interest therein, whether direct or indirect, legal or beneficial, as owner or as pledgee.

Pass-Through Rate: With respect to the Class A Certificates and Class M Certificates and each Interest Accrual Period a per annum rate equal to the least of (a) One-Month LIBOR plus the related Margin, (b) the Net WAC Cap Rate and (c) 14.000%. With respect to the Class SB Certificates, a per annum rate equal to the percentage equivalent of a fraction, (x) the numerator of which is the sum, for each REMIC I Regular Interest, of the excess of the Uncertificated Pass-Through Rate for such REMIC I Regular Interest over the Marker Rate, applied to a notional amount equal to the Uncertificated Principal Balance of such REMIC I Regular Interest and (y) the denominator of which is the aggregate Uncertificated Principal Balance of the REMIC I Regular Interests.

Paying Agent: JPMorgan Chase Bank, N.A., or any successor Paying Agent appointed by the Trustee.

Percentage Interest: With respect to any Class A Certificate and Class M Certificate, the undivided percentage ownership interest in the related Class evidenced by such Certificate, which percentage ownership interest shall be equal to the Initial Certificate Principal Balance thereof divided by the aggregate Initial Certificate Principal Balance of all of the Certificates of the same Class. The Percentage Interest with respect to a Class SB or Class R Certificate shall be stated on the face thereof.

Periodic Cap: With respect to each adjustable rate Mortgage Loan, the periodic rate cap that limits the increase or the decrease of the related Mortgage Rate on any Adjustment Date pursuant to the terms of the related Mortgage Note.

Permitted Investments: One or more of the following:

(i) obligations of or guaranteed as to principal and interest by the United States or any agency or instrumentality thereof when such obligations are backed by the full faith and credit of the United States;

(ii) repurchase agreements on obligations specified in clause (i) maturing not more than one month from the date of acquisition thereof, provided that the unsecured obligations of the party agreeing to repurchase such obligations are at the time rated by each Rating Agency in its highest short-term rating available;

(iii) federal funds, certificates of deposit, demand deposits, time deposits and bankers' acceptances (which shall each have an original maturity of not more than 90 days and, in the case of bankers' acceptances, shall in no event have an original maturity of more than 365 days or a remaining maturity of more than 30 days) denominated in United States dollars of any U.S. depository institution or trust company incorporated under the laws of the United States or any state thereof or of any domestic branch of a foreign depository institution or trust company; provided that the debt obligations of such depository institution or trust company (or, if the only Rating Agency is Standard & Poor's, in the case of the principal depository institution in a depository institution holding company, debt obligations of the depository institution holding company) at the date of acquisition thereof have been rated by each Rating Agency in its highest short-term rating available; and provided further that, if the only Rating Agency is Standard & Poor's and if the depository or trust company is a principal subsidiary of a bank holding company and the debt obligations of such subsidiary are not separately rated, the applicable rating shall be that of the bank holding company; and, provided further that, if the original maturity of such short-term obligations of a domestic branch of a foreign depository institution or trust company shall exceed 30 days, the short-term rating of such institution shall be A-1+ in the case of Standard & Poor's if Standard & Poor's is a Rating Agency;

(iv) commercial paper and demand notes (having original maturities of not more than 365 days) of any corporation incorporated under the laws of the United States or any state thereof which on the date of acquisition has been rated by each Rating Agency in its highest short-term rating available; provided that such commercial paper and demand notes shall have a remaining maturity of not more than 30 days;

(v) a money market fund or a qualified investment fund rated by each Rating Agency in its highest long-term rating available; and

(vi) other obligations or securities that are acceptable to each Rating Agency as a Permitted Investment hereunder and will not reduce the rating assigned to any Class of Certificates by such Rating Agency below the lower of the then-current rating or the rating assigned to such Certificates as of the Closing Date by such Rating Agency, as evidenced in writing;

provided, however, that no instrument shall be a Permitted Investment if it represents, either (1) the right to receive only interest payments with respect to the underlying debt instrument or (2) the right to receive both principal and interest payments derived from obligations underlying such instrument and the principal and interest payments with respect to such instrument provide a yield to maturity greater than 120% of the yield to maturity at par of such underlying obligations. References herein to the highest rating available on unsecured long-term debt shall mean AAA in the case of Standard & Poor's and Fitch and Aaa in the case of Moody's, and references herein to the highest rating available on unsecured commercial paper and short-term debt obligations shall mean the following: A-1 in the case of Standard & Poor's, P-1 in the case of Moody's and F-1 in the case of Fitch; *provided, further*, however, that any Permitted Investment that is a short-term debt obligation rated A-1 by Standard & Poor's must satisfy the following additional conditions: (i) the total amount of debt from A-1 issuers must be limited to the investment of monthly principal and interest payments (assuming fully amortizing collateral); (ii) the total amount of A-1 investments must not represent more than 20% of the aggregate outstanding Certificate Principal Balance of the Certificates and each investment must not mature beyond 30 days; (iii) the terms of the debt must have a predetermined fixed dollar amount of principal due at maturity that cannot vary; and (iv) if the investments may be liquidated prior to their maturity or are being relied on to meet a certain yield, interest must be tied to a single interest rate index plus a single fixed spread (if any) and must move proportionately with that index.

Permitted Transferee: Any Transferee of a Class R Certificate, other than a Disqualified Organization or Non-United States Person.

Person: Any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

Pool Stated Principal Balance: As to any date of determination, the aggregate of the Stated Principal Balances of each Outstanding Mortgage Loan on the Due Date immediately preceding the Due Period preceding such date of determination.

Prepayment Assumption: With respect to the Class A Certificates and Class M Certificates, the prepayment assumption to be used for determining the accrual of original issue discount and premium and market discount on such Certificates for federal income tax purposes, which assumes a constant prepayment rate of 25% per annum with respect to the fixed rate Mortgage Loans and 28% per annum with respect to the adjustable rate Mortgage Loans.

Prepayment Interest Shortfall: As to any Distribution Date and any Mortgage Loan (other than a Mortgage Loan relating to an REO Property) that was the subject of (a) a Principal Prepayment in Full during the related Prepayment Period, an amount equal to the excess of one month's interest at the related Net Mortgage Rate (or Modified Net Mortgage Rate in the case of a Modified Mortgage Loan) on the Stated Principal Balance of such Mortgage Loan over the amount of interest (adjusted to the related Net Mortgage Rate (or Modified Net Mortgage Rate in the case of a Modified Mortgage Loan)) paid by the Mortgagor for such Prepayment Period to the date of such Principal Prepayment in Full or (b) a Curtailment during the prior calendar month, an amount equal to one month's interest at the related Net Mortgage Rate (or Modified Net Mortgage Rate in the case of a Modified Mortgage Loan) on the amount of such Curtailment.

Prepayment Period: As to any Distribution Date, the calendar month preceding the month of distribution.

Primary Insurance Policy: Each primary policy of mortgage guaranty insurance as indicated on Exhibit F with the exception of either code "23" or "96" under the column "MI CO CODE."

Principal Distribution Amount: With respect to any Distribution Date, the lesser of (a) the excess of (i) the sum of (x) the Available Distribution Amount for that Distribution Date, plus (y) for inclusion in Excess Cash Flow for purposes of clauses (b)(v) and (b)(vi) below, the amount received by the Trustee under the Yield Maintenance Agreement for such Distribution Date, over (ii) the Interest Distribution Amount and (b) the sum of the following:

(i) the principal portion of each Monthly Payment received or Advanced with respect to the related Due Period on each Outstanding Mortgage Loan;

(ii) the Stated Principal Balance of any Mortgage Loan repurchased during the related Prepayment Period (or deemed to have been so repurchased in accordance with Section 3.07(b)) pursuant to Section 2.02, 2.03, 2.04 or 4.07 and the amount of any shortfall deposited in the Custodial Account in connection with the substitution of a Deleted Mortgage Loan that is a Mortgage Loan pursuant to Section 2.03 or 2.04 during the related Prepayment Period and the Stated Principal Balance of the Mortgage Loans purchased pursuant to Section 9.01 in connection with such Distribution Date, if applicable;

(iii) the principal portion of all other unscheduled collections, other than Subsequent Recoveries, on the Mortgage Loans (including, without limitation, Principal Prepayments in Full, Curtailments, Insurance Proceeds, Liquidation Proceeds and REO Proceeds) received during the related Prepayment Period or deemed to be received during the related Prepayment Period to the extent applied by the Master Servicer as recoveries of principal of the Mortgage Loans pursuant to Section 3.14;

(iv) the lesser of (a) Subsequent Recoveries for such Distribution Date and (b) the principal portion of any Realized Losses allocated to any Class of the Class A and Class M Certificates on a prior Distribution Date and remaining unpaid;

(v) the lesser of (a) the Excess Cash Flow for that Distribution Date to the extent not used to cover Realized Losses pursuant to clause (iv) of this definition) and (b) the principal portion of any Realized Losses incurred (or deemed to have been incurred) on any Mortgage Loans in the calendar month preceding such Distribution Date to the extent covered by the Excess Cash Flow for that Distribution Date; and

(vi) the lesser of (a) the Excess Cash Flow for that Distribution Date to the extent not used to cover Realized Losses pursuant to clauses (iv) and (v) of this definition and (b) the amount of any Overcollateralization Increase Amount (provided for purposes of this clause (vi), the Overcollateralization Increase Amount shall be calculated without giving effect to the availability of the amounts described in Section 4.02(c)(xvi)) for such Distribution Date;

minus

(vii) the amount of any Overcollateralization Reduction Amount for such Distribution Date;

(viii) the amount of any Deferred Interest paid out of principal collections on the Mortgage Loans as part of the Class A Interest Distribution Amount, Class M-1 Interest Distribution Amount, Class M-2 Interest Distribution Amount, Class M-3 Interest Distribution Amount, Class M-4 Interest Distribution Amount and Class M-5 Interest Distribution Amount, as applicable, for that Distribution Date; and

(ix) the amount of any Capitalization Reimbursement Amount for that Distribution Date;

provided, however, that the Principal Distribution Amount on any Distribution Date shall not be less than zero or greater than aggregate Certificate Principal Balance of the Class A and Class M Certificates.

Principal Prepayment: Any payment of principal or other recovery on a Mortgage Loan, including a recovery that takes the form of Liquidation Proceeds or Insurance Proceeds, which is received in advance of its scheduled Due Date and is not accompanied by an amount as to interest representing scheduled interest on such payment due on any date or dates in any month or months subsequent to the month of prepayment.

Principal Prepayment in Full: Any Principal Prepayment made by a Mortgagor of the entire principal balance of a Mortgage Loan.

Principal Remittance Amount: With respect to any Distribution Date, the sum of the amounts described in clauses (b)(i), (b)(ii) and (b)(iii), minus the amounts described in clause (b)(viii), of the definition of Principal Distribution Amount for that Distribution Date.

Program Guide: The Residential Funding Seller Guide for mortgage collateral sellers that participate in Residential Funding's standard mortgage programs, and Residential Funding's Servicing Guide and any other subservicing arrangements which Residential Funding has arranged to accommodate the servicing of the Mortgage Loans.

Purchase Price: With respect to any Mortgage Loan (or REO Property) required to be or otherwise purchased on any date pursuant to Section 2.02, 2.03, 2.04 or 4.07, an amount equal to the sum of (i) 100% of the Stated Principal Balance thereof plus the principal portion of any related unreimbursed Advances and (ii) unpaid accrued interest at the Adjusted Mortgage Rate (or Modified Net Mortgage Rate plus the rate per annum at which the Servicing Fee is calculated in the case of a Modified Mortgage Loan) (or at the Net Mortgage Rate (or Modified Net Mortgage Rate in the case of a Modified Mortgage Loan)) on the Stated Principal Balance thereof to the first day of the month following the month of purchase from the Due Date to which interest was last paid by the Mortgagor.

Qualified Insurer: A mortgage guaranty insurance company duly qualified as such under the laws of the state of its principal place of business and each state having jurisdiction over such insurer in connection with the insurance policy issued by such insurer, duly authorized and licensed in such states to transact a mortgage guaranty insurance business in such states and to write the insurance provided by the insurance policy issued by it, approved as a Fannie Mae or Freddie Mac approved mortgage insurer or having a claims paying ability rating of at least "AA" or equivalent rating by a nationally recognized statistical rating organization. Any replacement insurer with respect to a Mortgage Loan must have at least as high a claims paying ability rating as the insurer it replaces had on the Closing Date.

Qualified Substitute Mortgage Loan: A Mortgage Loan substituted by Residential Funding or the Depositor for a Deleted Mortgage Loan which must, on the date of such substitution, as confirmed in an Officers' Certificate delivered to the Trustee, (i) have an outstanding principal balance, after deduction of the principal portion of the monthly payment due in the month of substitution (or in the case of a substitution of more than one Mortgage Loan for a Deleted Mortgage Loan, an aggregate outstanding principal balance, after such deduction), not in excess of the Stated Principal Balance of the Deleted Mortgage Loan (the amount of any shortfall to be deposited by Residential Funding, in the Custodial Account in the month of substitution); (ii) have a Mortgage Rate and a Net Mortgage Rate no lower than and not more than 1% per annum higher than the Mortgage Rate and Net Mortgage Rate, respectively, of the Deleted Mortgage Loan as of the date of substitution; (iii) have a Loan-to-Value Ratio at the time of substitution no higher than that of the Deleted Mortgage Loan at the time of substitution; (iv) have a remaining term to stated maturity not greater than (and not more than one year less than) that of the Deleted Mortgage Loan; (v) comply with each representation and warranty set forth in Sections 2.03 and 2.04 hereof and Section 4 of the Assignment Agreement; and (vi) in the case of the adjustable rate Mortgage Loans, (w) have a Mortgage Rate that adjusts with the same frequency and based upon the same Index as that of the Deleted Mortgage Loan, (x) have a Note Margin not less than that of the Deleted Mortgage Loan; (y) have a Periodic Rate Cap that is equal to that of the Deleted Mortgage Loan; and (z) have a next Adjustment Date no later than that of the Deleted Mortgage Loan.

Rating Agency: Standard & Poor's, Moody's or Fitch. If any agency or a successor is no longer in existence, "Rating Agency" shall be such statistical credit rating agency, or other comparable Person, designated by the Depositor, notice of which designation shall be given to the Trustee and the Master Servicer.

Realized Loss: With respect to each Mortgage Loan (or REO Property) as to which a Cash Liquidation or REO Disposition has occurred, an amount (not less than zero) equal to (i) the Stated Principal Balance of the Mortgage Loan (or REO Property) as of the date of Cash Liquidation or REO Disposition, plus (ii) interest (and REO Imputed Interest, if any) at the Net Mortgage Rate (or Modified Net Mortgage Rate in the case of a Modified Mortgage Loan) from the Due Date as to which interest was last paid or advanced to Certificateholders up to the last day of the month in which the Cash Liquidation (or REO Disposition) occurred on the Stated Principal Balance of such Mortgage Loan (or REO Property) outstanding during each Due Period that such interest was not paid or advanced to the extent such interest does not constitute Deferred Interest that has been added to the principal balance of such Mortgage Loan, minus (iii) the proceeds, if any, received during the month in which such Cash Liquidation (or REO Disposition) occurred, to the extent applied as recoveries of interest at the Net Mortgage Rate (or Modified Net Mortgage Rate in the case of a Modified Mortgage Loan) and to principal of the Mortgage Loan, net of the portion thereof reimbursable to the Master Servicer or any Subservicer with respect to related Advances, Servicing Advances or other expenses as to which the Master Servicer or Subservicer is entitled to reimbursement thereunder but which have not been previously reimbursed. With respect to each Mortgage Loan which is the subject of a Servicing Modification, (a) the amount by which the interest portion of a Monthly Payment or the principal balance of such Mortgage Loan was reduced and the sum of any other amounts owing under such Mortgage Loan that were forgiven and that constitute Servicing Advances that are reimbursable to the Master Servicers or a Subservicer, and (b) any such amount with respect to a Monthly Payment that was or would have been due in the month immediately following the month in which a Principal Prepayment or the Purchase Price of such Mortgage Loan is received or is deemed to have been received. With respect to each Mortgage Loan which has become the subject of a Deficient Valuation, the difference between the principal balance of the Mortgage Loan outstanding immediately prior to such Deficient Valuation and the principal balance of the Mortgage Loan as reduced by the Deficient Valuation. With respect to each Mortgage Loan which has become the object of a Debt Service Reduction, the amount of such Debt Service Reduction. Notwithstanding the above, neither a Deficient Valuation nor a Debt Service Reduction shall be deemed a Realized Loss hereunder so long as the Master Servicer has notified the Trustee in writing that the Master Servicer is diligently pursuing any remedies that may exist in connection with the representations and warranties made regarding the related Mortgage Loan and either (A) the related Mortgage Loan is not in default with regard to payments due thereunder or (B) delinquent payments of principal and interest under the related Mortgage Loan and any premiums on any applicable primary hazard insurance policy and any related escrow payments in respect of such Mortgage Loan are being advanced on a current basis by the Master Servicer or a Subservicer, in either case without giving effect to any Debt Service Reduction.

Record Date: With respect to each Distribution Date and each Class of Certificates (other than the Class A Certificates and Class M Certificates), the close of business on the last Business Day of the month next preceding the month in which the related Distribution Date occurs. With respect to each Distribution Date and the Class A Certificates and Class M Certificates, the Business Day prior to such Distribution Date.

Regular Certificates: The Class A Certificates, Class M Certificates and Class SB Certificates.

Regular Interest: Any one of the regular interests in the Trust Fund.

Relief Act: The Servicemembers Civil Relief Act.

Relief Act Shortfalls: Interest shortfalls on the Mortgage Loans resulting from the Relief Act or similar legislation or regulations.

REMIC: A "real estate mortgage investment conduit" within the meaning of Section 860D of the Code.

REMIC Administrator: Residential Funding Corporation. If Residential Funding Corporation is found by a court of competent jurisdiction to no longer be able to fulfill its obligations as REMIC Administrator under this Agreement, the Master Servicer or Trustee acting as Master Servicer shall appoint a successor REMIC Administrator, subject to assumption of the REMIC Administrator obligations under this Agreement.

REMIC I: The segregated pool of assets subject hereto (exclusive of the Yield Maintenance Agreement and any payments thereunder which are not assets of any REMIC), constituting a portion of the primary trust created hereby and to be administered hereunder, with respect to which a separate REMIC election is to be made, consisting of: (i) the Mortgage Loans (exclusive of any Arrearages) and the related Mortgage Files; (ii) all payments on and collections in respect of the Mortgage Loans due after the Cut-off Date (other than Monthly Payments due in April 2006) as shall be on deposit in the Custodial Account or in the Certificate Account and identified as belonging to the Trust Fund, other than any payments in respect of any Arrearages; (iii) property which secured a Mortgage Loan and which has been acquired for the benefit of the Certificateholders by foreclosure or deed in lieu of foreclosure; (iv) the hazard insurance policies and Primary Insurance Policy pertaining to the Mortgage Loans, if any; and (v) all proceeds of clauses (i) through (iv) above.

REMIC I Interest Loss Allocation Amount: With respect to any Distribution Date, an amount equal to (a) the product of (i) the aggregate Uncertificated Principal Balance of the REMIC I Regular Interests then outstanding and (ii) the Uncertificated Pass-Through Rate for REMIC I Regular Interest AA minus the Marker Rate, divided by (b) 12.

REMIC I Overcollateralized Amount: With respect to any date of determination, (i) 1% of the aggregate Uncertificated Principal Balances of the REMIC I Regular Interests minus (ii) the Uncertificated Principal Balance of REMIC I Regular Interests (other than REMIC I Regular Interest AA and REMIC I Regular Interest ZZ), in each case as of such date of determination.

REMIC I Principal Loss Allocation Amount: With respect to any Distribution Date, an amount equal to the product of (i) the aggregate Stated Principal Balance of the Mortgage Loans then outstanding and (ii) 1 minus a fraction, the numerator of which is two times sum of the Uncertificated Principal Balances of the REMIC I Regular Interests (other than REMIC I Regular Interest AA and REMIC I Regular Interest ZZ) and the denominator of which is the sum of the Uncertificated Principal Balances of the REMIC I Regular Interests (other than REMIC I Regular Interest AA).

REMIC I Regular Interests: REMIC I Regular Interests AA, A, M-1, M-2, M-3, M-4, M-5 and ZZ.

REMIC I Regular Interest AA: A regular interest in REMIC I that is held as an asset of REMIC II, that has an initial principal balance equal to the related initial Uncertificated Principal Balance, that bears interest at the related Uncertificated REMIC I Pass-Through Rate, and that has such other terms as are described herein.

REMIC I Regular Interest A: A regular interest in REMIC I that is held as an asset of REMIC II, that has an initial principal balance equal to the related initial Uncertificated Principal Balance, that bears interest at the related Uncertificated REMIC I Pass-Through Rate, and that has such other terms as are described herein.

REMIC I Regular Interest M-1: A regular interest in REMIC I that is held as an asset of REMIC II, that has an initial principal balance equal to the related initial Uncertificated Principal Balance, that bears interest at the related Uncertificated REMIC I Pass-Through Rate, and that has such other terms as are described herein.

REMIC I Regular Interest M-2: A regular interest in REMIC I that is held as an asset of REMIC II, that has an initial principal balance equal to the related initial Uncertificated Principal Balance, that bears interest at the related Uncertificated REMIC I Pass-Through Rate, and that has such other terms as are described herein.

REMIC I Regular Interest M-3: A regular interest in REMIC I that is held as an asset of REMIC II, that has an initial principal balance equal to the related initial Uncertificated Principal Balance, that bears interest at the related Uncertificated REMIC I Pass-Through Rate, and that has such other terms as are described herein.

REMIC I Regular Interest M-4: A regular interest in REMIC I that is held as an asset of REMIC II, that has an initial principal balance equal to the related initial Uncertificated Principal Balance, that bears interest at the related Uncertificated REMIC I Pass-Through Rate, and that has such other terms as are described herein.

REMIC I Regular Interest M-5: A regular interest in REMIC I that is held as an asset of REMIC II, that has an initial principal balance equal to the related initial Uncertificated Principal Balance, that bears interest at the related Uncertificated REMIC I Pass-Through Rate, and that has such other terms as are described herein.

REMIC I Regular Interest ZZ: A regular interest in REMIC I that is held as an asset of REMIC II, that has an initial principal balance equal to the related initial Uncertificated Principal Balance, that bears interest at the related Uncertificated REMIC I Pass-Through Rate, and that has such other terms as are described herein.

REMIC I Regular Interest ZZ Maximum Interest Deferral Amount: With respect to any Distribution Date, the excess of (i) Uncertificated Accrued Interest calculated with the REMIC I Regular Interest ZZ Uncertificated Pass-Through Rate and an Uncertificated Principal Balance equal to the excess of (x) the Uncertificated Principal Balance of REMIC I Regular Interest ZZ over (y) the REMIC I Overcollateralized Amount, in each case for such Distribution Date, over (ii) Uncertificated Accrued Interest on the REMIC I Regular Interests (other than REMIC I Regular Interests AA and ZZ) with the rate on such REMIC I Regular Interests subject to a cap equal to the lesser of (a) LIBOR plus the related Margin for the Corresponding Class and (b) the Net WAC Cap Rate for the Corresponding Class for the purpose of this calculation.

REMIC II: The segregated pool of assets subject hereto, constituting a portion of the primary trust created hereby and to be administered hereunder, with respect to which a separate REMIC election is to be made, consisting of the REMIC I Regular Interests.

REMIC Provisions: Provisions of the federal income tax law relating to real estate mortgage investment conduits, which appear at Sections 860A through 860G of Subchapter M of Chapter 1 of the Code, and related provisions, and temporary and final regulations (or, to the extent not inconsistent with such temporary or final regulations, proposed regulations) and published rulings, notices and announcements promulgated thereunder, as the foregoing may be in effect from time to time.

REO Acquisition: The acquisition by the Master Servicer on behalf of the Trustee for the benefit of the Certificateholders of any REO Property pursuant to Section 3.14.

REO Disposition: As to any REO Property, a determination by the Master Servicer that it has received substantially all Insurance Proceeds, Liquidation Proceeds, REO Proceeds and other payments and recoveries (including proceeds of a final sale) which the Master Servicer expects to be finally recoverable from the sale or other disposition of the REO Property.

REO Imputed Interest: As to any REO Property, for any period, an amount equivalent to interest (at a rate equal to the sum of the Net Mortgage Rate that would have been applicable to the related Mortgage Loan had it been outstanding net of amounts that would have been Deferred Interest, if any) on the unpaid principal balance of the Mortgage Loan as of the date of acquisition thereof for such period.

REO Proceeds: Proceeds, net of expenses, received in respect of any REO Property (including, without limitation, proceeds from the rental of the related Mortgaged Property) which proceeds are required to be deposited into the Custodial Account only upon the related REO Disposition.

REO Property: A Mortgaged Property acquired by the Master Servicer on behalf of the Trust through foreclosure or deed in lieu of foreclosure in connection with a defaulted Mortgage Loan.

Re-Performing Loans: The Mortgage Loans listed on Exhibit R which were contractually delinquent as of the Cut-off Date, but for which the related Mortgagor had entered into a bankruptcy plan or repayment plan or for which the related Mortgagor had made at least three, four or five scheduled monthly payments in the past three, four or five months, respectively.

Reportable Modified Mortgage Loan: Any Mortgage Loan that (i) has been subject to an interest rate reduction, (ii) has been subject to a term extension or (iii) has had amounts owing on such Mortgage Loan capitalized by adding such amount to the Stated Principal Balance of such Mortgage Loan; provided, however, that a Mortgage Loan modified in accordance with clause (i) above for a temporary period shall not be a Reportable Modified Mortgage Loan if such Mortgage Loan has not been delinquent in payments of principal and interest for six months since the date of such modification if that interest rate reduction is not made permanent thereafter.

Repurchase Event: As defined in the Assignment Agreement.

Repurchase Price: With respect to any Deleted Mortgage Loan to be replaced by the substitution of one or more Qualified Substitute Mortgage Loans pursuant to Section 2.03, an amount, calculated by the Master Servicer equal to: (a) the unpaid principal balance of such Mortgage Loan (or, in the case of any REO Property, the related Mortgage Loan) (after application of all principal payments (including prepayments) collected and other principal amounts recovered on such Mortgage Loan) as of the date of receipt of the Repurchase Price or the date of substitution, as the case may be, hereunder; plus (b) unpaid interest accrued on such Mortgage Loan or Mortgage Loan related to an REO Property, as applicable, at the related Mortgage Rate (after application of all interest payments collected and other amounts recovered (and applied to accrued interest) on such Mortgage Loan) to, but not including, the Due Date in the Due Period during which the applicable purchase or substitution occurs; plus (c) any unreimbursed Servicing Advances, all accrued and unpaid interest on Advances, any unpaid servicing compensation (other than Master Servicer fees), and any unpaid or unreimbursed expenses of the Trust Fund allocable to such Mortgage Loan or Mortgage Loan related to an REO Property, as applicable, as of the date of receipt of such Repurchase Price or the date of substitution, as the case may be, hereunder; plus (d) in the event that such Mortgage Loan or Mortgage Loan related to an REO Property, as applicable, is required to be repurchased or replaced pursuant to Section 2.03, expenses reasonably incurred or to be incurred by the Master Servicer or the Trustee in respect of the breach or defect giving rise to the repurchase or replacement obligation, including any expenses arising out of the enforcement of the repurchase or replacement obligation.

Request for Release: A request for release, the forms of which are attached as Exhibit G hereto, or an electronic request in a form acceptable to the Custodian.

Required Insurance Policy: With respect to any Mortgage Loan, any insurance policy which is required to be maintained from time to time under this Agreement, the Program Guide or the related Subservicing Agreement in respect of such Mortgage Loan.

Required Overcollateralization Amount: As of any Distribution Date, (a) if such Distribution Date is prior to the Stepdown Date, the sum of (x) 4.50% of the Cut-off Date Balance and (y) the amount by which the Certificate Principal Balances of the Class M-4 Certificates and the Class M-5 Certificates have been reduced by payments from Excess Cash Flow pursuant to Section 4.02(c)(xvi) on any prior Distribution Dates, or (b) if such Distribution Date is on or after the Stepdown Date, the lesser of (i) the sum of (1) 4.50% of the Cut-off Date Balance, and (2) the amount by which the Certificate Principal Balances of the Class M-4

Certificates and the Class M-5 Certificates have been reduced by payments from Excess Cash Flow pursuant to Section 4.02(c)(xvi) on any prior Distribution Dates, and (ii) the greater of (1) the excess of (x) 13.80% of the aggregate Stated Principal Balance of the Mortgage Loans as of the end of the related Due Period, over (y) the aggregate Certificate Principal Balance of the Class M-4 Certificates and the Class M-5 Certificates, and (2) the Overcollateralization Floor, *provided*, *however*, that if a Trigger Event is in effect, the Required Overcollateralization Amount shall be an amount equal to the Required Overcollateralization Amount for the immediately preceding Distribution Date plus any amount by which the Certificate Principal Balances of the Class M-4 Certificates and the Class M-5 Certificates have been reduced by any payments of Excess Cash Flow pursuant to clause 4.02(c)(xvi) herein for the prior distribution date. The Required Overcollateralization Amount may be reduced with notification to each of the Rating Agencies.

Residential Funding: Residential Funding Corporation, a Delaware corporation, in its capacity as seller of the Mortgage Loans to the Depositor and not in its capacity as Master Servicer, and any successor thereto.

Responsible Officer: When used with respect to the Trustee, any officer of the Corporate Trust Department of the Trustee, including any Senior Vice President, any Vice President, any Assistant Vice President, any Assistant Secretary, any Trust Officer or Assistant Trust Officer, or any other officer of the Trustee with direct responsibility for the administration of this Agreement.

Rule 144A Global Class A Certificate: Any one of the Class A Certificates substantially in the form of Exhibit A-1-B hereto, and more fully described in Section 5.02(e) hereof.

Rule 144A Global Class M Certificate: Any one of the Class M Certificates substantially in the form of Exhibit B-1-B hereto, and more fully described in Section 5.02(e) hereof.

Senior Enhancement Percentage: On any Distribution Date, a fraction, the numerator of which is the sum of (x) the aggregate Certificate Principal Balance of the Class M Certificates immediately prior to that Distribution Date and (y) the Overcollateralization Amount, in each case prior to the distribution of the Principal Distribution Amount on such Distribution Date, and the denominator of which is the aggregate Stated Principal Balance of the Mortgage Loans after giving effect to distributions to be made on that Distribution Date.

Servicing Accounts: The account or accounts created and maintained pursuant to Section 3.08.

Servicing Advances: All customary, reasonable and necessary "out of pocket" costs and expenses incurred in connection with a default, delinquency or other unanticipated event by the Master Servicer or a Subservicer in the performance of its servicing obligations, including, but not limited to, the cost of (i) the preservation, restoration and protection of a Mortgaged Property, (ii) any enforcement or judicial proceedings, including foreclosures, including any expenses incurred in relation to any such proceedings that result from the Mortgage Loan being registered on the MERS System, (iii) the management and liquidation of any REO Property and (iv) compliance with the obligations under Sections 3.01, 3.08, 3.12(a) and 3.14, including, if the

Master Servicer or any Affiliate of the Master Servicer provides services such as appraisals and brokerage services that are customarily provided by Persons other than servicers of mortgage loans, reasonable compensation for such services.

Servicing Fee: With respect to any Mortgage Loan and Distribution Date, the fee payable monthly to the Master Servicer in respect of master servicing compensation that accrues at an annual rate equal to the Servicing Fee Rate multiplied by the Stated Principal Balance of such Mortgage Loan as of the related Due Date in the related Due Period, as may be adjusted pursuant to Section 3.16(e).

Servicing Fee Rate: Sum of the per annum rates designated on the Mortgage Loan Schedule as the "MSTR SERV FEE" and "SUB-SERV FEE," as may be adjusted with respect to successor Master Servicers as provided in Section 7.02.

Servicing Modification: Any reduction of the interest rate on or the outstanding principal balance of a Mortgage Loan, any extension of the final maturity date of a Mortgage Loan, and any increase to the Stated Principal Balance of a Mortgage Loan by adding to the Stated Principal Balance of such Mortgage Loan unpaid principal and interest and other amounts owing under the Mortgage Loan, in each case pursuant to a modification of a Mortgage Loan that is in default or, in the judgment of the Master Servicer, default is reasonably foreseeable pursuant to a modification of such Mortgage Loan in accordance with Section 3.07(a).

Servicing Officer: Any officer of the Master Servicer involved in, or responsible for, the administration and servicing of the Mortgage Loans whose name and specimen signature appear on a list of servicing officers furnished to the Trustee by the Master Servicer, as such list may from time to time be amended.

Simple Interest Loan: A Mortgage Loan pursuant to which each Monthly Payment is applied *first*, to interest accrued on such Mortgage Loan from the date on which the previous Monthly Payment was made to the date on which such Monthly Payment was made, and *second* to the principal amount outstanding.

Sixty-Day Delinquency Percentage: With respect to any Distribution Date, the arithmetic average, for each of the three Distribution Dates ending with such distribution date of the fraction, expressed as a percentage, equal to (x) the aggregate Stated Principal Balance of the Sixty-Day Delinquent Mortgage Loans and Mortgage Loans that are in foreclosure or converted to REO Properties, over (y) the aggregate Stated Principal Balance of all of the Mortgage Loans immediately preceding that Distribution Date.

Sixty-Day Delinquent Mortgage Loan: A Mortgage Loan is a "Sixty-Day Delinquent Mortgage Loan" if the excess, if any, of (1) the number of days the most delinquent monthly payment for such Mortgage Loan was delinquent as of the close of business on the last day of the related Due Period minus (2) the number of days the most delinquent monthly payment for such Mortgage Loan was delinquent as of the close of business on the Cut-off Date, is greater than or equal to 60.

Standard & Poor's: Standard & Poor's, a division of The McGraw-Hill Companies, or its successor in interest.

Startup Date: The day designated as such pursuant to Article X hereof.

Stated Principal Balance: With respect to any Mortgage Loan or related REO Property, at any given time, (i) the Cut-off Date Principal Balance of the Mortgage Loan, plus (ii) any Deferred Interest added to the principal balance of the Mortgage Loan pursuant to the terms of the Mortgage Note, plus (iii) any amount by which the outstanding principal balance of such Mortgage Loan has been increased pursuant to a Servicing Modification, minus (iv) the sum of (a) the principal portion of the Monthly Payments due with respect to such Mortgage Loan or REO Property during each Due Period ending prior to the most recent Distribution Date which were received or with respect to which an Advance was made, and (b) all Principal Prepayments with respect to such Mortgage Loan or REO Property, and all Insurance Proceeds, Liquidation Proceeds and REO Proceeds, to the extent applied by the Master Servicer as recoveries of principal in accordance with Section 3.14 with respect to such Mortgage Loan or REO Property, in each case which were distributed pursuant to Section 4.02 or 4.03 on any previous Distribution Date, and (c) any Realized Loss allocated to Certificateholders with respect thereto for any previous Distribution Date.

Stepdown Date: The earlier to occur of (i) the Distribution Date after which the Certificate Principal Balance of the Class A Certificates has been reduced to zero, and (ii) the later to occur of (a) the Distribution Date occurring in May 2009 and (b) the first Distribution Date on which the aggregate Certificate Principal Balance of the Class M Certificates and the related Overcollateralization Amount immediately prior to that Distribution Date is equal to or greater than approximately 53.00% of the aggregate Stated Principal Balance of the Mortgage Loans after giving effect to distributions to be made on that Distribution Date.

Subordination: The provisions described in Section 4.05 relating to the allocation of Realized Losses.

Subordination Percentage: As to any Class A Certificate or any Class M Certificate, the respective percentage set forth below.

Class	Percentage
A	47.00%
M-1	71.50%
M-2	81.20%
M-3	86.20%
M-4	88.20%
M-5	91.00%

Subsequent Recoveries: As of any Distribution Date, amounts received by the Master Servicer (net of any related expenses permitted to be reimbursed pursuant to Section 3.10) or surplus amounts held by the Master Servicer to cover estimated expenses (including, but not limited to, recoveries in respect of the representations and warranties made by the related Seller pursuant to the applicable Seller's Agreement and assigned to the Trustee pursuant to Section 2.04) specifically related to a Mortgage Loan that was the subject of a Cash Liquidation or an REO Disposition prior to the related Prepayment Period that resulted in a Realized Loss.

Subserviced Mortgage Loan: Any Mortgage Loan that, at the time of reference thereto, is subject to a Subservicing Agreement.

Subservicer: Any Person with whom the Master Servicer has entered into a Subservicing Agreement and who generally satisfied the requirements set forth in the Program Guide in respect of the qualification of a Subservicer as of the date of its approval as a Subservicer by the Master Servicer.

Subservicer Advance: Any delinquent installment of principal and interest on a Mortgage Loan which is advanced by the related Subservicer (net of its Subservicing Fee) pursuant to the Subservicing Agreement.

Subservicing Account: An account established by a Subservicer in accordance with Section 3.08.

Subservicing Agreement: The written contract between the Master Servicer and any Subservicer relating to servicing and administration of certain Mortgage Loans as provided in Section 3.02, generally in the form of the servicer contract referred to or contained in the Program Guide or in such other form as has been approved by the Master Servicer and the Depositor.

Subservicing Fee: As to any Mortgage Loan, the fee payable monthly to the related Subservicer (or, in the case of a Nonsubserviced Mortgage Loan, to the Master Servicer) in respect of subservicing and other compensation that accrues with respect to each Distribution Date at an annual rate designated as "SUBSERV FEE" in Exhibit F.

Tax Returns: The federal income tax return on Internal Revenue Service Form 1066, U.S. Real Estate Mortgage Investment Conduit Income Tax Return, including Schedule Q thereto, Quarterly Notice to Residual Interest Holders of REMIC Taxable Income or Net Loss Allocation, or any successor forms, to be filed on behalf of REMIC I and REMIC II due to their classification as REMICs under the REMIC Provisions, together with any and all other information, reports or returns that may be required to be furnished to the Certificateholders or filed with the Internal Revenue Service or any other governmental taxing authority under any applicable provisions of federal, state or local tax laws.

Transfer: Any direct or indirect transfer, sale, pledge, hypothecation or other form of assignment of any Ownership Interest in a Certificate.

Transferee: Any Person who is acquiring by Transfer any Ownership Interest in a Certificate.

Transferor: Any Person who is disposing by Transfer of any Ownership Interest in a Certificate.

Trigger Event: A Trigger Event is in effect with respect to any Distribution Date if:

(a) the three-month average of the Sixty-Plus Delinquency Percentage, as determined on that Distribution Date and the immediately preceding two Distribution Dates, equals or exceeds 28.25% of the Senior Enhancement Percentage for that Distribution Date;

(b) the aggregate amount of Realized Losses on the Mortgage Loans exceeds:

(i) 2.95% of the Cut-off Date Balance if such Distribution Date is after the twenty-fourth Distribution Date and on or prior to the thirty-sixth Distribution Date, plus the product of 1/12 and 2.05% of the Cut-off Date Balance for each month during such period after the twenty-fifth Distribution Date,

(ii) 5.00% of the Cut-off Date Balance if such Distribution Date is on or after the thirty-seventh Distribution Date and on or prior to the forty-eighth Distribution Date, plus the product of 1/12 and 2.25% of the Cut-off Date Balance for each month during such period after the thirty-seventh Distribution Date,

(iii) 7.25% of the Cut-off Date Balance if such Distribution Date is on or after the forty-ninth Distribution Date and on or prior to the sixtieth Distribution Date, plus the product of 1/12 and 2.00% of the Cut-off Date Balance for each month during such period after the forty-ninth Distribution Date,

(iv) 9.25% of the Cut-off Date Balance if such Distribution Date is on or after the sixty-first Distribution Date and on or prior to the seventy-second Distribution Date, plus the product of 1/12 and 0.50% of the Cut-off Date Balance for each month during such period after the sixty-first Distribution Date,

(v) 9.75% of the Cut-off Date Balance if such Distribution Date is on or after the seventy-third Distribution Date; or

(c) an amount equal to:

(i) 40% of the sum of the following:

(A) 25% of the aggregate Stated Principal Balance of all Mortgage Loans that are 90 or more days delinquent under the terms of the related Mortgage Note, or under the repayment or bankruptcy plan, as applicable,

(B) 50% of the aggregate Stated Principal Balance of all Mortgage Loans that are in foreclosure and

(C) 85% of the aggregate Stated Principal Balance of all Mortgage Loans that are converted to REO Properties, in each case as of the last day of the related Due Period, is greater than

(ii) 12 (twelve) times the average Excess Cash Flow for such Distribution Date and the preceding two Distribution Dates (determined solely pursuant to clause (A) of the definition of "Excess Cash Flow").

Trust Fund: Collectively, the assets of REMIC I and REMIC II and the Yield Maintenance Agreements.

Uncertificated Accrued Interest: With respect to any Uncertificated Regular Interest for any Distribution Date, one month's interest at the related Uncertificated Pass-Through Rate for such Distribution Date, accrued on the Uncertificated Principal Balance, immediately prior to such Distribution Date. Uncertificated Accrued Interest for the Uncertificated Regular Interests shall accrue on the basis of a 360-day year consisting of twelve 30-day months. For purposes of calculating the amount of Uncertificated Accrued Interest for the REMIC I Regular Interests for any Distribution Date, any Prepayment Interest Shortfalls (to the extent not covered by Eligible Master Servicing Compensation) shall be allocated first, to Uncertificated Accrued Interest payable to REMIC I Regular Interest AA and REMIC I Regular Interest ZZ up to an aggregate amount equal to the REMIC I Interest Loss Allocation Amount, 98% and 2%, respectively, and thereafter any remaining Prepayment Interest Shortfalls (to the extent not covered by Eligible Master Servicing Compensation) for any Distribution Date shall be allocated among REMIC I Regular Interests AA, A through M-5 and ZZ, pro rata based on, and to the extent of, Uncertificated Accrued Interest, as calculated without application of this sentence.

Uncertificated Pass-Through Rate: The Uncertificated REMIC I Pass-Through Rate.

Uncertificated Principal Balance: The principal amount of any Uncertificated Regular Interest outstanding as of any date of determination. The Uncertificated Principal Balance of each Uncertificated Regular Interest shall be reduced by all distributions of principal made on such Uncertificated Regular Interest, as applicable, on such Distribution Date and, if and to the extent necessary and appropriate, shall be further reduced in such Distribution Date by Realized Losses. The Uncertificated Principal Balance of each Uncertificated Regular Interest shall never be less than zero.

Uncertificated Regular Interests: The REMIC I Regular Interests.

Uncertificated REMIC I Pass-Through Rate: With respect to any Distribution Date, a per annum rate equal to the weighted average of the Net Mortgage Rates of the Mortgage Loans in effect for the scheduled payments due on such Mortgage Loans during the related Due Period.

Uniform Single Attestation Program for Mortgage Bankers: The Uniform Single Attestation Program for Mortgage Bankers, as published by the Mortgage Bankers Association of America and effective with respect to fiscal periods ending on or after December 15, 1995.

Uninsured Cause: Any cause of damage to property subject to a Mortgage such that the complete restoration of such property is not fully reimbursable by the hazard insurance policies.

United States Person: A citizen or resident of the United States, a corporation, partnership or other entity (treated as a corporation or partnership for United States federal income tax purposes) created or organized in, or under the laws of, the United States, any state thereof, or the District of Columbia (except in the case of a partnership, to the extent provided in Treasury regulations) provided that, for purposes solely of the restrictions on the transfer of Class R Certificates, no partnership or other entity treated as a partnership for United States federal income tax purposes shall be treated as a United States Person unless all persons that own an interest in such partnership either directly or through any entity that is not a corporation for United States federal income tax purposes are required by the applicable operative agreement to be United States Persons, an estate that is described in Section 7701(a)(30)(D) of the Code, or a trust that is described in Section 7701(a)(30)(E) of the Code.

VA: The Veterans Administration, or its successor.

Voting Rights: The portion of the voting rights of all of the Certificates which is allocated to any Certificate. 98.50% of all of the Voting Rights shall be allocated among Holders of the Class A Certificates and Class M Certificates, in proportion to the outstanding Certificate Principal Balances of their respective Certificates; 1% of all of the Voting Rights shall be allocated among the Holders of the Class SB Certificates; 0.25% and 0.25% of all of the Voting Rights shall be allocated among the Holders of the Class R-I Certificates and Class R-II Certificates, respectively; in each case to be allocated among the Certificates of such Class in accordance with their respective Percentage Interest.

Yield Maintenance Agreement: The Yield Maintenance Agreement, dated as of the Closing Date between the Yield Maintenance Agreement Provider and the Trustee.

Yield Maintenance Agreement Notional Balance: As to each Yield Maintenance Agreement and each Distribution Date, the lesser of (x) the aggregate Certificate Principal Balance of the Class A and Class M Certificates immediately prior to such Distribution Date and (y) the amount set forth on Exhibit W hereto for such Distribution Date.

Yield Maintenance Payment: With respect to any Distribution Date, the amount equal to the interest accrued during the Interest Accrual Period at a per annum rate equal to the excess of LIBOR, over (ii) the related Monthly Strike Rate.

Yield Maintenance Agreement Provider: Credit Suisse International, or its successor in interest.

Yield Maintenance Agreement Termination Payment: Upon the designation of an "Early Termination Date" as defined in the Yield Maintenance Agreement, the payment to be made by the Yield Maintenance Agreement Provider to the Trustee for payment to the Trust Fund pursuant to the terms of the Yield Maintenance Agreement.

Section 1.02 Determination of LIBOR.

LIBOR applicable to the calculation of the Pass-Through Rate on the Class A Certificates and Class M Certificates for any Interest Accrual Period will be determined on each LIBOR Rate Adjustment Date. On each LIBOR Rate Adjustment Date, or if such LIBOR Rate Adjustment Date is not a Business Day, then on the next succeeding Business Day, LIBOR shall be established by the Trustee and, as to any Interest Accrual Period, will equal the rate for one month United States dollar deposits that appears on the Telerate Screen Page 3750 as of 11:00 a.m., London time, on such LIBOR Rate Adjustment Date. "Telerate Screen Page 3750" means the display designated as page 3750 on the Telerate Service (or such other page as may replace page 3750 on that service for the purpose of displaying London interbank offered rates of major banks). If such rate does not appear on such page (or such other page as may replace that page on that service, or if such service is no longer offered, LIBOR shall be so established by use of such other service for displaying LIBOR or comparable rates as may be selected by the Trustee after consultation with the Master Servicer), the rate will be the Reference Bank Rate. The "Reference Bank Rate" will be determined on the basis of the rates at which deposits in U.S. Dollars are offered by the reference banks (which shall be any three major banks that are engaged in transactions in the London interbank market, selected by the Trustee after consultation with the Master Servicer) as of 11:00 a.m., London time, on the LIBOR Rate Adjustment Date to prime banks in the London interbank market for a period of one month in amounts approximately equal to the aggregate Certificate Principal Balance of the Class A Certificates and Class M Certificates then outstanding. The Trustee shall request the principal London office of each of the reference banks to provide a quotation of its rate. If at least two such quotations are provided, the rate will be the arithmetic mean of the quotations rounded up to the next multiple of 1/16%. If on such date fewer than two quotations are provided as requested, the rate will be the arithmetic mean of the rates quoted by one or more major banks in New York City, selected by the Trustee after consultation with the Master Servicer, as of 11:00 a.m., New York City time, on such date for loans in U.S. Dollars to leading European banks for a period of one month in amounts approximately equal to the aggregate Certificate Principal Balance of the Class A Certificates and Class M Certificates then outstanding. If no such quotations can be obtained, the rate will be LIBOR for the prior Distribution Date; *provided however*, if, under the priorities described above, LIBOR for a Distribution Date would be based on LIBOR for the previous Distribution Date for the third consecutive Distribution Date, the Trustee shall select an alternative comparable index (over which the Trustee has no control), used for determining one-month Eurodollar lending rates that is calculated and published (or otherwise made available) by an independent party. The establishment of LIBOR by the Trustee on any LIBOR Rate Adjustment Date and the Trustee's subsequent calculation of the Pass-Through Rate applicable to the Class A Certificates and Class M Certificates for the relevant Interest Accrual Period, in the absence of manifest error, will be final and binding. Promptly following each LIBOR Rate Adjustment Date the Trustee shall supply the Master Servicer with the results of its determination of LIBOR on such date. Furthermore, the Trustee shall supply to any Certificateholder so requesting by calling the Bondholder Inquiry Line at 1-800-275-2048 and requesting the Pass-Through Rate on the Class A Certificates and Class M Certificates for the current and the immediately preceding Interest Accrual Period.

ARTICLE II

CONVEYANCE OF MORTGAGE LOANS; ORIGINAL ISSUANCE OF CERTIFICATES

Section 2.01 Conveyance of Mortgage Loans.

(a) The Depositor, concurrently with the execution and delivery hereof, does hereby assign to the Trustee without recourse all the right, title and interest of the Depositor in and to (i) the Mortgage Loans, including all interest and principal received on or with respect to the Mortgage Loans after the Cut-off Date (other than payments of principal and interest due on the Mortgage Loans in the month of April 2006), but excluding any Arrearages and any payments in respect thereof; and (ii) all proceeds of the foregoing. In addition, on the Closing Date, the Trustee is hereby directed to enter into the Yield Maintenance Agreement on behalf of the Trust Fund with the Yield Maintenance Agreement Provider.

The Depositor, the Master Servicer and the Trustee agree that it is not intended that any mortgage loan be included in the Trust that is either (i) a "High-Cost Home Loan" as defined in the New Jersey Home Ownership Act effective November 27, 2003, (ii) a "High-Cost Home Loan" as defined in the New Mexico Home Loan Protection Act effective January 1, 2004, (iii) a "High Cost Home Mortgage Loan" as defined in the Massachusetts Predatory Home Practices Act effective November 7, 2004, or (iv) a "High-Cost Home Loan" as defined in the Indiana Home Loan Practices Act effective as of January 1, 2005.

(b) In connection with such assignment, and contemporaneously with the delivery of this Agreement, the Depositor delivered or caused to be delivered hereunder to the Trustee, the Yield Maintenance Agreement (the delivery of which shall evidence that the fixed payment for the Yield Maintenance Agreement has been paid and the Trustee and the Trust Fund shall have no further payment obligation thereunder and that such fixed payment has been authorized hereby), and except as set forth in Section 2.01(c), the Depositor does hereby deliver to, and deposit with, the Trustee, or to and with one or more Custodians, as the duly appointed agent or agents of the Trustee for such purpose, the following documents or instruments (or copies thereof as permitted by this Section) with respect to each Mortgage Loan so assigned:

(i) The original Mortgage Note, endorsed without recourse to the order of the Trustee and showing an unbroken chain of endorsements from the originator thereof to the Person endorsing it to the Trustee, or with respect to any Destroyed Mortgage Note, an original lost note affidavit from the related seller or Residential Funding stating that the original Mortgage Note was lost, misplaced or destroyed, together with a copy of the related Mortgage Note;

(ii) The original Mortgage, noting the presence of the MIN of the Mortgage Loan and language indicating that the Mortgage Loan is a MOM Loan if the Mortgage Loan is a MOM Loan, with evidence of recording thereon or, if the original Mortgage has not yet been returned from the public recording office, a copy of the original Mortgage with evidence of recording indicated thereon;

(iii) Unless the Mortgage Loan is registered on the MERS® System, the Assignment (which may be included in one or more blanket assignments if permitted by applicable law) of the Mortgage to the Trustee with evidence of recording indicated thereon or a copy of such assignment with evidence of recording indicated thereon;

(iv) The original recorded assignment or assignments of the Mortgage showing an unbroken chain of title from the originator to the Person assigning it to the Trustee (or to MERS, if the Mortgage Loan is registered on the MERS® System and noting the presence of a MIN) with evidence of recordation noted thereon or attached thereto, or a copy of such assignment or assignments of the Mortgage with evidence of recording indicated thereon; and

(v) The original of each modification, assumption agreement or preferred loan agreement, if any, relating to such Mortgage Loan, or a copy of each modification, assumption agreement or preferred loan agreement.

The Depositor may, in lieu of delivering the original of the documents set forth in Section 2.01(b)(ii), (iii), (iv) and (v) (or copies thereof as permitted by Section 2.01(b)) to the Trustee or the Custodian or Custodians, deliver such documents to the Master Servicer, and the Master Servicer shall hold such documents in trust for the use and benefit of all present and future Certificateholders until such time as is set forth in the next sentence. Within thirty Business Days following the earlier of (i) the receipt of the original of all of the documents or instruments set forth in Section 2.01(b)(ii), (iii), (iv) and (v) (or copies thereof as permitted by such Section) for any Mortgage Loan and (ii) a written request by the Trustee to deliver those documents with respect to any or all of the Mortgage Loans then being held by the Master Servicer, the Master Servicer shall deliver a complete set of such documents to the Trustee or the Custodian or Custodians that are the duly appointed agent or agents of the Trustee.

(c) Notwithstanding the provisions of Section 2.01(b), in connection with any Mortgage Loan, if the Depositor cannot deliver the original of the Mortgage, any assignment, modification, assumption agreement or preferred loan agreement (or copy thereof as permitted by Section 2.01(b)) with evidence of recording thereon concurrently with the execution and delivery of this Agreement because of (i) a delay caused by the public recording office where such Mortgage, assignment, modification, assumption agreement or preferred loan agreement as the case may be, has been delivered for recordation, or (ii) a delay in the receipt of certain information necessary to prepare the related assignments, the Depositor shall deliver or cause to be delivered to the Trustee or the respective Custodian a copy of such Mortgage, assignment, modification, assumption agreement or preferred loan agreement. The Depositor shall promptly cause to be recorded in the appropriate public office for real property records the Assignment referred to in clause(iii) of Section 2.01(b), except (a) in states where, in the opinion of counsel acceptable to the Trustee and the Master Servicer, such recording is not required to protect the Trustee's interests in the Mortgage Loan or (b) if MERS is identified on the Mortgage or on a properly recorded assignment of the Mortgage as the mortgagee of record solely as nominee for Residential Funding and its successors and assigns.

If the Depositor delivers to the Trustee or Custodian any Mortgage Note or Assignment of Mortgage in blank, the Depositor shall, or shall cause the Custodian to, complete the endorsement of the Mortgage Note and the Assignment of Mortgage in the name of the Trustee in conjunction with the Interim Certification issued by the Custodian, as contemplated by Section 2.02.

Any of the items set forth in Sections 2.01(b)(ii), (iii), (iv) and (v) that may be delivered as a copy rather than the original may be delivered to the Trustee or the Custodian.

In connection with the assignment of any Mortgage Loan registered on the MERS® System, the Depositor further agrees that it will cause, at the Depositor's own expense, within 30 days after the Closing Date, the MERS® System to indicate that such Mortgage Loans have been assigned by the Depositor to the Trustee in accordance with this Agreement for the benefit of the Certificateholders by including (or deleting, in the case of Mortgage Loans which are repurchased in accordance with this Agreement) in such computer files (a) the code in the field which identifies the specific Trustee and (b) the code in the field "Pool Field" which identifies the series of the Certificates issued in connection with such Mortgage Loans. The Depositor further agrees that it will not, and will not permit the Master Servicer to, and the Master Servicer agrees that it will not, alter the codes referenced in this paragraph with respect to any Mortgage Loan during the term of this Agreement unless and until such Mortgage Loan is repurchased in accordance with the terms of this Agreement.

(d) It is intended that the conveyances by the Depositor to the Trustee of the Mortgage Loans as provided for in this Section 2.01 be construed as a sale by the Depositor to the Trustee of the Mortgage Loans for the benefit of the Holders of the Class A Certificates and Class M Certificates. Further, it is not intended that any such conveyance be deemed to be a pledge of the Mortgage Loans by the Depositor to the Trustee to secure a debt or other obligation of the Depositor. However, in the event that the Mortgage Loans or the Yield Maintenance Agreement are held to be property of the Depositor or of Residential Funding, or if for any reason this Agreement is held or deemed to create a security interest in the Mortgage Loans, then it is intended that (a) this Agreement shall also be deemed to be a security agreement within the meaning of Articles 8 and 9 of the New York Uniform Commercial Code and the Uniform Commercial Code of any other applicable jurisdiction; (b) the conveyances provided for in this Section 2.01 shall be deemed to be (1) a grant by the Depositor to the Trustee of a security interest in all of the Depositor's right (including the power to convey title thereto), title and interest, whether now owned or hereafter acquired, in and to (A) the Mortgage Loans, including (i) the related Mortgage Notes and Mortgages, and (ii) any insurance policies and all other documents in the related Mortgage Files, (B) all amounts payable pursuant to the Mortgage Loans or the Yield Maintenance Agreement in accordance with the terms thereof, and (C) any and all general intangibles, payment intangibles, accounts, chattel paper, instruments, documents, money, deposit accounts, certificates of deposit, goods, letters of credit, advices of credit and investment property and other property of whatever kind or description now existing or hereafter acquired consisting of, arising from or relating to any of the foregoing, and all proceeds of the conversion, voluntary or involuntary, of the foregoing into cash, instruments, securities or other property, including without limitation all amounts from time to time held or invested in the Certificate Account or the Custodial Account, whether in the form of cash, instruments, securities or other property and (2) an assignment by the Depositor to the Trustee of any security

interest in any and all of Residential Funding's right (including the power to convey title thereto), title and interest, whether now owned or hereafter acquired, in and to the property described in the foregoing clauses (1)(A), (B) and (C) granted by Residential Funding to the Depositor pursuant to the Assignment Agreement; (c) the possession by the Trustee, the Custodian or any other agent of the Trustee of Mortgage Notes or such other items of property as constitute instruments, money, negotiable documents or chattel paper shall be deemed to be "possession by the secured party," or possession by a purchaser or a person designated by such secured party, for purposes of perfecting the security interest pursuant to the Uniform Commercial Code as in effect in the States of New York and Minnesota and any other applicable jurisdiction; and (d) notifications to persons holding such property, and acknowledgments, receipts or confirmations from persons holding such property, shall be deemed notifications to, or acknowledgments, receipts or confirmations from, financial intermediaries, bailees or agents (as applicable) of the Trustee for the purpose of perfecting such security interest under applicable law.

The Depositor and, at the Depositor's direction, Residential Funding and the Trustee shall, to the extent consistent with this Agreement, take such reasonable actions as may be necessary to ensure that, if this Agreement were deemed to create a security interest in the Mortgage Loans and the other property described above, such security interest would be deemed to be a perfected security interest of first priority under applicable law and will be maintained as such throughout the term of this Agreement. Without limiting the generality of the foregoing, the Depositor shall prepare and deliver to the Trustee not less than 15 days prior to any filing date and, the Trustee shall forward for filing, or shall cause to be forwarded for filing, at the expense of the Depositor, all filings necessary to maintain the effectiveness of any original filings necessary under the Uniform Commercial Code as in effect in any jurisdiction to perfect the Trustee's security interest in or lien on the Mortgage Loans as evidenced by an Officers' Certificate of the Depositor, with a copy delivered to the Trustee, including without limitation (x) continuation statements, and (y) such other statements as may be occasioned by (1) any change of name of Residential Funding, the Depositor or the Trustee (such preparation and filing shall be at the expense of the Trustee, if occasioned by a change in the Trustee's name), (2) any change of location of the place of business or the chief executive office of Residential Funding or the Depositor or (3) any transfer of any interest of Residential Funding or the Depositor in any Mortgage Loan.

Section 2.02 Acceptance by Trustee.

The Trustee acknowledges receipt (or, with respect to Mortgage Loans subject to a Custodial Agreement, and based solely upon a receipt or certification executed by the Custodian, receipt by the respective Custodian as the duly appointed agent of the Trustee) of the documents referred to in Section 2.01(b)(i) above (except that for purposes of such acknowledgment only, a Mortgage Note may be endorsed in blank and an Assignment of Mortgage may be in blank) and declares that it, or a Custodian as its agent, holds and will hold such documents and the other documents constituting a part of the Mortgage Files delivered to it, or a Custodian as its agent, in trust for the use and benefit of all present and future Certificateholders. The Trustee or Custodian (such Custodian being so obligated under a Custodial Agreement) agrees, for the benefit of Certificateholders, to review each Mortgage File delivered to it pursuant to Section 2.01(b) within 45 days after the Closing Date to ascertain that all required documents

(specifically as set forth in Section 2.01(b)), have been executed and received, and that such documents relate to the Mortgage Loans identified on the Mortgage Loan Schedule, as supplemented, that have been conveyed to it, and to deliver to the Trustee a certificate (the "Interim Certification") to the effect that all documents required to be delivered pursuant to Section 2.01(b) above have been executed and received and that such documents relate to the Mortgage Loans identified on the Mortgage Loan Schedule, except for any exceptions listed on Schedule A attached to such Interim Certification. Upon delivery of the Mortgage Files by the Depositor or the Master Servicer, the Trustee shall acknowledge receipt (or, with respect to Mortgage Loans subject to a Custodial Agreement, and based solely upon a final receipt or certification executed by the Custodian, receipt by the respective Custodian as the duly appointed agent of the Trustee) of the documents referred to in Section 2.01(c) above. If the Custodian, as the Trustee's agent, finds any document or documents constituting a part of a Mortgage File to be missing or defective, the Trustee shall promptly so notify the Master Servicer and the Depositor; provided, that if the Mortgage Loan related to such Mortgage File is listed on Schedule A of the Assignment Agreement, no notification shall be necessary. Pursuant to Section 2.3 of the Custodial Agreement, the Custodian will notify the Master Servicer, the Depositor and the Trustee of any such omission or defect found by it in respect of any Mortgage File held by it. If such omission or defect materially and adversely affects the interests in the related Mortgage Loan of the Certificateholders, the Master Servicer shall promptly notify the related Subservicer of such omission or defect and request that such Subservicer correct or cure such omission or defect within 60 days from the date the Master Servicer was notified of such omission or defect and, if such Subservicer does not correct or cure such omission or defect within such period, that such Subservicer purchase such Mortgage Loan from the Trust Fund at its Purchase Price, in either case within 90 days from the date the Master Servicer was notified of such omission or defect; provided that if the omission or defect would cause the Mortgage Loan to be other than a "qualified mortgage" as defined in Section 860G(a)(3) of the Code, any such cure or repurchase must occur within 90 days from the date such breach was discovered; and provided further, that no cure, substitution or repurchase shall be required if such omission or defect is in respect of a Mortgage Loan listed on Schedule A of the Assignment Agreement. The Purchase Price for any such Mortgage Loan shall be deposited or caused to be deposited by the Master Servicer in the Custodial Account maintained by it pursuant to Section 3.07 and, upon receipt by the Trustee of written notification of such deposit signed by a Servicing Officer, the Trustee or any Custodian, as the case may be, shall release to the Master Servicer the related Mortgage File and the Trustee shall execute and deliver such instruments of transfer or assignment prepared by the Master Servicer, in each case without recourse, as shall be necessary to vest in the Subservicer or its designee, as the case may be, any Mortgage Loan released pursuant hereto and thereafter such Mortgage Loan shall not be part of the Trust Fund. In furtherance of the foregoing, if the Subservicer or Residential Funding that repurchases the Mortgage Loan is not a member of MERS and the Mortgage is registered on the MERS® System, the Master Servicer, at its own expense and without any right of reimbursement, shall cause MERS to execute and deliver an assignment of the Mortgage in recordable form to transfer the Mortgage from MERS to such Subservicer or Residential Funding and shall cause such Mortgage to be removed from registration on the MERS® System in accordance with MERS' rules and regulations. It is understood and agreed that the obligation of the Subservicer, to so cure or purchase any Mortgage Loan as to which a material and adverse defect in or omission of

a constituent document exists shall constitute the sole remedy respecting such defect or omission available to Certificateholders or the Trustee on behalf of Certificateholders.

Section 2.03 Representations, Warranties and Covenants of the Master Servicer and the Depositor.

(a) The Master Servicer hereby represents and warrants to the Trustee for the benefit of the Certificateholders that:

(i) The Master Servicer is a corporation duly organized, validly existing and in good standing under the laws governing its creation and existence and is or will be in compliance with the laws of each state in which any Mortgaged Property is located to the extent necessary to ensure the enforceability of each Mortgage Loan in accordance with the terms of this Agreement;

(ii) The execution and delivery of this Agreement by the Master Servicer and its performance and compliance with the terms of this Agreement will not violate the Master Servicer's Certificate of Incorporation or Bylaws or constitute a material default (or an event which, with notice or lapse of time, or both, would constitute a material default) under, or result in the material breach of, any material contract, agreement or other instrument to which the Master Servicer is a party or which may be applicable to the Master Servicer or any of its assets;

(iii) This Agreement, assuming due authorization, execution and delivery by the Trustee and the Depositor, constitutes a valid, legal and binding obligation of the Master Servicer, enforceable against it in accordance with the terms hereof subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws affecting the enforcement of creditors' rights generally and to general principles of equity, regardless of whether such enforcement is considered in a proceeding in equity or at law;

(iv) The Master Servicer is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or governmental agency, which default might have consequences that would materially and adversely affect the condition (financial or other) or operations of the Master Servicer or its properties or might have consequences that would materially adversely affect its performance hereunder;

(v) No litigation is pending or, to the best of the Master Servicer's knowledge, threatened against the Master Servicer which would prohibit its entering into this Agreement or performing its obligations under this Agreement;

(vi) The Master Servicer shall comply in all material respects in the performance of this Agreement with all reasonable rules and requirements of each insurer under each Required Insurance Policy;

(vii) No information, certificate of an officer, statement furnished in writing or report delivered to the Depositor, any Affiliate of the Depositor or the Trustee by the Master Servicer will, to the knowledge of the Master Servicer, contain any untrue statement of a material fact or omit a material fact necessary to make the information, certificate, statement or report not misleading;

(viii) The Master Servicer has examined each existing, and will examine each new, Subservicing Agreement and is or will be familiar with the terms thereof. The terms of each existing Subservicing Agreement and each designated Subservicer are acceptable to the Master Servicer and any new Subservicing Agreements will comply with the provisions of Section 3.02; and

(ix) The Master Servicer is a member of MERS in good standing, and will comply in all material respects with the rules and procedures of MERS in connection with the servicing of the Mortgage Loans that are registered with MERS.

It is understood and agreed that the representations and warranties set forth in this Section 2.03(a) shall survive delivery of the respective Mortgage Files to the Trustee or any Custodian. Upon discovery by either the Depositor, the Master Servicer, the Trustee or any Custodian of a breach of any representation or warranty set forth in this Section 2.03(a) which materially and adversely affects the interests of the Certificateholders in any Mortgage Loan, the party discovering such breach shall give prompt written notice to the other parties (any Custodian being so obligated under a Custodial Agreement). Within 90 days of its discovery or its receipt of notice of such breach, the Master Servicer shall either (i) cure such breach in all material respects or (ii) to the extent that such breach is with respect to a Mortgage Loan or a related document, purchase such Mortgage Loan from the Trust Fund at the Purchase Price and in the manner set forth in Section 2.02; provided that if such breach would cause the Mortgage Loan to be other than a "qualified mortgage" as defined in Section 860G(a)(3) of the Code, any such cure or repurchase must occur within 90 days from the date such breach was discovered. The obligation of the Master Servicer to cure such breach or to so purchase such Mortgage Loan shall constitute the sole remedy in respect of a breach of a representation and warranty set forth in this Section 2.03(a) available to the Certificateholders or the Trustee on behalf of the Certificateholders.

(b) The Depositor hereby represents and warrants to the Trustee for the benefit of the Certificateholders that as of the Closing Date (or, if otherwise specified below, as of the date so specified): (i) The information set forth in Exhibit F hereto with respect to each Mortgage Loan or the Mortgage Loans, as the case may be, is true and correct in all material respects at the respective date or dates which such information is furnished; (ii) Immediately prior to the conveyance of the Mortgage Loans to the Trustee, the Depositor had good title to, and was the sole owner of, each Mortgage Loan free and clear of any pledge, lien, encumbrance or security interest (other than rights to servicing and related compensation) and such conveyance validly transfers ownership of the Mortgage Loans to the Trustee free and clear of any pledge, lien, encumbrance or security interest; and (iii) Each Mortgage Loan constitutes a qualified mortgage under Section 860G(a)(3)(A) of the Code and Treasury Regulation Section 1.860G-2(a)(1). It is understood and agreed that the representations and warranties set forth in this Section 2.03(b) shall survive delivery of the respective Mortgage Files to the Trustee or any

Custodian. Upon discovery by any of the Depositor, the Master Servicer, the Trustee or any Custodian of a breach of any of the representations and warranties set forth in this Section 2.03(b) which materially and adversely affects the interests of the Certificateholders in any Mortgage Loan, the party discovering such breach shall give prompt written notice to the other parties (any Custodian being so obligated under a Custodial Agreement); *provided, however*, that in the event of a breach of the representation and warranty set forth in Section 2.03(b)(iii), the party discovering such breach shall give such notice within five days of discovery. Within 90 days of its discovery or its receipt of notice of breach, the Depositor shall either (i) cure such breach in all material respects or (ii) purchase such Mortgage Loan from the Trust Fund at the Purchase Price and in the manner set forth in Section 2.02; provided that the Depositor shall have the option to substitute a Qualified Substitute Mortgage Loan or Loans for such Mortgage Loan if such substitution occurs within two years following the Closing Date; provided that if the omission or defect would cause the Mortgage Loan to be other than a "qualified mortgage" as defined in Section 860G(a)(3) of the Code, any such cure, substitution or repurchase must occur within 90 days from the date such breach was discovered. Any such substitution shall be effected by the Depositor under the same terms and conditions as provided in Section 2.04 for substitutions by Residential Funding. It is understood and agreed that the obligation of the Depositor to cure such breach or to so purchase or substitute for any Mortgage Loan as to which such a breach has occurred and is continuing shall constitute the sole remedy respecting such breach available to the Certificateholders or the Trustee on behalf of the Certificateholders. Notwithstanding the foregoing, the Depositor shall not be required to cure breaches or purchase or substitute for Mortgage Loans as provided in this Section 2.03(b) if the substance of the breach of a representation set forth above also constitutes fraud in the origination of the Mortgage Loan.

Section 2.04 Representations and Warranties of Residential Funding.

The Depositor, as assignee of Residential Funding under the Assignment Agreement, hereby assigns to the Trustee for the benefit of the Certificateholders all of its right, title and interest in respect of the Assignment Agreement applicable to a Mortgage Loan. Insofar as the Assignment Agreement relates to the representations and warranties made by Residential Funding in respect of such Mortgage Loan and any remedies provided thereunder for any breach of such representations and warranties, such right, title and interest may be enforced by the Master Servicer on behalf of the Trustee and the Certificateholders. Upon the discovery by the Depositor, the Master Servicer, the Trustee or any Custodian of a breach of any of the representations and warranties made in the Assignment Agreement in respect of any Mortgage Loan or of any Repurchase Event which materially and adversely affects the interests of the Certificateholders in such Mortgage Loan, the party discovering such breach shall give prompt written notice to the other parties (any Custodian being so obligated under a Custodial Agreement). The Master Servicer shall promptly notify Residential Funding of such breach or Repurchase Event and request that Residential Funding either (i) cure such breach or Repurchase Event in all material respects within 90 days from the date the Master Servicer was notified of such breach or Repurchase Event or (ii) purchase such Mortgage Loan from the Trust Fund at the Purchase Price and in the manner set forth in Section 2.02; provided that, in the case of a breach or Repurchase Event under the Assignment Agreement, Residential Funding shall have the option to substitute a Qualified Substitute Mortgage Loan or Loans for such Mortgage Loan if such substitution occurs within two years following the Closing Date; provided that if the breach

would cause the Mortgage Loan to be other than a "qualified mortgage" as defined in Section 860G(a)(3) of the Code, any such cure or substitution must occur within 90 days from the date the breach was discovered. If the breach of representation and warranty that gave rise to the obligation to repurchase or substitute a Mortgage Loan pursuant to Section 4 of the Assignment Agreement was the representation and warranty set forth in clause (w) of Section 4 thereof, then the Master Servicer shall request that Residential Funding pay to the Trust Fund, concurrently with and in addition to the remedies provided in the preceding sentence, an amount equal to any liability, penalty or expense that was actually incurred and paid out of or on behalf of the Trust Fund, and that directly resulted from such breach, or if incurred and paid by the Trust Fund thereafter, concurrently with such payment. In the event that Residential Funding elects to substitute a Qualified Substitute Mortgage Loan or Loans for a Deleted Mortgage Loan pursuant to this Section 2.04, Residential Funding shall deliver to the Trustee for the benefit of the Certificateholders with respect to such Qualified Substitute Mortgage Loan or Loans, the original Mortgage Note, the Mortgage, an Assignment of the Mortgage in recordable form, and such other documents and agreements as are required by Section 2.01, with the Mortgage Note endorsed as required by Section 2.01. No substitution will be made in any calendar month after the Determination Date for such month. Monthly Payments due with respect to Qualified Substitute Mortgage Loans in the month of substitution shall not be part of the Trust Fund and will be retained by the Master Servicer and remitted by the Master Servicer to Residential Funding on the next succeeding Distribution Date. For the month of substitution, distributions to the Certificateholders will include the Monthly Payment due on a Deleted Mortgage Loan for such month and thereafter Residential Funding shall be entitled to retain all amounts received in respect of such Deleted Mortgage Loan. The Master Servicer shall amend or cause to be amended the Mortgage Loan Schedule for the benefit of the Certificateholders to reflect the removal of such Deleted Mortgage Loan and the substitution of the Qualified Substitute Mortgage Loan or Loans and the Master Servicer shall deliver the amended Mortgage Loan Schedule to the Trustee and the Custodian. Upon such substitution, the Qualified Substitute Mortgage Loan or Loans shall be subject to the terms of this Agreement and the related Subservicing Agreement in all respects, and Residential Funding shall be deemed to have made the representations and warranties with respect to the Qualified Substitute Mortgage Loan contained in Section 4 of the Assignment Agreement, as of the date of substitution, and the covenants, representations and warranties set forth in this Section 2.04, and in Section 2.03 hereof and in Section 4 of the Assignment Agreement, and the Master Servicer shall be obligated to repurchase or substitute for any Qualified Substitute Mortgage Loan as to which a Repurchase Event (as defined in the Assignment Agreement) has occurred pursuant to Section 5 of the Assignment Agreement. In connection with the substitution of one or more Qualified Substitute Mortgage Loans for one or more Deleted Mortgage Loans, the Master Servicer will determine the amount (if any) by which the aggregate principal balance of all such Qualified Substitute Mortgage Loans as of the date of substitution is less than the aggregate Stated Principal Balance of all such Deleted Mortgage Loans (in each case after application of the principal portion of the Monthly Payments due in the month of substitution that are to be distributed to the Certificateholders in the month of substitution). Residential Funding shall deposit the amount of such shortfall into the Custodial Account on the day of substitution, without any reimbursement therefor. Residential Funding shall give notice in writing to the Trustee of such event, which notice shall be accompanied by an Officers' Certificate as to the calculation of such shortfall and by an Opinion of Counsel to the effect that such substitution will not cause (a) any federal tax to

be imposed on the Trust Fund, including without limitation, any federal tax imposed on "prohibited transactions" under Section 860F(a)(1) of the Code or on "contributions after the startup date" under Section 860G(d)(1) of the Code or (b) any portion of REMIC I or REMIC II to fail to qualify as a REMIC at any time that any Certificate is outstanding. It is understood and agreed that the obligation of Residential Funding to cure such breach or purchase (or in the case of Residential Funding to substitute for) such Mortgage Loan as to which such a breach has occurred and is continuing and to make any additional payments required under the Assignment Agreement in connection with a breach of the representation and warranty in clause (bb) of Section 4 thereof shall constitute the sole remedy respecting such breach available to the Certificateholders or the Trustee on behalf of the Certificateholders. If the Master Servicer is Residential Funding, then the Trustee shall also have the right to give the notification and require the purchase or substitution provided for in the second preceding paragraph in the event of such a breach of a representation or warranty made by Residential Funding in the Assignment Agreement. In connection with the purchase of or substitution for any such Mortgage Loan by Residential Funding, the Trustee shall assign to Residential Funding all of the right, title and interest in respect of the Assignment Agreement applicable to such Mortgage Loan.

Section 2.05 Execution and Authentication of Certificates; Conveyance of REMIC I Assets and Uncertificated REMIC Regular Interests.

(a) The Trustee acknowledges the assignment to it of the Mortgage Loans and the delivery of the Mortgage Files to it, or any Custodian on its behalf, subject to any exceptions noted, together with the assignment to it of all other assets included in the Trust Fund, receipt of which is hereby acknowledged. Concurrently with such delivery and in exchange therefor, the Trustee, pursuant to the written request of the Depositor executed by an officer of the Depositor, has executed and caused to be authenticated and delivered to or upon the order of the Depositor the Certificates in authorized denominations which evidence ownership of the entire Trust Fund.

(b) The Depositor, concurrently with the execution and delivery hereof, does hereby transfer, assign, set over and otherwise convey in trust to the Trustee without recourse all the right, title and interest of the Depositor in and to the assets to be included in the Trust Fund pursuant to this Agreement (excluding, for the purpose of determining the assets of any REMIC and for the avoidance of doubt, the Yield Maintenance Agreement and any payments thereunder, which shall not be assets of any REMIC) for the benefit of the Holders of REMIC I Regular Interests and the Holders of the Class R-I Certificates. The Trustee acknowledges receipt of such assets and declares that it holds and will hold the same in trust for the exclusive use and benefit of the Holders of the REMIC I Regular Interests and Holders of the Class R-I Certificates. The interests evidenced by the Class R-I Certificates, together with the REMIC I Regular Interests, constitute the entire beneficial ownership interest in REMIC I.

(c) The Depositor, concurrently with the execution and delivery hereof, does hereby transfer, assign, set over and otherwise convey in trust to the Trustee without recourse all the right, title and interest of the Depositor in and to the REMIC I Regular Interests for the benefit of the Holders of the Regular Certificates and the Holders of the Class R-II Certificates. The Trustee acknowledges receipt of the REMIC I Regular Interests (each of which is uncertificated) and declares that it holds and will hold the same in trust for the exclusive use and benefit of the Holders of the Regular Certificates and Holders of the Class R-II Certificates. The interests evidenced by the Class R-II Certificates, together with the Regular Certificates, constitute the entire beneficial ownership interest in REMIC II.

Section 2.06 Purpose and Powers of the Trust.

The purpose of the trust, as created hereunder, is to engage in the following activities:

(a) To sell the Certificates to the Depositor in exchange for the Mortgage Loans;

(b) To enter into and perform its obligations under this Agreement and the Yield Maintenance Agreement;

(c) To engage in those activities that are necessary, suitable or convenient to accomplish the foregoing or are incidental hereto or connected therewith; and

(d) Subject to compliance with this Agreement, to engage in such other activities as may be required in connection with conservation of the Trust Fund and the making of distributions to the Certificateholders.

The trust is hereby authorized to engage in the foregoing activities. Notwithstanding the provisions of Section 11.01, the trust shall not engage in any activity other than in connection with the foregoing or other than as required or authorized by the terms of this Agreement while any Certificate is outstanding, and this Section 2.06 may not be amended, without the consent of the Certificateholders evidencing a majority of the aggregate Voting Rights of the Certificates.

ARTICLE III

ADMINISTRATION AND SERVICING OF MORTGAGE LOANS

Section 3.01 Master Servicer to Act as Servicer.

(a) The Master Servicer shall service and administer the Mortgage Loans in accordance with the terms of this Agreement and the respective Mortgage Loans, following such procedures as it would employ in its good faith business judgment and which are normal and usual in its general mortgage servicing activities, and shall have full power and authority, acting alone or through Subservicers as provided in Section 3.02, to do any and all things which it may deem necessary or desirable in connection with such servicing and administration. Without limiting the generality of the foregoing, the Master Servicer in its own name or in the name of a Subservicer is hereby authorized and empowered by the Trustee when the Master Servicer or the Subservicer, as the case may be, believes it appropriate in its best judgment, to execute and deliver, on behalf of the Certificateholders and the Trustee or any of them, any and all

instruments of satisfaction or cancellation, or of partial or full release or discharge, or of consent to assumption or modification in connection with a proposed conveyance, or of assignment of any Mortgage and Mortgage Note in connection with the repurchase of a Mortgage Loan and all other comparable instruments, or with respect to the modification or re-recording of a Mortgage for the purpose of correcting the Mortgage, the subordination of the lien of the Mortgage in favor of a public utility company or government agency or unit with powers of eminent domain, the taking of a deed in lieu of foreclosure, the completion of judicial or non-judicial foreclosure, the conveyance of a Mortgaged Property to the related insurer, the acquisition of any property acquired by foreclosure or deed in lieu of foreclosure, or the management, marketing and conveyance of any property acquired by foreclosure or deed in lieu of foreclosure with respect to the Mortgage Loans and with respect to the Mortgaged Properties. The Master Servicer further is authorized and empowered by the Trustee, on behalf of the Certificateholders and the Trustee, in its own name or in the name of the Subservicer, when the Master Servicer or the Subservicer, as the case may be, believes it is appropriate in its best judgment to register any Mortgage Loan on the MERS® System, or cause the removal from the registration of any Mortgage Loan on the MERS® System, to execute and deliver, on behalf of the Trustee and the Certificateholders or any of them, any and all instruments of assignment and other comparable instruments with respect to such assignment or re-recording of a Mortgage in the name of MERS, solely as nominee for the Trustee and its successors and assigns. Any expenses incurred in connection with the actions described in the preceding sentence shall be borne by the Master Servicer in accordance with Section 3.16(c), with no right of reimbursement; provided, that if, as a result of MERS discontinuing or becoming unable to continue operations in connection with the MERS System, it becomes necessary to remove any Mortgage Loan from registration on the MERS System and to arrange for the assignment of the related Mortgages to the Trustee, then any related expenses shall be reimbursable to the Master Servicer. Notwithstanding the foregoing, subject to Section 3.07(a), the Master Servicer shall not permit any modification with respect to any Mortgage Loan that would both constitute a sale or exchange of such Mortgage Loan within the meaning of Section 1001 of the Code and any proposed, temporary or final regulations promulgated thereunder (other than in connection with a proposed conveyance or assumption of such Mortgage Loan that is treated as a Principal Prepayment in Full pursuant to Section 3.13(d) hereof) and cause any of REMIC I or REMIC II to fail to qualify as a REMIC under the Code. The Trustee shall furnish the Master Servicer with any powers of attorney and other documents necessary or appropriate to enable the Master Servicer to service and administer the Mortgage Loans. The Trustee shall not be liable for any action taken by the Master Servicer or any Subservicer pursuant to such powers of attorney. In servicing and administering any Nonsubserviced Mortgage Loan, the Master Servicer shall, to the extent not inconsistent with this Agreement, comply with the Program Guide as if it were the originator of such Mortgage Loan and had retained the servicing rights and obligations in respect thereof. In connection with servicing and administering the Mortgage Loans, the Master Servicer and any Affiliate of the Master Servicer (i) may perform services such as appraisals and brokerage services that are customarily provided by Persons other than servicers of mortgage loans, and shall be entitled to reasonable compensation therefor in accordance with Section 3.10 and (ii) may, at its own discretion and on behalf of the Trustee, obtain credit information in the form of a "credit score" from a credit repository.

(b) All costs incurred by the Master Servicer or by Subservicers in effecting the timely payment of taxes and assessments on the properties subject to the Mortgage Loans shall not, for the purpose of calculating monthly distributions to the Certificateholders, be added to the amount owing under the related Mortgage Loans, notwithstanding that the terms of such Mortgage Loan so permit, and such costs shall be recoverable to the extent permitted by Section 3.10(a)(ii).

(c) The Master Servicer may enter into one or more agreements in connection with the offering of pass-through certificates evidencing interests in one or more of the Certificates providing for the payment by the Master Servicer of amounts received by the Master Servicer as servicing compensation hereunder and required to cover certain Prepayment Interest Shortfalls on the Mortgage Loans, which payment obligation will thereafter be an obligation of the Master Servicer hereunder.

(d) The Master Servicer shall apply any payments received in respect of the Re-Performing Loans as follows:

(i) Any monthly payment received with respect to a Mortgage Loan subject to a repayment plan or is not subject to a plan shall be applied first to any Arrearage and then to satisfy the related Monthly Payment; provided, that the Master Servicer shall treat any failure to pay the Monthly Payment as a delinquency and shall make an Advance pursuant to Section 4.04 in respect of such payment; and

(ii) Any monthly payment received with respect to a Mortgage Loan subject to a bankruptcy plan shall be allocated in accordance with the related Mortgage Note and any modifications thereto.

To the extent the Master Servicer or any Subservicer receives payments in respect of Arrearages, such payments shall be retained by the Master Servicer or Subservicer and shall not be deposited in the Custodial Account.

(e) Any payment made by a Mortgagor under a Mortgage Loan subject to a bankruptcy plan shall be allocated between the Arrearage and the Monthly Payment as provided in the related bankruptcy plan.

Section 3.02 Subservicing Agreements Between Master Servicer and Subservicers; Enforcement of Subservicers' Obligations.

(a) The Master Servicer may continue in effect Subservicing Agreements entered into by Residential Funding and Subservicers prior to the execution and delivery of this Agreement, and may enter into new Subservicing Agreements with Subservicers, for the servicing and administration of all or some of the Mortgage Loans. Each Subservicer shall be either (i) an institution the accounts of which are insured by the FDIC or (ii) another entity that engages in the business of originating or servicing mortgage loans, and in either case shall be authorized to transact business in the state or states in which the related Mortgaged Properties it is to service are situated, if and to the extent required by applicable law to enable the Subservicer to perform its obligations hereunder and under the Subservicing Agreement, and in either case shall be a

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Freddie Mac, Fannie Mae or HUD approved mortgage servicer. In addition, any Subservicer of a Mortgage Loan insured by the FHA must be an FHA-approved servicer, and any Subservicer of a Mortgage Loan guaranteed by the VA must be a VA-approved servicer. Each Subservicer of a Mortgage Loan shall be entitled to receive and retain, as provided in the related Subservicing Agreement and in Section 3.07, the related Subservicing Fee from payments of interest received on such Mortgage Loan after payment of all amounts required to be remitted to the Master Servicer in respect of such Mortgage Loan. For any Mortgage Loan that is a Nonsubserviced Mortgage Loan, the Master Servicer shall be entitled to receive and retain an amount equal to the Subservicing Fee from payments of interest. Unless the context otherwise requires, references in this Agreement to actions taken or to be taken by the Master Servicer in servicing the Mortgage Loans include actions taken or to be taken by a Subservicer on behalf of the Master Servicer. Each Subservicing Agreement will be upon such terms and conditions as are generally required by, permitted by or consistent with the Program Guide and are not inconsistent with this Agreement and as the Master Servicer and the Subservicer have agreed. With the approval of the Master Servicer, a Subservicer may delegate its servicing obligations to third-party servicers, but such Subservicer will remain obligated under the related Subservicing Agreement. The Master Servicer and a Subservicer may enter into amendments thereto or a different form of Subservicing Agreement, and the form referred to or included in the Program Guide is merely provided for information and shall not be deemed to limit in any respect the discretion of the Master Servicer to modify or enter into different Subservicing Agreements; *provided, however*, that any such amendments or different forms shall be consistent with and not violate the provisions of either this Agreement or the Program Guide in a manner which would materially and adversely affect the interests of the Certificateholders.

(b) As part of its servicing activities hereunder, the Master Servicer, for the benefit of the Trustee and the Certificateholders, shall use its best reasonable efforts to enforce the obligations of each Subservicer under the related Subservicing Agreement, to the extent that the non-performance of any such obligation would have a material and adverse effect on a Mortgage Loan, including, without limitation, the obligation to purchase a Mortgage Loan on account of defective documentation, as described in Section 2.02, or on account of a breach of a representation or warranty, as described in Section 2.04. Such enforcement, including, without limitation, the legal prosecution of claims, termination of Subservicing Agreements, as appropriate, and the pursuit of other appropriate remedies, shall be in such form and carried out to such an extent and at such time as the Master Servicer would employ in its good faith business judgment and which are normal and usual in its general mortgage servicing activities. The Master Servicer shall pay the costs of such enforcement at its own expense, and shall be reimbursed therefor only (i) from a general recovery resulting from such enforcement to the extent, if any, that such recovery exceeds all amounts due in respect of the related Mortgage Loan or (ii) from a specific recovery of costs, expenses or attorneys fees against the party against whom such enforcement is directed. For purposes of clarification only, the parties hereto agree that the foregoing is not intended to, and does not, limit the ability of the Master Servicer to be reimbursed for expenses that are incurred in connection with the enforcement of a Seller's obligations and are reimbursable pursuant to Section 3.10(a)(vii).

Section 3.03 Successor Subservicers.

The Master Servicer shall be entitled to terminate any Subservicing Agreement that may exist in accordance with the terms and conditions of such Subservicing Agreement and without any limitation by virtue of this Agreement; *provided, however*, that in the event of termination of any Subservicing Agreement by the Master Servicer or the Subservicer, the Master Servicer shall either act as servicer of the related Mortgage Loan or enter into a Subservicing Agreement with a successor Subservicer which will be bound by the terms of the related Subservicing Agreement. If the Master Servicer or any Affiliate of Residential Funding acts as servicer, it will not assume liability for the representations and warranties of the Subservicer which it replaces. If the Master Servicer enters into a Subservicing Agreement with a successor Subservicer, the Master Servicer shall use reasonable efforts to have the successor Subservicer assume liability for the representations and warranties made by the terminated Subservicer in respect of the related Mortgage Loans and, in the event of any such assumption by the successor Subservicer, the Master Servicer may, in the exercise of its business judgment, release the terminated Subservicer from liability for such representations and warranties.

Section 3.04 Liability of the Master Servicer.

Notwithstanding any Subservicing Agreement, any of the provisions of this Agreement relating to agreements or arrangements between the Master Servicer or a Subservicer or reference to actions taken through a Subservicer or otherwise, the Master Servicer shall remain obligated and liable to the Trustee and Certificateholders for the servicing and administering of the Mortgage Loans in accordance with the provisions of Section 3.01 without diminution of such obligation or liability by virtue of such Subservicing Agreements or arrangements or by virtue of indemnification from the Subservicer or the Depositor and to the same extent and under the same terms and conditions as if the Master Servicer alone were servicing and administering the Mortgage Loans. The Master Servicer shall be entitled to enter into any agreement with a Subservicer for indemnification of the Master Servicer and nothing contained in this Agreement shall be deemed to limit or modify such indemnification.

Section 3.05 No Contractual Relationship Between Subservicer and Trustee or Certificateholders.

Any Subservicing Agreement that may be entered into and any other transactions or services relating to the Mortgage Loans involving a Subservicer in its capacity as such and not as an originator shall be deemed to be between the Subservicer and the Master Servicer alone and the Trustee and Certificateholders shall not be deemed parties thereto and shall have no claims, rights, obligations, duties or liabilities with respect to the Subservicer in its capacity as such except as set forth in Section 3.06. The foregoing provision shall not in any way limit a Subservicer's obligation to cure an omission or defect or to repurchase a Mortgage Loan as referred to in Section 2.02 hereof.

Section 3.06 Assumption or Termination of Subservicing Agreements by Trustee.

(a) In the event the Master Servicer shall for any reason no longer be the master servicer (including by reason of an Event of Default), the Trustee, its designee or its successor shall thereupon assume all of the rights and obligations of the Master Servicer under each Subservicing Agreement that may have been entered into. The Trustee, its designee or the successor servicer for the Trustee shall be deemed to have assumed all of the Master Servicer's interest therein and to have replaced the Master Servicer as a party to the Subservicing Agreement to the same extent as if the Subservicing Agreement had been assigned to the assuming party except that the Master Servicer shall not thereby be relieved of any liability or obligations under the Subservicing Agreement.

(b) The Master Servicer shall, upon request of the Trustee but at the expense of the Master Servicer, deliver to the assuming party all documents and records relating to each Subservicing Agreement and the Mortgage Loans then being serviced and an accounting of amounts collected and held by it and otherwise use its best efforts to effect the orderly and efficient transfer of each Subservicing Agreement to the assuming party.

Section 3.07 Collection of Certain Mortgage Loan Payments; Deposits to Custodial Account.

(a) The Master Servicer shall make reasonable efforts to collect all payments called for under the terms and provisions of the Mortgage Loans, and shall, to the extent such procedures shall be consistent with this Agreement and the terms and provisions of any related Primary Insurance Policy, follow such collection procedures as it would employ in its good faith business judgment and which are normal and usual in its general mortgage servicing activities. Consistent with the foregoing, the Master Servicer may in its discretion (i) waive any late payment charge or any prepayment charge or penalty interest in connection with the prepayment of a Mortgage Loan and (ii) extend the Due Date for payments due on a Mortgage Loan in accordance with the Program Guide, provided, however, that the Master Servicer shall first determine that any such waiver or extension will not impair the coverage of any related Primary Insurance Policy or materially adversely affect the lien of the related Mortgage. Notwithstanding anything in this Section to the contrary, the Master Servicer or any Subservicer shall not enforce any prepayment charge to the extent that such enforcement would violate any applicable law. In the event of any such arrangement, the Master Servicer shall make timely advances on the related Mortgage Loan during the scheduled period in accordance with the amortization schedule of such Mortgage Loan without modification thereof by reason of such arrangements unless otherwise agreed to by the Holders of the Classes of Certificates affected thereby; *provided, however*, that no such extension shall be made if any advance would be a Nonrecoverable Advance. Consistent with the terms of this Agreement, the Master Servicer may also waive, modify or vary any term of any Mortgage Loan or consent to the postponement of strict compliance with any such term or in any manner grant indulgence to any Mortgagor if in the Master Servicer's determination such waiver, modification, postponement or indulgence is not materially adverse to the interests of the Certificateholders (taking into account any estimated Realized Loss that might result absent such action), *provided, however*, that the Master Servicer may not modify materially or permit any Subservicer to modify any Mortgage Loan, including without limitation any modification that would change the Mortgage Rate, forgive the payment

of any principal or interest (unless in connection with the liquidation of the related Mortgage Loan or except in connection with prepayments to the extent that such reamortization is not inconsistent with the terms of the Mortgage Loan), or extend the final maturity date of such Mortgage Loan, or capitalize any amounts owing on the Mortgage Loan by adding such amount to the Stated Principal Balance of such Mortgage Loan, unless such Mortgage Loan is in default or, in the judgment of the Master Servicer, such default is reasonably foreseeable. For purposes of delinquency calculations, any capitalized Mortgage Loan shall be deemed to be current as of the date of the related Servicing Modification. Also, the aggregate Stated Principal Balance of all Mortgage Loans subject to Servicing Modifications (measured at the time of the Servicing Modification and after giving effect to any Servicing Modification) can be no more than five percent of the aggregate Cut-off Date Principal Balance of the Mortgage Loans, unless such limit is increased from time to time with the consent of the Rating Agencies. In addition, any amounts owing on a Mortgage Loan added to the outstanding principal balance of such Mortgage Loan must be fully amortized over the term of such Mortgage Loan, and such amounts may be added to the Stated Principal Balance of a Mortgage Loan only once during the life of such Mortgage Loan. Also, the addition of such amounts described in the preceding sentence shall be implemented in accordance with the Program Guide and may be implemented only by Subservicers that have been approved by the Master Servicer for such purpose. Any amounts so added to the outstanding principal balance of a Mortgage Loan shall increase its Stated Principal Balance.

In connection with any Curtailment of a Mortgage Loan, the Master Servicer, to the extent not inconsistent with the terms of the Mortgage Note and local law and practice, may permit the Mortgage Loan to be re-amortized such that the Monthly Payment is recalculated as an amount that will fully amortize the remaining Stated Principal Balance thereof by the original Maturity Date based on the original Mortgage Rate; provided, that such reamortization shall not be permitted if it would constitute a reissuance of the Mortgage Loan for federal income tax purposes.

In addition, the Master Servicer and the Trustee on behalf of the Trust Fund shall not exercise any right with respect to any Mortgage Loan to (i) accelerate the payment of the outstanding principal balance of such Mortgage Loan plus any other amounts payable under the related Mortgage Note or (ii) increase the related Mortgage Rate as a result of the related Mortgagor's termination of employment with the originator of the Mortgage Loan.

(b) The Master Servicer shall establish and maintain a Custodial Account in which the Master Servicer shall deposit or cause to be deposited on a daily basis, except as otherwise specifically provided herein, the following payments and collections remitted by Subservicers or received by it in respect of the Mortgage Loans subsequent to the Cut-off Date (other than in respect of principal and interest on the Mortgage Loans due on or before the Cut-off Date):

(i) All payments on account of principal, including Principal Prepayments made by Mortgagors on the Mortgage Loans and the principal component of any Subservicer Advance or of any REO Proceeds received in connection with an REO Property for which an REO Disposition has occurred (other than any payments received in respect of any Arrearages);

(ii) All payments on account of interest at the Adjusted Mortgage Rate on the Mortgage Loans, including the interest component of any Subservicer Advance or of any REO Proceeds received in connection with an REO Property for which an REO Disposition has occurred;

(iii) Insurance Proceeds, Subsequent Recoveries and Liquidation Proceeds (net of any related expenses of the Subservicer);

(iv) All proceeds of any Mortgage Loans purchased pursuant to Section 2.02, 2.03, 2.04, 4.07 or 9.01 and all amounts required to be deposited in connection with the substitution of a Qualified Substitute Mortgage Loan pursuant to Section 2.03 or 2.04; and

(v) Any amounts required to be deposited pursuant to Section 3.07(c) or 3.21 and any payments or collections received consisting of prepayment charges.

The foregoing requirements for deposit in the Custodial Account shall be exclusive, it being understood and agreed that, without limiting the generality of the foregoing, payments on the Mortgage Loans which are not part of the Trust Fund (consisting of payments in respect of principal and interest on the Mortgage Loans due on or before the Cut-off Date) and payments or collections consisting of late payment charges or assumption fees may but need not be deposited by the Master Servicer in the Custodial Account. In the event any amount not required to be deposited in the Custodial Account is so deposited, the Master Servicer may at any time withdraw such amount from the Custodial Account, any provision herein to the contrary notwithstanding. The Custodial Account may contain funds that belong to one or more trust funds created for mortgage pass-through certificates of other series and may contain other funds respecting payments on mortgage loans belonging to the Master Servicer or serviced or master serviced by it on behalf of others. Notwithstanding such commingling of funds, the Master Servicer shall keep records that accurately reflect the funds on deposit in the Custodial Account that have been identified by it as being attributable to the Mortgage Loans. With respect to Insurance Proceeds, Liquidation Proceeds, Subsequent Recoveries, REO Proceeds and the proceeds of the purchase of any Mortgage Loan pursuant to Sections 2.02, 2.03, 2.04 and 4.07 received in any calendar month, the Master Servicer may elect to treat such amounts as included in the Available Distribution Amount for the Distribution Date in the month of receipt, but is not obligated to do so. If the Master Servicer so elects, such amounts will be deemed to have been received (and any related Realized Loss shall be deemed to have occurred) on the last day of the month prior to the receipt thereof.

(c) The Master Servicer shall use its best efforts to cause the institution maintaining the Custodial Account to invest the funds in the Custodial Account attributable to the Mortgage Loans in Permitted Investments which shall mature not later than the Certificate Account Deposit Date next following the date of such investment (with the exception of the Amount Held for Future Distribution) and which shall not be sold or disposed of prior to their maturities. All income and gain realized from any such investment shall be for the benefit of the Master Servicer as additional servicing compensation and shall be subject to its withdrawal or order from time to time. The amount of any losses incurred in respect of any such investments attributable to the investment of amounts in respect of the Mortgage Loans shall be deposited in the Custodial Account by the Master Servicer out of its own funds immediately as realized.

(d) The Master Servicer shall give notice to the Trustee and the Depositor of any change in the location of the Custodial Account and the location of the Certificate Account prior to the use thereof.

Section 3.08 Subservicing Accounts; Servicing Accounts.

(a) In those cases where a Subservicer is servicing a Mortgage Loan pursuant to a Subservicing Agreement, the Master Servicer shall cause the Subservicer, pursuant to the Subservicing Agreement, to establish and maintain one or more Subservicing Accounts which shall be an Eligible Account or, if such account is not an Eligible Account, shall generally satisfy the requirements of the Program Guide and be otherwise acceptable to the Master Servicer and each Rating Agency. The Subservicer will be required thereby to deposit into the Subservicing Account on a daily basis all proceeds of Mortgage Loans received by the Subservicer, less its Subservicing Fees and unreimbursed advances and expenses, to the extent permitted by the Subservicing Agreement. If the Subservicing Account is not an Eligible Account, the Master Servicer shall be deemed to have received such monies upon receipt thereof by the Subservicer. The Subservicer shall not be required to deposit in the Subservicing Account payments or collections consisting of late charges or assumption fees, or payments or collections received consisting of prepayment charges to the extent that the Subservicer is entitled to retain such amounts pursuant to the Subservicing Agreement. On or before the date specified in the Program Guide, but in no event later than the Determination Date, the Master Servicer shall cause the Subservicer, pursuant to the Subservicing Agreement, to remit to the Master Servicer for deposit in the Custodial Account all funds held in the Subservicing Account with respect to each Mortgage Loan serviced by such Subservicer that are required to be remitted to the Master Servicer. The Subservicer will also be required, pursuant to the Subservicing Agreement, to advance on such scheduled date of remittance amounts equal to any scheduled monthly installments of principal and interest less its Subservicing Fees on any Mortgage Loans for which payment was not received by the Subservicer. This obligation to advance with respect to each Mortgage Loan will continue up to and including the first of the month following the date on which the related Mortgaged Property is sold at a foreclosure sale or is acquired by the Trust Fund by deed in lieu of foreclosure or otherwise. All such advances received by the Master Servicer shall be deposited promptly by it in the Custodial Account.

(b) The Subservicer may also be required, pursuant to the Subservicing Agreement, to remit to the Master Servicer for deposit in the Custodial Account interest at the Adjusted Mortgage Rate (or Modified Net Mortgage Rate plus the rate per annum at which the Servicing Fee accrues in the case of a Modified Mortgage Loan) on any Curtailment received by such Subservicer in respect of a Mortgage Loan from the related Mortgagor during any month that is to be applied by the Subservicer to reduce the unpaid principal balance of the related Mortgage Loan as of the first day of such month, from the date of application of such Curtailment to the first day of the following month. Any amounts paid by a Subservicer pursuant to the preceding sentence shall be for the benefit of the Master Servicer as additional servicing compensation and shall be subject to its withdrawal or order from time to time pursuant to Sections 3.10(a)(iv) and (v).

(c) In addition to the Custodial Account and the Certificate Account, the Master Servicer shall for any Nonsubserviced Mortgage Loan, and shall cause the Subservicers for Subserviced Mortgage Loans to, establish and maintain one or more Servicing Accounts and deposit and retain therein all collections from the Mortgagors (or advances from Subservicers) for the payment of taxes, assessments, hazard insurance premiums, Primary Insurance Policy premiums, if applicable, or comparable items for the account of the Mortgagors. Each Servicing Account shall satisfy the requirements for a Subservicing Account and, to the extent permitted by the Program Guide or as is otherwise acceptable to the Master Servicer, may also function as a Subservicing Account. Withdrawals of amounts related to the Mortgage Loans from the Servicing Accounts may be made only to effect timely payment of taxes, assessments, hazard insurance premiums, Primary Insurance Policy premiums, if applicable, or comparable items, to reimburse the Master Servicer or Subservicer out of related collections for any payments made pursuant to Sections 3.11 (with respect to the Primary Insurance Policy) and 3.12(a) (with respect to hazard insurance), to refund to any Mortgagors any sums as may be determined to be overages, to pay interest, if required, to Mortgagors on balances in the Servicing Account or to clear and terminate the Servicing Account at the termination of this Agreement in accordance with Section 9.01 or in accordance with the Program Guide. As part of its servicing duties, the Master Servicer shall, and the Subservicers will, pursuant to the Subservicing Agreements, be required to pay to the Mortgagors interest on funds in this account to the extent required by law.

(d) The Master Servicer shall advance the payments referred to in the preceding subsection that are not timely paid by the Mortgagors or advanced by the Subservicers on the date when the tax, premium or other cost for which such payment is intended is due, but the Master Servicer shall be required so to advance only to the extent that such advances, in the good faith judgment of the Master Servicer, will be recoverable by the Master Servicer out of Insurance Proceeds, Liquidation Proceeds or otherwise.

Section 3.09 Access to Certain Documentation and Information Regarding the Mortgage Loans.

In the event that compliance with this Section 3.09 shall make any Class of Certificates legal for investment by federally insured savings and loan associations, the Master Servicer shall provide, or cause the Subservicers to provide, to the Trustee, the Office of Thrift Supervision or the FDIC and the supervisory agents and examiners thereof access to the documentation regarding the Mortgage Loans required by applicable regulations of the Office of Thrift Supervision, such access being afforded without charge but only upon reasonable request and during normal business hours at the offices designated by the Master Servicer. The Master Servicer shall permit such representatives to photocopy any such documentation and shall provide equipment for that purpose at a charge reasonably approximating the cost of such photocopying to the Master Servicer.

Section 3.10 Permitted Withdrawals from the Custodial Account.

(a) The Master Servicer may, from time to time as provided herein, make withdrawals from the Custodial Account of amounts on deposit therein pursuant to Section 3.07 that are attributable to the Mortgage Loans for the following purposes: (i) to make deposits into the Certificate Account in the amounts and in the manner provided for in Section 4.01; (ii) to reimburse itself or the related Subservicer for previously unreimbursed advances or expenses made pursuant to Sections 3.01, 3.08, 3.12(a), 3.14 and 4.04 or otherwise reimbursable pursuant to the terms of this Agreement, such withdrawal right being limited to amounts received on particular Mortgage Loans (including, for this purpose, REO Proceeds, Insurance Proceeds, Liquidation Proceeds and proceeds from the purchase of a Mortgage Loan pursuant to Section 2.02, 2.03, 2.04, 4.07 or 9.01) which represent (A) Late Collections of Monthly Payments for which any such advance was made in the case of Subservicer Advances or Advances pursuant to Section 4.04 and (B) late recoveries of the payments for which such advances were made in the case of Servicing Advances; (iii) to pay to itself or the related Subservicer (if not previously retained by such Subservicer) out of each payment received by the Master Servicer on account of interest on a Mortgage Loan as contemplated by Sections 3.14 and 3.16, an amount equal to that remaining portion of any such payment as to interest (but not in excess of the Servicing Fee and the Subservicing Fee, if not previously retained) which, when deducted, will result in the remaining amount of such interest being interest at a rate per annum equal to the Net Mortgage Rate (or Modified Net Mortgage Rate in the case of a Modified Mortgage Loan) on the amount specified in the amortization schedule of the related Mortgage Loan as the principal balance thereof at the beginning of the period respecting which such interest was paid after giving effect to any previous Curtailments; (iv) to pay to itself as additional servicing compensation any interest or investment income earned on funds deposited in the Custodial Account that it is entitled to withdraw pursuant to Section 3.07(c); (v) to pay to itself as additional servicing compensation any Foreclosure Profits, and any amounts remitted by Subservicers as interest in respect of Curtailments pursuant to Section 3.08(b); (vi) to pay to itself, a Subservicer, Residential Funding, the Depositor or any other appropriate Person, as the case may be, with respect to each Mortgage Loan or property acquired in respect thereof that has been purchased or otherwise transferred pursuant to Section 2.02, 2.03, 2.04, 3.23, 4.07 or 9.01, all amounts received thereon and not required to be distributed to Certificateholders as of the date on which the related Stated Principal Balance or Purchase Price is determined; (vii) to

reimburse itself or the related Subservicer for any Nonrecoverable Advance or Advances in the manner and to the extent provided in subsection (c) below, and any Advance or Servicing Advance made in connection with a modification of a Mortgage Loan that is in default or, in the judgment of the Master Servicer, default is reasonably foreseeable pursuant to Section 3.07(a), to the extent the amount of the Advance has been added to the Stated Principal Balance of the Mortgage Loan in the preceding calendar month; (viii) to reimburse itself or the Depositor for expenses incurred by and reimbursable to it or the Depositor pursuant to Section 3.14(c), 6.03, 10.01 or otherwise; (ix) to reimburse itself for amounts expended by it (a) pursuant to Section 3.14 in good faith in connection with the restoration of property damaged by an Uninsured Cause, and (b) in connection with the liquidation of a Mortgage Loan or disposition of an REO Property to the extent not otherwise reimbursed pursuant to clause (ii) or (viii) above; and (x) to withdraw any amount deposited in the Custodial Account that was not required to be deposited therein pursuant to Section 3.07, including any payoff fees or penalties or any other additional amounts payable to the Master Servicer or Subservicer pursuant to the terms of the Mortgage Note.

(b) Since, in connection with withdrawals pursuant to clauses (ii), (iii), (v) and (vi), the Master Servicer's entitlement thereto is limited to collections or other recoveries on the related Mortgage Loan, the Master Servicer shall keep and maintain separate accounting, on a Mortgage Loan by Mortgage Loan basis, for the purpose of justifying any withdrawal from the Custodial Account pursuant to such clauses.

(c) The Master Servicer shall be entitled to reimburse itself or the related Subservicer for any advance made in respect of a Mortgage Loan that the Master Servicer determines to be a Nonrecoverable Advance by withdrawal from the Custodial Account of amounts on deposit therein attributable to the Mortgage Loans on any Certificate Account Deposit Date succeeding the date of such determination. Such right of reimbursement in respect of a Nonrecoverable Advance on any such Certificate Account Deposit Date shall be limited to an amount not exceeding the portion of such advance previously paid to Certificateholders (and not theretofore reimbursed to the Master Servicer or the related Subservicer).

Section 3.11 Maintenance of Primary Insurance Coverage.

(a) The Master Servicer shall not take, or permit any Subservicer to take, any action which would result in noncoverage under any applicable Primary Insurance Policy of any loss which, but for the actions of the Master Servicer or Subservicer, would have been covered thereunder. To the extent coverage is available, the Master Servicer shall keep or cause to be kept in full force and effect each such Primary Insurance Policy until the principal balance of the related Mortgage Loan secured by a Mortgaged Property is reduced to 80% or less of the Appraised Value at origination in the case of such a Mortgage Loan having a Loan-to-Value Ratio at origination in excess of 80%, provided that such Primary Insurance Policy was in place as of the Cut-off Date and the Master Servicer had knowledge of such Primary Insurance Policy. The Master Servicer shall not cancel or refuse to renew any such Primary Insurance Policy applicable to a Nonsubserviced Mortgage Loan, or consent to any Subservicer canceling or refusing to renew any such Primary Insurance Policy applicable to a Mortgage Loan subserviced by it, that is in effect at the date of the initial issuance of the Certificates and is required to be kept in force hereunder unless the replacement Primary Insurance Policy for such canceled or

non-renewed policy is maintained with an insurer whose claims-paying ability is acceptable to each Rating Agency for mortgage pass-through certificates having a rating equal to or better than the lower of the then-current rating or the rating assigned to the Certificates as of the Closing Date by such Rating Agency.

(b) In connection with its activities as administrator and servicer of the Mortgage Loans, the Master Servicer agrees to present or to cause the related Subservicer to present, on behalf of the Master Servicer, the Subservicer, if any, the Trustee and Certificateholders, claims to the insurer under any Primary Insurance Policies, in a timely manner in accordance with such policies, and, in this regard, to take or cause to be taken such reasonable action as shall be necessary to permit recovery under any Primary Insurance Policies respecting defaulted Mortgage Loans. Pursuant to Section 3.07, any Insurance Proceeds collected by or remitted to the Master Servicer under any Primary Insurance Policies shall be deposited in the Custodial Account, subject to withdrawal pursuant to Section 3.10.

Section 3.12 Maintenance of Fire Insurance and Omissions and Fidelity Coverage.

(a) The Master Servicer shall cause to be maintained for each Mortgage Loan fire insurance with extended coverage in an amount which is equal to the lesser of the principal balance owing on such Mortgage Loan (together with the principal balance of any mortgage loan secured by a lien that is senior to the Mortgage Loan) or 100 percent of the insurable value of the improvements; provided, however, that such coverage may not be less than the minimum amount required to fully compensate for any loss or damage on a replacement cost basis. To the extent it may do so without breaching the related Subservicing Agreement, the Master Servicer shall replace any Subservicer that does not cause such insurance, to the extent it is available, to be maintained. The Master Servicer shall also cause to be maintained on property acquired upon foreclosure, or deed in lieu of foreclosure, of any Mortgage Loan, fire insurance with extended coverage in an amount which is at least equal to the amount necessary to avoid the application of any co-insurance clause contained in the related hazard insurance policy. Pursuant to Section 3.07, any amounts collected by the Master Servicer under any such policies (other than amounts to be applied to the restoration or repair of the related Mortgaged Property or property thus acquired or amounts released to the Mortgagor in accordance with the Master Servicer's normal servicing procedures) shall be deposited in the Custodial Account, subject to withdrawal pursuant to Section 3.10. Any cost incurred by the Master Servicer in maintaining any such insurance shall not, for the purpose of calculating monthly distributions to Certificateholders, be added to the amount owing under the Mortgage Loan, notwithstanding that the terms of the Mortgage Loan so permit. Such costs shall be recoverable by the Master Servicer out of related late payments by the Mortgagor or out of Insurance Proceeds and Liquidation Proceeds to the extent permitted by Section 3.10. It is understood and agreed that no earthquake or other additional insurance is to be required of any Mortgagor or maintained on property acquired in respect of a Mortgage Loan other than pursuant to such applicable laws and regulations as shall at any time be in force and as shall require such additional insurance. Whenever the improvements securing a Mortgage Loan are located at the time of origination of such Mortgage Loan in a federally designated special flood hazard area, the Master Servicer shall cause flood insurance (to the extent available) to be maintained in respect thereof. Such flood insurance shall be in an amount equal to the lesser of (i) the amount required to compensate for any loss or damage to the Mortgaged Property on a replacement cost basis and (ii) the maximum amount of

such insurance available for the related Mortgaged Property under the national flood insurance program (assuming that the area in which such Mortgaged Property is located is participating in such program).

In the event that the Master Servicer shall obtain and maintain a blanket fire insurance policy with extended coverage insuring against hazard losses on all of the Mortgage Loans, it shall conclusively be deemed to have satisfied its obligations as set forth in the first sentence of this Section 3.12(a), it being understood and agreed that such policy may contain a deductible clause, in which case the Master Servicer shall, in the event that there shall not have been maintained on the related Mortgaged Property a policy complying with the first sentence of this Section 3.12(a) and there shall have been a loss which would have been covered by such policy, deposit in the Certificate Account the amount not otherwise payable under the blanket policy because of such deductible clause. Any such deposit by the Master Servicer shall be made on the Certificate Account Deposit Date next preceding the Distribution Date which occurs in the month following the month in which payments under any such policy would have been deposited in the Custodial Account. In connection with its activities as administrator and servicer of the Mortgage Loans, the Master Servicer agrees to present, on behalf of itself, the Trustee and Certificateholders, claims under any such blanket policy.

(b) The Master Servicer shall obtain and maintain at its own expense and keep in full force and effect throughout the term of this Agreement a blanket fidelity bond and an errors and omissions insurance policy covering the Master Servicer's officers and employees and other persons acting on behalf of the Master Servicer in connection with its activities under this Agreement. The amount of coverage shall be at least equal to the coverage that would be required by Fannie Mae or Freddie Mac, whichever is greater, with respect to the Master Servicer if the Master Servicer were servicing and administering the Mortgage Loans for Fannie Mae or Freddie Mac. In the event that any such bond or policy ceases to be in effect, the Master Servicer shall obtain a comparable replacement bond or policy from an issuer or insurer, as the case may be, meeting the requirements, if any, of the Program Guide and acceptable to the Depositor. Coverage of the Master Servicer under a policy or bond obtained by an Affiliate of the Master Servicer and providing the coverage required by this Section 3.12(b) shall satisfy the requirements of this Section 3.12(b).

Section 3.13 Enforcement of Due-on-Sale Clauses; Assumption and Modification Agreements; Certain Assignments.

(a) When any Mortgaged Property is conveyed by the Mortgagor, the Master Servicer or Subservicer, to the extent it has knowledge of such conveyance, shall enforce any due-on-sale clause contained in any Mortgage Note or Mortgage, to the extent permitted under applicable law and governmental regulations, but only to the extent that such enforcement will not adversely affect or jeopardize coverage under any Required Insurance Policy. Notwithstanding the foregoing: (i) the Master Servicer shall not be deemed to be in default under this Section 3.13(a) by reason of any transfer or assumption which the Master Servicer is restricted by law from preventing; and (ii) if the Master Servicer determines that it is reasonably likely that any Mortgagor will bring, or if any Mortgagor does bring, legal action to declare invalid or otherwise avoid enforcement of a due-on-sale clause contained in any Mortgage Note or

Mortgage, the Master Servicer shall not be required to enforce the due-on-sale clause or to contest such action.

(b) Subject to the Master Servicer's duty to enforce any due-on-sale clause to the extent set forth in Section 3.13(a), in any case in which a Mortgaged Property is to be conveyed to a Person by a Mortgagor, and such Person is to enter into an assumption or modification agreement or supplement to the Mortgage Note or Mortgage which requires the signature of the Trustee, or if an instrument of release signed by the Trustee is required releasing the Mortgagor from liability on the Mortgage Loan, the Master Servicer is authorized, subject to the requirements of the sentence next following, to execute and deliver, on behalf of the Trustee, the assumption agreement with the Person to whom the Mortgaged Property is to be conveyed and such modification agreement or supplement to the Mortgage Note or Mortgage or other instruments as are reasonable or necessary to carry out the terms of the Mortgage Note or Mortgage or otherwise to comply with any applicable laws regarding assumptions or the transfer of the Mortgaged Property to such Person; provided, however, none of such terms and requirements shall both constitute a "significant modification" effecting an exchange or reissuance of such Mortgage Loan under the Code (or final, temporary or proposed Treasury regulations promulgated thereunder) and cause any of REMIC I or REMIC II to fail to qualify as REMICs under the Code or the imposition of any tax on "prohibited transactions" or "contributions" after the startup date under the REMIC Provisions. The Master Servicer shall execute and deliver such documents only if it reasonably determines that (i) its execution and delivery thereof will not conflict with or violate any terms of this Agreement or cause the unpaid balance and interest on the Mortgage Loan to be uncollectible in whole or in part, (ii) any required consents of insurers under any Required Insurance Policies have been obtained and (iii) subsequent to the closing of the transaction involving the assumption or transfer (A) the Mortgage Loan will continue to be secured by a first mortgage lien (or junior lien of the same priority in relation to any senior mortgage loan, with respect to any Mortgage Loan secured by a junior Mortgage) pursuant to the terms of the Mortgage, (B) such transaction will not adversely affect the coverage under any Required Insurance Policies, (C) the Mortgage Loan will fully amortize over the remaining term thereof, (D) no material term of the Mortgage Loan (including the interest rate on the Mortgage Loan) will be altered nor will the term of the Mortgage Loan be changed and (E) if the seller/transferor of the Mortgaged Property is to be released from liability on the Mortgage Loan, the buyer/transferee of the Mortgaged Property would be qualified to assume the Mortgage Loan based on generally comparable credit quality and such release will not (based on the Master Servicer's or Subservicer's good faith determination) adversely affect the collectability of the Mortgage Loan. Upon receipt of appropriate instructions from the Master Servicer in accordance with the foregoing, the Trustee shall execute any necessary instruments for such assumption or substitution of liability as directed by the Master Servicer. Upon the closing of the transactions contemplated by such documents, the Master Servicer shall cause the originals or true and correct copies of the assumption agreement, the release (if any), or the modification or supplement to the Mortgage Note or Mortgage to be delivered to the Trustee or the Custodian and deposited with the Mortgage File for such Mortgage Loan. Any fee collected by the Master Servicer or such related Subservicer for entering into an assumption or substitution of liability agreement will be retained by the Master Servicer or such Subservicer as additional servicing compensation.

(c) The Master Servicer or the related Subservicer, as the case may be, shall be entitled to approve a request from a Mortgagor for a partial release of the related Mortgaged Property, the granting of an easement thereon in favor of another Person, any alteration or demolition of the related Mortgaged Property without any right of reimbursement or other similar matters if it has determined, exercising its good faith business judgment in the same manner as it would if it were the owner of the related Mortgage Loan, that the security for, and the timely and full collectability of, such Mortgage Loan would not be adversely affected thereby and that each of REMIC I or REMIC II would continue to qualify as a REMIC under the Code as a result thereof and that no tax on "prohibited transactions" or "contributions" after the startup day under the REMIC Provisions would be imposed on any of REMIC I or REMIC II as a result thereof. Any fee collected by the Master Servicer or the related Subservicer for processing such a request will be retained by the Master Servicer or such Subservicer as additional servicing compensation.

(d) Subject to any other applicable terms and conditions of this Agreement, the Trustee and Master Servicer shall be entitled to approve an assignment in lieu of satisfaction with respect to any Mortgage Loan, provided the obligee with respect to such Mortgage Loan following such proposed assignment provides the Trustee and Master Servicer with a "Lender Certification for Assignment of Mortgage Loan" in the form attached hereto as Exhibit M, in form and substance satisfactory to the Trustee and Master Servicer, providing the following: (i) that the Mortgage Loan is secured by Mortgaged Property located in a jurisdiction in which an assignment in lieu of satisfaction is required to preserve lien priority, minimize or avoid mortgage recording taxes or otherwise comply with, or facilitate a refinancing under, the laws of such jurisdiction; (ii) that the substance of the assignment is, and is intended to be, a refinancing of such Mortgage Loan and that the form of the transaction is solely to comply with, or facilitate the transaction under, such local laws; (iii) that the Mortgage Loan following the proposed assignment will have a rate of interest at least 0.25 percent below or above the rate of interest on such Mortgage Loan prior to such proposed assignment; and (iv) that such assignment is at the request of the borrower under the related Mortgage Loan. Upon approval of an assignment in lieu of satisfaction with respect to any Mortgage Loan, the Master Servicer shall receive cash in an amount equal to the unpaid principal balance of and accrued interest on such Mortgage Loan and the Master Servicer shall treat such amount as a Principal Prepayment in Full with respect to such Mortgage Loan for all purposes hereof.

Section 3.14 Realization Upon Defaulted Mortgage Loans.

(a) The Master Servicer shall foreclose upon or otherwise comparably convert (which may include an REO Acquisition) the ownership of properties securing such of the Mortgage Loans as come into and continue in default (including a default with respect to a required payment of an Arrearage) and as to which no satisfactory arrangements can be made for collection of delinquent payments pursuant to Section 3.07; provided, however, that the Master Servicer shall not foreclose on any Re-Performing Mortgage Loan if the borrower makes a monthly payment in an amount equal to at least the Monthly Payment on such Mortgage Loan. Alternatively, the Master Servicer may take other actions in respect of a defaulted Mortgage Loan, which may include (i) accepting a short sale (a payoff of the Mortgage Loan for an amount less than the total amount contractually owed in order to facilitate a sale of the Mortgaged Property by the Mortgagor) or permitting a short refinancing (a payoff of the Mortgage Loan for

an amount less than the total amount contractually owed in order to facilitate refinancing transactions by the Mortgagor not involving a sale of the Mortgaged Property), (ii) arranging for a repayment plan or (iii) agreeing to a modification in accordance with Section 3.07. In connection with such foreclosure or other conversion or action, the Master Servicer shall, consistent with Section 3.11, follow such practices and procedures as it shall deem necessary or advisable, as shall be normal and usual in its general mortgage servicing activities and as shall be required or permitted by the Program Guide; provided that the Master Servicer shall not be liable in any respect hereunder if the Master Servicer is acting in connection with any such foreclosure or other conversion or action in a manner that is consistent with the provisions of this Agreement. The Master Servicer, however, shall not be required to expend its own funds or incur other reimbursable charges in connection with any foreclosure, or attempted foreclosure which is not completed, or towards the correction of any default on a related senior mortgage loan, or towards the restoration of any property unless it shall determine (i) that such restoration and/or foreclosure will increase the proceeds of liquidation of the Mortgage Loan to Holders of Certificates of one or more Classes after reimbursement to itself for such expenses or charges and (ii) that such expenses and charges will be recoverable to it through Liquidation Proceeds, Insurance Proceeds, or REO Proceeds (respecting which it shall have priority for purposes of withdrawals from the Custodial Account pursuant to Section 3.10, whether or not such expenses and charges are actually recoverable from related Liquidation Proceeds, Insurance Proceeds or REO Proceeds). In the event of such a determination by the Master Servicer pursuant to this Section 3.14(a), the Master Servicer shall be entitled to reimbursement of its funds so expended pursuant to Section 3.10. In addition, the Master Servicer may pursue any remedies that may be available in connection with a breach of a representation and warranty with respect to any such Mortgage Loan in accordance with Sections 2.03 and 2.04. However, the Master Servicer is not required to continue to pursue both foreclosure (or similar remedies) with respect to the Mortgage Loans and remedies in connection with a breach of a representation and warranty if the Master Servicer determines in its reasonable discretion that one such remedy is more likely to result in a greater recovery as to the Mortgage Loan. Upon the occurrence of a Cash Liquidation or REO Disposition, following the deposit in the Custodial Account of all Insurance Proceeds, Liquidation Proceeds and other payments and recoveries referred to in the definition of "Cash Liquidation" or "REO Disposition," as applicable, upon receipt by the Trustee of written notification of such deposit signed by a Servicing Officer, the Trustee or any Custodian, as the case may be, shall release to the Master Servicer the related Mortgage File and the Trustee shall execute and deliver such instruments of transfer or assignment prepared by the Master Servicer, in each case without recourse, as shall be necessary to vest in the Master Servicer or its designee, as the case may be, the related Mortgage Loan, and thereafter such Mortgage Loan shall not be part of the Trust Fund. Notwithstanding the foregoing or any other provision of this Agreement, in the Master Servicer's sole discretion with respect to any defaulted Mortgage Loan or REO Property as to either of the following provisions, (i) a Cash Liquidation or REO Disposition may be deemed to have occurred if substantially all amounts expected by the Master Servicer to be received in connection with the related defaulted Mortgage Loan or REO Property have been received, and (ii) for purposes of determining the amount of any Liquidation Proceeds, Insurance Proceeds, REO Proceeds or other unscheduled collections or the amount of any Realized Loss, the Master Servicer may take into account minimal amounts of additional receipts expected to be received or any estimated additional liquidation expenses expected to be incurred in connection with the related defaulted Mortgage Loan or REO Property.

(b) In the event that title to any Mortgaged Property is acquired by the Trust Fund as an REO Property by foreclosure or by deed in lieu of foreclosure, the deed or certificate of sale shall be issued to the Trustee or to its nominee on behalf of Certificateholders. Notwithstanding any such acquisition of title and cancellation of the related Mortgage Loan, such REO Property shall (except as otherwise expressly provided herein) be considered to be an Outstanding Mortgage Loan held in the Trust Fund until such time as the REO Property shall be sold. Consistent with the foregoing for purposes of all calculations hereunder so long as such REO Property shall be considered to be an Outstanding Mortgage Loan it shall be assumed that, notwithstanding that the indebtedness evidenced by the related Mortgage Note shall have been discharged, such Mortgage Note and the related amortization schedule in effect at the time of any such acquisition of title (after giving effect to any previous Curtailments and before any adjustment thereto by reason of any bankruptcy or similar proceeding or any moratorium or similar waiver or grace period) remain in effect.

(c) In the event that the Trust Fund acquires any REO Property as aforesaid or otherwise in connection with a default or imminent default on a Mortgage Loan, the Master Servicer on behalf of the Trust Fund shall dispose of such REO Property within three full years after the taxable year of its acquisition by the Trust Fund for purposes of Section 860G(a)(8) of the Code (or such shorter period as may be necessary under applicable state (including any state in which such property is located) law to maintain the status of each of REMIC I or REMIC II as a REMIC under applicable state law and avoid taxes resulting from such property failing to be foreclosure property under applicable state law) or, at the expense of the Trust Fund, request, more than 60 days before the day on which such grace period would otherwise expire, an extension of such grace period unless the Master Servicer obtains for the Trustee an Opinion of Counsel, addressed to the Trustee and the Master Servicer, to the effect that the holding by the Trust Fund of such REO Property subsequent to such period will not result in the imposition of taxes on "prohibited transactions" as defined in Section 860F of the Code or cause any of REMIC I or REMIC II to fail to qualify as a REMIC (for federal (or any applicable State or local) income tax purposes) at any time that any Certificates are outstanding, in which case the Trust Fund may continue to hold such REO Property (subject to any conditions contained in such Opinion of Counsel). The Master Servicer shall be entitled to be reimbursed from the Custodial Account for any costs incurred in obtaining such Opinion of Counsel, as provided in Section 3.10. Notwithstanding any other provision of this Agreement, no REO Property acquired by the Trust Fund shall be rented (or allowed to continue to be rented) or otherwise used by or on behalf of the Trust Fund in such a manner or pursuant to any terms that would (i) cause such REO Property to fail to qualify as "foreclosure property" within the meaning of Section 860G(a)(8) of the Code or (ii) subject REMIC I or REMIC II to the imposition of any federal income taxes on the income earned from such REO Property, including any taxes imposed by reason of Section 860G(c) of the Code, unless the Master Servicer has agreed to indemnify and hold harmless the Trust Fund with respect to the imposition of any such taxes.

(d) The proceeds of any Cash Liquidation, REO Disposition or purchase or repurchase of any Mortgage Loan pursuant to the terms of this Agreement, as well as any recovery (other than Subsequent Recoveries) resulting from a collection of Liquidation Proceeds, Insurance Proceeds or REO Proceeds, will be applied in the following order of priority: first, to reimburse the Master Servicer or the related Subservicer in accordance with Section 3.10(a)(ii); second, to the Master Servicer (or the owner of the Arrearage) in respect of any Arrearage; third, to the Certificateholders to the extent of accrued and unpaid interest on the Mortgage Loan, and any related REO Imputed Interest, at the Net Mortgage Rate (or the Modified Net Mortgage Rate in the case of a Modified Mortgage Loan) (less Deferred Interest, if any), to the Due Date in the related Due Period prior to the Distribution Date on which such amounts are to be distributed; fourth, to the Certificateholders as a recovery of principal on the Mortgage Loan (or REO Property) (provided that if any such Class of Certificates to which such Realized Loss was allocated is no longer outstanding, such subsequent recovery shall be distributed to the persons who were the Holders of such Class of Certificates when it was retired), other than with respect to any Arrearage; fifth, to all Servicing Fees and Subservicing Fees payable therefrom (and the Master Servicer and the Subservicer shall have no claims for any deficiencies with respect to such fees which result from the foregoing allocation); and sixth, to Foreclosure Profits.

(e) Notwithstanding the foregoing paragraphs of this Section 3.14, in the event that a Foreclosure Restricted Loan goes into foreclosure, if acquiring title to the related Mortgaged Property by foreclosure or by deed in lieu of foreclosure would cause the adjusted basis (for federal income tax purposes) of the Mortgaged Properties underlying the Foreclosure Restricted Loans that are currently owned by REMIC I after foreclosure (along with any other assets owned by REMIC I other than "qualified mortgages" and "permitted investments" within the meaning of Section 860G of the Code) to exceed 0.75% of the adjusted basis of the assets of REMIC I, the Master Servicer shall not be permitted to acquire title to such Mortgaged Property on behalf of REMIC I. Instead, the Master Servicer shall dispose of the Mortgage Loan for cash in the foreclosure sale. In addition, if the Master Servicer determines that following a distribution on any Distribution Date the adjusted bases of the Mortgaged Properties underlying the Foreclosure Restricted Loans in foreclosure (along with any other assets owned by REMIC I other than "qualified mortgages" and "permitted investments" within the meaning of Section 860G of the Code) exceed 1.0% of the adjusted bases of the assets of REMIC I immediately after the distribution, then prior to such Distribution Date, the Master Servicer shall dispose of enough of such Mortgaged Properties in foreclosure, for cash, so that the adjusted bases of such Mortgaged Properties in foreclosure (along with any other assets owned by REMIC I other than "qualified mortgages" and "permitted investments" within the meaning of Section 860G of the Code) will be less than 1.0% of the adjusted bases of the assets of REMIC I. In either event, the Master Servicer is permitted to acquire (for its own account and not on behalf of the Trust) the Mortgaged Property at the foreclosure sale for an amount not less than the greater of: (i) the highest amount bid by any other person at the foreclosure sale, or (ii) the estimated fair value of the Mortgaged Property, as determined by the Master Servicer in good faith.

Section 3.15 Trustee to Cooperate; Release of Mortgage Files.

(a) Upon becoming aware of the payment in full of any Mortgage Loan, or upon the receipt by the Master Servicer of a notification that payment in full will be escrowed in a manner customary for such purposes, the Master Servicer shall immediately notify the Trustee (if it holds the related Mortgage File) or the Custodian by a certification of a Servicing Officer (which certification shall include a statement to the effect that all amounts received or to be received in connection with such payment which are required to be deposited in the Custodial Account pursuant to Section 3.07 have been or will be so deposited), substantially in one of the forms attached hereto as Exhibit G requesting delivery to it of the Mortgage File. Upon receipt of such certification and request, the Trustee shall promptly release, or cause the Custodian to release, the related Mortgage File to the Master Servicer. The Master Servicer is authorized to execute and deliver to the Mortgagor the request for reconveyance, deed of reconveyance or release or satisfaction of mortgage or such instrument releasing the lien of the Mortgage, together with the Mortgage Note with, as appropriate, written evidence of cancellation thereon and to cause the removal from the registration on the MERS® System of such Mortgage and to execute and deliver, on behalf of the Trustee and the Certificateholders or any of them, any and all instruments of satisfaction or cancellation or of partial or full release, including any applicable UCC termination statements. No expenses incurred in connection with any instrument of satisfaction or deed of reconveyance shall be chargeable to the Custodial Account or the Certificate Account.

(b) From time to time as is appropriate for the servicing or foreclosure of any Mortgage Loan, the Master Servicer shall deliver to the Custodian, with a copy to the Trustee, a certificate of a Servicing Officer substantially in one of the forms attached as Exhibit G hereto, requesting that possession of all, or any document constituting part of, the Mortgage File be released to the Master Servicer and certifying as to the reason for such release and that such release will not invalidate any insurance coverage provided in respect of the Mortgage Loan under any Required Insurance Policy. Upon receipt of the foregoing, the Trustee shall deliver, or cause the Custodian to deliver, the Mortgage File or any document therein to the Master Servicer. The Master Servicer shall cause each Mortgage File or any document therein so released to be returned to the Trustee, or the Custodian as agent for the Trustee when the need therefor by the Master Servicer no longer exists, unless (i) the Mortgage Loan has been liquidated and the Liquidation Proceeds relating to the Mortgage Loan have been deposited in the Custodial Account or (ii) the Mortgage File or such document has been delivered directly or through a Subservicer to an attorney, or to a public trustee or other public official as required by law, for purposes of initiating or pursuing legal action or other proceedings for the foreclosure of the Mortgaged Property either judicially or non-judicially, and the Master Servicer has delivered directly or through a Subservicer to the Trustee a certificate of a Servicing Officer certifying as to the name and address of the Person to which such Mortgage File or such document was delivered and the purpose or purposes of such delivery. In the event of the liquidation of a Mortgage Loan, the Trustee shall deliver the Request for Release with respect thereto to the Master Servicer upon deposit of the related Liquidation Proceeds in the Custodial Account.

(c) The Trustee or the Master Servicer on the Trustee's behalf shall execute and deliver to the Master Servicer, if necessary, any court pleadings, requests for trustee's sale or other documents necessary to the foreclosure or trustee's sale in respect of a Mortgaged Property or to any legal action brought to obtain judgment against any Mortgagor on the Mortgage Note or Mortgage or to obtain a deficiency judgment, or to enforce any other remedies or rights provided by the Mortgage Note or Mortgage or otherwise available at law or in equity. Together with such documents or pleadings (if signed by the Trustee), the Master Servicer shall deliver to the Trustee a certificate of a Servicing Officer requesting that such pleadings or documents be executed by the Trustee and certifying as to the reason such documents or pleadings are required and that the execution and delivery thereof by the Trustee will not invalidate any insurance coverage under any Required Insurance Policy or invalidate or otherwise affect the lien of the Mortgage, except for the termination of such a lien upon completion of the foreclosure or trustee's sale.

Section 3.16 Servicing and Other Compensation; Eligible Master Servicing Compensation.

(a) The Master Servicer, as compensation for its activities hereunder, shall be entitled to receive on each Distribution Date the amounts provided for by clauses (iii), (iv), (v) and (vi) of Section 3.10(a), subject to clause (e) below. The amount of servicing compensation provided for in such clauses shall be accounted for on a Mortgage Loan-by-Mortgage Loan basis. In the event that Liquidation Proceeds, Insurance Proceeds and REO Proceeds (net of amounts reimbursable therefrom pursuant to Section 3.10(a)(ii)) in respect of a Cash Liquidation or REO Disposition exceed the unpaid principal balance of such Mortgage Loan plus unpaid interest accrued thereon (including REO Imputed Interest) at a per annum rate equal to the related Net Mortgage Rate (or the Modified Net Mortgage Rate in the case of a Modified Mortgage Loan), the Master Servicer shall be entitled to retain therefrom and to pay to itself and/or the related Subservicer, any Foreclosure Profits and any Servicing Fee or Subservicing Fee considered to be accrued but unpaid. If the portion of a Monthly Payment on a Simple Interest Loan that is applied to interest is less than the portion of such Monthly Payment that would have been applied to interest if such payment had been received on the related Due Date, the aggregate Servicing Fee payable on the related Distribution Date to the Master Servicer in respect of all of the Mortgage Loans shall be reduced by such difference. If the portion of a Monthly Payment on a Simple Interest Loan that is applied to interest is more than the portion of such Monthly Payment that would have been applied to interest if such payment had been received on the related Due Date, the aggregate Servicing Fee payable on the related Distribution Date to the Master Servicer in respect of all of the Mortgage Loans shall be increased by such difference.

(b) Additional servicing compensation in the form of assumption fees, late payment charges, investment income on amounts in the Custodial Account or the Certificate Account or otherwise shall be retained by the Master Servicer or the Subservicer to the extent provided herein, subject to clause (e) below.

(c) The Master Servicer shall be required to pay, or cause to be paid, all expenses incurred by it in connection with its servicing activities hereunder (including payment of premiums for the Primary Insurance Policies, if any, to the extent such premiums are not required to be paid by the related Mortgagors, and the fees and expenses of the Trustee and any Custodian) and shall not be entitled to reimbursement therefor except as specifically provided in Sections 3.10 and 3.14.

(d) The Master Servicer's right to receive servicing compensation may not be transferred in whole or in part except in connection with the transfer of all of its responsibilities and obligations of the Master Servicer under this Agreement.

(e) Notwithstanding clauses (a) and (b) above, the amount of servicing compensation that the Master Servicer shall be entitled to receive for its activities hereunder for the period ending on each Distribution Date shall be reduced (but not below zero) by an amount equal to Eligible Master Servicing Compensation (if any) for such Distribution Date. Such reduction shall be applied during such period as follows: *first*, to any Servicing Fee or Subservicing Fee to which the Master Servicer is entitled pursuant to Section 3.10(a)(iii); *second*, to any income or gain realized from any investment of funds held in the Custodial Account or the Certificate Account to which the Master Servicer is entitled pursuant to Sections 3.07(c) or 4.01(b), respectively; and *third*, to any amounts of servicing compensation to which the Master Servicer is entitled pursuant to Section 3.10(a)(v) or (vi). In making such reduction, the Master Servicer shall not withdraw from the Custodial Account any such amount representing all or a portion of the Servicing Fee to which it is entitled pursuant to Section 3.10(a)(iii); (ii) shall not withdraw from the Custodial Account or Certificate Account any such amount to which it is entitled pursuant to Section 3.07(c) or 4.01(b) and (iii) shall not withdraw from the Custodial Account any such amount of servicing compensation to which it is entitled pursuant to Section 3.10(a)(v) or (vi).

Section 3.17 Reports to the Trustee and the Depositor.

Not later than fifteen days after it receives a written request from the Trustee or the Depositor, the Master Servicer shall forward to the Trustee and the Depositor a statement, certified by a Servicing Officer, setting forth the status of the Custodial Account as of the close of business on such Distribution Date as it relates to the Mortgage Loans and showing, for the period covered by such statement, the aggregate of deposits in or withdrawals from the Custodial Account in respect of the Mortgage Loans for each category of deposit specified in Section 3.07 and each category of withdrawal specified in Section 3.10.

Section 3.18 Annual Statement as to Compliance.

The Master Servicer will deliver to the Depositor and the Trustee on or before the earlier of March 31 of each year, beginning with the first March 31 that occurs at least six months after the Cut-off Date, that (i) a review of the activities of the Master Servicer during the preceding calendar year related to its servicing of mortgage loans and of its performance under the pooling and servicing agreements, including this Agreement, has been made under such officers' supervision, (ii) to the best of such officers' knowledge, based on such review, the Master Servicer has complied in all material respects with the minimum servicing standards set

forth in the Uniform Single Attestation Program for Mortgage Bankers and has fulfilled all of its material obligations in all material respects throughout such year, or, if there has been material noncompliance with such servicing standards or a default in the fulfillment in all material respects of any such obligation relating to this Agreement, such statement shall include a description of such noncompliance or specify each such default, as the case may be, known to such officer and the nature and status thereof and (iii) to the best of such officers' knowledge, each Subservicer has complied in all material respects with the minimum servicing standards set forth in the Uniform Single Attestation Program for Mortgage Bankers and has fulfilled all of its material obligations under its Subservicing Agreement in all material respects throughout such year, or if there has been material noncompliance with such servicing standards or a material default in the fulfillment of such obligations relating to this Agreement, specifying such statement shall include a description of such noncompliance or specify each such default, as the case may be, known to such officer and the nature and status thereof.

Section 3.19 Annual Independent Public Accountants' Servicing Report.

On or before the earlier of March 31 of each year, beginning with the first March 31 that occurs at least six months after the Cut-off Date, the Master Servicer at its expense shall cause a firm of independent public accountants which shall be members of the American Institute of Certified Public Accountants to furnish a report to the Depositor and the Trustee stating its opinion that, on the basis of an examination conducted by such firm substantially in accordance with standards established by the American Institute of Certified Public Accountants, the assertions made pursuant to Section 3.18 regarding compliance with the minimum servicing standards set forth in the Uniform Single Attestation Program for Mortgage Bankers during the preceding calendar year are fairly stated in all material respects, subject to such exceptions and other qualifications that, in the opinion of such firm, such accounting standards require it to report. In rendering such statement, such firm may rely, as to matters relating to the direct servicing of mortgage loans by Subservicers, upon comparable statements for examinations conducted by independent public accountants substantially in accordance with standards established by the American Institute of Certified Public Accountants (rendered within one year of such statement) with respect to such Subservicers.

Section 3.20 Right of the Depositor in Respect of the Master Servicer.

The Master Servicer shall afford the Depositor, upon reasonable notice, during normal business hours access to all records maintained by the Master Servicer in respect of its rights and obligations hereunder and access to officers of the Master Servicer responsible for such obligations. Upon request, the Master Servicer shall furnish the Depositor with its most recent financial statements and such other information as the Master Servicer possesses regarding its business, affairs, property and condition, financial or otherwise. The Master Servicer shall also cooperate with all reasonable requests for information including, but not limited to, notices, tapes and copies of files, regarding itself, the Mortgage Loans or the Certificates from any Person or Persons identified by the Depositor or Residential Funding. The Depositor may, but is not obligated to perform, or cause a designee to perform, any defaulted obligation of the Master Servicer hereunder or exercise the rights of the Master Servicer hereunder; provided that the Master Servicer shall not be relieved of any of its obligations hereunder by virtue of such performance by the Depositor or its designee. The Depositor shall not have the responsibility or

liability for any action or failure to act by the Master Servicer and is not obligated to supervise the performance of the Master Servicer under this Agreement or otherwise.

ARTICLE IV

PAYMENTS TO CERTIFICATEHOLDERS

Section 4.01 Certificate Account.

(a) The Master Servicer acting as agent of the Trustee shall establish and maintain a Certificate Account in which the Master Servicer shall cause to be deposited on behalf of the Trustee on or before 2:00 P.M. New York time on each Certificate Account Deposit Date by wire transfer of immediately available funds an amount equal to the sum of (i) any Advance for the immediately succeeding Distribution Date, (ii) any amount required to be deposited in the Certificate Account pursuant to Section 3.12(a), (iii) any amount required to be deposited in the Certificate Account pursuant to Section 3.16(e) or Section 4.07, (iv) any prepayment charges on the Mortgage Loans received during the related Prepayment Period and (v) all other amounts constituting the Available Distribution Amount for the immediately succeeding Distribution Date.

(b) On or prior to the Business Day immediately following each Determination Date, the Master Servicer shall determine any amounts owed by the Yield Maintenance Agreement Provider under the Yield Maintenance Agreement and inform the Trustee of the amount so calculated.

(c) The Trustee shall, upon written request from the Master Servicer, invest or cause the institution maintaining the Certificate Account to invest the funds in the Certificate Account in Permitted Investments designated in the name of the Trustee for the benefit of the Certificateholders, which shall mature not later than the Business Day next preceding the Distribution Date next following the date of such investment (except that ((i) if such Permitted Investment is an obligation of the institution that maintains such account or a fund for which such institution serves as a custodian, then such Permitted Investment may mature on such Distribution Date and (ii) any other investment may mature on such Distribution Date if the Trustee shall advance funds on such Distribution Date to the Certificate Account in the amount payable on such investment on such Distribution Date, pending receipt thereof to the extent necessary to make distributions on the Certificates) and shall not be sold or disposed of prior to maturity. All income and gain realized from any such investment shall be for the benefit of the Master Servicer and shall be subject to its withdrawal or order from time to time. The amount of any losses incurred in respect of any such investments shall be deposited in the Certificate Account by the Master Servicer out of its own funds immediately as realized.

Section 4.02 Distributions.

(a) On each Distribution Date, the Trustee (or the Paying Agent on behalf of the Trustee) shall allocate and distribute the Available Distribution Amount, if any, for such date to the interests issued in respect of REMIC I and REMIC II as specified in this Section.

(b) (1) On each Distribution Date, the following amounts, in the following order of priority, shall be distributed by REMIC I to REMIC II on account of the REMIC I Regular Interests:

(i) to the extent of the Available Distribution Amount, to the Holder of the REMIC I Regular Interests, pro rata, in an amount equal to (A) the related Uncertificated Accrued Interest for such Distribution Date, plus (B) any amounts in respect thereof remaining unpaid from previous Distribution Dates. Amounts payable as Uncertificated Accrued Interest in respect of REMIC I Regular Interest ZZ shall be reduced when the REMIC I Overcollateralization Amount is less than the REMIC I Required Overcollateralization Amount, by the lesser of (x) the amount of such difference and (y) the REMIC I Regular Interest ZZ Maximum Interest Deferral Amount, and such amount will be payable to the Holders of REMIC I Regular Interests AA, A, M-1, M-2, M-3, M-4 and M-5 in the same proportion as the Overcollateralization Increase Amount is allocated to the Corresponding Class, and the Uncertificated Principal Balance of the REMIC I Regular Interest ZZ shall be increased by such amount; and

(ii) on each Distribution Date, to the Holder of REMIC I Regular Interests, in an amount equal to the remainder of the Available Distribution Amount after the distributions made pursuant to clause (i) above, allocated as follows (except as provided below): (A) to the Holder of the REMIC I Regular Interest AA, 98.00% of such remainder until the Uncertificated Principal Balance of such REMIC I Regular Interest is reduced to zero; (B) to the Holder of REMIC I Regular Interests AA, A, M-1, M-2, M-3, M-4 and M-5 1.00% of such remainder in the same proportion as amounts are distributed in respect of principal on the Corresponding Class; (C) to the Holder of the REMIC I Regular Interest ZZ, 1.00% of such remainder; and (D) any remaining amounts to the Holders of the Class R-I Certificates; provided, however, that 98.00% and 2.00% of any principal payments that are attributable to an Overcollateralization Reduction Amount shall be allocated to Holder of the REMIC I Regular Interest AA and REMIC I Regular Interest ZZ, respectively; and, provided, further, the amount of any payments on collections consisting of prepayment charges received on the Mortgage Loans (which amounts shall not be included in the Available Distribution Amount) shall be distributed to the Holder of the REMIC I Regular Interest ZZ;

(2) Notwithstanding the distributions on the REMIC Regular Interests described in this Section 4.02(b), distribution of funds from the Certificate Account shall be made only in accordance with Section 4.02(c).

(c) On each Distribution Date (x) the Master Servicer on behalf of the Trustee or (y) the Paying Agent appointed by the Trustee, shall distribute to each Certificateholder of record on the next preceding Record Date (other than as provided in Section 9.01 respecting the final distribution) either in immediately available funds (by wire transfer or otherwise) to the account of such Certificateholder at a bank or other entity having appropriate facilities therefor, if such Certificateholder has so notified the Master Servicer or the Paying Agent, as the case may be, or, if such Certificateholder has not so notified the Master Servicer or the Paying Agent by the Record Date, by check mailed to such Certificateholder at the address of such Holder appearing in the Certificate Register such Certificateholder's share (which share with respect to each Class

of Certificates, shall be based on the aggregate of the Percentage Interests represented by Certificates of the applicable Class held by such Holder of the following amounts), in the following order of priority (with respect to clauses (i) through (vi) below, to the extent of the Available Distribution Amount; with respect to clauses (vii) through (xix), to the extent of the sum of the remaining Available Distribution Amount and the Yield Maintenance Payments on deposit in the Certificate Account; and with respect to clause (xviii), to the extent of prepayment charges on deposit in the Certificate Account):

(i) to the Class A Certificateholders, Accrued Certificate Interest payable on such Certificates with respect to such Distribution Date, plus any Accrued Certificate Interest remaining unpaid from any prior Distribution Date (the "Class A Interest Distribution Amount");

(ii) to the Class M-1 Certificateholders from the amount, if any, of the Available Distribution Amount remaining after the foregoing distribution, Accrued Certificate Interest payable on such Certificates with respect to such Distribution Date, plus any Accrued Certificate Interest remaining unpaid from any prior Distribution Date (the "Class M-1 Interest Distribution Amount");

(iii) to the Class M-2 Certificateholders from the amount, if any, of the Available Distribution Amount remaining after the foregoing distributions, Accrued Certificate Interest payable on such Certificates with respect to such Distribution Date, plus any Accrued Certificate Interest remaining unpaid from any prior Distribution Date (the "Class M-2 Interest Distribution Amount");

(iv) to the Class M-3 Certificateholders from the amount, if any, of the Available Distribution Amount remaining after the foregoing distributions, Accrued Certificate Interest payable on such Certificates with respect to such Distribution Date, plus any Accrued Certificate Interest remaining unpaid from any prior Distribution Date (the "Class M-3 Interest Distribution Amount");

(v) to the Class M-4 Certificateholders from the amount, if any, of the Available Distribution Amount remaining after the foregoing distributions, Accrued Certificate Interest payable on such Certificates with respect to such Distribution Date, plus any Accrued Certificate Interest remaining unpaid from any prior Distribution Date (the "Class M-4 Interest Distribution Amount");

(vi) to the Class M-5 Certificateholders from the amount, if any, of the Available Distribution Amount remaining after the foregoing distributions, Accrued Certificate Interest payable on such Certificates with respect to such Distribution Date, plus any Accrued Certificate Interest remaining unpaid from any prior Distribution Date (the "Class M-5 Interest Distribution Amount");

(vii) to the Class A Certificateholders and Class M Certificateholders, the Principal Distribution Amount (other than the amounts set forth in clauses (iv), (v) and (vi) of the definition thereof), in the order described in Section 4.02(d) hereof, until the aggregate of the Class A Principal Distribution Amount, the Class M-1 Principal Distribution Amount, the Class M-2 Principal Distribution Amount, the Class M-3 Principal Distribution Amount, the Class M-4 Principal Distribution Amount and the Class M-5 Principal Distribution Amount has been paid in full;

(viii) to the Class A Certificateholders and Class M Certificateholders, from the Excess Cash Flow, an amount equal to the principal portion of Realized Losses previously allocated to reduce the Certificate Principal Balance of the Class of Class A Certificates or Class M Certificates and remaining unreimbursed, but only to the extent of Subsequent Recoveries for that Distribution Date, which amount shall be included in the Principal Distribution Amount and paid in accordance with Section 4.02(d) hereof, until the aggregate of the Class A Principal Distribution Amount, the Class M-1 Principal Distribution Amount, the Class M-2 Principal Distribution Amount, the Class M-3 Principal Distribution Amount, the Class M-4 Principal Distribution Amount and the Class M-5 Principal Distribution Amount has been paid in full;

(ix) to the Class A Certificateholders and Class M Certificateholders, from the amount, if any, of the Excess Cash Flow remaining after the foregoing distributions, an amount equal to the principal portion of Realized Losses incurred on the Mortgage Loans during the immediately preceding Due Period, which amount shall be included in the Principal Distribution Amount and paid in accordance with Section 4.02(d) hereof, until the aggregate of the Class A Principal Distribution Amount, the Class M-1 Principal Distribution Amount, Class M-2 Principal Distribution Amount, the Class M-3 Principal Distribution Amount, the Class M-4 Principal Distribution Amount and the Class M-5 Principal Amount has been paid in full;

(x) to the Class A Certificateholders and Class M Certificateholders, from the amount, if any, of the Excess Cash Flow remaining after the foregoing distributions, the Overcollateralization Increase Amount for such Distribution Date, which amount shall be included in the Principal Distribution Amount and paid in accordance with Section 4.02(d) hereof, until the aggregate of the Class A Principal Distribution Amount, the Class M-1 Principal Distribution Amount, the Class M-2 Principal Distribution Amount, the Class M-3 Principal Distribution Amount, the Class M-4 Principal Distribution Amount and the Class M-5 Principal Distribution Amount has been paid in full;

(xi) to the Class A Certificateholders and Class M Certificates, from the amount, if any, of the Excess Cash Flow remaining after the foregoing distributions, the amount of any Prepayment Interest Shortfalls allocated thereto for that Distribution Date, on a pro rata basis based on Prepayment Interest Shortfalls allocated thereto, to the extent not covered by Eligible Master Servicing Compensation on such Distribution Date;

(xii) to the Class A Certificateholders and Class M Certificateholders, from the amount, if any, of the Excess Cash Flow remaining after the foregoing distributions, the amount of any Prepayment Interest Shortfalls allocated thereto remaining unpaid from prior Distribution Dates together with interest thereon;

(xiii) first, to the Class A Certificates from the amount, if any, of the Excess Cash Flow remaining after the foregoing distributions, based on the amount of any Basis Risk Shortfall Carry-Forward Amount, and then to the Class M-1, Class M-2, Class M-3, Class M-4 and Class M-5 Certificates, in that order, the amount of any Basis Risk Shortfall Carry-Forward Amount on such Certificate;

(xiv) to the Class A Certificateholders and the Class M Certificateholders from the amount, if any, of the Excess Cash Flow remaining after the foregoing distributions, on a pro rata basis, based on the amount of Relief Act Shortfalls allocated thereto, the amount of any Relief Act Shortfalls allocated to those Certificates with respect to such Distribution Date;

(xv) first, to the Class A Certificates, from the amount, if any, of the Excess Cash Flow remaining after the foregoing distributions, on a pro rata basis, their principal portion of any Realized Losses previously allocated to those Certificates and remaining unreimbursed, and then to the Class M-1, Class M-2, Class M-3, Class M-4 and Class M-5 Certificates, in that order, the principal portion of Realized Losses on the Mortgage Loans previously allocated thereto that remain unreimbursed;

(xvi) to the Class M-4 Certificates and Class M-5 Certificates, in an amount equal to the lesser of the remaining aggregate Certificate Principal Balance of the Class M-4 Certificates and Class M-5 Certificates or 50% of the amount of the Excess Cash Flow, if any, remaining after the foregoing distributions (such portion of the Excess Cash Flow, the "Excess Cash Principal Payment Amount"), distributed pro rata, based on each certificate's current Certificate Principal Balance, as principal, until the Certificate Principal Balance thereof has been reduced to zero;

(xvii) to the Class SB Certificates, from the amount, if any, of the Excess Cash Flow remaining after the foregoing distributions, Accrued Certificate Interest thereon and the amount of any Class SB Distribution Amount for such Distribution Date;

(xviii) to the Class SB Certificates, the amount of any payments or collections consisting of prepayment charges received on the Mortgage Loans (which amounts shall not be included in the Available Distribution Amount); and

(xix) to the related Class R Certificateholders, the balance, if any, of the Available Distribution Amount.

(d) On each Distribution Date, the Class A Principal Distribution Amount, Class M-1 Principal Distribution Amount, Class M-2 Principal Distribution Amount, Class M-3 Principal Distribution Amount, Class M-4 Principal Distribution Amount and Class M-5 Principal Distribution Amount will be paid in the following order of priority:

(i) the Class A Principal Distribution Amount shall be distributed to the Class A Certificates, until the Certificate Principal Balance thereof has been reduced to zero;

(ii) the Class M-1 Principal Distribution Amount shall be distributed to the Class M-1 Certificates, until the Certificate Principal Balance thereof has been reduced to zero;

(iii) the Class M-2 Principal Distribution Amount shall be distributed to the Class M-2 Certificates, until the Certificate Principal Balance thereof has been reduced to zero;

(iv) the Class M-3 Principal Distribution Amount shall be distributed to the Class M-3 Certificates, until the Certificate Principal Balance thereof has been reduced to zero;

(v) the Class M-4 Principal Distribution Amount shall be distributed to the Class M-4 Certificates, until the Certificate Principal Balance thereof has been reduced to zero; and

(vi) the Class M-5 Principal Distribution Amount shall be distributed to the Class M-5 Certificates, until the Certificate Principal Balance thereof has been reduced to zero.

(e) Notwithstanding the foregoing clause (c), upon the reduction of the Certificate Principal Balance of the Class A Certificates and Class M Certificates to zero, such Class of Certificates will not be entitled to further distributions pursuant to Section 4.02 (other than in respect of Subsequent Recoveries). Any amounts payable to the Class A Certificates and Class M Certificates pursuant to clause (c)(xiv) shall not accrue interest. Notwithstanding the foregoing, on any Distribution Date, the amounts allocated from Excess Cash Flow pursuant to clauses (c)(viii) through (c)(ix) of this Section 4.02 on such Distribution Date shall be paid first from the Available Distribution Amount for such Distribution Date and second from any Yield Maintenance Payment for such Distribution Date.

(f) Any Prepayment Interest Shortfalls on the Mortgage Loans which are not covered by Eligible Master Servicing Compensation as described in Section 3.16 and Relief Act Shortfalls will be allocated among the Class A Certificates and Class M Certificates pro rata in accordance with the amount of Accrued Certificate Interest that would have accrued on that Certificate absent these shortfalls, in each case in reduction of Accrued Certificate Interest thereon. Any such uncovered Prepayment Interest Shortfalls will be paid solely pursuant to Section 4.02(c)(x) and (c)(xi), to the extent funds are available therefor. Any such Relief Act Shortfalls will be paid solely pursuant to Section 4.02(c)(xiii), to the extent funds are available therefor.

(g) [Reserved.]

(h) To the extent on any Distribution Date for which Deferred Interest exists on such Distribution Date, the Deferred Interest Shortfall, if any, shall result in a reduction in Accrued Certificate Interest on the Class A Certificates and Class M Certificates, which reduction shall be allocated among the Class A Certificates and Class M Certificates on a pro rata basis, based on the amount of Accrued Certificate Interest on such Classes of Certificates.

(i) In addition to the foregoing distributions, with respect to any Subsequent Recoveries, the Master Servicer shall deposit such funds into the Custodial Account pursuant to Section 3.07(b)(iii).

(j) Each distribution with respect to a Book-Entry Certificate shall be paid to the Depository, as Holder thereof, and the Depository shall be responsible for crediting the amount of such distribution to the accounts of its Depository Participants in accordance with its normal procedures. Each Depository Participant shall be responsible for disbursing such distribution to the Certificate Owners that it represents and to each indirect participating brokerage firm (a "brokerage firm" or "indirect participating firm") for which it acts as agent. Each brokerage firm shall be responsible for disbursing funds to the Certificate Owners that it represents. None of the Trustee, the Certificate Registrar, the Depositor or the Master Servicer shall have any responsibility therefor except as otherwise provided by this Agreement or applicable law.

(k) Except as otherwise provided in Section 9.01, if the Master Servicer anticipates that a final distribution with respect to any Class of Certificates will be made on the next Distribution Date, the Master Servicer shall, no later than the Determination Date in the month of such final distribution, notify the Trustee and the Trustee shall, no later than two (2) Business Days after such Determination Date, mail on such date to each Holder of such Class of Certificates a notice to the effect that: (i) the Trustee anticipates that the final distribution with respect to such Class of Certificates will be made on such Distribution Date but only upon presentation and surrender of such Certificates at the office of the Trustee or as otherwise specified therein, and (ii) no interest shall accrue on such Certificates from and after the end of the prior calendar month. In the event that Certificateholders required to surrender their Certificates pursuant to Section 9.01(c) do not surrender their Certificates for final cancellation, the Trustee shall cause funds distributable with respect to such Certificates to be withdrawn from the Certificate Account and credited to a separate escrow account for the benefit of such Certificateholders as provided in Section 9.01(d).

Section 4.03 Statements to Certificateholders.

(a) Concurrently with each distribution charged to the Certificate Account and with respect to each Distribution Date the Master Servicer shall forward to the Trustee and the Trustee shall forward by mail or otherwise make available electronically on its website at www.jpmorgan.com/sfr to each Holder and the Depositor a statement setting forth the following information as to each Class of Certificates, in each case to the extent applicable:

(i) the applicable Record Date, Determination Date, Distribution Date and the date on which the Interest Accrual Period commenced;

(ii) the aggregate amount of payments received with respect to the Mortgage Loans in the aggregate, including prepayment amounts;

(iii) the Servicing Fee and Subservicing Fee payable to the Master Servicer and the Subservicer;

(iv) the amount of any other fees or expenses paid, and the identity of the party receiving such fees or expenses;

(v) (A) the amount of such distribution to the Certificateholders of such Class applied to reduce the Certificate Principal Balance thereof, and (B) the aggregate amount included therein representing Principal Prepayments;

(vi) the amount of such distribution to Holders of such Class of Certificates allocable to interest, including amounts payable as excess cash flow and the disposition of the excess cash flow;

(vii) if the distribution to the Holders of such Class of Certificates is less than the full amount that would be distributable to such Holders if there were sufficient funds available therefor, the amount of the shortfall;

(viii) the amount of any Advance by the Master Servicer pursuant to Section 4.04;

(ix) the number and Stated Principal Balance of the Mortgage Loans in the aggregate after giving effect to the distribution of principal on such Distribution Date and the number of Mortgage Loans in the aggregate at the beginning and end of the related Due Period;

(x) the aggregate Certificate Principal Balance of each Class of Certificates, before and after giving effect to the amounts distributed on such Distribution Date, separately identifying any reduction thereof due to Realized Losses other than pursuant to an actual distribution of principal;

(xi) on the basis of the most recent reports furnished to it by Subservicers, (A) the number and Stated Principal Balance of the Mortgage Loans in the aggregate that are Delinquent (1) 30-59 days, (2) 60-89 days and (3) 90 or more days and the number and Stated Principal Balance of the Mortgage Loans in the aggregate that are in foreclosure, (B) the number and Stated Principal Balances of the Mortgage Loans in the aggregate that are Reportable Modified Mortgage Loans that are in foreclosure and are REO Property, indicating in each case capitalized Mortgage Loans, other Servicing Modifications and totals, and (C) for all Reportable Modified Mortgage Loans, the number and Stated Principal Balances of the Mortgage Loans in the aggregate that have been liquidated, the subject of pay-offs and that have been repurchased by the Master Servicer or Seller;

(xii) the number, aggregate principal balance and Stated Principal Balance of any REO Properties;

(xiii) the aggregate Accrued Certificate Interest remaining unpaid, if any, for each Class of Certificates, after giving effect to the distribution made on such Distribution Date;

(xiv) the aggregate amount of Realized Losses with respect to the Mortgage Loans in the aggregate for such Distribution Date and the aggregate amount of Realized Losses with respect to the Mortgage Loans in the aggregate incurred since the Cut-off Date;

(xv) whether the Certificate Principal Balances of the Class M Certificates have been reduced to zero;

(xvi) the Pass-Through Rate on each Class of Certificates and the applicable Net WAC Cap Rate;

(xvii) the weighted average of the Maximum Net Mortgage Rates with respect to the Mortgage Loans in the aggregate;

(xviii) the Basis Risk Shortfall, Basis Risk Shortfall Carry Forward Amount and Prepayment Interest Shortfalls;

(xix) the Overcollateralization Amount and the Required Overcollateralization Amount following such Distribution Date;

(xx) the number and Stated Principal Balances of the Mortgage Loans in the aggregate repurchased under Section 4.07 or Section 4.08;

(xxi) the aggregate amount of any recoveries on previously foreclosed loans with respect to the Mortgage Loans in the aggregate from Residential Funding;

(xxii) the weighted average remaining term to maturity of the Mortgage Loans in the aggregate after giving effect to the amounts distributed on such Distribution Date;

(xxiii) the weighted average Mortgage Rates of the Mortgage Loans in the aggregate after giving effect to the amounts distributed on such Distribution Date;

(xxiv) the occurrence of the Stepdown Date; and

(xxv) amounts paid under the Yield Maintenance Agreement.

In the case of information furnished pursuant to clauses (i) and (ii) above, the amounts shall be expressed as a dollar amount per Certificate with a $1,000 denomination. In addition to the statement provided to the Trustee as set forth in this Section 4.03(a), the Master Servicer shall provide to any manager of a trust fund consisting of some or all of the Certificates, upon reasonable request, such additional information as is reasonably obtainable by the Master Servicer at no additional expense to the Master Servicer.

(b) Within a reasonable period of time after it receives a written request from a Holder of a Certificate, other than a Class R Certificate, the Master Servicer shall prepare, or cause to be prepared, and the Trustee shall forward, or cause to be forwarded, to each Person who at any time during the calendar year was the Holder of a Certificate, other than a Class R Certificate, a statement containing the information set forth in clauses (i) and (ii) of subsection (a) above aggregated for such calendar year or applicable portion thereof during which such Person was a Certificateholder. Such obligation of the Master Servicer and Trustee shall be deemed to have been satisfied to the extent that substantially comparable information shall be provided by the Master Servicer and Trustee pursuant to any requirements of the Code.

(c) As soon as reasonably practicable, upon the written request of any Certificateholder, the Master Servicer shall provide the requesting Certificateholder with such information as is necessary and appropriate, in the Master Servicer's sole discretion, for purposes of satisfying applicable reporting requirements under Rule 144A.

Section 4.04 Distribution of Reports to the Trustee and the Depositor; Advances by the Master Servicer.

(a) Prior to the close of business on the Business Day next succeeding each Determination Date, the Master Servicer shall furnish a written statement (which may be in a mutually agreeable electronic format) to the Trustee, any Paying Agent and the Depositor (the information in such statement to be made available to Certificateholders by the Master Servicer on request) (provided that the Master Servicer will use its best efforts to deliver such written statement not later than 12:00 p.m. New York time on the second Business Day prior to the Distribution Date, and shall inform the Trustee of any Deficiency Amount on or prior to that time) setting forth (i) the Available Distribution Amounts, (ii) the amounts required to be withdrawn from the Custodial Account and deposited into the Certificate Account on the immediately succeeding Certificate Account Deposit Date pursuant to clause (iii) of Section 4.01(a), (iii) the Yield Maintenance Payment, if any, for such Distribution Date, (iv) the amount of Prepayment Interest Shortfalls, Basis Risk Shortfalls and Basis Risk Shortfall Carry-Forward Amounts, and (v) to the extent required, a report detailing the Stated Principal Balance, Mortgage Rate, Modified Mortgage Rate, remaining term to maturity and Monthly Payment for any Modified Mortgage Loan pursuant to Section 3.13. The determination by the Master Servicer of such amounts shall, in the absence of obvious error, be presumptively deemed to be correct for all purposes hereunder and the Trustee shall be protected in relying upon the same without any independent check or verification.

(b) On or before 2:00 P.M. New York time on each Certificate Account Deposit Date, the Master Servicer shall either (i) remit to the Trustee for deposit in the Certificate Account from its own funds, or funds received therefor from the Subservicers, an amount equal to the Advances to be made by the Master Servicer in respect of the related Distribution Date, which shall be in an aggregate amount equal to the sum of (A) the aggregate amount of Monthly Payments other than Balloon Payments (with each interest portion thereof adjusted to a per annum rate equal to the Net Mortgage Rate), less the amount of any related Servicing Modifications, Deferred Interest, if any, Debt Service Reductions or reductions in the amount of interest collectable from the Mortgagor pursuant to the Relief Act or similar legislation or regulations then in effect, on the Outstanding Mortgage Loans as of the related Due Date in the

related Due Period, which Monthly Payments were due during the related Due Period and not received as of the close of business as of the related Determination Date; provided that no Advance shall be made if it would be a Nonrecoverable Advance and (B) with respect to each Balloon Loan delinquent in respect of its Balloon Payment as of the close of business on the related Determination Date, an amount equal to the excess, if any, of interest on the unpaid principal balance thereof (with each interest portion thereof adjusted to a per annum rate equal to the Net Mortgage Rate), over any payments of interest (with each interest portion thereof adjusted to a per annum rate equal to the Net Mortgage Rate) received from the related Mortgagor as of the close of business on the related Determination Date and allocable to the Due Date during the related Due Period for each month until such Balloon Loan is finally liquidated, (ii) withdraw from amounts on deposit in the Custodial Account and deposit in the Certificate Account all or a portion of the Amount Held for Future Distribution in discharge of any such Advance, or (iii) make advances in the form of any combination of (i) and (ii) aggregating the amount of such Advance. Any portion of the Amount Held for Future Distribution so used shall be replaced by the Master Servicer by deposit in the Certificate Account on or before 11:00 A.M. New York time on any future Certificate Account Deposit Date to the extent that funds attributable to the Mortgage Loans that are available in the Custodial Account for deposit in the Certificate Account on such Certificate Account Deposit Date shall be less than payments to Certificateholders required to be made on the following Distribution Date. The Master Servicer shall be entitled to use any Advance made by a Subservicer as described in Section 3.07(b) that has been deposited in the Custodial Account on or before such Distribution Date as part of the Advance made by the Master Servicer pursuant to this Section 4.04. The determination by the Master Servicer that it has made a Nonrecoverable Advance or that any proposed Advance, if made, would constitute a Nonrecoverable Advance, shall be evidenced by a certificate of a Servicing Officer delivered to the Depositor and the Trustee. In the event that the Master Servicer determines as of the Business Day preceding any Certificate Account Deposit Date that it will be unable to deposit in the Certificate Account an amount equal to the Advance required to be made for the immediately succeeding Distribution Date, it shall give notice to the Trustee of its inability to advance (such notice may be given by telecopy), not later than 3:00 P.M., New York time, on such Business Day, specifying the portion of such amount that it will be unable to deposit. Not later than 3:00 P.M., New York time, on the Certificate Account Deposit Date the Trustee shall, unless by 12:00 Noon, New York time, on such day the Trustee shall have been notified in writing (by telecopy) that the Master Servicer shall have directly or indirectly deposited in the Certificate Account such portion of the amount of the Advance as to which the Master Servicer shall have given notice pursuant to the preceding sentence, pursuant to Section 7.01, (a) terminate all of the rights and obligations of the Master Servicer under this Agreement in accordance with Section 7.01 and (b) assume the rights and obligations of the Master Servicer hereunder, including the obligation to deposit in the Certificate Account an amount equal to the Advance for the immediately succeeding Distribution Date. In connection with the preceding sentence, the Trustee shall deposit all funds it receives pursuant to this Section 4.04 into the Certificate Account.

Section 4.05 Allocation of Realized Losses.

(a) Prior to each Distribution Date, the Master Servicer shall determine the total amount of Realized Losses, if any, that resulted from any Cash Liquidation, Servicing Modifications, Debt Service Reduction, Deficient Valuation or REO Disposition that occurred during the related Prepayment Period or, in the case of a Servicing Modification that constitutes a reduction of the interest rate on a Mortgage Loan, the amount of the reduction in the interest portion of the Monthly Payment due in the month in which such Distribution Date occurs. The amount of each Realized Loss shall be evidenced by an Officers' Certificate. All Realized Losses on the Mortgage Loans shall be allocated or covered as follows:

first, to the Excess Cash Flow as provided in clause (b)(v) of the definition of "Principal Distribution Amount," to the extent of the Excess Cash Flow for such Distribution Date,

second, in reduction of the Overcollateralization Amount, until such amount has been reduced to zero;

third, to Class M-5 Certificates, until the aggregate Certificate Principal Balance thereof has been reduced to zero;

fourth, to Class M-4 Certificates, until the aggregate Certificate Principal Balance thereof has been reduced to zero;

fifth, to Class M-3 Certificates, until the aggregate Certificate Principal Balance thereof has been reduced to zero;

sixth, to Class M-2 Certificates, until the aggregate Certificate Principal Balance thereof has been reduced to zero; and

seventh, to Class M-1 Certificates, until the aggregate Certificate Principal Balance thereof has been reduced to zero;

and thereafter, to the Class A Certificates until the Certificate Principal Balance thereof has been reduced to zero.

(b) Any allocation of the principal portion of Realized Losses (other than Debt Service Reductions) to the Class A Certificates or Class M Certificates shall be made by reducing the Certificate Principal Balance thereof by the amount so allocated, which allocation shall be deemed to have occurred on such Distribution Date. Allocations of the interest portions of Realized Losses (other than Debt Service Reductions) shall be made by operation of the definition of "Accrued Certificate Interest" and by operation of the provisions of Section 4.02(c). All Realized Losses and all other losses allocated to a Class of Certificates hereunder will be allocated among the Certificates of such Class in proportion to the Percentage Interests evidenced thereby.

(c) All Realized Losses on the Mortgage Loans shall be allocated on each Distribution Date to the REMIC I Regular Interests, as follows: first, to Uncertificated Accrued Interest payable to the REMIC I Regular Interests AA and ZZ up to an aggregate amount equal to the excess of (a) the REMIC I Interest Loss Allocation Amount over (b) Prepayment Interest Shortfalls (to the extent not covered by Eligible Master Servicing Compensation) relating to the Mortgage Loans for such Distribution Date, 98% and 2%, respectively; second, to the Uncertificated Principal Balances of the REMIC I Regular Interests AA and ZZ up to an aggregate amount equal to the REMIC I Principal Loss Allocation Amount, 98% and 2%, respectively; third, to the Uncertificated Principal Balances of REMIC I Regular Interests AA, 98%, M-5, 1% and ZZ, 1%, until the Uncertificated Principal Balance of REMIC I Regular Interest M-5 has been reduced to zero; fourth, to the Uncertificated Principal Balances of REMIC I Regular Interests AA, 98%, M-4, 1% and ZZ, 1%, until the Uncertificated Principal Balance of REMIC I Regular Interest M-4 has been reduced to zero; fifth, to the Uncertificated Principal Balances of REMIC I Regular Interests AA, 98%, M-3, 1% and ZZ, 1%, until the Uncertificated Principal Balance of REMIC I Regular Interest M-3 has been reduced to zero; sixth, to the Uncertificated Principal Balances of REMIC I Regular Interests AA, 98%, M-2, 1% and ZZ, 1%, until the Uncertificated Principal Balance of REMIC I Regular Interest M-2 has been reduced to zero; seventh, to the Uncertificated Principal Balances of REMIC I Regular Interests AA, 98%, M-1, 1%, and ZZ, 1%, until the Uncertificated Principal Balance of REMIC I Regular Interest M-1, M-1 has been reduced to zero; and eighth, to the Uncertificated Principal Balances of REMIC I Regular Interest, AA, 98%, A, 1%, and ZZ, 1%, until the Uncertificated Principal Balance of REMIC I Regular Interest A has been reduced to zero.

Section 4.06 Reports of Foreclosures and Abandonment of Mortgaged Property.

The Master Servicer or the Subservicers shall file information returns with respect to the receipt of mortgage interest received in a trade or business, the reports of foreclosures and abandonments of any Mortgaged Property and the informational returns relating to cancellation of indebtedness income with respect to any Mortgaged Property required by Sections 6050H, 6050J and 6050P of the Code, respectively, and deliver to the Trustee an Officers' Certificate on or before March 31 of each year stating that such reports have been filed. Such reports shall be in form and substance sufficient to meet the reporting requirements imposed by such Sections 6050H, 6050J and 6050P of the Code.

Section 4.07 Optional Purchase of Defaulted Mortgage Loans.

As to any Mortgage Loan which is delinquent in payment by 90 days or more, the Master Servicer may, at its option, purchase such Mortgage Loan from the Trustee at the Purchase Price therefor; provided, that any such Mortgage Loan that becomes 90 days or more delinquent during any given Calendar Quarter shall only be eligible for purchase pursuant to this Section during the period beginning on the first Business Day of the following Calendar Quarter, and ending at the close of business on the second-to-last Business Day of such following Calendar Quarter. Such option if not exercised shall not thereafter be reinstated as to any Mortgage Loan, unless the delinquency is cured and the Mortgage Loan thereafter again becomes delinquent in payment by 90 days or more in a subsequent Calendar Quarter. If at any time the Master Servicer makes a payment to the Certificate Account covering the amount of the Purchase Price for such a Mortgage Loan, and the Master Servicer provides to the Trustee a

certification signed by a Servicing Officer stating that the amount of such payment has been deposited in the Certificate Account, then the Trustee shall execute the assignment of such Mortgage Loan at the request of the Master Servicer without recourse to the Master Servicer which shall succeed to all the Trustee's right, title and interest in and to such Mortgage Loan, and all security and documents relative thereto. Such assignment shall be an assignment outright and not for security. The Master Servicer will thereupon own such Mortgage, and all such security and documents, free of any further obligation to the Trustee or the Certificateholders with respect thereto.

Section 4.08 Limited Mortgage Loan Repurchase Right.

The Limited Repurchase Right Holder will have the irrevocable option at any time to purchase any of the Mortgage Loans from the Trustee at the Purchase Price, up to a maximum of five Mortgage Loans. In the event that this option is exercised as to any five Mortgage Loans in the aggregate, this option will thereupon terminate. If at any time the Limited Repurchase Right Holder makes a payment to the Certificate Account covering the amount of the Purchase Price for such a Mortgage Loan, and the Limited Repurchase Right Holder provides to the Trustee a certification signed by a Servicing Officer stating that the amount of such payment has been deposited in the Certificate Account, then the Trustee shall execute the assignment of such Mortgage Loan at the request of the Limited Repurchase Right Holder without recourse to the Limited Repurchase Right Holder which shall succeed to all the Trustee's right, title and interest in and to such Mortgage Loan, and all security and documents relative thereto. Such assignment shall be an assignment outright and not for security. The Limited Repurchase Right Holder will thereupon own such Mortgage, and all such security and documents, free of any further obligation to the Trustee or the Certificateholders with respect thereto. Any tax on "prohibited transactions" (as defined in Section 860F(a)(2) of the Code) imposed on any REMIC relating to the exercise of the option provided in this Section 4.08 shall in no event be payable by the Trustee.

Section 4.09 Distribution of Basis Risk Shortfall Carry-Forward Amount.

(a) On the Closing Date, the Trustee shall, for the benefit of the Class A Certificates and Class M Certificates, enter into the Yield Maintenance Agreement.

(b) The Trustee shall deposit or cause to be deposited any amount received under the Yield Maintenance Agreement into the Certificate Account on the date such amount is received from the Yield Maintenance Agreement Provider under the Yield Maintenance Agreement (including Yield Maintenance Agreement Termination Payments, if any). All Yield Maintenance Payments received under the Yield Maintenance Agreement shall be distributed as part of Excess Cash Flow in accordance with the priorities set forth in Section 4.02(c) hereof, whereas, all Yield Maintenance Agreement Termination Payments received under the Yield Maintenance Agreement shall be used as set forth in Section 4.09(e) hereof. Neither the Yield Maintenance Agreement nor any Yield Maintenance Payments (including Yield Maintenance Termination Payments) constitute a part of any REMIC created hereunder and to the extent any Yield Maintenance Payments are included as part of Excess Cash Flow they are so for definition purposes only.

(c) The Trustee and the Master Servicer shall treat the holders of each Class of Certificates (other than the Class SB Certificates and Class R Certificates) as having entered into a notional principal contract with the holders of the Class SB Certificates. Pursuant to each such notional principal contract, the holder of the Class SB Certificates shall be treated as having agreed to pay the amounts set forth in Sections 4.02(c)(viii) through (xvi) to the holders of the Certificates (other than the Class SB Certificates and Class R Certificates) in accordance with the terms of this Agreement. Any payments to the Certificates from amounts deemed received in respect of this notional principal contract shall not be payments with respect to a "regular interest" in a REMIC within the meaning of Code Section 860G(a)(1).

(d) Subject to Sections 8.01 and 8.02 hereof, the Trustee agrees to comply with the terms of the Yield Maintenance Agreement and to enforce the terms and provisions thereof against the Yield Maintenance Agreement Provider at the written direction of the Holders of Class A Certificates and Class M Certificates entitled to at least 51% of the Voting Rights of such Classes of Certificates, or if the Trustee does not receive such direction from such Certificateholders, then at the written direction of Residential Funding.

(e) In the event that the Yield Maintenance Agreement, or any replacement thereof, terminates prior to the Distribution Date in April 2011, the Master Servicer, but at no expense to the Master Servicer, on behalf of the Trustee, to the extent that the termination value under such Yield Maintenance Agreement is sufficient therefor and only to the extent of the Yield Maintenance Agreement Termination Payment received from the Yield Maintenance Agreement Provider, shall (i) cause a new yield maintenance provider to assume the obligations of such terminated yield maintenance agreement provider or (ii) cause a new yield maintenance agreement provider to enter into a new interest rate yield maintenance agreement with the Trust Fund having substantially similar terms as those set forth in the terminated Yield Maintenance Agreement. Any Yield Maintenance Agreement Termination Payment having a termination value which is not sufficient to comply with clauses (i) and (ii) of this Section 4.09(e) shall be included in the definition of "Yield Maintenance Payment" and may be distributed as Excess Cash Flow pursuant to Section 4.02(c).

Section 4.10 Derivative Contracts.

(a) The Trustee shall, at the written direction of the Master Servicer, on behalf of the Trust Fund, enter into Derivative Contracts, solely for the benefit of the Class SB Certificates. Any such Derivative Contract shall constitute a fully prepaid agreement. The Master Servicer shall determine, in its sole discretion, whether any Derivative Contract conforms to the requirements of Section 4.10(b) and (c). Any acquisition of a Derivative Contract shall be accompanied by an appropriate amendment to this Agreement, including an Opinion of Counsel, as provided in Section 11.01, and either (i) an Opinion of Counsel to the effect that the existence of the Derivative Contract will not adversely affect the availability of the exemptive relief afforded under ERISA by U.S. Department of Labor Prohibited Transaction Exemption ("PTE") 94-29, as most recently amended, 67 Fed. Reg. 54487 (Aug. 22, 2002), to the Holders of the Class A Certificates rated at least "AA-" (or its equivalent) by Standard & Poor's, Moody's or Fitch at the time of purchase, as of the date the Derivative Contract is acquired by the Trustee; or (ii) the consent of each holder of a Class A Certificate to the acquisition of such Derivative Contract. All collections, proceeds and other amounts in respect of the Derivative

Contracts payable by the Derivative Counterparty shall be distributed to the Class SB Certificates on the Distribution Date following receipt thereof by the Trustee. In no event shall such an instrument constitute a part of any REMIC created hereunder. In addition, in the event any such instrument is deposited, the Trust Fund shall be deemed to be divided into two separate and discrete sub-Trusts. The assets of one such sub-Trust shall consist of all the assets of the Trust other than such instrument and the assets of the other sub-Trust shall consist solely of such instrument.

(b) Any Derivative Contract that provides for any payment obligation on the part of the Trust Fund must (i) be without recourse to the assets of the Trust Fund, (ii) contain a non-petition covenant provision from the Derivative Counterparty, (iii) limit payment dates thereunder to Distribution Dates and (iv) contain a provision limiting any cash payments due to the Derivative Counterparty on any day under such Derivative Contract solely to funds available therefor in the Certificate Account available to make payments to the Holders of the Class SB Certificates on such Distribution Date.

(c) Each Derivative Contract must (i) provide for the direct payment of any amounts by the Derivative Counterparty thereunder to the Certificate Account at least one Business Day prior to the related Distribution Date, (ii) contain an assignment of all of the Trust Fund's rights (but none of its obligations) under such Derivative Contract to the Trustee on behalf the Class SB Certificateholders and shall include an express consent to the Derivative Counterparty to such assignment, (iii) provide that in the event of the occurrence of an Event of Default, such Derivative Contract shall terminate upon the direction of a majority Percentage Interest of the Class SB Certificates, and (iv) prohibit the Derivative Counterparty from "setting-off" or "netting" other obligations of the Trust Fund and its Affiliates against such Derivative Counterparty's payment obligations thereunder.

Section 4.11 Tax Treatment of Yield Maintenance Payments.

For federal income tax purposes, each holder of a Class A, Class M or Class SB Certificate is deemed to own an undivided beneficial ownership interest in a REMIC regular interest and the right to receive payments received by the Trustee, on behalf of the Trust Fund, pursuant to the Yield Maintenance Agreement in respect of the amounts set forth in Section 4.09(b) which right to receive such payments shall not be attributable to any asset of or amount owed by any REMIC created hereunder.

ARTICLE V

THE CERTIFICATES

Section 5.01 The Certificates.

(a) The Class A, Class M, Class SB and Class R Certificates shall be substantially in the forms set forth in Exhibits A, B, C and D, respectively, and shall, on original issue, be executed and delivered by the Trustee to the Certificate Registrar for authentication and delivery to or upon the order of the Depositor upon receipt by the Trustee or one or more Custodians of the documents specified in Section 2.01. The Class A Certificates and Class M-1 Certificates shall be issuable in minimum dollar denominations of $25,000 and integral multiples of $1 in excess thereof. The Class M-2, Class M-3, Class M-4 and Class M-5 Certificates shall be issuable in minimum dollar denominations of $250,000 and integral multiples of $1 in excess thereof. On the Closing Date, one Class A, Class M-1, Class M-2, Class M-3, Class M-4 and Class M-5 Certificate shall be registered as a Rule 144A Global Class A Certificate and Rule 144A Global Class M Certificate, as applicable, with a Certificate Principal Balance of $243,959,000, $40,660,000, $16,098,000, $8,298,000, $3,319,000, and $4,647,000, respectively. The Class SB Certificates shall be issuable in registered, certificated form in minimum percentage interests of 5.00% and integral multiples of 0.01% in excess thereof. Each Class of Class R Certificates shall be issued in registered, certificated form in minimum percentage interests of 20.00% and integral multiples of 0.01% in excess thereof; *provided, however*, that one Class R Certificate of each Class will be issuable to the REMIC Administrator as "tax matters person" pursuant to Section 10.01(c) in a minimum denomination representing a Percentage Interest of not less than 0.01%. The Certificates shall be executed by manual or facsimile signature on behalf of an authorized officer of the Trustee. Certificates bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Trustee shall bind the Trustee, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Certificate or did not hold such offices at the date of such Certificates. No Certificate shall be entitled to any benefit under this Agreement, or be valid for any purpose, unless there appears on such Certificate a certificate of authentication substantially in the form provided for herein executed by the Certificate Registrar by manual signature, and such certificate upon any Certificate shall be conclusive evidence, and the only evidence, that such Certificate has been duly authenticated and delivered hereunder. All Certificates shall be dated the date of their authentication.

(b) The Class A Certificates and Class M Certificates shall initially be issued as one or more Certificates registered in the name of the Depository or its nominee and, except as provided below, registration of such Certificates may not be transferred by the Trustee except to another Depository that agrees to hold such Certificates for the respective Certificate Owners with Ownership Interests therein. The Certificate Owners shall hold their respective Ownership Interests in and to each Class A Certificate, through the book-entry facilities of the Depository and, except as provided below, shall not be entitled to Definitive Certificates in respect of such Ownership Interests. All transfers by Certificate Owners of their respective Ownership Interests in the Book-Entry Certificates shall be made in accordance with the procedures established by the Depository Participant or brokerage firm representing such Certificate Owner. Each Depository Participant shall transfer the Ownership Interests only in the Book-Entry Certificates

of Certificate Owners it represents or of brokerage firms for which it acts as agent in accordance with the Depository's normal procedures.

The Trustee, the Master Servicer and the Depositor may for all purposes (including the making of payments due on the respective Classes of Book-Entry Certificates) deal with the Depository as the authorized representative of the Certificate Owners with respect to the respective Classes of Book-Entry Certificates for the purposes of exercising the rights of Certificateholders hereunder. The rights of Certificate Owners with respect to the respective Classes of Book-Entry Certificates shall be limited to those established by law and agreements between such Certificate Owners and the Depository Participants and brokerage firms representing such Certificate Owners. Multiple requests and directions from, and votes of, the Depository as Holder of any Class of Book-Entry Certificates with respect to any particular matter shall not be deemed inconsistent if they are made with respect to different Certificate Owners. The Trustee may establish a reasonable record date in connection with solicitations of consents from or voting by Certificateholders and shall give notice to the Depository of such record date. If (i)(A) the Depositor advises the Trustee in writing that the Depository is no longer willing or able to properly discharge its responsibilities as Depository and (B) the Depositor is unable to locate a qualified successor or (ii) the Depositor notifies the Depository of its intent to terminate the book-entry system and, upon receipt of notice of such intent from the Depository, the Depository Participants holding beneficial interest in the Book-Entry Certificates agree to initiate such termination, the Trustee shall notify all Certificate Owners, through the Depository, of the occurrence of any such event and of the availability of Definitive Certificates to Certificate Owners requesting the same. Upon surrender to the Trustee of the Book-Entry Certificates by the Depository, accompanied by registration instructions from the Depository for registration of transfer, the Trustee shall issue the Definitive Certificates.

In addition, if an Event of Default has occurred and is continuing, each Certificate Owner materially adversely affected thereby may at its option request a Definitive Certificate evidencing such Certificate Owner's Percentage Interest in the related Class of Certificates. In order to make such request, such Certificate Owner shall, subject to the rules and procedures of the Depository, provide the Depository or the related Depository Participant with directions for the Trustee to exchange or cause the exchange of the Certificate Owner's interest in such Class of Certificates for an equivalent Percentage Interest in fully registered definitive form. Upon receipt by the Trustee of instruction from the Depository directing the Trustee to effect such exchange (such instructions to contain information regarding the Class of Certificates and the Certificate Principal Balance being exchanged, the Depository Participant account to be debited with the decrease, the registered holder of and delivery instructions for the Definitive Certificates and any other information reasonable required by the Trustee), (i) the Trustee shall instruct the Depository to reduce the related Depository Participant's account by the aggregate Certificate Principal Balance of the Definitive Certificates, (ii) the Trustee shall execute, authenticate and deliver, in accordance with the registration and delivery instructions provided by the Depository, a Definitive Certificate evidencing such Certificate Owner's Percentage Interest in such Class of Certificates and (iii) the Trustee shall execute and authenticate a new Book-Entry Certificate reflecting the reduction in the aggregate Certificate Principal Balance of such Class of Certificates by the amount of the Definitive Certificates.

Neither the Depositor, the Master Servicer nor the Trustee shall be liable for any actions taken by the Depository or its nominee, including, without limitation, any delay in delivery of such instructions and may conclusively rely on, and shall be protected in relying on, such instructions. Upon the issuance of Definitive Certificates all references herein to obligations imposed upon or to be performed by the Depositor in connection with the issuance of the Definitive Certificates pursuant to this Section 5.01 shall be deemed to be imposed upon and performed by the Trustee, and the Trustee and the Master Servicer shall recognize the Holders of the Definitive Certificates as Certificateholders hereunder. Any Class A Certificate and Class M Certificate issued as a Definitive Certificate shall be in the form of Exhibit A-1-A or Exhibit B-1-A, as applicable, hereto.

Unless the Trustee determines otherwise in accordance with applicable law and the rules and procedures of, or applicable to, the Depository, transfers of a beneficial interest in the Class A Certificates to a "qualified institutional buyer" as defined under Rule 144A may only be effectuated by means of an "SRO Rule 144A System" approved for such purpose by the Securities and Exchange Commission.

(c) Each of the Certificates is intended to be a "security" governed by Article 8 of the Uniform Commercial Code as in effect in the State of New York and any other applicable jurisdiction, to the extent that any of such laws may be applicable.

Section 5.02 Registration of Transfer and Exchange of Certificates.

(a) The Trustee shall cause to be kept at one of the offices or agencies to be appointed by the Trustee in accordance with the provisions of Section 8.10 a Certificate Register in which, subject to such reasonable regulations as it may prescribe, the Trustee shall provide for the registration of Certificates and of transfers and exchanges of Certificates as herein provided. The Trustee is initially appointed Certificate Registrar for the purpose of registering Certificates and transfers and exchanges of Certificates as herein provided. The Certificate Registrar, or the Trustee, shall provide the Master Servicer with a certified list of Certificateholders as of each Record Date prior to the related Determination Date.

(b) Upon surrender for registration of transfer of any Certificate at any office or agency of the Trustee maintained for such purpose pursuant to Section 8.10 and, in the case of any Class SB or R Certificate, upon satisfaction of the conditions set forth below, the Trustee shall execute and the Certificate Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Certificates of a like Class And aggregate Percentage Interest.

(c) At the option of the Certificateholders, Certificates may be exchanged for other Certificates of authorized denominations of a like Class And aggregate Percentage Interest, upon surrender of the Certificates to be exchanged at any such office or agency. Whenever any Certificates are so surrendered for exchange the Trustee shall execute and the Certificate Registrar shall authenticate and deliver the Certificates of such Class which the Certificateholder making the exchange is entitled to receive. Every Certificate presented or surrendered for transfer or exchange shall (if so required by the Trustee or the Certificate Registrar) be duly endorsed by, or be accompanied by a written instrument of transfer in form satisfactory to the Trustee and the Certificate Registrar duly executed by, the Holder thereof or his attorney duly authorized in writing.

(d) No transfer, sale, pledge or other disposition of a Class SB or Class R Certificate shall be made unless such transfer, sale, pledge or other disposition is exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), and any applicable state securities laws or is made in accordance with said Act and laws. Except as otherwise provided in this Section 5.02(d), in the event that a transfer of a Class SB or Class R Certificate is to be made, (i) unless the Depositor directs the Trustee otherwise, the Trustee shall require a written Opinion of Counsel acceptable to and in form and substance satisfactory to the Trustee and the Depositor that such transfer may be made pursuant to an exemption, describing the applicable exemption and the basis therefor, from said Act and laws or is being made pursuant to said Act and laws, which Opinion of Counsel shall not be an expense of the Trustee, the Trust Fund, the Depositor or the Master Servicer, and (ii) the Trustee shall require the transferee to execute a representation letter, substantially in the form of Exhibit I hereto, and the Trustee shall require the transferor to execute a representation letter, substantially in the form of Exhibit J hereto, each acceptable to and in form and substance satisfactory to the Depositor and the Trustee certifying to the Depositor and the Trustee the facts surrounding such transfer, which representation letters shall not be an expense of the Trustee, the Trust Fund, the Depositor or the Master Servicer. In lieu of the requirements set forth in the preceding sentence, transfers of Class SB or Class R Certificates may be made in accordance with this Section 5.02(d) if the prospective transferee of such a Certificate provides the Trustee and the Master Servicer with an investment letter substantially in the form of Exhibit N attached hereto, which investment letter shall not be an expense of the Trustee, the Depositor, or the Master Servicer, and which investment letter states that, among other things, such transferee (i) is a "qualified institutional buyer" as defined under Rule 144A, acting for its own account or the accounts of other "qualified institutional buyers" as defined under Rule 144A, and (ii) is aware that the proposed transferor intends to rely on the exemption from registration requirements under the 1933 Act provided by Rule 144A. The Holder of a Class SB or Class R Certificate desiring to effect any transfer, sale, pledge or other disposition shall, and does hereby agree to, indemnify the Trustee, the Depositor, the Master Servicer and the Certificate Registrar against any liability that may result if the transfer, sale, pledge or other disposition is not so exempt or is not made in accordance with such federal and state laws and this Agreement.

(e) (i) No transfer, sale, pledge or other disposition of a Class A Certificate shall be made unless such transfer, sale, pledge or other disposition is exempt from the registration requirements of the 1933 Act, and any applicable state securities laws or is made in accordance with said Act and laws.

(ii) Class A Certificates and Class M Certificates sold to "qualified institutional buyers" as defined in and in reliance on Rule 144A under the 1933 Act shall be represented by one or more Rule 144A Global Class A Certificates or Rule 144A Global Class M Certificates, as applicable.

(iii) In the event that a transfer of a Class A Certificate or Class M Certificate which is a Definitive Certificate is to be made, the Trustee shall require a written Opinion of Counsel acceptable to and in form and substance satisfactory to the Trustee and the Depositor that such transfer may be made pursuant to an exemption, describing the applicable exemption and the basis therefor, from said Act and laws or is being made pursuant to the 1933 Act, which Opinion of Counsel shall not be an expense of the Trustee, the Trust Fund, the Depositor or the Master Servicer.

(iv) The Holder of a Class A Certificate or Class M Certificate desiring to effect any transfer, sale, pledge or other disposition shall, and does hereby agree to, indemnify the Trustee, the Depositor, the Master Servicer and the Certificate Registrar against any liability that may result if the transfer, sale, pledge or other disposition is not so exempt or is not made in accordance with the provisions of this Agreement.

(f) (i) In the case of any Class SB Certificate or Class R Certificate presented for registration in the name of any Person, either (A) the Trustee shall require an Opinion of Counsel acceptable to and in form and substance satisfactory to the Trustee, the Depositor and the Master Servicer to the effect that the purchase and holding of such Class SB or Class R Certificate is permissible under applicable law, will not constitute or result in any non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or comparable provisions of any subsequent enactments), and will not subject the Trustee, the Depositor or the Master Servicer to any obligation or liability (including obligations or liabilities under ERISA or Section 4975 of the Code) in addition to those undertaken in this Agreement, which Opinion of Counsel shall not be an expense of the Trustee, the Depositor or the Master Servicer, or (B) the prospective Transferee shall be required to provide the Trustee, the Depositor and the Master Servicer with a certification to the effect set forth in Exhibit P-2 (with respect to a Class SB Certificate), or in paragraph fifteen of Exhibit D-1 (with respect to a Class R Certificate), which the Trustee may rely upon without further inquiry or investigation, or such other certifications as the Trustee may deem desirable or necessary in order to establish that such Transferee or the Person in whose name such registration is requested is not an employee benefit plan or other plan subject to the prohibited transaction provisions of ERISA or Section 4975 of the Code (each, an "ERISA Plan"), or any Person (including, without limitation, an insurance company investing its general accounts, an investment manager, a named fiduciary or a trustee of any ERISA Plan) who is using "plan assets," within the meaning of the U.S. Department of Labor regulation promulgated at 29 C.F.R. § 2510.3 101, of any Plan (each, an "ERISA Plan Investor") to effect such acquisition.

(ii) Any Transferee of a Class M Certificate or Class A Certificate not rated at least "AA-" at the time of purchase (a "Restricted Class A Certificate") will be deemed to have represented by virtue of its purchase or holding of such Certificate (or any interest therein) that either (a) such Transferee is not an ERISA Plan or an ERISA Plan Investor, (b)(x) such Transferee is an insurance company, (y) the source of funds used to purchase or hold such Certificate (or any interest therein) is an "insurance company general account" (as defined in DOL Prohibited Transaction Class Exemption ("PTCE") 95-60), and (z) the conditions set forth in Sections I and III of PTCE 95-60 have been satisfied (each entity that satisfies this clause (b), a "Complying Insurance Company").

(A) If any Class M Certificate or Restricted Class A Certificate (or any interest therein) is acquired or held by any Person that does not satisfy the conditions described in paragraph (ii) above, then the last preceding Transferee that either (x) is not an ERISA Plan or an ERISA Plan Investor or (y) is a Complying Insurance Company shall be restored, to the extent permitted by law, to all rights and obligations as Certificate Owner thereof retroactive to the date of such Transfer of such Certificate. The Trustee shall be under no liability to any Person for making any payments due on such Certificate to such preceding Transferee.

(B) Any purported Certificate Owner whose acquisition or holding of any Class M Certificate or Restricted Class A Certificate (or any interest therein) was effected in violation of the restrictions in this Section 5.02(f) shall indemnify and hold harmless the Depositor, the Trustee, the Master Servicer, any Subservicer, any underwriter and the Trust Fund from and against any and all liabilities, claims, costs or expenses incurred by such parties as a result of such acquisition or holding.

(g) (i) Each Person who has or who acquires any Ownership Interest in a Class R Certificate shall be deemed by the acceptance or acquisition of such Ownership Interest to have agreed to be bound by the following provisions and to have irrevocably authorized the Trustee or its designee under clause (iii)(A) below to deliver payments to a Person other than such Person and to negotiate the terms of any mandatory sale under clause (iii)(B) below and to execute all instruments of transfer and to do all other things necessary in connection with any such sale. The rights of each Person acquiring any Ownership Interest in a Class R Certificate are expressly subject to the following provisions:

(A) Each Person holding or acquiring any Ownership Interest in a Class R Certificate shall be a Permitted Transferee and shall promptly notify the Trustee of any change or impending change in its status as a Permitted Transferee.

(B) In connection with any proposed Transfer of any Ownership Interest in a Class R Certificate, the Trustee shall require delivery to it, and shall not register the Transfer of any Class R Certificate until its receipt of,

(I) an affidavit and agreement (a "Transfer Affidavit and Agreement," in the form attached hereto as Exhibit H-1) from the proposed Transferee, in form and substance satisfactory to the Master Servicer, representing and warranting, among other things, that it is a Permitted Transferee, that it is not acquiring its Ownership Interest in the Class R Certificate that is the subject of the proposed Transfer as a nominee, trustee or agent for any Person who is not a Permitted Transferee, that for so long as it retains its Ownership Interest in a Class R Certificate, it will endeavor to remain a Permitted Transferee, and that it has reviewed the provisions of this Section 5.02(g) and agrees to be bound by them, and

(II) a certificate, in the form attached hereto as Exhibit H-2, from the Holder wishing to transfer the Class R Certificate, in form and substance satisfactory to the Master Servicer, representing and warranting, among other things, that no purpose of the proposed Transfer is to impede the assessment or collection of tax.

(C) Notwithstanding the delivery of a Transfer Affidavit and Agreement by a proposed Transferee under clause (B) above, if a Responsible Officer of the Trustee who is assigned to this Agreement has actual knowledge that the proposed Transferee is not a Permitted Transferee, no Transfer of an Ownership Interest in a Class R Certificate to such proposed Transferee shall be effected.

(D) Each Person holding or acquiring any Ownership Interest in a Class R Certificate shall agree (x) to require a Transfer Affidavit and Agreement from any other Person to whom such Person attempts to transfer its Ownership Interest in a Class R Certificate and (y) not to transfer its Ownership Interest unless it provides a certificate to the Trustee in the form attached hereto as Exhibit H-2.

(E) Each Person holding or acquiring an Ownership Interest in a Class R Certificate, by purchasing an Ownership Interest in such Certificate, agrees to give the Trustee written notice that it is a "pass-through interest holder" within the meaning of Temporary Treasury Regulation Section 1.67-3T(a)(2)(i)(A) immediately upon acquiring an Ownership Interest in a Class R Certificate, if it is, or is holding an Ownership Interest in a Class R Certificate on behalf of, a "pass-through interest holder."

(ii) The Trustee will register the Transfer of any Class R Certificate only if it shall have received the Transfer Affidavit and Agreement, a certificate of the Holder requesting such transfer in the form attached hereto as Exhibit H-2 and all of such other documents as shall have been reasonably required by the Trustee as a condition to such registration. Transfers of the Class R Certificates to Non-United States Persons and Disqualified Organizations (as defined in Section 860E(e)(5) of the Code) are prohibited.

(A) If any Disqualified Organization shall become a holder of a Class R Certificate, then the last preceding Permitted Transferee shall be restored, to the extent permitted by law, to all rights and obligations as Holder thereof retroactive to the date of registration of such Transfer of such Class R Certificate. If a Non-United States Person shall become a holder of a Class R Certificate, then the last preceding United States Person shall be restored, to the extent permitted by law, to all rights and obligations as Holder thereof retroactive to the date of registration of such Transfer of such Class R Certificate. If a transfer of a Class R Certificate is disregarded pursuant to the provisions of Treasury Regulation Section 1.860E-1 or Section 1.860G-3, then the last preceding Permitted Transferee shall be restored, to the extent permitted by law, to all rights and obligations as Holder thereof retroactive to the date of registration of such Transfer of such Class R Certificate. The Trustee shall be under no liability to any Person for any registration of Transfer of a Class R Certificate that is in fact not permitted by this Section 5.02(g) or for making any payments due on such Certificate to the holder thereof or for taking any other action with respect to such holder under the provisions of this Agreement.

(B) If any purported Transferee shall become a Holder of a Class R Certificate in violation of the restrictions in this Section 5.02(g) and to the extent that the retroactive restoration of the rights of the Holder of such Class R Certificate as described in clause (iii)(A) above shall be invalid, illegal or unenforceable, then the Master Servicer shall have the right, without notice to the holder or any prior holder of such Class R Certificate, to sell such Class R Certificate to a purchaser selected by the Master Servicer on such terms as the Master Servicer may choose. Such purported Transferee shall promptly endorse and deliver each Class R Certificate in accordance with the instructions of the Master Servicer. Such purchaser may be the Master Servicer itself or any Affiliate of the Master Servicer. The proceeds of such sale, net of the commissions (which may include commissions payable to the Master Servicer or its Affiliates), expenses and taxes due, if any, will be remitted by the Master Servicer to such purported Transferee. The terms and conditions of any sale under this clause (iii)(B) shall be determined in the sole discretion of the Master Servicer, and the Master Servicer shall not be liable to any Person having an Ownership Interest in a Class R Certificate as a result of its exercise of such discretion.

(iii) The Master Servicer, on behalf of the Trustee, shall make available, upon written request from the Trustee, all information necessary to compute any tax imposed

(A) as a result of the Transfer of an Ownership Interest in a Class R Certificate to any Person who is a Disqualified Organization, including the information regarding "excess inclusions" of such Class R Certificates required to be provided to the Internal Revenue Service and certain Persons as described in Treasury Regulation Sections 1.860D-1(b)(5) and 1.860E-2(a)(5), and

(B) as a result of any regulated investment company, real estate investment trust, common trust fund, partnership, trust, estate or organization described in Section 1381 of the Code that holds an Ownership Interest in a Class R Certificate having as among its record holders at any time any Person who is a Disqualified Organization. Reasonable compensation for providing such information may be required by the Master Servicer from such Person.

(iv) The provisions of this Section 5.02(g) set forth prior to this clause (iv) may be modified, added to or eliminated, provided that there shall have been delivered to the Trustee the following:

(A) Written notification from each Rating Agency to the effect that the modification, addition to or elimination of such provisions will not cause such Rating Agency to downgrade its then-current ratings, if any, of the Class A Certificates below the lower of the then-current rating or the rating assigned to such Certificates as of the Closing Date by such Rating Agency; and

(B) a certificate of the Master Servicer stating that the Master Servicer has received an Opinion of Counsel, in form and substance satisfactory to the Master Servicer, to the effect that such modification, addition to or absence of such provisions will not cause any of REMIC I or REMIC II to cease to qualify as a REMIC and will not cause (x) any of REMIC I or REMIC II to be subject to an entity-level tax caused by the Transfer of any Class R Certificate to a Person that is a Disqualified Organization or (y) a Certificateholder or another Person to be subject to a REMIC-related tax caused by the Transfer of a Class R Certificate to a Person that is not a Permitted Transferee.

(h) No service charge shall be made for any transfer or exchange of Certificates of any Class, but the Trustee may require payment of a sum sufficient to cover any tax or governmental charge that may be imposed in connection with any transfer or exchange of Certificates.

(i) All Certificates surrendered for transfer and exchange shall be destroyed by the Certificate Registrar.

Section 5.03 Mutilated, Destroyed, Lost or Stolen Certificates.

If (i) any mutilated Certificate is surrendered to the Certificate Registrar, or the Trustee and the Certificate Registrar receive evidence to their satisfaction of the destruction, loss or theft of any Certificate, and (ii) there is delivered to the Trustee and the Certificate Registrar such security or indemnity as may be required by them to save each of them harmless, then, in the absence of notice to the Trustee or the Certificate Registrar that such Certificate has been acquired by a bona fide purchaser, the Trustee shall execute and the Certificate Registrar shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Certificate, a new Certificate of like tenor, Class And Percentage Interest but bearing a number not contemporaneously outstanding. Upon the issuance of any new Certificate under this

Section, the Trustee may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee and the Certificate Registrar) connected therewith. Any duplicate Certificate issued pursuant to this Section shall constitute complete and indefeasible evidence of ownership in the Trust Fund, as if originally issued, whether or not the lost, stolen or destroyed Certificate shall be found at any time.

Section 5.04 Persons Deemed Owners.

Prior to due presentation of a Certificate for registration of transfer, the Depositor, the Master Servicer, the Trustee, the Certificate Registrar and any agent of the Depositor, the Master Servicer, the Trustee or the Certificate Registrar may treat the Person in whose name any Certificate is registered as the owner of such Certificate for the purpose of receiving distributions pursuant to Section 4.02 and for all other purposes whatsoever, except as and to the extent provided in the definition of "Certificateholder" and in Section 4.08, and neither the Depositor, the Master Servicer, the Trustee, the Certificate Registrar nor any agent of the Depositor, the Master Servicer, the Trustee or the Certificate Registrar shall be affected by notice to the contrary except as provided in Section 5.02(g).

Section 5.05 Appointment of Paying Agent.

The Trustee may appoint a Paying Agent for the purpose of making distributions to Certificateholders pursuant to Section 4.02. In the event of any such appointment, on or prior to each Distribution Date the Master Servicer on behalf of the Trustee shall deposit or cause to be deposited with the Paying Agent a sum sufficient to make the payments to Certificateholders in the amounts and in the manner provided for in Section 4.02 and 4.03, such sum to be held in trust for the benefit of Certificateholders. The Trustee shall cause each Paying Agent to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee that such Paying Agent will hold all sums held by it for the payment to Certificateholders in trust for the benefit of the Certificateholders entitled thereto until such sums shall be paid to such Certificateholders. Any sums so held by such Paying Agent shall be held only in Eligible Accounts to the extent such sums are not distributed to the Certificateholders on the date of receipt by such Paying Agent.

ARTICLE VI

THE DEPOSITOR AND THE MASTER SERVICER

Section 6.01 Respective Liabilities of the Depositor and the Master Servicer.

The Depositor and the Master Servicer shall each be liable in accordance herewith only to the extent of the obligations specifically and respectively imposed upon and undertaken by the Depositor and the Master Servicer herein. By way of illustration and not limitation, the Depositor is not liable for the servicing and administration of the Mortgage Loans, nor is it obligated by Section 7.01 or 10.01 to assume any obligations of the Master Servicer or to appoint a designee to assume such obligations, nor is it liable for any other obligation hereunder that it may, but is not obligated to, assume unless it elects to assume such obligation in accordance herewith.

Section 6.02 Merger or Consolidation of the Depositor or the Master Servicer; Assignment of Rights and Delegation of Duties by Master Servicer.

(a) The Depositor and the Master Servicer will each keep in full effect its existence, rights and franchises as a corporation under the laws of the state of its incorporation, and will each obtain and preserve its qualification to do business as a foreign corporation in each jurisdiction in which such qualification is or shall be necessary to protect the validity and enforceability of this Agreement, the Certificates or any of the Mortgage Loans and to perform its respective duties under this Agreement.

(b) Any Person into which the Depositor or the Master Servicer may be merged or consolidated, or any corporation resulting from any merger or consolidation to which the Depositor or the Master Servicer shall be a party, or any Person succeeding to the business of the Depositor or the Master Servicer, shall be the successor of the Depositor or the Master Servicer, as the case may be, hereunder, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding; provided, however, that the successor or surviving Person to the Master Servicer shall be qualified to service mortgage loans on behalf of Fannie Mae or Freddie Mac; and provided further that each Rating Agency's ratings, if any, of the Class A Certificates in effect immediately prior to such merger or consolidation will not be qualified, reduced or withdrawn as a result thereof (as evidenced by a letter to such effect from each Rating Agency).

(c) Notwithstanding anything else in this Section 6.02 and Section 6.04 to the contrary, the Master Servicer may assign its rights and delegate its duties and obligations under this Agreement; provided that the Person accepting such assignment or delegation shall be a Person which is qualified to service mortgage loans on behalf of Fannie Mae or Freddie Mac, is reasonably satisfactory to the Trustee and the Depositor, is willing to service the Mortgage Loans and executes and delivers to the Depositor and the Trustee an agreement, in form and substance reasonably satisfactory to the Depositor and the Trustee, which contains an assumption by such Person of the due and punctual performance and observance of each covenant and condition to be performed or observed by the Master Servicer under this Agreement; provided further that each Rating Agency's rating of the Classes of Certificates that have been rated in effect immediately prior to such assignment and delegation will not be qualified, reduced or withdrawn as a result of such assignment and delegation (as evidenced by a letter to such effect from each Rating Agency). In the case of any such assignment and delegation, the Master Servicer shall be released from its obligations under this Agreement, except that the Master Servicer shall remain liable for all liabilities and obligations incurred by it as Master Servicer hereunder prior to the satisfaction of the conditions to such assignment and delegation set forth in the next preceding sentence. This Section 6.02 shall not apply to any sale, transfer, pledge or assignment by Residential Funding of the Call Rights.

Section 6.03 Limitation on Liability of the Depositor, the Master Servicer and Others.

Neither the Depositor, the Master Servicer nor any of the directors, officers, employees or agents of the Depositor or the Master Servicer shall be under any liability to the Trust Fund or the Certificateholders for any action taken or for refraining from the taking of any action in good faith pursuant to this Agreement, or for errors in judgment; *provided, however*, that this provision shall not protect the Depositor, the Master Servicer or any such Person against any breach of warranties or representations made herein or any liability which would otherwise be imposed by reason of willful misfeasance, bad faith or gross negligence in the performance of duties or by reason of reckless disregard of obligations and duties hereunder. The Depositor, the Master Servicer and any director, officer, employee or agent of the Depositor or the Master Servicer may rely in good faith on any document of any kind prima facie properly executed and submitted by any Person respecting any matters arising hereunder. The Depositor, the Master Servicer and any director, officer, employee or agent of the Depositor or the Master Servicer shall be indemnified by the Trust Fund and held harmless against any loss, liability or expense incurred in connection with any legal action relating to this Agreement or the Certificates, other than any loss, liability or expense related to any specific Mortgage Loan or Mortgage Loans (except as any such loss, liability or expense shall be otherwise reimbursable pursuant to this Agreement) and any loss, liability or expense incurred by reason of willful misfeasance, bad faith or gross negligence in the performance of duties hereunder or by reason of reckless disregard of obligations and duties hereunder. Neither the Depositor nor the Master Servicer shall be under any obligation to appear in, prosecute or defend any legal or administrative action, proceeding, hearing or examination that is not incidental to its respective duties under this Agreement and which in its opinion may involve it in any expense or liability; *provided, however*, that the Depositor or the Master Servicer may in its discretion undertake any such action, proceeding, hearing or examination that it may deem necessary or desirable in respect to this Agreement and the rights and duties of the parties hereto and the interests of the Certificateholders hereunder. In such event, the legal expenses and costs of such action, proceeding, hearing or examination and any liability resulting therefrom shall be expenses, costs and liabilities of the Trust Fund, and the Depositor and the Master Servicer shall be entitled to be reimbursed therefor out of amounts attributable to the Mortgage Loans on deposit in the Custodial Account as provided by Section 3.10 and, on the Distribution Date(s) following such reimbursement, the aggregate of such expenses and costs shall be allocated in reduction of the Accrued Certificate Interest on each Class entitled thereto in the same manner as if such expenses and costs constituted a Prepayment Interest Shortfall.

Section 6.04 Depositor and Master Servicer Not to Resign.

Subject to the provisions of Section 6.02, neither the Depositor nor the Master Servicer shall resign from its respective obligations and duties hereby imposed on it except upon determination that its duties hereunder are no longer permissible under applicable law. Any such determination permitting the resignation of the Depositor or the Master Servicer shall be evidenced by an Opinion of Counsel (at the expense of the resigning party) to such effect delivered to the Trustee. No such resignation by the Master Servicer shall become effective until the Trustee or a successor servicer shall have assumed the Master Servicer's responsibilities and obligations in accordance with Section 7.02.

ARTICLE VII

DEFAULT

Section 7.01 Events of Default.

Event of Default, wherever used herein, means any one of the following events (whatever reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(i) the Master Servicer shall fail to distribute or cause to be distributed to Holders of Certificates of any Class Any distribution required to be made under the terms of the Certificates of such Class And this Agreement and, in either case, such failure shall continue unremedied for a period of 5 days after the date upon which written notice of such failure, requiring such failure to be remedied, shall have been given to the Master Servicer by the Trustee or the Depositor or to the Master Servicer, the Depositor and the Trustee by the Holders of Certificates of such Class evidencing Percentage Interests aggregating not less than 25%; or

(ii) the Master Servicer shall fail to observe or perform in any material respect any other of the covenants or agreements on the part of the Master Servicer contained in the Certificates of any Class or in this Agreement and such failure shall continue unremedied for a period of 30 days (except that such number of days shall be 15 in the case of a failure to pay the premium for any Required Insurance Policy) after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Master Servicer by the Trustee or the Depositor, or to the Master Servicer, the Depositor and the Trustee by the Holders of Certificates of any Class evidencing, as to such Class, Percentage Interests aggregating not less than 25%; or

(iii) a decree or order of a court or agency or supervisory authority having jurisdiction in the premises in an involuntary case under any present or future federal or state bankruptcy, insolvency or similar law or appointing a conservator or receiver or liquidator in any insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings, or for the winding-up or liquidation of its affairs, shall have been entered against the Master Servicer and such decree or order shall have remained in force undischarged or unstayed for a period of 60 days; or

(iv) the Master Servicer shall consent to the appointment of a conservator or receiver or liquidator in any insolvency, readjustment of debt, marshalling of assets and liabilities, or similar proceedings of, or relating to, the Master Servicer or of, or relating to, all or substantially all of the property of the Master Servicer; or

(v) the Master Servicer shall admit in writing its inability to pay its debts generally as they become due, file a petition to take advantage of, or commence a voluntary case under, any applicable insolvency or reorganization statute, make an assignment for the benefit of its creditors, or voluntarily suspend payment of its obligations; or

(vi) the Master Servicer shall notify the Trustee pursuant to Section 4.04(b) that it is unable to deposit in the Certificate Account an amount equal to the Advance.

If an Event of Default described in clauses (i)-(v) of this Section shall occur, then, and in each and every such case, so long as such Event of Default shall not have been remedied, either the Depositor or the Trustee shall at the direction of Holders of Certificates entitled to at least 51% of the Voting Rights, by notice in writing to the Master Servicer (and to the Depositor if given by the Trustee or to the Trustee if given by the Depositor), terminate all of the rights and obligations of the Master Servicer under this Agreement and in and to the Mortgage Loans and the proceeds thereof, other than its rights as a Certificateholder hereunder. On or after the receipt by the Master Servicer of such written notice, all authority and power of the Master Servicer under this Agreement, whether with respect to the Certificates (other than as a Holder thereof) or the Mortgage Loans or otherwise, shall subject to Section 7.02 pass to and be vested in the Trustee as successor Master Servicer or the Trustee's designee appointed pursuant to Section 7.02; and, without limitation, the Trustee is hereby authorized and empowered to execute and deliver, on behalf of the Master Servicer, as attorney-in-fact or otherwise, any and all documents and other instruments, and to do or accomplish all other acts or things necessary or appropriate to effect the purposes of such notice of termination, whether to complete the transfer and endorsement or assignment of the Mortgage Loans and related documents, or otherwise. The Master Servicer agrees to cooperate with the Trustee in effecting the termination of the Master Servicer's responsibilities and rights hereunder, including, without limitation, the transfer to the Trustee or its designee for administration by it of all cash amounts which shall at the time be credited to the Custodial Account or the Certificate Account or thereafter be received with respect to the Mortgage Loans. No such termination shall release the Master Servicer for any liability that it would otherwise have hereunder for any act or omission prior to the effective time of such termination. Notwithstanding any termination of the activities of Residential Funding in its capacity as Master Servicer hereunder, Residential Funding shall be entitled to receive, out of any late collection of a Monthly Payment on a Mortgage Loan which was due prior to the notice terminating Residential Funding's rights and obligations as Master Servicer hereunder and received after such notice, that portion to which Residential Funding would have been entitled pursuant to Sections 3.10(a)(ii), (vi) and (vii) as well as its Servicing Fee in respect thereof, and any other amounts payable to Residential Funding hereunder the entitlement to which arose prior to the termination of its activities hereunder. Upon the termination of Residential Funding as Master Servicer hereunder the Depositor shall deliver to the Trustee as successor Master Servicer a copy of the Program Guide.

Section 7.02 Trustee or Depositor to Act; Appointment of Successor.

(a) On and after the time the Master Servicer receives a notice of termination pursuant to Section 7.01 or resigns in accordance with Section 6.04, the Trustee or, upon notice to the Depositor and with the Depositor's consent (which shall not be unreasonably withheld) a designee (which meets the standards set forth below) of the Trustee, shall be the successor in all respects to the Master Servicer in its capacity as servicer under this Agreement and the transactions set forth or provided for herein and shall be subject to all the responsibilities, duties and liabilities relating thereto placed on the Master Servicer (except for the responsibilities, duties and liabilities contained in Sections 2.02 and 2.03(a), excluding the duty to notify related Subservicers as set forth in such Sections, and its obligations to deposit amounts in respect of losses incurred prior to such notice or termination on the investment of funds in the Custodial Account or the Certificate Account pursuant to Sections 3.07(c) and 4.01(c) by the terms and provisions hereof); provided, however, that any failure to perform such duties or responsibilities caused by the preceding Master Servicer's failure to provide information required by Section 4.04 shall not be considered a default by the Trustee as successor Master Servicer hereunder. As compensation therefor, the Trustee as successor Master Servicer shall be entitled to all funds relating to the Mortgage Loans which the Master Servicer would have been entitled to charge to the Custodial Account or the Certificate Account if the Master Servicer had continued to act hereunder and, in addition, shall be entitled to the income from any Permitted Investments made with amounts attributable to the Mortgage Loans held in the Custodial Account or the Certificate Account. If the Trustee has become the successor to the Master Servicer in accordance with Section 6.04 or Section 7.01, then notwithstanding the above, the Trustee may, if it shall be unwilling to so act, or shall, if it is unable to so act, appoint, or petition a court of competent jurisdiction to appoint, any established housing and home finance institution, which is also a Fannie Mae or Freddie Mac-approved mortgage servicing institution, having a net worth of not less than $10,000,000 as the successor to the Master Servicer hereunder in the assumption of all or any part of the responsibilities, duties or liabilities of the Master Servicer hereunder. Pending appointment of a successor to the Master Servicer hereunder, the Trustee shall become successor to the Master Servicer and shall act in such capacity as hereinabove provided. In connection with such appointment and assumption, the Trustee as successor Master Servicer may make such arrangements for the compensation of such successor out of payments on Mortgage Loans as it and such successor shall agree; *provided, however*, that no such compensation shall be in excess of that permitted the initial Master Servicer hereunder. The Depositor, the Trustee, the Custodian and such successor shall take such action, consistent with this Agreement, as shall be necessary to effectuate any such succession. The Servicing Fee for any successor Master Servicer appointed pursuant to this Section 7.02 will be lowered with respect to those Mortgage Loans, if any, where the Subservicing Fee accrues at a rate of less than 0.50% per annum in the event that the successor Master Servicer is not servicing such Mortgage Loans directly and it is necessary to raise the related Subservicing Fee to a rate of 0.50% per annum in order to hire a Subservicer with respect to such Mortgage Loans.

(b) In connection with the termination or resignation of the Master Servicer hereunder, either (i) the successor Master Servicer, including the Trustee if the Trustee is acting as successor Master Servicer, shall represent and warrant that it is a member of MERS in good standing and shall agree to comply in all material respects with the rules and procedures of MERS in connection with the servicing of the Mortgage Loans that are registered with MERS, in which case the predecessor Master Servicer shall cooperate with the successor Master Servicer in causing MERS to revise its records to reflect the transfer of servicing to the successor Master Servicer as necessary under MERS' rules and regulations, or (ii) the predecessor Master Servicer shall cooperate with the successor Master Servicer in causing MERS to execute and deliver an assignment of Mortgage in recordable form to transfer the Mortgage from MERS to the Trustee and to execute and deliver such other notices, documents and other instruments as may be necessary or desirable to effect a transfer of such Mortgage Loan or servicing of such Mortgage Loan on the MERS® System to the successor Master Servicer. The predecessor Master Servicer shall file or cause to be filed any such assignment in the appropriate recording office. The predecessor Master Servicer shall bear any and all fees of MERS, costs of preparing any assignments of Mortgage, and fees and costs of filing any assignments of Mortgage that may be required under this subsection (b). The successor Master Servicer shall cause such assignment to be delivered to the Trustee or the Custodian promptly upon receipt of the original with evidence of recording thereon or a copy certified by the public recording office in which such assignment was recorded.

Section 7.03 Notification to Certificateholders.

(a) Upon any such termination or appointment of a successor to the Master Servicer, the Trustee shall give prompt written notice thereof to the Certificateholders at their respective addresses appearing in the Certificate Register.

(b) Within 60 days after the occurrence of any Event of Default, the Trustee shall transmit by mail to all Holders of Certificates notice of each such Event of Default hereunder known to the Trustee, unless such Event of Default shall have been cured or waived as provided in Section 7.04 hereof.

Section 7.04 Waiver of Events of Default.

The Holders representing at least 66% of the Voting Rights of Certificates affected by a default or Event of Default hereunder may waive any default or Event of Default; *provided, however*, that (a) a default or Event of Default under clause (i) of Section 7.01 may be waived with only by all of the Holders of Certificates affected by such default or Event of Default and (b) no waiver pursuant to this Section 7.04 shall affect the Holders of Certificates in the manner set forth in Section 11.01(b)(i), (ii) or (iii). Upon any such waiver of a default or Event of Default by the Holders representing the requisite percentage of Voting Rights of Certificates affected by such default or Event of Default, such default or Event of Default shall cease to exist and shall be deemed to have been remedied for every purpose hereunder. No such waiver shall extend to any subsequent or other default or Event of Default or impair any right consequent thereon except to the extent expressly so waived.

ARTICLE VIII

CONCERNING THE TRUSTEE

Section 8.01 Duties of Trustee.

(a) The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Agreement. In case an Event of Default has occurred (which has not been cured or waived), the Trustee shall exercise such of the rights and powers vested in it by this Agreement, and use the same degree of care and skill in their exercise as a prudent investor would exercise or use under the circumstances in the conduct of such investor's own affairs.

(b) The Trustee, upon receipt of all resolutions, certificates, statements, opinions, reports, documents, orders or other instruments furnished to the Trustee which are specifically required to be furnished pursuant to any provision of this Agreement, shall examine them to determine whether they conform to the requirements of this Agreement. The Trustee shall notify the Certificateholders of any such documents which do not materially conform to the requirements of this Agreement in the event that the Trustee, after so requesting, does not receive satisfactorily corrected documents. The Trustee shall forward or cause to be forwarded in a timely fashion the notices, reports and statements required to be forwarded by the Trustee pursuant to Sections 4.03, 4.06, 7.03, and 10.01. The Trustee shall furnish in a timely fashion to the Master Servicer such information as the Master Servicer may reasonably request from time to time for the Master Servicer to fulfill its duties as set forth in this Agreement. The Trustee covenants and agrees that it shall perform its obligations hereunder in a manner so as to maintain the status of each of REMIC I and REMIC II as a REMIC under the REMIC Provisions (subject to Section 10.01(f)) and to prevent the imposition of any federal, state or local income, prohibited transaction (except as provided in Section 2.04 herein), contribution or other tax on the Trust Fund to the extent that maintaining such status and avoiding such taxes are reasonably within the control of the Trustee and are reasonably within the scope of its duties under this Agreement.

(c) No provision of this Agreement shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act or its own willful misconduct; provided, however, that:

(i) Prior to the occurrence of an Event of Default, and after the curing or waiver of all such Events of Default which may have occurred, the duties and obligations of the Trustee shall be determined solely by the express provisions of this Agreement, the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Agreement, no implied covenants or obligations shall be read into this Agreement against the Trustee and, in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Trustee by the Depositor or the Master Servicer and which on their face, do not contradict the requirements of this Agreement;

(ii) The Trustee shall not be personally liable for an error of judgment made in good faith by a Responsible Officer or Responsible Officers of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(iii) The Trustee shall not be personally liable with respect to any action taken, suffered or omitted to be taken by it in good faith in accordance with the direction of the Certificateholders holding Certificates which evidence, Percentage Interests aggregating not less than 25% of the affected classes as to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Agreement;

(iv) The Trustee shall not be charged with knowledge of any default (other than a default in payment to the Trustee) specified in clauses (i) and (ii) of Section 7.01 or an Event of Default under clauses (iii), (iv) and (v) of Section 7.01 unless a Responsible Officer of the Trustee assigned to and working in the Corporate Trust Office obtains actual knowledge of such failure or event or the Trustee receives written notice of such failure or event at its Corporate Trust Office from the Master Servicer, the Depositor or any Certificateholder; and

(v) Except to the extent provided in Section 7.02, no provision in this Agreement shall require the Trustee to expend or risk its own funds (including, without limitation, the making of any Advance) or otherwise incur any personal financial liability in the performance of any of its duties as Trustee hereunder, or in the exercise of any of its rights or powers, if the Trustee shall have reasonable grounds for believing that repayment of funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(d) The Trustee shall timely pay, from its own funds, the amount of any and all federal, state and local taxes imposed on the Trust Fund or its assets or transactions including, without limitation, (A) "prohibited transaction" penalty taxes as defined in Section 860F of the Code, if, when and as the same shall be due and payable, (B) any tax on contributions to a REMIC after the Closing Date imposed by Section 860G(d) of the Code and (C) any tax on "net income from foreclosure property" as defined in Section 860G(c) of the Code, but only if such taxes arise out of a breach by the Trustee of its obligations hereunder, which breach constitutes negligence or willful misconduct of the Trustee.

Section 8.02 Certain Matters Affecting the Trustee.

(a) Except as otherwise provided in Section 8.01:

(i) The Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, Officers' Certificate, certificate of auditors or any other certificate, statement, instrument, opinion, report, notice, request, consent, order, appraisal, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(ii) The Trustee may consult with counsel and any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken or suffered or omitted by it hereunder in good faith and in accordance with such Opinion of Counsel;

(iii) The Trustee shall be under no obligation to exercise any of the trusts or powers vested in it by this Agreement or to institute, conduct or defend any litigation hereunder or in relation hereto at the request, order or direction of any of the Certificateholders, pursuant to the provisions of this Agreement or the Yield Maintenance Agreement, unless such Certificateholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which may be incurred therein or thereby; nothing contained herein shall, however, relieve the Trustee of the obligation, upon the occurrence of an Event of Default (which has not been cured), to exercise such of the rights and powers vested in it by this Agreement, and to use the same degree of care and skill in their exercise as a prudent investor would exercise or use under the circumstances in the conduct of such investor's own affairs;

(iv) The Trustee shall not be personally liable for any action taken, suffered or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Agreement;

(v) Prior to the occurrence of an Event of Default hereunder and after the curing of all Events of Default which may have occurred, the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, bond or other paper or document, unless requested in writing so to do by the Holders of Certificates of any Class evidencing, as to such Class, Percentage Interests, aggregating not less than 50%; provided, however, that if the payment within a reasonable time to the Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation is, in the opinion of the Trustee, not reasonably assured to the Trustee by the security afforded to it by the terms of this Agreement, the Trustee may require reasonable indemnity against such expense or liability as a condition to so proceeding. The reasonable expense of every such examination shall be paid by the Master Servicer, if an Event of Default shall have occurred and is continuing, and otherwise by the Certificateholder requesting the investigation;

(vi) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys provided that the Trustee shall remain liable for any acts of such agents or attorneys; and

(vii) To the extent authorized under the Code and the regulations promulgated thereunder, each Holder of a Class R Certificate hereby irrevocably appoints and authorizes the Trustee to be its attorney-in-fact for purposes of signing any Tax Returns required to be filed on behalf of the Trust Fund. The Trustee shall sign on behalf of the Trust Fund and deliver to the Master Servicer in a timely manner any Tax Returns prepared by or on behalf of the Master Servicer that the Trustee is required to sign as determined by the Master Servicer pursuant to applicable federal, state or local tax laws, provided that the Master Servicer shall indemnify the Trustee for signing any such Tax Returns that contain errors or omissions.

(b) Following the issuance of the Certificates (and except as provided for in Section 2.04), the Trustee shall not accept any contribution of assets to the Trust Fund unless it shall have obtained or been furnished with an Opinion of Counsel to the effect that such contribution will not (i) cause any of REMIC I or REMIC II to fail to qualify as a REMIC at any time that any Certificates are outstanding or (ii) cause the Trust Fund to be subject to any federal tax as a result of such contribution (including the imposition of any federal tax on "prohibited transactions" imposed under Section 860F(a) of the Code).

Section 8.03 Trustee Not Liable for Certificates or Mortgage Loans.

The recitals contained herein and in the Certificates (other than the execution of the Certificates and relating to the acceptance and receipt of the Mortgage Loans) shall be taken as the statements of the Depositor or the Master Servicer as the case may be, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Agreement or of the Certificates (except that the Certificates shall be duly and validly executed and authenticated by it as Certificate Registrar) or of any Mortgage Loan or related document, or of MERS or the MERS® System. Except as otherwise provided herein, the Trustee shall not be accountable for the use or application by the Depositor or the Master Servicer of any of the Certificates or of the proceeds of such Certificates, or for the use or application of any funds paid to the Depositor or the Master Servicer in respect of the Mortgage Loans or deposited in or withdrawn from the Custodial Account or the Certificate Account by the Depositor or the Master Servicer.

Section 8.04 Trustee May Own Certificates.

The Trustee in its individual or any other capacity may become the owner or pledgee of Certificates with the same rights it would have if it were not Trustee.

Section 8.05 Master Servicer to Pay Trustee's Fees and Expenses; Indemnification.

(a) The Master Servicer covenants and agrees to pay to the Trustee and any co-trustee from time to time, and the Trustee and any co-trustee shall be entitled to, reasonable compensation (which shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) for all services rendered by each of them in the execution of the trusts hereby created and in the exercise and performance of any of the powers and duties hereunder of the Trustee and any co-trustee, and the Master Servicer will pay or reimburse the Trustee and any co-trustee upon request for all reasonable expenses, disbursements and advances incurred or made by the Trustee or any co-trustee in accordance with any of the provisions of this Agreement (including the reasonable compensation and the expenses and disbursements of its counsel and of all persons not regularly in its employ, and the expenses incurred by the Trustee or any co-trustee in connection with the appointment of an office or agency pursuant to Section 8.12) except any such expense, disbursement or advance as may arise from its negligence or bad faith.

(b) The Master Servicer agrees to indemnify the Trustee for, and to hold the Trustee harmless against, any loss, liability or expense incurred without negligence or willful misconduct on its part, arising out of, or in connection with, the acceptance and administration of the Trust Fund, including the costs and expenses (including reasonable legal fees and expenses) of defending itself against any claim in connection with the exercise or performance of any of its powers or duties under this Agreement or the Yield Maintenance Agreement, and the Master Servicer further agrees to indemnify the Trustee for, and to hold the Trustee harmless against, any loss, liability or expense arising out of, or in connection with, the provisions set forth in the second paragraph of Section 2.01(a) hereof, including, without limitation, all costs, liabilities and expenses (including reasonable legal fees and expenses) of investigating or defending itself against any claim, action or proceeding, pending or threatened, relating to the provisions of such paragraph, provided that:

(i) with respect to any such claim, the Trustee shall have given the Master Servicer written notice thereof promptly after the Trustee shall have actual knowledge thereof;

(ii) while maintaining control over its own defense, the Trustee shall cooperate and consult fully with the Master Servicer in preparing such defense; and

(iii) notwithstanding anything in this Agreement to the contrary, the Master Servicer shall not be liable for settlement of any claim by the Trustee entered into without the prior consent of the Master Servicer which consent shall not be unreasonably withheld. No termination of this Agreement shall affect the obligations created by this Section 8.05(b) of the Master Servicer to indemnify the Trustee under the conditions and to the extent set forth herein. Notwithstanding the foregoing, the indemnification provided by the Master Servicer in this Section 8.05(b) shall not pertain to any loss, liability or expense of the Trustee, including the costs and expenses of defending itself against any claim, incurred in connection with any actions taken by the Trustee at the direction of Certificateholders pursuant to the terms of this Agreement.

Section 8.06 Eligibility Requirements for Trustee.

The Trustee hereunder shall at all times be a national banking association or a New York banking corporation having its principal office in a state and city acceptable to the Depositor and organized and doing business under the laws of such state or the United States of America, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least $50,000,000 and subject to supervision or examination by federal or state authority. If such corporation or national banking association publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, the Trustee shall resign immediately in the manner and with the effect specified in Section 8.07.

Section 8.07 Resignation and Removal of the Trustee.

(a) The Trustee may at any time resign and be discharged from the trusts hereby created by giving written notice thereof to the Depositor and the Master Servicer. Upon receiving such notice of resignation, the Depositor shall promptly appoint a successor trustee by written instrument, in duplicate, one copy of which instrument shall be delivered to the resigning Trustee and one copy to the successor trustee. If no successor trustee shall have been so appointed and have accepted appointment within 30 days after the giving of such notice of resignation then the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor trustee.

(b) If at any time the Trustee shall cease to be eligible in accordance with the provisions of Section 8.06 and shall fail to resign after written request therefor by the Depositor, or if at any time the Trustee shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then the Depositor may remove the Trustee and appoint a successor trustee by written instrument, in duplicate, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor trustee. In addition, in the event that the Depositor determines that the Trustee has failed (i) to distribute or cause to be distributed to Certificateholders any amount required to be distributed hereunder, if such amount is held by the Trustee or its Paying Agent (other than the Master Servicer or the Depositor) for distribution or (ii) to otherwise observe or perform in any material respect any of its covenants, agreements or obligations hereunder, and such failure shall continue unremedied for a period of 5 days (in respect of clause (i) above) or 30 days (in respect of clause (ii) above) after the date on which written notice of such failure, requiring that the same be remedied, shall have been given to the Trustee by the Depositor, then the Depositor may remove the Trustee and appoint a successor trustee by written instrument delivered as provided in the preceding sentence. In connection with the appointment of a successor trustee pursuant to the preceding sentence, the Depositor shall, on or before the date on which any such appointment becomes effective, obtain from each Rating Agency written confirmation that the appointment of any such successor

trustee will not result in the reduction of the ratings on any class of the Certificates below the lesser of the then current or original ratings on such Certificates.

(c) Any resignation or removal of the Trustee and appointment of a successor trustee pursuant to any of the provisions of this Section shall become effective upon acceptance of appointment by the successor trustee as provided in Section 8.08.

Section 8.08 Successor Trustee.

(a) Any successor trustee appointed as provided in Section 8.07 shall execute, acknowledge and deliver to the Depositor and to its predecessor trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor trustee shall become effective and such successor trustee shall become effective and such successor trustee, without any further act, deed or conveyance, shall become fully vested with all the rights, powers, duties and obligations of its predecessor hereunder, with the like effect as if originally named as trustee herein. The predecessor trustee shall deliver to the successor trustee all Mortgage Files and related documents and statements held by it hereunder (other than any Mortgage Files at the time held by a Custodian, which shall become the agent of any successor trustee hereunder), and the Depositor, the Master Servicer and the predecessor trustee shall execute and deliver such instruments and do such other things as may reasonably be required for more fully and certainly vesting and confirming in the successor trustee all such rights, powers, duties and obligations.

(b) No successor trustee shall accept appointment as provided in this Section unless at the time of such acceptance such successor trustee shall be eligible under the provisions of Section 8.06.

(c) Upon acceptance of appointment by a successor trustee as provided in this Section, the Depositor shall mail notice of the succession of such trustee hereunder to all Holders of Certificates at their addresses as shown in the Certificate Register. If the Depositor fails to mail such notice within 10 days after acceptance of appointment by the successor trustee, the successor trustee shall cause such notice to be mailed at the expense of the Depositor.

Section 8.09 Merger or Consolidation of Trustee.

Any corporation or national banking association into which the Trustee may be merged or converted or with which it may be consolidated or any corporation or national banking association resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation or national banking association succeeding to the business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation or national banking association shall be eligible under the provisions of Section 8.06, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding. The Trustee shall mail notice of any such merger or consolidation to the Certificateholders at their address as shown in the Certificate Register.

Section 8.10 Appointment of Co-Trustee or Separate Trustee.

(a) Notwithstanding any other provisions hereof, at any time, for the purpose of meeting any legal requirements of any jurisdiction in which any part of the Trust Fund or property securing the same may at the time be located, the Master Servicer and the Trustee acting jointly shall have the power and shall execute and deliver all instruments to appoint one or more Persons approved by the Trustee to act as co-trustee or co-trustees, jointly with the Trustee, or separate trustee or separate trustees, of all or any part of the Trust Fund, and to vest in such Person or Persons, in such capacity, such title to the Trust Fund, or any part thereof, and, subject to the other provisions of this Section 8.10, such powers, duties, obligations, rights and trusts as the Master Servicer and the Trustee may consider necessary or desirable. If the Master Servicer shall not have joined in such appointment within 15 days after the receipt by it of a request so to do, or in case an Event of Default shall have occurred and be continuing, the Trustee alone shall have the power to make such appointment. No co-trustee or separate trustee hereunder shall be required to meet the terms of eligibility as a successor trustee under Section 8.06 hereunder and no notice to Holders of Certificates of the appointment of co-trustee(s) or separate trustee(s) shall be required under Section 8.08 hereof.

(b) In the case of any appointment of a co-trustee or separate trustee pursuant to this Section 8.10 all rights, powers, duties and obligations conferred or imposed upon the Trustee shall be conferred or imposed upon and exercised or performed by the Trustee, and such separate trustee or co-trustee jointly, except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed (whether as Trustee hereunder or as successor to the Master Servicer hereunder), the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations (including the holding of title to the Trust Fund or any portion thereof in any such jurisdiction) shall be exercised and performed by such separate trustee or co-trustee at the direction of the Trustee.

(c) Any notice, request or other writing given to the Trustee shall be deemed to have been given to each of the then separate trustees and co-trustees, as effectively as if given to each of them. Every instrument appointing any separate trustee or co-trustee shall refer to this Agreement and the conditions of this Article VIII. Each separate trustee and co-trustee, upon its acceptance of the trusts conferred, shall be vested with the estates or property specified in its instrument of appointment, either jointly with the Trustee or separately, as may be provided therein, subject to all the provisions of this Agreement, specifically including every provision of this Agreement relating to the conduct of, affecting the liability of, or affording protection to, the Trustee. Every such instrument shall be filed with the Trustee.

(d) Any separate trustee or co-trustee may, at any time, constitute the Trustee, its agent or attorney-in-fact, with full power and authority, to the extent not prohibited by law, to do any lawful act under or in respect of this Agreement on its behalf and in its name. If any separate trustee or co-trustee shall die, become incapable of acting, resign or be removed, all of its estates, properties, rights, remedies and trusts shall vest in and be exercised by the Trustee, to the extent permitted by law, without the appointment of a new or successor trustee.

Section 8.11 Appointment of Custodians.

The Trustee may, with the consent of the Master Servicer and the Depositor, appoint one or more Custodians who are not Affiliates of the Depositor or the Master Servicer to hold all or a portion of the Mortgage Files as agent for the Trustee, by entering into a Custodial Agreement. Subject to Article VIII, the Trustee agrees to comply with the terms of each Custodial Agreement and to enforce the terms and provisions thereof against the Custodian for the benefit of the Certificateholders. Each Custodian shall be a depository institution subject to supervision by federal or state authority, shall have a combined capital and surplus of at least $15,000,000 and shall be qualified to do business in the jurisdiction in which it holds any Mortgage File. Each Custodial Agreement may be amended only as provided in Section 11.01. The Trustee shall notify the Certificateholders of the appointment of any Custodian (other than the Custodian appointed as of the Closing Date) pursuant to this Section 8.11. The Trustee will maintain an office or agency in the City of New York where Certificates may be surrendered for registration of transfer or exchange. The Trustee initially designates its offices located at 4 New York Plaza, 6th Floor, New York, New York 10004, for the purpose of keeping the Certificate Register. The Trustee will maintain an office at the address stated in Section 11.05(c) hereof where notices and demands to or upon the Trustee in respect of this Agreement may be served.

ARTICLE IX

TERMINATION

Section 9.01 Termination Upon Purchase by Residential Funding or Liquidation of All Mortgage Loans.

(a) Subject to Section 9.02, the respective obligations and responsibilities of the Depositor, the Master Servicer and the Trustee created hereby in respect of the Certificates (other than the obligation of the Trustee to make certain payments after the Final Distribution Date to Certificateholders and the obligation of the Depositor to send certain notices as hereinafter set forth) shall terminate upon the last action required to be taken by the Trustee on the Final Distribution Date pursuant to this Article IX following the earlier of:

(i) the later of the final payment or other liquidation (or any Advance with respect thereto) of the last Mortgage Loan remaining in the Trust Fund or the disposition of all property acquired upon foreclosure or deed in lieu of foreclosure of any Mortgage Loan, or

(ii) the purchase by Residential Funding of all the Mortgage Loans and all property remaining in the Trust Fund, at a price equal to 100% of the unpaid principal balance of each Mortgage Loan (or, if less than such unpaid principal balance, the fair market value of the related underlying property of such Mortgage Loan with respect to Mortgage Loans as to which title has been acquired if such fair market value is less than such unpaid principal balance) on the day of repurchase, plus unpaid accrued interest thereon at the Mortgage Rate (or Modified Mortgage Rate in the case of any Modified Mortgage Loan) from the Due Date to which interest was last paid by the Mortgagor to, but not including, the first day of the month in which such repurchase price is distributed;

provided, however, that in no event shall the trust created hereby continue beyond the expiration of 21 years from the death of the last survivor of the descendants of Joseph P. Kennedy, the late ambassador of the United States to the Court of St. James, living on the date hereof; provided further, that, if the amount due under any Certificate shall not have been reduced to zero prior to the Maturity Date, the Master Servicer shall be required to terminate this Agreement in accordance with this clause (ii); and provided further, that the purchase price set forth above shall be increased as is necessary, as determined by the Master Servicer, to avoid disqualification of any of REMIC I or REMIC II as a REMIC. The purchase price paid by Residential Funding shall also include any amounts owed by Residential Funding pursuant to the Section 5 of the Assignment Agreement in respect of any liability, penalty or expense that resulted from a Repurchase Event under clause (B) of Section 5 thereof, that remain unpaid on the date of such purchase.

The right of Residential Funding to purchase all the assets of the Trust Fund relating to the Mortgage Loans, pursuant to clause (ii) above is conditioned upon the date of such purchase occurring on or after the Optional Termination Date. If such right is exercised by Residential Funding or its designee, the Master Servicer shall be entitled to reimbursement for the full amount of any unreimbursed Advances theretofore made by it with respect to the Mortgage Loans being purchased pursuant to Section 3.10. In addition, the Master Servicer shall provide to the Trustee the certification required by Section 3.15 and the Trustee and any Custodian shall, promptly following payment of the purchase price, release to Residential Funding or its designee the Mortgage Files pertaining to the Mortgage Loans being purchased.

In addition to the foregoing, on any Distribution Date on or after the Optional Termination Date, the Master Servicer shall have the right, at its option or at the option of its designee, to purchase the Class A Certificates and Class M Certificates in whole, but not in part, at a price equal to the sum of the outstanding Certificate Principal Balance of such Certificates plus the sum of one month's Accrued Certificate Interest thereon, any previously unpaid Accrued Certificate Interest, and any unpaid Prepayment Interest Shortfall previously allocated thereto.

(b) The Master Servicer shall give the Trustee not less than 40 days' prior notice of the Distribution Date on which the Master Servicer anticipates that the final distribution will be made to Certificateholders (whether as a result of the exercise by the Master Servicer of its right to purchase the assets of the Trust Fund or otherwise). Notice of any termination, specifying the anticipated Final Distribution Date (which shall be a date that would otherwise be a Distribution Date) upon which the Certificateholders may surrender their Certificates to the Trustee for payment of the final distribution and cancellation, shall be given promptly by the Master Servicer (if the Master Servicer is exercising its right to purchase the assets of the Trust Fund), or by the Trustee (in any other case) by letter to Certificateholders mailed not earlier than the 15th day and not later than the 25th day of the month next preceding the month of such final distribution specifying:

(i) the anticipated Final Distribution Date upon which final payment of the Certificates is anticipated to be made upon presentation and surrender of Certificates at the office or agency of the Trustee therein designated,

(ii) the amount of any such final payment, if known, and

(iii) that the Record Date otherwise applicable to such Distribution Date is not applicable, and that payment will be made only upon presentation and surrender of the Certificates at the office or agency of the Trustee therein specified.

If the Master Servicer is obligated to give notice to Certificateholders as aforesaid, it shall give such notice to the Certificate Registrar at the time such notice is given to Certificateholders. In the event such notice is given by the Master Servicer, the Master Servicer shall deposit in the Custodial Account before the Final Distribution Date in immediately available funds an amount equal to the purchase price for the assets of the Trust Fund computed as above provided. The Master Servicer shall provide to the Trustee written notification of any change to the anticipated Final Distribution Date as soon as practicable. If the Trust Fund is not terminated on the anticipated Final Distribution Date, for any reason, the Trustee shall promptly mail notice thereof to each affected Certificateholder.

Upon presentation and surrender of the Certificates by the Certificateholders, the Trustee shall distribute to the Certificateholders on the Final Distribution Date the respective amounts determined in accordance with Section 4.02.

(c) In the event that any Certificateholders shall not surrender their Certificates for final payment and cancellation on or before the Final Distribution Date, the Trustee shall on such date cause all funds in the Certificate Account not distributed in final distribution to Certificateholders to be withdrawn therefrom and credited to the remaining Certificateholders by depositing such funds in a separate escrow account for the benefit of such Certificateholders, and the Master Servicer (if the Master Servicer exercised its right to purchase the assets of the Trust Fund), or the Trustee (in any other case) shall give a second written notice to the remaining Certificateholders to surrender their Certificates for cancellation and receive the final distribution with respect thereto. If within six months after the second notice any Certificate shall not have been surrendered for cancellation, the Trustee shall take appropriate steps as directed by the Master Servicer to contact the remaining Certificateholders concerning surrender of their Certificates. The costs and expenses of maintaining the escrow account and of contacting Certificateholders shall be paid out of the assets which remain in the escrow account. If within nine months after the second notice any Certificates shall not have been surrendered for cancellation, the Trustee shall pay to the Master Servicer all amounts distributable to the holders thereof and the Master Servicer shall thereafter hold such amounts until distributed to such holders. No interest shall accrue or be payable to any Certificateholder on any amount held in the escrow account or by the Master Servicer as a result of such Certificateholder's failure to surrender its Certificate(s) for final payment thereof in accordance with this Section 9.01 and the Certificateholders shall look only to the Master Servicer for such payment.

(d) All rights of the Master Servicer to purchase the assets of the Trust Fund, or to purchase specified classes of Certificates, as set forth in Section 9.01(a) are referred to in this Agreement as the "Call Rights." Notwithstanding any other provision of this Agreement, the Master Servicer shall have the right to sell, transfer, pledge or otherwise assign the Call Rights at any time to any Person. Upon written notice by the Master Servicer to the Trustee of any such assignment of the Call Rights to any assignee, the Trustee and the Master Servicer shall be obligated to recognize such assignee as the holder of the Call Rights. Such entity, if not the Master Servicer or an affiliate, shall be deemed to represent, at the time of such sale, transfer, pledge or other assignment, that one of the following will be, and at the time the Call Right is exercised is, true and correct: (i) the exercise of such Call Right shall not result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (including by reason of PTCE 75-1 (Part I), 84-14, 90-1, 91-38, 95-60 or 96-23 or other applicable exemption) or (ii) such entity is (A) not a party in interest under Section 3(14) of ERISA or a disqualified person under Section 4975(e)(2) of the Code with respect to any employee benefit plan subject to Section 3(3) of ERISA or any plan subject to Section 4975 of the Code (other than an employee benefit plan or plan sponsored or maintained by the entity, provided that no assets of such employee benefit plan or plan are invested or deemed to be invested in the Certificates) and (B) not a "benefit plan investor" as described in DOL regulation Section 2510.3-101(f)(2). If any such assignee of the Call Right is unable to exercise such Call Right by reason of the preceding sentence, then the Call Right shall revert to the immediately preceding assignor of such Call Right subject to the rights of any secured party therein.

Section 9.02 Additional Termination Requirements.

(a) Each of REMIC I and REMIC II, as the case may be, shall be terminated in accordance with the following additional requirements, unless the Trustee and the Master Servicer have received an Opinion of Counsel (which Opinion of Counsel shall not be an expense of the Trustee) to the effect that the failure of any of REMIC I and REMIC II, as the case may be, to comply with the requirements of this Section 9.02 will not (i) result in the imposition on the Trust Fund of taxes on "prohibited transactions," as described in Section 860F of the Code, or (ii) cause any of REMIC I or REMIC II to fail to qualify as a REMIC at any time that any Certificate is outstanding:

(i) The Master Servicer shall establish a 90-day liquidation period for each of REMIC I and REMIC II, and specify the first day of such period in a statement attached to the Trust Fund's final Tax Return pursuant to Treasury Regulation Section 1.860F-1. The Master Servicer also shall satisfy all of the requirements of a qualified liquidation for each of REMIC I and REMIC II under Section 860F of the Code and the regulations thereunder;

(ii) The Master Servicer shall notify the Trustee at the commencement of such 90-day liquidation period and, at or prior to the time of making of the final payment on the Certificates, the Trustee shall sell or otherwise dispose of all of the remaining assets of the Trust Fund in accordance with the terms hereof; and

(iii) If Residential Funding or its designee is exercising its right to purchase the assets of the Trust Fund, Residential Funding or its designee shall, during the 90-day liquidation period and at or prior to the Final Distribution Date, purchase all of the assets of the Trust Fund for cash;

provided, however, that in the event that a calendar quarter ends after the commencement of the 90-day liquidation period but prior to the Final Distribution Date, the Master Servicer shall not purchase any of the assets of the Trust Fund prior to the close of that calendar quarter.

(b) Each Holder of a Certificate and the Trustee hereby irrevocably approves and appoints the Master Servicer as its attorney-in-fact to adopt a plan of complete liquidation for each of REMIC I and REMIC II at the expense of the Trust Fund in accordance with the terms and conditions of this Agreement.

ARTICLE X

REMIC PROVISIONS

Section 10.01 REMIC Administration.

(a) The REMIC Administrator shall make an election to treat each of REMIC I and REMIC II as a REMIC under the Code and, if necessary, under applicable state law. Such election will be made on Form 1066 or other appropriate federal tax or information return (including Form 8811) or any appropriate state return for the taxable year ending on the last day of the calendar year in which the Certificates are issued. The REMIC I Regular Interests shall be designated as the "regular interests" and the Class R-I Certificates shall be designated as the sole class of "residual interests" in REMIC I. The Class A, Class M and Class SB Certificates shall be designated as the "regular interests" in REMIC II and the Class R-II Certificates shall be designated the sole class of "residual interests" in REMIC II. The REMIC Administrator and the Trustee shall not permit the creation of any "interests" (within the meaning of Section 860G of the Code) in the REMIC other than the Certificates.

(b) The Closing Date is hereby designated as the "startup day" of each of REMIC I and REMIC II within the meaning of Section 860G(a)(9) of the Code.

(c) The REMIC Administrator shall hold a Class R Certificate in each REMIC representing a 0.01% Percentage Interest of the Class R Certificates in each REMIC and shall be designated as the "tax matters person" with respect to each of REMIC I and REMIC II in the manner provided under Treasury Regulation Section 1.860F-4(d) and Treasury Regulation Section 301.6231(a)(7)-1. The REMIC Administrator, as tax matters person, shall (i) act on behalf of each of REMIC I and REMIC II in relation to any tax matter or controversy involving the Trust Fund and (ii) represent the Trust Fund in any administrative or judicial proceeding relating to an examination or audit by any governmental taxing authority with respect thereto. The legal expenses, including without limitation attorneys' or accountants' fees, and costs of any such proceeding and any liability resulting therefrom shall be expenses of the Trust Fund, and the REMIC Administrator shall be entitled to reimbursement therefor out of amounts attributable to the Mortgage Loans on deposit in the Custodial Account as provided by Section 3.10 unless

such legal expenses and costs are incurred by reason of the REMIC Administrator's willful misfeasance, bad faith or gross negligence. If the REMIC Administrator is no longer the Master Servicer hereunder, at its option the REMIC Administrator may continue its duties as REMIC Administrator and shall be paid reasonable compensation not to exceed $3,000 per year by any successor Master Servicer hereunder for so acting as the REMIC Administrator.

(d) The REMIC Administrator shall prepare or cause to be prepared all of the Tax Returns that it determines are required with respect to the REMIC created hereunder and deliver such Tax Returns in a timely manner to the Trustee, and the Trustee shall sign and file such Tax Returns in a timely manner. The expenses of preparing such returns shall be borne by the REMIC Administrator without any right of reimbursement therefor. The REMIC Administrator agrees to indemnify and hold harmless the Trustee with respect to any tax or liability arising from the Trustee's signing of Tax Returns that contain errors or omissions. The Trustee and Master Servicer shall promptly provide the REMIC Administrator with such information as the REMIC Administrator may from time to time request for the purpose of enabling the REMIC Administrator to prepare Tax Returns.

(e) The REMIC Administrator shall provide (i) to any Transferor of a Class R Certificate such information as is necessary for the application of any tax relating to the transfer of a Class R Certificate to any Person who is not a Permitted Transferee, (ii) to the Trustee and the Trustee shall forward to the Certificateholders such information or reports as are required by the Code or the REMIC Provisions including reports relating to interest, original issue discount, if any, and market discount or premium (using the Prepayment Assumption) and (iii) to the Internal Revenue Service the name, title, address and telephone number of the person who will serve as the representative of each REMIC created hereunder.

(f) The Master Servicer and the REMIC Administrator shall take such actions and shall cause each REMIC created hereunder to take such actions as are reasonably within the Master Servicer's or the REMIC Administrator's control and the scope of its duties more specifically set forth herein as shall be necessary or desirable to maintain the status thereof as a REMIC under the REMIC Provisions (and the Trustee shall assist the Master Servicer and the REMIC Administrator, to the extent reasonably requested by the Master Servicer and the REMIC Administrator to do so). In performing their duties as more specifically set forth herein, the Master Servicer and the REMIC Administrator shall not knowingly or intentionally take any action, cause the Trust Fund to take any action or fail to take (or fail to cause to be taken) any action reasonably within their respective control and the scope of duties more specifically set forth herein, that, under the REMIC Provisions, if taken or not taken, as the case may be, could (i) endanger the status of any of REMIC I or REMIC II as a REMIC or (ii) result in the imposition of a tax upon any of REMIC I or REMIC II (including but not limited to the tax on prohibited transactions as defined in Section 860F(a)(2) of the Code (except as provided in Section 2.04) and the tax on contributions to a REMIC set forth in Section 860G(d) of the Code) (either such event, in the absence of an Opinion of Counsel or the indemnification referred to in this sentence, an "Adverse REMIC Event") unless the Master Servicer or the REMIC Administrator, as applicable, has received an Opinion of Counsel (at the expense of the party seeking to take such action or, if such party fails to pay such expense, and the Master Servicer or the REMIC Administrator, as applicable, determines that taking such action is in the best interest of the Trust Fund and the Certificateholders, at the expense of the Trust Fund,

but in no event at the expense of the Master Servicer, the REMIC Administrator or the Trustee) to the effect that the contemplated action will not, with respect to the Trust Fund created hereunder, endanger such status or, unless the Master Servicer or the REMIC Administrator or both, as applicable, determine in its or their sole discretion to indemnify the Trust Fund against the imposition of such a tax, result in the imposition of such a tax. Wherever in this Agreement a contemplated action may not be taken because the timing of such action might result in the imposition of a tax on the Trust Fund, or may only be taken pursuant to an Opinion of Counsel that such action would not impose a tax on the Trust Fund, such action may nonetheless be taken provided that the indemnity given in the preceding sentence with respect to any taxes that might be imposed on the Trust Fund has been given and that all other preconditions to the taking of such action have been satisfied. The Trustee shall not take or fail to take any action (whether or not authorized hereunder) as to which the Master Servicer or the REMIC Administrator, as applicable, has advised it in writing that it has received an Opinion of Counsel to the effect that an Adverse REMIC Event could occur with respect to such action. In addition, prior to taking any action with respect to the Trust Fund or its assets, or causing the Trust Fund to take any action, which is not expressly permitted under the terms of this Agreement, the Trustee will consult with the Master Servicer or the REMIC Administrator, as applicable, or its designee, in writing, with respect to whether such action could cause an Adverse REMIC Event to occur with respect to the Trust Fund and the Trustee shall not take any such action or cause the Trust Fund to take any such action as to which the Master Servicer or the REMIC Administrator, as applicable, has advised it in writing that an Adverse REMIC Event could occur. The Master Servicer or the REMIC Administrator, as applicable, may consult with counsel to make such written advice, and the cost of same shall be borne by the party seeking to take the action not expressly permitted by this Agreement, but in no event at the expense of the Master Servicer or the REMIC Administrator. At all times as may be required by the Code, the Master Servicer or the REMIC Administrator, as applicable, will to the extent within its control and the scope of its duties more specifically set forth herein, maintain substantially all of the assets of the REMIC as "qualified mortgages" as defined in Section 860G(a)(3) of the Code and "permitted investments" as defined in Section 860G(a)(5) of the Code.

(g) In the event that any tax is imposed on "prohibited transactions" of any REMIC created hereunder as defined in Section 860F(a)(2) of the Code, on "net income from foreclosure property" of any REMIC as defined in Section 860G(c) of the Code, on any contributions to any REMIC after the startup day therefor pursuant to Section 860G(d) of the Code, or any other tax imposed by the Code or any applicable provisions of state or local tax laws, such tax shall be charged (i) to the Master Servicer, if such tax arises out of or results from a breach by the Master Servicer of any of its obligations under this Agreement or the Master Servicer has in its sole discretion determined to indemnify the Trust Fund against such tax, (ii) to the Trustee, if such tax arises out of or results from a breach by the Trustee of any of its obligations under this Article X, or (iii) otherwise against amounts on deposit in the Custodial Account as provided by Section 3.10, and on the Distribution Date(s) following such reimbursement the aggregate of such taxes shall be allocated in reduction of the Accrued Certificate Interest on each Class entitled thereto in the same manner as if such taxes constituted a Prepayment Interest Shortfall.

(h) The Trustee and the Master Servicer shall, for federal income tax purposes, maintain books and records with respect to each REMIC on a calendar year and on an accrual basis or as otherwise may be required by the REMIC Provisions.

(i) Following the startup day, neither the Master Servicer nor the Trustee shall accept any contributions of assets to any REMIC unless (subject to Section 10.01(f)) the Master Servicer and the Trustee shall have received an Opinion of Counsel (at the expense of the party seeking to make such contribution) to the effect that the inclusion of such assets in any REMIC will not cause any of REMIC I or REMIC II to fail to qualify as a REMIC at any time that any Certificates are outstanding or subject any such REMIC to any tax under the REMIC Provisions or other applicable provisions of federal, state and local law or ordinances.

(j) Neither the Master Servicer nor the Trustee shall (subject to Section 10.01(f)) enter into any arrangement by which any of REMIC I or REMIC II will receive a fee or other compensation for services nor permit any of REMIC I or REMIC II to receive any income from assets other than "qualified mortgages" as defined in Section 860G(a)(3) of the Code or "permitted investments" as defined in Section 860G(a)(5) of the Code.

(k) For the purposes of Section 1.860G-1(a)(4)(iii) of the Treasury regulations, the "latest possible maturity date" by which the principal balance of each regular interest in each REMIC would be reduced to zero is February 25, 2037.

(l) Within 30 days after the Closing Date, the REMIC Administrator shall prepare and file with the Internal Revenue Service Form 8811, "Information Return for Real Estate Mortgage Investment Conduits (REMIC) and Issuers of Collateralized Debt Obligations" for the Trust Fund.

(m) Neither the Trustee nor the Master Servicer shall sell, dispose of or substitute for any of the Mortgage Loans (except in connection with (i) the default, imminent default or foreclosure of a Mortgage Loan, including but not limited to, the acquisition or sale of a Mortgaged Property acquired by deed in lieu of foreclosure, (ii) the bankruptcy of the Trust Fund, (iii) the termination of any REMIC pursuant to Article IX of this Agreement or (iv) a purchase of Mortgage Loans pursuant to Article II or III of this Agreement) or acquire any assets for any REMIC or sell or dispose of any investments in the Custodial Account or the Certificate Account for gain, or accept any contributions to any REMIC after the Closing Date unless it has received an Opinion of Counsel that such sale, disposition, substitution, acquisition or contribution will not (a) affect adversely the status of any of REMIC I or REMIC II as a REMIC or (b) unless the Master Servicer has determined in its sole discretion to indemnify the Trust Fund against such tax, cause any REMIC to be subject to a tax on "prohibited transactions" or "contributions" pursuant to the REMIC Provisions.

Section 10.02 Master Servicer, REMIC Administrator and Trustee Indemnification.

(a) The Trustee agrees to indemnify the Trust Fund, the Depositor, the REMIC Administrator and the Master Servicer for any taxes and costs including, without limitation, any reasonable attorneys fees imposed on or incurred by the Trust Fund, the Depositor or the Master Servicer, as a result of a breach of the Trustee's covenants set forth in Article VIII or this Article X. In the event that Residential Funding is no longer the Master Servicer, the Trustee shall indemnify Residential Funding for any taxes and costs including, without limitation, any reasonable attorneys fees imposed on or incurred by Residential Funding as a result of a breach of the Trustee's covenants set forth in Article VIII or this Article X.

(b) The REMIC Administrator agrees to indemnify the Trust Fund, the Depositor, the Master Servicer and the Trustee for any taxes and costs (including, without limitation, any reasonable attorneys' fees) imposed on or incurred by the Trust Fund, the Depositor, the Master Servicer or the Trustee, as a result of a breach of the REMIC Administrator's covenants set forth in this Article X with respect to compliance with the REMIC Provisions, including without limitation, any penalties arising from the Trustee's execution of Tax Returns prepared by the REMIC Administrator that contain errors or omissions; provided, however, that such liability will not be imposed to the extent such breach is a result of an error or omission in information provided to the REMIC Administrator by the Master Servicer in which case Section 10.02(c) will apply.

(c) The Master Servicer agrees to indemnify the Trust Fund, the Depositor, the REMIC Administrator and the Trustee for any taxes and costs (including, without limitation, any reasonable attorneys' fees) imposed on or incurred by the Trust Fund, the Depositor or the Trustee, as a result of a breach of the Master Servicer's covenants set forth in this Article X or in Article III with respect to compliance with the REMIC Provisions, including without limitation, any penalties arising from the Trustee's execution of Tax Returns prepared by the Master Servicer that contain errors or omissions.

ARTICLE XI

MISCELLANEOUS PROVISIONS

Section 11.01 Amendment.

(a) This Agreement or any Custodial Agreement may be amended from time to time by the Depositor, the Master Servicer and the Trustee, without the consent of any of the Certificateholders:

(i) to cure any ambiguity,

(ii) to correct or supplement any provisions herein or therein, which may be inconsistent with any other provisions herein or therein or to correct any error,

(iii) to modify, eliminate or add to any of its provisions to such extent as shall be necessary or desirable to maintain the qualification of REMIC I or REMIC II as REMICs at all times that any Certificate is outstanding or to avoid or minimize the risk of the imposition of any tax on the Trust Fund pursuant to the Code that would be a claim against the Trust Fund, provided that the Trustee has received an Opinion of Counsel to the effect that (A) such action is necessary or desirable to maintain such qualification or to avoid or minimize the risk of the imposition of any such tax and (B) such action will not adversely affect in any material respect the interests of any Certificateholder,

(iv) to change the timing and/or nature of deposits into the Custodial Account or the Certificate Account or to change the name in which the Custodial Account is maintained, provided that (A) the Certificate Account Deposit Date shall in no event be later than the related Distribution Date, (B) such change shall not, as evidenced by an Opinion of Counsel, adversely affect in any material respect the interests of any Certificateholder and (C) such change shall not result in a reduction of the rating assigned to any Class of Certificates below the lower of the then-current rating or the rating assigned to such Certificates as of the Closing Date, as evidenced by a letter from each Rating Agency to such effect,

(v) to modify, eliminate or add to the provisions of Section 5.02(f) or any other provision hereof restricting transfer of the Class R Certificates by virtue of their being the "residual interests" in the Trust Fund provided that (A) such change shall not result in reduction of the rating assigned to any such Class of Certificates below the lower of the then-current rating or the rating assigned to such Certificates as of the Closing Date, as evidenced by a letter from each Rating Agency to such effect, and (B) such change shall not, as evidenced by an Opinion of Counsel (at the expense of the party seeking so to modify, eliminate or add such provisions), cause the Trust Fund or any of the Certificateholders (other than the transferor) to be subject to a federal tax caused by a transfer to a Person that is not a Permitted Transferee, or

(vi) to make any other provisions with respect to matters or questions arising under this Agreement or such Custodial Agreement which shall not be materially inconsistent with the provisions of this Agreement, provided that such action shall not, as evidenced by an Opinion of Counsel, adversely affect in any material respect the interests of any Certificateholder and is authorized or permitted under Section 11.09(d).

(b) This Agreement or any Custodial Agreement may also be amended from time to time by the Depositor, the Master Servicer, the Trustee and the Holders of Certificates evidencing in the aggregate not less than 66% of the Percentage Interests of each Class of Certificates affected thereby for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Agreement or such Custodial Agreement or of modifying in any manner the rights of the Holders of Certificates of such Class; provided, however, that no such amendment shall:

(i) reduce in any manner the amount of, or delay the timing of, payments which are required to be distributed on any Certificate without the consent of the Holder of such Certificate,

(ii) adversely affect in any material respect the interest of the Holders of Certificates of any Class in a manner other than as described in clause (i) hereof without the consent of Holders of Certificates of such Class evidencing, as to such Class, Percentage Interests aggregating not less than 66%, or

(iii) reduce the aforesaid percentage of Certificates of any Class the Holders of which are required to consent to any such amendment, in any such case without the consent of the Holders of all Certificates of such Class then outstanding.

(c) Notwithstanding any contrary provision of this Agreement, the Trustee shall not consent to any amendment to this Agreement unless it shall have first received an Opinion of Counsel (at the expense of the party seeking such amendment) to the effect that such amendment is permitted under this Agreement and that such amendment or the exercise of any power granted to the Master Servicer, the Depositor or the Trustee in accordance with such amendment will not result in the imposition of a federal tax on the Trust Fund or cause REMIC I or REMIC II to fail to qualify as REMICs at any time that any Certificate is outstanding. The Trustee may but shall not be obligated to enter into any amendment pursuant to this Section that affects its rights, duties and immunities and this agreement or otherwise; *provided however*, such consent shall not be unreasonably withheld.

(d) Promptly after the execution of any such amendment the Trustee shall furnish written notification of the substance of such amendment to each Certificateholder. It shall not be necessary for the consent of Certificateholders under this Section 11.01 to approve the particular form of any proposed amendment, but it shall be sufficient if such consent shall approve the substance thereof. The manner of obtaining such consents and of evidencing the authorization of the execution thereof by Certificateholders shall be subject to such reasonable regulations as the Trustee may prescribe.

(e) The Depositor shall have the option, in its sole discretion, to obtain and deliver to the Trustee any corporate guaranty, payment obligation, irrevocable letter of credit, surety bond, insurance policy or similar instrument or a reserve fund, or any combination of the foregoing, for the purpose of protecting the Holders of the Class SB Certificates against any or all Realized Losses or other shortfalls. Any such instrument or fund shall be held by the Trustee for the benefit of the Class SB Certificateholders, but shall not be and shall not be deemed to be under any circumstances included in the REMIC. To the extent that any such instrument or fund constitutes a reserve fund for federal income tax purposes, (i) any reserve fund so established shall be an outside reserve fund and not an asset of the REMIC, (ii) any such reserve fund shall be owned by the Depositor, and (iii) amounts transferred by the REMIC to any such reserve fund shall be treated as amounts distributed by the REMIC to the Depositor or any successor, all within the meaning of Treasury Regulation Section 1.860G-2(h). In connection with the provision of any such instrument or fund, this Agreement and any provision hereof may be modified, added to, deleted or otherwise amended in any manner that is related or incidental to such instrument or fund or the establishment or administration thereof, such amendment to be made by written instrument executed or consented to by the Depositor and such related insurer but without the consent of any Certificateholder and without the consent of the Master Servicer or the Trustee being required unless any such amendment would impose any additional obligation on, or otherwise adversely affect the interests of the Certificateholders, the

Master Servicer or the Trustee, as applicable; provided that the Depositor obtains an Opinion of Counsel (which need not be an opinion of independent counsel) to the effect that any such amendment will not cause (a) any federal tax to be imposed on the Trust Fund, including without limitation, any federal tax imposed on "prohibited transactions" under Section 860F(a)(1) of the Code or on "contributions after the startup date" under Section 860G(d)(1) of the Code and (b) any of REMIC I or REMIC II to fail to qualify as a REMIC at any time that any Certificate is outstanding. In the event that the Depositor elects to provide such coverage in the form of a limited guaranty provided by General Motors Acceptance Corporation, the Depositor may elect that the text of such amendment to this Agreement shall be substantially in the form attached hereto as Exhibit K (in which case Residential Funding's Subordinate Certificate Loss Obligation as described in such exhibit shall be established by Residential Funding's consent to such amendment) and that the limited guaranty shall be executed in the form attached hereto as Exhibit L, with such changes as the Depositor shall deem to be appropriate; it being understood that the Trustee has reviewed and approved the content of such forms and that the Trustee's consent or approval to the use thereof is not required.

Section 11.02 Recordation of Agreement; Counterparts.

(a) To the extent permitted by applicable law, this Agreement is subject to recordation in all appropriate public offices for real property records in all the counties or other comparable jurisdictions in which any or all of the properties subject to the Mortgages are situated, and in any other appropriate public recording office or elsewhere, such recordation to be effected by the Master Servicer and at its expense on direction by the Trustee (pursuant to the request of the Holders of Certificates entitled to at least 25% of the Voting Rights), but only upon direction accompanied by an Opinion of Counsel to the effect that such recordation materially and beneficially affects the interests of the Certificateholders.

(b) For the purpose of facilitating the recordation of this Agreement as herein provided and for other purposes, this Agreement may be executed simultaneously in any number of counterparts, each of which counterparts shall be deemed to be an original, and such counterparts shall constitute but one and the same instrument.

Section 11.03 Limitation on Rights of Certificateholders.

(a) The death or incapacity of any Certificateholder shall not operate to terminate this Agreement or the Trust Fund, nor entitle such Certificateholder's legal representatives or heirs to claim an accounting or to take any action or proceeding in any court for a partition or winding up of the Trust Fund, nor otherwise affect the rights, obligations and liabilities of any of the parties hereto.

(b) No Certificateholder shall have any right to vote (except as expressly provided herein) or in any manner otherwise control the operation and management of the Trust Fund, or the obligations of the parties hereto, nor shall anything herein set forth, or contained in the terms of the Certificates, be construed so as to constitute the Certificateholders from time to time as partners or members of an association; nor shall any Certificateholder be under any liability to any third person by reason of any action taken by the parties to this Agreement pursuant to any provision hereof.

(c) No Certificateholder shall have any right by virtue of any provision of this Agreement to institute any suit, action or proceeding in equity or at law upon or under or with respect to this Agreement, unless such Holder previously shall have given to the Trustee a written notice of default and of the continuance thereof, as hereinbefore provided, and unless also the Holders of Certificates of any Class evidencing in the aggregate not less than 25% of the related Percentage Interests of such Class, shall have made written request upon the Trustee to institute such action, suit or proceeding in its own name as Trustee hereunder and shall have offered to the Trustee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby, for 60 days after its receipt of such notice, request and offer of indemnity, shall have neglected or refused to institute any such action, suit or proceeding it being understood and intended, and being expressly covenanted by each Certificateholder with every other Certificateholder and the Trustee, that no one or more Holders of Certificates of any Class shall have any right in any manner whatever by virtue of any provision of this Agreement to affect, disturb or prejudice the rights of the Holders of any other of such Certificates of such Class or any other Class, or to obtain or seek to obtain priority over or preference to any other such Holder, or to enforce any right under this Agreement, except in the manner herein provided and for the common benefit of Certificateholders of such Class or all Classes, as the case may be. For the protection and enforcement of the provisions of this Section 11.03, each and every Certificateholder and the Trustee shall be entitled to such relief as can be given either at law or in equity.

Section 11.04 Governing Law.

This agreement and the Certificates shall be governed by and construed in accordance with the laws of the State of New York and the obligations, rights and remedies of the parties hereunder shall be determined in accordance with such laws.

Section 11.05 Notices.

All demands and notices hereunder shall be in writing and shall be deemed to have been duly given if personally delivered at or mailed by registered mail, postage prepaid (except for notices to the Trustee which shall be deemed to have been duly given only when received), to (a) in the case of the Depositor, 8400 Normandale Lake Boulevard, Suite 250, Minneapolis, Minnesota 55437, Attention: President (RAMP), or such other address as may hereafter be furnished to the Master Servicer and the Trustee in writing by the Depositor; (b) in the case of the Master Servicer, 2255 North Ontario Street, Burbank, California 91504-3120, Attention: Bond Administration or such other address as may be hereafter furnished to the Depositor and the Trustee by the Master Servicer in writing; (c) in the case of the Trustee, 600 Travis Street, 9th Floor, Houston, Texas 77002, Attention: Residential Asset Mortgage Products Inc. Series 2006-RP2 or such other address as may hereafter be furnished to the Depositor and the Master Servicer in writing by the Trustee; (d) in the case of Standard & Poor's, 55 Water Street, New York, New York 10041 Attention: Mortgage Surveillance or such other address as may be hereafter furnished to the Depositor, Trustee and Master Servicer by Standard & Poor's; (e) in the case of Moody's, 99 Church Street, New York, New York 10007, Attention: ABS Monitoring Department, or such other address as may be hereafter furnished to the Depositor, the Trustee and the Master Servicer in writing by Moody's and (f) in the case of Fitch, One State Street Plaza – 32nd Floor, New York, New York 10004, Attention: RMBS, or

such other address as may be hereafter furnished to the Depositor, the Trustee and the Master Servicer in writing by Fitch. Any notice required or permitted to be mailed to a Certificateholder shall be given by first Class Mail, postage prepaid, at the address of such holder as shown in the Certificate Register. Any notice so mailed within the time prescribed in this Agreement shall be conclusively presumed to have been duly given, whether or not the Certificateholder receives such notice.

Section 11.06 Notices to Rating Agencies.

The Depositor, the Master Servicer or the Trustee, as applicable, shall notify each Rating Agency and each Subservicer at such time as it is otherwise required pursuant to this Agreement to give notice of the occurrence of, any of the events described in clause (a), (b), (c), (d), (g), (h), (i) or (j) below or provide a copy to each Rating Agency at such time as otherwise required to be delivered pursuant to this Agreement of any of the statements described in clauses (e) and (f) below:

(a) a material change or amendment to this Agreement,

(b) the occurrence of an Event of Default,

(c) the termination or appointment of a successor Master Servicer or Trustee or a change in the majority ownership of the Trustee,

(d) the filing of any claim under the Master Servicer's blanket fidelity bond and the errors and omissions insurance policy required by Section 3.12 or the cancellation or modification of coverage under 152 any such instrument,

(e) the statement required to be delivered to the Holders of each Class of Certificates pursuant to Section 4.03,

(f) the statements required to be delivered pursuant to Sections 3.18 and 3.19,

(g) a change in the location of the Custodial Account or the Certificate Account,

(h) the occurrence of any monthly cash flow shortfall to the Holders of any Class of Certificates resulting from the failure by the Master Servicer to make an Advance pursuant to Section 4.04,

(i) the occurrence of the Final Distribution Date, and

(j) the repurchase of or substitution for any Mortgage Loan, provided, however, that with respect to notice of the occurrence of the events described in clauses (d), (g) or (h) above, the Master Servicer shall provide prompt written notice to each Rating Agency and the Subservicer of any such event known to the Master Servicer.

Section 11.07 Severability of Provisions.

If any one or more of the covenants, agreements, provisions or terms of this Agreement shall be for any reason whatsoever held invalid, then such covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants, agreements, provisions or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement or of the Certificates or the rights of the Holders thereof.

Section 11.08 Supplemental Provisions for Resecuritization.

This Agreement may be supplemented by means of the addition of a separate Article hereto (a "Supplemental Article") for the purpose of resecuritizing any of the Certificates issued hereunder, under the following circumstances. With respect to any Class or Classes of Certificates issued hereunder, or any portion of any such Class, as to which the Depositor or any of its Affiliates (or any designee thereof) is the registered Holder (the "Resecuritized Certificates"), the Depositor may deposit such Resecuritized Certificates into a new REMIC, grantor trust or custodial arrangement (a "Restructuring Vehicle") to be held by the Trustee pursuant to a Supplemental Article. The instrument adopting such Supplemental Article shall be executed by the Depositor, the Master Servicer and the Trustee; provided, that neither the Master Servicer nor the Trustee shall withhold their consent thereto if their respective interests would not be materially adversely affected thereby. To the extent that the terms of the Supplemental Article do not in any way affect any provisions of this Agreement as to any of the Certificates initially issued hereunder, the adoption of the Supplemental Article shall not constitute an "amendment" of this Agreement. Each Supplemental Article shall set forth all necessary provisions relating to the holding of the Resecuritized Certificates by the Trustee, the establishment of the Restructuring Vehicle, the issuing of various classes of new certificates by the Restructuring Vehicle and the distributions to be made thereon, and any other provisions necessary to the purposes thereof. In connection with each Supplemental Article, the Depositor shall deliver to the Trustee an Opinion of Counsel to the effect that (i) the Restructuring Vehicle will qualify as a REMIC, grantor trust or other entity not subject to taxation for federal income tax purposes and (ii) the adoption of the Supplemental Article will not endanger the status of any of REMIC I or REMIC II as a REMIC or result in the imposition of a tax upon the Trust Fund (including but not limited to the tax on prohibited transactions as defined in Section 860F(a)(2) of the Code and the tax on contributions to a REMIC as set forth in Section 860G(d) of the Code).

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Depositor, the Master Servicer and the Trustee have caused their names to be signed hereto by their respective officers thereunto duly authorized and their respective seals, duly attested, to be hereunto affixed, all as of the day and year first above written.

RESIDENTIAL ASSET MORTGAGE PRODUCTS, INC.

Attest: _____
Name: Joseph Orning
Title: Vice President

By: _____
Name: Christopher Martinez
Title: Vice President

RESIDENTIAL FUNDING CORPORATION

Attest: _____
Name: Christopher Martinez
Title: Associate

By: _____
Name: Joseph Orning
Title: Associate

JPMORGAN CHASE BANK, N.A.
as Trustee

Attest: _____
Name:
Title:

By: _____
Name:
Title:

IN WITNESS WHEREOF, the Depositor, the Master Servicer and the Trustee have caused their names to be signed hereto by their respective officers thereunto duly authorized and their respective seals, duly attested, to be hereunto affixed, all as of the day and year first above written.

RESIDENTIAL ASSET MORTGAGE PRODUCTS, INC.

Attest: _____
Name: Joseph Orning
Title: Vice President

By: _____
Name: Christopher Martinez
Title: Vice President

RESIDENTIAL FUNDING CORPORATION

Attest: _____
Name: Christopher Martinez
Title: Associate

By: _____
Name: Joseph Orning
Title: Associate

JPMORGAN CHASE BANK, N.A.
as Trustee

Attest: _____
Name: Terry Stewart
Title: Vice President

By: _____
Name: Joanne Murray
Title: Asst. Vice President

STATE OF MINNESOTA)
) ss.:
COUNTY OF HENNEPIN)

On the 9th day of May, 2006, before me, a notary public in and for said State, personally appeared Christopher Martinez, known to me to be a Vice President of Residential Asset Mortgage Products, Inc., one of the corporations that executed the within instrument, and also known to me to be the person who executed such instrument on behalf of said corporation, and acknowledged to me that such corporation executed the within instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

AMY SUE OLSON
Notary Public
Minnesota
My Commission Expires Jan. 31, 2010

Notary Public

[Notarial Seal]

STATE OF MINNESOTA)
) ss.:
COUNTY OF HENNEPIN)

On the 9th day of May, 2006, before me, a notary public in and for said State, personally appeared Joseph Orning, known to me to be an Associate of Residential Funding Corporation, one of the corporations that executed the within instrument, and also known to me to be the person who executed such instrument on behalf of said corporation, and acknowledged to me that such corporation executed the within instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

AMY SUE OLSON
Notary Public
Minnesota
My Commission Expires Jan. 31, 2010

Notary Public

[Notarial Seal]

STATE OF TEXAS)
) ss.:
COUNTY OF HARRIS)

On the 3rd day of May, 2006, before me, a notary public in and for said State, personally appeared Joanne Murray, known to me to be a Assistant Vice President of JPMorgan Chase Bank, N.A., a national banking association organized under the laws of the United States, who executed the within instrument, and also known to me to be the person who executed it on behalf of said national banking association, and acknowledged to me that said national such banking association executed the within instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Notary Public

Cecilia A Garcia

[Notarial Seal]

CECILIA A. GARCIA
NOTARY PUBLIC
STATE OF TEXAS
My Comm. Exp. 5-18-2006

EXHIBIT A-1-A

FORM OF DEFINITIVE CLASS A CERTIFICATE

SOLELY FOR U.S. FEDERAL INCOME TAX PURPOSES, THIS CERTIFICATE IS A "REGULAR INTEREST" IN A "REAL ESTATE MORTGAGE INVESTMENT CONDUIT," AS THOSE TERMS ARE DEFINED, RESPECTIVELY, IN SECTIONS 860G AND 860D OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE").

THE CERTIFICATES DESCRIBED HEREIN MAY ONLY BE OFFERED TO "QUALIFIED INSTITUTIONAL BUYERS" AS DEFINED UNDER RULE 144A UNDER THE 1933 ACT.

ANY TRANSFEREE OF A CLASS A CERTIFICATE NOT RATED AT LEAST "AA-" (OR ITS EQUIVALENT) BY STANDARD & POOR'S MOODY'S OR FITCH AT THE TIME OF PURCHASE WILL BE DEEMED TO HAVE REPRESENTED BY VIRTUE OF ITS PURCHASE OR HOLDING OF SUCH CERTIFICATE (OR ANY INTEREST HEREIN) THAT EITHER (A) SUCH TRANSFEREE IS NOT AN EMPLOYEE BENEFIT PLAN OR OTHER PLAN SUBJECT TO THE PROHIBITED TRANSACTION PROVISIONS OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), OR SECTION 4975 OF THE CODE (EACH, AN "ERISA PLAN"), OR ANY PERSON (INCLUDING, WITHOUT LIMITATION, AN INVESTMENT MANAGER, A NAMED FIDUCIARY OR A TRUSTEE OF ANY ERISA PLAN) WHO IS USING "PLAN ASSETS," WITHIN THE MEANING OF THE U.S. DEPARTMENT OF LABOR REGULATION PROMULGATED AT 29 C.F.R. §-2510.3-101, OF ANY ERISA PLAN (EACH, AN "ERISA PLAN INVESTOR") TO EFFECT SUCH ACQUISITION, OR (B)(I) THE TRANSFEREE IS AN INSURANCE COMPANY, (II) THE SOURCE OF FUNDS USED TO PURCHASE OR HOLD THE CERTIFICATE (OR ANY INTEREST HEREIN) IS AN "INSURANCE COMPANY GENERAL ACCOUNT" (AS DEFINED IN U.S. DEPARTMENT OF LABOR PROHIBITED TRANSACTION CLASS EXEMPTION ("PTCE") 95-60), AND (III) THE CONDITIONS SET FORTH IN SECTIONS I AND III OF PTCE 95-60 HAVE BEEN SATISFIED (EACH ENTITY THAT SATISFIES THIS CLAUSE (B), A "COMPLYING INSURANCE COMPANY").

IF THIS CERTIFICATE (OR ANY INTEREST HEREIN) IS ACQUIRED OR HELD IN VIOLATION OF THE PROVISIONS OF THE PRECEDING PARAGRAPH, THEN THE LAST PRECEDING TRANSFEREE THAT EITHER (A) IS NOT AN ERISA PLAN OR AN ERISA PLAN INVESTOR, OR (B) IS A COMPLYING INSURANCE COMPANY SHALL BE RESTORED, TO THE EXTENT PERMITTED BY LAW, TO ALL RIGHTS AND OBLIGATIONS AS CERTIFICATE OWNER THEREOF RETROACTIVE TO THE DATE OF SUCH TRANSFER OF THIS CERTIFICATE. THE TRUSTEE SHALL BE UNDER NO LIABILITY TO ANY PERSON FOR MAKING ANY PAYMENTS DUE ON THIS CERTIFICATE TO SUCH PRECEDING TRANSFEREE.

ANY PURPORTED CERTIFICATE OWNER WHOSE ACQUISITION OR HOLDING OF THIS CERTIFICATE (OR ANY INTEREST HEREIN) WAS EFFECTED IN VIOLATION OF THE RESTRICTIONS IN SECTION 5.02(f) OF THE POOLING AND SERVICING AGREEMENT SHALL INDEMNIFY AND HOLD HARMLESS THE DEPOSITOR, THE TRUSTEE, THE MASTER SERVICER, ANY SUBSERVICER, ANY UNDERWRITER AND THE TRUST FUND FROM AND AGAINST ANY AND ALL LIABILITIES, CLAIMS, COSTS OR EXPENSES INCURRED BY SUCH PARTIES AS A RESULT OF SUCH ACQUISITION OR HOLDING.

THIS CERTIFICATE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE RESOLD OR TRANSFERRED UNLESS IT IS REGISTERED PURSUANT TO SUCH ACT AND LAWS OR IS SOLD OR TRANSFERRED IN TRANSACTIONS THAT ARE EXEMPT FROM REGISTRATION UNDER SUCH ACT AND UNDER APPLICABLE STATE LAW AND IS TRANSFERRED IN ACCORDANCE WITH THE PROVISIONS OF SECTION 5.02 OF THE AGREEMENT.

Certificate No. _

Class A

Date of Pooling and Servicing Agreement and Cut-off Date: April 1, 2006

First Distribution Date: May 25, 2006

Master Servicer: Residential Funding Corporation

Maturity Date: _____

Adjustable Pass-Through Rate

Aggregate Certificate Principal Balance of the Class A Certificates: $_____

Initial Certificate Principal Balance of this Certificate: $_____

CUSIP: _____

ISIN: _____

Final Scheduled Distribution Date: [_____]

MORTGAGE ASSET-BACKED PASS-THROUGH CERTIFICATES
SERIES 2006-RP2

evidencing a percentage interest in the distributions allocable to the Class A Certificates with respect to a Trust Fund consisting primarily of a pool of conventional one- to four-family fixed and adjustable interest rate, first and second lien mortgage loans sold by RESIDENTIAL ASSET MORTGAGE PRODUCTS, INC.

This Certificate is payable solely from the assets of the Trust Fund, and does not represent an obligation of or interest in Residential Asset Mortgage Products, Inc., the Master Servicer, the Trustee referred to below or GMAC Mortgage Group, Inc. or any of their affiliates. Neither this Certificate nor the underlying Mortgage Loans are guaranteed or insured by any governmental agency or instrumentality or by Residential Asset Mortgage Products, Inc., the Master Servicer, the Trustee or GMAC Mortgage Group, Inc. or any of their affiliates. None of Residential Asset Mortgage Products, Inc., the Master Servicer, GMAC Mortgage Group, Inc. or any of their affiliates will have any obligation with respect to any certificate or other obligation secured by or payable from payments on the Certificates.

This certifies that _____ is the registered owner of the Percentage Interest evidenced by this Certificate in certain distributions with respect to the Trust Fund consisting primarily of an interest in a pool of conventional one- to four-family fixed and adjustable interest rate, first and second lien mortgage loans (the "Mortgage Loans"), sold by Residential Asset Mortgage Products, Inc. (hereinafter called the "Depositor", which term includes any successor entity under the Agreement referred to below). The Trust Fund was created pursuant to a Pooling and Servicing Agreement dated as specified above (the "Agreement") among the Depositor, the Master Servicer and JPMorgan Chase Bank, N.A., as trustee (the "Trustee"), a summary of certain of the pertinent provisions of which is set forth hereafter. To the extent not defined herein, the capitalized terms used herein have the meanings assigned in the Agreement. This Certificate is issued under and is subject to the terms, provisions and conditions of the

Agreement, to which Agreement the Holder of this Certificate by virtue of the acceptance hereof assents and by which such Holder is bound.

Pursuant to the terms of the Agreement, a distribution will be made on the 25th day of each month or, if such 25th day is not a Business Day, the Business Day immediately following (the "Distribution Date"), commencing as described in the Agreement, to the Person in whose name this Certificate is registered at the close of business on the Business Day prior to such Distribution Date (the "Record Date"), from the related Available Distribution Amount in an amount equal to the product of the Percentage Interest evidenced by this Certificate and the amount (of interest and principal, if any) required to be distributed to Holders of Class A Certificates on such Distribution Date.

Distributions on this Certificate will be made either by the Master Servicer acting on behalf of the Trustee or by a Paying Agent appointed by the Trustee in immediately available funds (by wire transfer or otherwise) for the account of the Person entitled thereto if such Person shall have so notified the Master Servicer or such Paying Agent, or by check mailed to the address of the Person entitled thereto, as such name and address shall appear on the Certificate Register.

Notwithstanding the above, the final distribution on this Certificate will be made after due notice of the pendency of such distribution and only upon presentation and surrender of this Certificate at the office or agency appointed by the Trustee for that purpose in the City and State of New York. The Initial Certificate Principal Balance of this Certificate is set forth above. The Certificate Principal Balance hereof will be reduced to the extent of the distributions allocable to principal and any Realized Losses allocable hereto.

As described above, any transferee of a Class A Certificate not rated at least "AA-" (or its equivalent) by Standard & Poor's, Moody's or Fitch at the time of purchase will be deemed to have represented by virtue of its purchase or holding of such Certificate (or any interest herein) that either (a) such transferee is not an ERISA Plan or an ERISA Plan Investor, or (b) the transferee is a Complying Insurance Company. In addition, any purported Certificate Owner whose acquisition or holding of this Certificate (or any interest herein) was effected in violation of the restrictions in Section 5.02(f) of the Agreement shall indemnify and hold harmless the Depositor, the Trustee, the Master Servicer, any Subservicer, any Underwriter and the Trust Fund from and against any and all liabilities, claims, costs or expenses incurred by such parties as a result of such acquisition or holding.

This Certificate is one of a duly authorized issue of Certificates issued in several Classes designated as Mortgage Asset-Backed Pass-Through Certificates of the Series specified in the Agreement (herein collectively called the "Certificates").

The Certificates are limited in right of payment to certain collections and recoveries respecting the Mortgage Loans, all as more specifically set forth herein and in the Agreement. In the event Master Servicer funds are advanced with respect to any Mortgage Loan, such advance is reimbursable to the Master Servicer, to the extent provided in the Agreement, from related recoveries on such Mortgage Loan or from other cash that would have been distributable to Certificateholders.

As provided in the Agreement, withdrawals from the Custodial Account and/or the Certificate Account created for the benefit of Certificateholders may be made by the Master Servicer from time to time for purposes other than distributions to Certificateholders, such purposes including without limitation reimbursement to the Depositor and the Master Servicer of advances made, or certain expenses incurred, by either of them.

The Agreement permits, with certain exceptions therein provided, the amendment of the Agreement and the modification of the rights and obligations of the Depositor, the Master Servicer and the Trustee and the rights of the Certificateholders under the Agreement at any time by the Depositor, the Master Servicer and the Trustee with the consent of the Holders of Certificates evidencing in the aggregate not less than 66% of the Percentage Interests of each Class of Certificates affected thereby. Any such consent by the Holder of this Certificate shall be conclusive and binding on such Holder and upon all future holders of this Certificate and of any Certificate issued upon the transfer hereof or in exchange herefor or in lieu hereof whether or not notation of such consent is made upon the Certificate. The Agreement also permits the amendment thereof in certain circumstances without the consent of the Holders of any of the Certificates and, in certain additional circumstances, without the consent of the Holders of certain Classes of Certificates.

As provided in the Agreement and subject to certain limitations therein set forth, the transfer of this Certificate is registrable in the Certificate Register upon surrender of this Certificate for registration of transfer at the offices or agencies appointed by the Trustee in the City and State of New York, duly endorsed by, or accompanied by an assignment in the form below or other written instrument of transfer in form satisfactory to the Trustee and the Certificate Registrar duly executed by the Holder hereof or such Holder's attorney duly authorized in writing, and thereupon one or more new Certificates of authorized denominations evidencing the same Class and aggregate Percentage Interest will be issued to the designated transferee or transferees.

The Certificates are issuable only as registered Certificates without coupons in Classes and in denominations specified in the Agreement. As provided in the Agreement and subject to certain limitations therein set forth, Certificates are exchangeable for new Certificates of authorized denominations evidencing the same Class and aggregate Percentage Interest, as requested by the Holder surrendering the same.

No service charge will be made for any such registration of transfer or exchange, but the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The Depositor, the Master Servicer, the Trustee and the Certificate Registrar and any agent of the Depositor, the Master Servicer, the Trustee or the Certificate Registrar may treat the Person in whose name this Certificate is registered as the owner hereof for all purposes, and neither the Depositor, the Master Servicer, the Trustee nor any such agent shall be affected by notice to the contrary.

This Certificate shall be governed by and construed in accordance with the laws of the State of New York.

The obligations created by the Agreement in respect of the Certificates and the Trust Fund created thereby shall terminate upon the payment to Certificateholders of all amounts held by or on behalf of the Trustee and required to be paid to them pursuant to the Agreement following the earlier of (i) the maturity or other liquidation of the last Mortgage Loan subject thereto or the disposition of all property acquired upon foreclosure or deed in lieu of foreclosure of any Mortgage Loan and (ii) the purchase by the Master Servicer or its designee from the Trust Fund of all remaining Mortgage Loans and all property acquired in respect of such Mortgage Loans, thereby effecting early retirement of the related Certificates. The Agreement permits, but does not require, the Master Servicer or its designee to (i) purchase at a price determined as provided in the Agreement all remaining Mortgage Loans and all property acquired in respect of any Mortgage Loan or (ii) purchase in whole, but not in part, all of the Class A and Class M Certificates from the Holders thereof; provided, that any such option may only be exercised if the Pool Stated Principal Balance of the Mortgage Loans as of the Distribution Date upon which the proceeds of any such purchase are distributed is less than ten percent of the Cut-off Date Principal Balance of the Mortgage Loans.

Unless the certificate of authentication hereon has been executed by the Certificate Registrar, by manual signature, this Certificate shall not be entitled to any benefit under the Agreement or be valid for any purpose.

IN WITNESS WHEREOF, the Trustee has caused this Certificate to be duly executed.

JPMORGAN CHASE BANK, N.A.,
as Trustee

By:_____
Authorized Signatory

Dated: _____ __, 20__

CERTIFICATE OF AUTHENTICATION

This is one of the Class A Certificates referred to in the within-mentioned Agreement.

JPMORGAN CHASE BANK, N.A.,
as Certificate Registrar

By:_____
Authorized Signatory

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto [print or typewrite name and address including postal zip code of assignee] a Percentage Interest evidenced by the within Mortgage Asset-Backed Pass-Through Certificate and hereby authorize(s) the transfer of registration of such interest to assignee on the Certificate Register of the Trust Fund.

I (We) further direct the Certificate Registrar to issue a new Certificate of a like denomination and Class, to the above named assignee and deliver such Certificate to the following address:

Dated:

_____
Signature by or on behalf of assignor
Signature Guaranteed

DISTRIBUTION INSTRUCTIONS

The assignee should include the following for purposes of distribution:

Distributions shall be made, by wire transfer or otherwise, in immediately available funds to _____ for the account of _____, account number_____, or if mailed by check to _____.

Applicable statements should be mailed to_____.

This information is provided by _____, the assignee named above, or_____, as its agent.

EXHIBIT A-1-B

FORM OF RULE 144A GLOBAL CLASS A CERTIFICATE

SOLELY FOR U.S. FEDERAL INCOME TAX PURPOSES, THIS CERTIFICATE IS A "REGULAR INTEREST" IN A "REAL ESTATE MORTGAGE INVESTMENT CONDUIT," AS THOSE TERMS ARE DEFINED, RESPECTIVELY, IN SECTIONS 860G AND 860D OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE").

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THE CERTIFICATES DESCRIBED HEREIN MAY ONLY BE OFFERED TO "QUALIFIED INSTITUTIONAL BUYERS" AS DEFINED UNDER RULE 144A UNDER THE 1933 ACT.

ANY TRANSFEREE OF A CLASS A CERTIFICATE NOT RATED AT LEAST "AA-" (OR ITS EQUIVALENT) BY STANDARD & POOR'S, MOODY'S OR FITCH AT THE TIME OF PURCHASE WILL BE DEEMED TO HAVE REPRESENTED BY VIRTUE OF ITS PURCHASE OR HOLDING OF SUCH CERTIFICATE (OR ANY INTEREST HEREIN) THAT EITHER (A) SUCH TRANSFEREE IS NOT AN EMPLOYEE BENEFIT PLAN OR OTHER PLAN SUBJECT TO THE PROHIBITED TRANSACTION PROVISIONS OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), OR SECTION 4975 OF THE CODE (EACH, AN "ERISA PLAN"), OR ANY PERSON (INCLUDING, WITHOUT LIMITATION, AN INVESTMENT MANAGER, A NAMED FIDUCIARY OR A TRUSTEE OF ANY ERISA PLAN) WHO IS USING "PLAN ASSETS," WITHIN THE MEANING OF THE U.S. DEPARTMENT OF LABOR REGULATION PROMULGATED AT 29 C.F.R. §-2510.3-101, OF ANY ERISA PLAN (EACH, AN "ERISA PLAN INVESTOR") TO EFFECT SUCH ACQUISITION, OR (B)(I) THE TRANSFEREE IS AN INSURANCE COMPANY, (II) THE SOURCE OF FUNDS USED TO PURCHASE OR HOLD THE CERTIFICATE (OR ANY INTEREST HEREIN) IS AN "INSURANCE COMPANY GENERAL ACCOUNT" (AS DEFINED IN U.S. DEPARTMENT OF LABOR PROHIBITED TRANSACTION CLASS EXEMPTION ("PTCE") 95-60), AND (III) THE CONDITIONS SET FORTH IN SECTIONS I AND III OF PTCE 95-60 HAVE BEEN SATISFIED (EACH ENTITY THAT SATISFIES THIS CLAUSE (B), A "COMPLYING INSURANCE COMPANY").

IF THIS CERTIFICATE (OR ANY INTEREST HEREIN) IS ACQUIRED OR HELD IN VIOLATION OF THE PROVISIONS OF THE PRECEDING PARAGRAPH, THEN THE LAST PRECEDING TRANSFEREE THAT EITHER (A) IS NOT AN ERISA PLAN OR AN ERISA PLAN INVESTOR, OR (B) IS A COMPLYING INSURANCE COMPANY SHALL BE RESTORED, TO THE EXTENT PERMITTED BY LAW, TO ALL RIGHTS AND OBLIGATIONS AS CERTIFICATE OWNER THEREOF RETROACTIVE TO THE DATE OF SUCH TRANSFER OF THIS CERTIFICATE. THE TRUSTEE SHALL BE UNDER NO LIABILITY TO ANY PERSON FOR MAKING ANY PAYMENTS DUE ON THIS CERTIFICATE TO SUCH PRECEDING TRANSFEREE.

ANY PURPORTED CERTIFICATE OWNER WHOSE ACQUISITION OR HOLDING OF THIS CERTIFICATE (OR ANY INTEREST HEREIN) WAS EFFECTED IN VIOLATION OF THE RESTRICTIONS IN SECTION 5.02(f) OF THE POOLING AND SERVICING AGREEMENT SHALL INDEMNIFY AND HOLD HARMLESS THE DEPOSITOR, THE TRUSTEE, THE MASTER SERVICER, ANY SUBSERVICER, ANY UNDERWRITER AND THE TRUST FUND FROM AND AGAINST ANY AND ALL LIABILITIES, CLAIMS, COSTS OR EXPENSES INCURRED BY SUCH PARTIES AS A RESULT OF SUCH ACQUISITION OR HOLDING.

THIS CERTIFICATE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE RESOLD OR TRANSFERRED UNLESS IT IS REGISTERED PURSUANT TO SUCH ACT AND LAWS OR IS SOLD OR TRANSFERRED IN TRANSACTIONS THAT ARE EXEMPT FROM REGISTRATION UNDER SUCH ACT AND UNDER APPLICABLE STATE LAW AND IS TRANSFERRED IN ACCORDANCE WITH THE PROVISIONS OF SECTION 5.02 OF THE AGREEMENT.

Certificate No. _

Class A

Date of Pooling and Servicing Agreement and Cut-off Date: April 1, 2006

First Distribution Date: May 25, 2006

Master Servicer: Residential Funding Corporation

Maturity Date: _____

Adjustable Pass-Through Rate

Aggregate Certificate Principal Balance of the Class A Certificates: $_____

Initial Certificate Principal Balance of this Certificate: $_____

CUSIP: _____

ISIN: _____

Final Scheduled Distribution Date: [_____]

MORTGAGE ASSET-BACKED PASS-THROUGH CERTIFICATES
SERIES 2006-RP2

evidencing a percentage interest in the distributions allocable to the Class A Certificates with respect to a Trust Fund consisting primarily of a pool of conventional one- to four-family fixed and adjustable interest rate, first and second lien mortgage loans sold by RESIDENTIAL ASSET MORTGAGE PRODUCTS, INC.

This Certificate is payable solely from the assets of the Trust Fund, and does not represent an obligation of or interest in Residential Asset Mortgage Products, Inc., the Master Servicer, the Trustee referred to below or GMAC Mortgage Group, Inc. or any of their affiliates. Neither this Certificate nor the underlying Mortgage Loans are guaranteed or insured by any governmental agency or instrumentality or by Residential Asset Mortgage Products, Inc., the Master Servicer, the Trustee or GMAC Mortgage Group, Inc. or any of their affiliates. None of Residential Asset Mortgage Products, Inc., the Master Servicer, GMAC Mortgage Group, Inc. or any of their affiliates will have any obligation with respect to any certificate or other obligation secured by or payable from payments on the Certificates.

This certifies that _____ is the registered owner of the Percentage Interest evidenced by this Certificate in certain distributions with respect to the Trust Fund consisting primarily of an interest in a pool of conventional one- to four-family fixed and adjustable interest rate, first and second lien mortgage loans (the "Mortgage Loans"), sold by Residential Asset Mortgage Products, Inc. (hereinafter called the "Depositor", which term includes any successor entity under the Agreement referred to below). The Trust Fund was created pursuant to a Pooling and Servicing Agreement dated as specified above (the "Agreement") among the Depositor, the Master Servicer and JPMorgan Chase Bank, N.A., as trustee (the "Trustee"), a summary of certain of the pertinent provisions of which is set forth hereafter. To the extent not defined herein, the capitalized terms used herein have the meanings assigned in the Agreement.

This Certificate is issued under and is subject to the terms, provisions and conditions of the Agreement, to which Agreement the Holder of this Certificate by virtue of the acceptance hereof assents and by which such Holder is bound.

Pursuant to the terms of the Agreement, a distribution will be made on the 25th day of each month or, if such 25th day is not a Business Day, the Business Day immediately following (the "Distribution Date"), commencing as described in the Agreement, to the Person in whose name this Certificate is registered at the close of business on the Business Day prior to such Distribution Date (the "Record Date"), from the related Available Distribution Amount in an amount equal to the product of the Percentage Interest evidenced by this Certificate and the amount (of interest and principal, if any) required to be distributed to Holders of Class A Certificates on such Distribution Date.

Distributions on this Certificate will be made either by the Master Servicer acting on behalf of the Trustee or by a Paying Agent appointed by the Trustee in immediately available funds (by wire transfer or otherwise) for the account of the Person entitled thereto if such Person shall have so notified the Master Servicer or such Paying Agent, or by check mailed to the address of the Person entitled thereto, as such name and address shall appear on the Certificate Register.

Notwithstanding the above, the final distribution on this Certificate will be made after due notice of the pendency of such distribution and only upon presentation and surrender of this Certificate at the office or agency appointed by the Trustee for that purpose in the City and State of New York. The Initial Certificate Principal Balance of this Certificate is set forth above. The Certificate Principal Balance hereof will be reduced to the extent of the distributions allocable to principal and any Realized Losses allocable hereto.

As described above, any transferee of a Class A Certificate not rated at least "AA-" (or its equivalent) by Standard & Poor's, Moody's or Fitch at the time of purchase will be deemed to have represented by virtue of its purchase or holding of such Certificate (or any interest herein) that either (a) such transferee is not an ERISA Plan or an ERISA Plan Investor, or (b) the transferee is a Complying Insurance Company. In addition, any purported Certificate Owner whose acquisition or holding of this Certificate (or any interest herein) was effected in violation of the restrictions in Section 5.02(f) of the Agreement shall indemnify and hold harmless the Depositor, the Trustee, the Master Servicer, any Subservicer, any Underwriter and the Trust Fund from and against any and all liabilities, claims, costs or expenses incurred by such parties as a result of such acquisition or holding.

This Certificate is one of a duly authorized issue of Certificates issued in several Classes designated as Mortgage Asset-Backed Pass-Through Certificates of the Series specified in the Agreement (herein collectively called the "Certificates").

The Certificates are limited in right of payment to certain collections and recoveries respecting the Mortgage Loans, all as more specifically set forth herein and in the Agreement. In the event Master Servicer funds are advanced with respect to any Mortgage Loan, such advance is reimbursable to the Master Servicer, to the extent provided in the Agreement, from related recoveries on such Mortgage Loan or from other cash that would have been distributable to Certificateholders.

As provided in the Agreement, withdrawals from the Custodial Account and/or the Certificate Account created for the benefit of Certificateholders may be made by the Master Servicer from time to time for purposes other than distributions to Certificateholders, such purposes including without limitation reimbursement to the Depositor and the Master Servicer of advances made, or certain expenses incurred, by either of them.

The Agreement permits, with certain exceptions therein provided, the amendment of the Agreement and the modification of the rights and obligations of the Depositor, the Master Servicer and the Trustee and the rights of the Certificateholders under the Agreement at any time by the Depositor, the Master Servicer and the Trustee with the consent of the Holders of Certificates evidencing in the aggregate not less than 66% of the Percentage Interests of each Class of Certificates affected thereby. Any such consent by the Holder of this Certificate shall be conclusive and binding on such Holder and upon all future holders of this Certificate and of any Certificate issued upon the transfer hereof or in exchange herefor or in lieu hereof whether or not notation of such consent is made upon the Certificate. The Agreement also permits the amendment thereof in certain circumstances without the consent of the Holders of any of the Certificates and, in certain additional circumstances, without the consent of the Holders of certain Classes of Certificates.

As provided in the Agreement and subject to certain limitations therein set forth, the transfer of this Certificate is registrable in the Certificate Register upon surrender of this Certificate for registration of transfer at the offices or agencies appointed by the Trustee in the City and State of New York, duly endorsed by, or accompanied by an assignment in the form below or other written instrument of transfer in form satisfactory to the Trustee and the Certificate Registrar duly executed by the Holder hereof or such Holder's attorney duly authorized in writing, and thereupon one or more new Certificates of authorized denominations evidencing the same Class and aggregate Percentage Interest will be issued to the designated transferee or transferees.

The Certificates are issuable only as registered Certificates without coupons in Classes and in denominations specified in the Agreement. As provided in the Agreement and subject to certain limitations therein set forth, Certificates are exchangeable for new Certificates of authorized denominations evidencing the same Class and aggregate Percentage Interest, as requested by the Holder surrendering the same.

No service charge will be made for any such registration of transfer or exchange, but the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The Depositor, the Master Servicer, the Trustee and the Certificate Registrar and any agent of the Depositor, the Master Servicer, the Trustee or the Certificate Registrar may treat the Person in whose name this Certificate is registered as the owner hereof for all purposes, and neither the Depositor, the Master Servicer, the Trustee nor any such agent shall be affected by notice to the contrary.

This Certificate shall be governed by and construed in accordance with the laws of the State of New York.

The obligations created by the Agreement in respect of the Certificates and the Trust Fund created thereby shall terminate upon the payment to Certificateholders of all amounts held by or on behalf of the Trustee and required to be paid to them pursuant to the Agreement following the earlier of (i) the maturity or other liquidation of the last Mortgage Loan subject thereto or the disposition of all property acquired upon foreclosure or deed in lieu of foreclosure of any Mortgage Loan and (ii) the purchase by Residential Funding Corporation or its designee from the Trust Fund of all remaining Mortgage Loans and all property acquired in respect of such Mortgage Loans, thereby effecting early retirement of the related Certificates. The Agreement permits, but does not require, Residential Funding Corporation or its designee to (i) purchase at a price determined as provided in the Agreement all remaining Mortgage Loans and all property acquired in respect of any Mortgage Loan or (ii) purchase in whole, but not in part, all of the Class A and Class M Certificates from the Holders thereof; provided, that any such option may only be exercised if the Pool Stated Principal Balance of the Mortgage Loans as of the Distribution Date upon which the proceeds of any such purchase are distributed is less than ten percent of the Cut-off Date Principal Balance of the Mortgage Loans.

Unless the certificate of authentication hereon has been executed by the Certificate Registrar, by manual signature, this Certificate shall not be entitled to any benefit under the Agreement or be valid for any purpose.

IN WITNESS WHEREOF, the Trustee has caused this Certificate to be duly executed.

JPMORGAN CHASE BANK, N.A.,
as Trustee

By:_____
Authorized Signatory

Dated: _____ __, 20__

CERTIFICATE OF AUTHENTICATION

This is one of the Class A Certificates referred to in the within-mentioned Agreement.

JPMORGAN CHASE BANK, N.A.,
as Certificate Registrar

By:_____
Authorized Signatory

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto [print or typewrite name and address including postal zip code of assignee] a Percentage Interest evidenced by the within Mortgage Asset-Backed Pass-Through Certificate and hereby authorize(s) the transfer of registration of such interest to assignee on the Certificate Register of the Trust Fund.

I (We) further direct the Certificate Registrar to issue a new Certificate of a like denomination and Class, to the above named assignee and deliver such Certificate to the following address:

Dated:

_____
Signature by or on behalf of assignor
Signature Guaranteed

DISTRIBUTION INSTRUCTIONS

The assignee should include the following for purposes of distribution:

Distributions shall be made, by wire transfer or otherwise, in immediately available funds to _____ for the account of _____, account number_____, or if mailed by check to _____.

Applicable statements should be mailed to_____.

This information is provided by _____, the assignee named above, or_____, as its agent.

EXHIBIT B-1-A

FORM OF DEFINITIVE CLASS M-[_] CERTIFICATE

THIS CERTIFICATE IS SUBORDINATED IN RIGHT OF PAYMENT TO THE CLASS A CERTIFICATES [AND CLASS M-[_] CERTIFICATES] AS DESCRIBED IN THE AGREEMENT (AS DEFINED HEREIN).

SOLELY FOR U.S. FEDERAL INCOME TAX PURPOSES, THIS CERTIFICATE IS A "REGULAR INTEREST" IN A "REAL ESTATE MORTGAGE INVESTMENT CONDUIT," AS THOSE TERMS ARE DEFINED, RESPECTIVELY, IN SECTIONS 860G AND 860D OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE").

THE CERTIFICATES DESCRIBED HEREIN MAY ONLY BE OFFERED TO "QUALIFIED INSTITUTIONAL BUYERS" AS DEFINED UNDER RULE 144A UNDER THE 1933 ACT.

ANY TRANSFEREE OF A CLASS M-[__] CERTIFICATE WILL BE DEEMED TO HAVE REPRESENTED BY VIRTUE OF ITS PURCHASE OR HOLDING OF SUCH CERTIFICATE (OR ANY INTEREST HEREIN) THAT EITHER (A) SUCH TRANSFEREE IS NOT AN EMPLOYEE BENEFIT PLAN OR OTHER PLAN SUBJECT TO THE PROHIBITED TRANSACTION PROVISIONS OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), OR SECTION 4975 OF THE CODE (EACH, AN "ERISA PLAN"), OR ANY PERSON (INCLUDING, WITHOUT LIMITATION, AN INVESTMENT MANAGER, A NAMED FIDUCIARY OR A TRUSTEE OF ANY ERISA PLAN) WHO IS USING "PLAN ASSETS," WITHIN THE MEANING OF THE U.S. DEPARTMENT OF LABOR REGULATION PROMULGATED AT 29 C.F.R. § 2510.3-101, OF ANY ERISA PLAN (EACH, AN "ERISA PLAN INVESTOR") TO EFFECT SUCH ACQUISITION, OR (B)(I) THE TRANSFEREE IS AN INSURANCE COMPANY, (II) THE SOURCE OF FUNDS USED TO PURCHASE OR HOLD THE CERTIFICATE (OR ANY INTEREST HEREIN) IS AN "INSURANCE COMPANY GENERAL ACCOUNT" (AS DEFINED IN U.S. DEPARTMENT OF LABOR PROHIBITED TRANSACTION CLASS EXEMPTION ("PTCE") 95-60), AND (III) THE CONDITIONS SET FORTH IN SECTIONS I AND III OF PTCE 95-60 HAVE BEEN SATISFIED (EACH ENTITY THAT SATISFIES THIS CLAUSE (B), A "COMPLYING INSURANCE COMPANY").

IF THIS CERTIFICATE (OR ANY INTEREST HEREIN) IS ACQUIRED OR HELD IN VIOLATION OF THE PROVISIONS OF THE PRECEDING PARAGRAPH, THEN THE LAST PRECEDING TRANSFEREE THAT EITHER (A) IS NOT AN ERISA PLAN OR AN ERISA PLAN INVESTOR, OR (B) IS A COMPLYING INSURANCE COMPANY SHALL BE RESTORED, TO THE EXTENT PERMITTED BY LAW, TO ALL RIGHTS AND OBLIGATIONS AS CERTIFICATE OWNER THEREOF RETROACTIVE TO THE DATE OF SUCH TRANSFER OF THIS CERTIFICATE. THE TRUSTEE SHALL BE UNDER NO LIABILITY TO ANY PERSON FOR MAKING ANY PAYMENTS DUE ON THIS CERTIFICATE TO SUCH PRECEDING TRANSFEREE.

ANY PURPORTED CERTIFICATE OWNER WHOSE ACQUISITION OR HOLDING OF THIS CERTIFICATE (OR ANY INTEREST HEREIN) WAS EFFECTED IN VIOLATION OF THE RESTRICTIONS IN SECTION 5.02(f) OF THE POOLING AND SERVICING AGREEMENT SHALL INDEMNIFY AND HOLD HARMLESS THE DEPOSITOR, THE TRUSTEE, THE MASTER SERVICER, ANY SUBSERVICER, ANY UNDERWRITER AND THE TRUST FUND FROM AND AGAINST ANY AND ALL LIABILITIES, CLAIMS, COSTS OR EXPENSES INCURRED BY SUCH PARTIES AS A RESULT OF SUCH ACQUISITION OR HOLDING.

THIS CERTIFICATE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE RESOLD OR TRANSFERRED UNLESS IT IS REGISTERED PURSUANT TO SUCH ACT AND LAWS OR IS SOLD OR TRANSFERRED IN TRANSACTIONS THAT ARE EXEMPT FROM REGISTRATION UNDER SUCH ACT AND UNDER APPLICABLE STATE LAW AND IS TRANSFERRED IN ACCORDANCE WITH THE PROVISIONS OF SECTION 5.02 OF THE AGREEMENT.

Certificate No. _

Class M-[ ]

Date of Pooling and Servicing Agreement and Cut-off Date: April 1, 2006

First Distribution Date: May 25, 2006

Master Servicer: Residential Funding Corporation

Maturity Date: _____

Adjustable Pass-Through Rate

Aggregate Certificate Principal Balance of the Class M-[ ] Certificates: $_____

Initial Certificate Principal Balance of this Certificate: $_____

CUSIP: _____

ISIN: _____

Final Scheduled Distribution Date: [_____]

MORTGAGE ASSET-BACKED PASS-THROUGH CERTIFICATES
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evidencing a percentage interest in the distributions allocable to the Class M-[_] Certificates with respect to a Trust Fund consisting primarily of a pool of conventional one- to four-family fixed and adjustable interest rate, first and second lien mortgage loans sold by RESIDENTIAL ASSET MORTGAGE PRODUCTS, INC.

This Certificate is payable solely from the assets of the Trust Fund, and does not represent an obligation of or interest in Residential Asset Mortgage Products, Inc., the Master Servicer, the Trustee referred to below or GMAC Mortgage Group, Inc. or any of their affiliates. Neither this Certificate nor the underlying Mortgage Loans are guaranteed or insured by any governmental agency or instrumentality or by Residential Asset Mortgage Products, Inc., the Master Servicer, the Trustee or GMAC Mortgage Group, Inc. or any of their affiliates. None of Residential Asset Mortgage Products, Inc., the Master Servicer, GMAC Mortgage Group, Inc. or any of their affiliates will have any obligation with respect to any certificate or other obligation secured by or payable from payments on the Certificates.

This certifies that Cede & Co. is the registered owner of the Percentage Interest evidenced by this Certificate in certain distributions with respect to the Trust Fund consisting primarily of an interest in a pool of conventional one- to four-family fixed and adjustable interest rate, first and second lien mortgage loans (the "Mortgage Loans"), sold by Residential Asset Mortgage Products, Inc. (hereinafter called the "Depositor", which term includes any successor entity under the Agreement referred to below). The Trust Fund was created pursuant to a Pooling and Servicing Agreement dated as specified above (the "Agreement") among the Depositor, the Master Servicer and JPMorgan Chase Bank, N.A., as trustee (the "Trustee"), a summary of certain of the pertinent provisions of which is set forth hereafter. To the extent not defined herein, the capitalized terms used herein have the meanings assigned in the Agreement. This Certificate is issued under and is subject to the terms, provisions and conditions of the Agreement, to which Agreement the Holder of this Certificate by virtue of the acceptance hereof assents and by which such Holder is bound.

Pursuant to the terms of the Agreement, a distribution will be made on the 25th day of each month or, if such 25th day is not a Business Day, the Business Day immediately following (the "Distribution Date"), commencing as described in the Agreement, to the Person in whose name this Certificate is registered at the close of business on the Business Day prior to such Distribution Date (the "Record Date"), from the related Available Distribution Amount in an amount equal to the product of the Percentage Interest evidenced by this Certificate and the amount (of interest and principal, if any) required to be distributed to Holders of Class M-[ ] Certificates on such Distribution Date.

Distributions on this Certificate will be made either by the Master Servicer acting on behalf of the Trustee or by a Paying Agent appointed by the Trustee in immediately available funds (by wire transfer or otherwise) for the account of the Person entitled thereto if such Person shall have so notified the Master Servicer or such Paying Agent, or by check mailed to the address of the Person entitled thereto, as such name and address shall appear on the Certificate Register.

Notwithstanding the above, the final distribution on this Certificate will be made after due notice of the pendency of such distribution and only upon presentation and surrender of this Certificate at the office or agency appointed by the Trustee for that purpose in the City and State of New York. The Initial Certificate Principal Balance of this Certificate is set forth above. The Certificate Principal Balance hereof will be reduced to the extent of the distributions allocable to principal and any Realized Losses allocable hereto.

As described above, any transferee of this Certificate will be deemed to have represented by virtue of its purchase or holding of this Certificate (or any interest herein) that either (a) such transferee is not an ERISA Plan or an ERISA Plan Investor, or (b) the transferee is a Complying Insurance Company. In addition, any purported Certificate Owner whose acquisition or holding of this Certificate (or any interest herein) was effected in violation of the restrictions in Section 5.02(f) of the Agreement shall indemnify and hold harmless the Depositor, the Trustee, the Master Servicer, any Subservicer, any Underwriter and the Trust Fund from and against any and all liabilities, claims, costs or expenses incurred by such parties as a result of such acquisition or holding.

This Certificate is one of a duly authorized issue of Certificates issued in several Classes designated as Mortgage Asset-Backed Pass-Through Certificates of the Series specified in the Agreement (herein collectively called the "Certificates").

The Certificates are limited in right of payment to certain collections and recoveries respecting the Mortgage Loans, all as more specifically set forth herein and in the Agreement. In the event Master Servicer funds are advanced with respect to any Mortgage Loan, such advance is reimbursable to the Master Servicer, to the extent provided in the Agreement, from related recoveries on such Mortgage Loan or from other cash that would have been distributable to Certificateholders.

As provided in the Agreement, withdrawals from the Custodial Account and/or the Certificate Account created for the benefit of Certificateholders may be made by the Master Servicer from time to time for purposes other than distributions to Certificateholders, such purposes including without limitation reimbursement to the Depositor and the Master Servicer of advances made, or certain expenses incurred, by either of them.

The Agreement permits, with certain exceptions therein provided, the amendment of the Agreement and the modification of the rights and obligations of the Depositor, the Master Servicer and the Trustee and the rights of the Certificateholders under the Agreement at any time by the Depositor, the Master Servicer and the Trustee with the consent of the Holders of Certificates evidencing in the aggregate not less than 66% of the Percentage Interests of each Class of Certificates affected thereby. Any such consent by the Holder of this Certificate shall be conclusive and binding on such Holder and upon all future holders of this Certificate and of any Certificate issued upon the transfer hereof or in exchange herefor or in lieu hereof whether or not notation of such consent is made upon the Certificate. The Agreement also permits the amendment thereof in certain circumstances without the consent of the Holders of any of the Certificates and, in certain additional circumstances, without the consent of the Holders of certain Classes of Certificates.

As provided in the Agreement and subject to certain limitations therein set forth, the transfer of this Certificate is registrable in the Certificate Register upon surrender of this Certificate for registration of transfer at the offices or agencies appointed by the Trustee in the City and State of New York, duly endorsed by, or accompanied by an assignment in the form below or other written instrument of transfer in form satisfactory to the Trustee and the Certificate Registrar duly executed by the Holder hereof or such Holder's attorney duly authorized in writing, and thereupon one or more new Certificates of authorized denominations evidencing the same Class and aggregate Percentage Interest will be issued to the designated transferee or transferees.

The Certificates are issuable only as registered Certificates without coupons in Classes and in denominations specified in the Agreement. As provided in the Agreement and subject to certain limitations therein set forth, Certificates are exchangeable for new Certificates of authorized denominations evidencing the same Class and aggregate Percentage Interest, as requested by the Holder surrendering the same.

No service charge will be made for any such registration of transfer or exchange, but the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The Depositor, the Master Servicer, the Trustee and the Certificate Registrar and any agent of the Depositor, the Master Servicer, the Trustee or the Certificate Registrar may treat the Person in whose name this Certificate is registered as the owner hereof for all purposes, and neither the Depositor, the Master Servicer, the Trustee nor any such agent shall be affected by notice to the contrary.

This Certificate shall be governed by and construed in accordance with the laws of the State of New York.

The obligations created by the Agreement in respect of the Certificates and the Trust Fund created thereby shall terminate upon the payment to Certificateholders of all amounts held by or on behalf of the Trustee and required to be paid to them pursuant to the Agreement following the earlier of (i) the maturity or other liquidation of the last Mortgage Loan subject thereto or the disposition of all property acquired upon foreclosure or deed in lieu of foreclosure of any Mortgage Loan and (ii) the purchase by the Master Servicer or its designee from the Trust Fund of all remaining Mortgage Loans and all property acquired in respect of such Mortgage Loans, thereby effecting early retirement of the related Certificates. The Agreement permits, but does not require, the Master Servicer or its designee to (i) purchase at a price determined as provided in the Agreement all remaining Mortgage Loans and all property acquired in respect of any Mortgage Loan or (ii) purchase in whole, but not in part, all of the Class A and Class M Certificates from the Holders thereof; provided, that any such option may only be exercised if the Pool Stated Principal Balance of the Mortgage Loans as of the Distribution Date upon which the proceeds of any such purchase are distributed is less than ten percent of the Cut-off Date Principal Balance of the Mortgage Loans.

Unless the certificate of authentication hereon has been executed by the Certificate Registrar, by manual signature, this Certificate shall not be entitled to any benefit under the Agreement or be valid for any purpose.

IN WITNESS WHEREOF, the Trustee has caused this Certificate to be duly executed.

JPMORGAN CHASE BANK, N.A.,
as Trustee

By:_____
Authorized Signatory

Dated: _____ __, 20__

CERTIFICATE OF AUTHENTICATION

This is one of the Class M Certificates referred to in the within-mentioned Agreement.

JPMORGAN CHASE BANK, N.A.,
as Certificate Registrar

By:_____
Authorized Signatory

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto [print or typewrite name and address including postal zip code of assignee] a Percentage Interest evidenced by the within Mortgage Asset-Backed Pass-Through Certificate and hereby authorize(s) the transfer of registration of such interest to assignee on the Certificate Register of the Trust Fund.

I (We) further direct the Certificate Registrar to issue a new Certificate of a like denomination and Class, to the above named assignee and deliver such Certificate to the following address:

Dated:

_____
Signature by or on behalf of assignor
Signature Guaranteed

DISTRIBUTION INSTRUCTIONS

The assignee should include the following for purposes of distribution:

Distributions shall be made, by wire transfer or otherwise, in immediately available funds to _____ for the account of _____, account number_____, or if mailed by check to _____.

Applicable statements should be mailed to_____.

This information is provided by _____, the assignee named above, or_____, as its agent.

EXHIBIT B-1-B

FORM OF RULE 144A GLOBAL CLASS M-[_] CERTIFICATE

THIS CERTIFICATE IS SUBORDINATED IN RIGHT OF PAYMENT TO THE CLASS A CERTIFICATES [AND CLASS M-[_] CERTIFICATES] AS DESCRIBED IN THE AGREEMENT (AS DEFINED HEREIN).

SOLELY FOR U.S. FEDERAL INCOME TAX PURPOSES, THIS CERTIFICATE IS A "REGULAR INTEREST" IN A "REAL ESTATE MORTGAGE INVESTMENT CONDUIT," AS THOSE TERMS ARE DEFINED, RESPECTIVELY, IN SECTIONS 860G AND 860D OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE").

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THE CERTIFICATES DESCRIBED HEREIN MAY ONLY BE OFFERED TO "QUALIFIED INSTITUTIONAL BUYERS" AS DEFINED UNDER RULE 144A UNDER THE 1933 ACT.

ANY TRANSFEREE OF A CLASS M-[__] CERTIFICATE WILL BE DEEMED TO HAVE REPRESENTED BY VIRTUE OF ITS PURCHASE OR HOLDING OF SUCH CERTIFICATE (OR ANY INTEREST HEREIN) THAT EITHER (A) SUCH TRANSFEREE IS NOT AN EMPLOYEE BENEFIT PLAN OR OTHER PLAN SUBJECT TO THE PROHIBITED TRANSACTION PROVISIONS OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), OR SECTION 4975 OF THE CODE (EACH, AN "ERISA PLAN"), OR ANY PERSON (INCLUDING, WITHOUT LIMITATION, AN INVESTMENT MANAGER, A NAMED FIDUCIARY OR A TRUSTEE OF ANY ERISA PLAN) WHO IS USING "PLAN ASSETS," WITHIN THE MEANING OF THE U.S. DEPARTMENT OF LABOR REGULATION PROMULGATED AT 29 C.F.R. § 2510.3-101, OF ANY ERISA PLAN (EACH, AN "ERISA PLAN INVESTOR") TO EFFECT SUCH ACQUISITION, OR (B)(I) THE TRANSFEREE IS AN INSURANCE COMPANY, (II) THE SOURCE OF FUNDS USED TO PURCHASE OR HOLD THE CERTIFICATE (OR ANY INTEREST HEREIN) IS AN "INSURANCE COMPANY GENERAL ACCOUNT" (AS DEFINED IN U.S. DEPARTMENT OF LABOR PROHIBITED TRANSACTION CLASS EXEMPTION ("PTCE") 95-60), AND (III) THE CONDITIONS SET FORTH IN SECTIONS I AND III OF PTCE 95-60 HAVE BEEN SATISFIED (EACH ENTITY THAT SATISFIES THIS CLAUSE (B), A "COMPLYING INSURANCE COMPANY").

IF THIS CERTIFICATE (OR ANY INTEREST HEREIN) IS ACQUIRED OR HELD IN VIOLATION OF THE PROVISIONS OF THE PRECEDING PARAGRAPH, THEN THE LAST PRECEDING TRANSFEREE THAT EITHER (A) IS NOT AN ERISA PLAN OR AN ERISA PLAN INVESTOR, OR (B) IS A COMPLYING INSURANCE COMPANY SHALL BE RESTORED, TO THE EXTENT PERMITTED BY LAW, TO ALL RIGHTS AND OBLIGATIONS AS CERTIFICATE OWNER THEREOF RETROACTIVE TO THE DATE OF SUCH TRANSFER OF THIS CERTIFICATE. THE TRUSTEE SHALL BE UNDER NO LIABILITY TO ANY PERSON FOR MAKING ANY PAYMENTS DUE ON THIS CERTIFICATE TO SUCH PRECEDING TRANSFEREE.

ANY PURPORTED CERTIFICATE OWNER WHOSE ACQUISITION OR HOLDING OF THIS CERTIFICATE (OR ANY INTEREST HEREIN) WAS EFFECTED IN VIOLATION OF THE RESTRICTIONS IN SECTION 5.02(f) OF THE POOLING AND SERVICING AGREEMENT SHALL INDEMNIFY AND HOLD HARMLESS THE DEPOSITOR, THE TRUSTEE, THE MASTER SERVICER, ANY SUBSERVICER, ANY UNDERWRITER AND THE TRUST FUND FROM AND AGAINST ANY AND ALL LIABILITIES, CLAIMS, COSTS OR EXPENSES INCURRED BY SUCH PARTIES AS A RESULT OF SUCH ACQUISITION OR HOLDING.

ANY PURPORTED CERTIFICATE OWNER WHOSE ACQUISITION OR HOLDING OF THIS CERTIFICATE (OR INTEREST HEREIN) WAS EFFECTED IN VIOLATION OF THE RESTRICTIONS IN SECTION 5.02(e) OF THE AGREEMENT SHALL INDEMNIFY AND HOLD HARMLESS THE DEPOSITOR, THE TRUSTEE, THE MASTER SERVICER, ANY SUBSERVICER, AND THE TRUST FUND FROM AND AGAINST ANY AND ALL LIABILITIES, CLAIMS, COSTS OR EXPENSES INCURRED BY SUCH PARTIES AS A RESULT OF SUCH ACQUISITION OR HOLDING.

THIS CERTIFICATE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE RESOLD OR TRANSFERRED UNLESS IT IS REGISTERED PURSUANT TO SUCH ACT AND LAWS OR IS SOLD OR TRANSFERRED IN TRANSACTIONS THAT ARE EXEMPT FROM REGISTRATION UNDER SUCH ACT AND UNDER APPLICABLE STATE LAW AND IS TRANSFERRED IN ACCORDANCE WITH THE PROVISIONS OF SECTION 5.02 OF THE AGREEMENT.

Certificate No. _

Class M-[ ]

Date of Pooling and Servicing Agreement and Cut-off Date: April 1, 2006

First Distribution Date: May 25, 2006

Master Servicer: Residential Funding Corporation

Maturity Date: _____

Adjustable Pass-Through Rate

Aggregate Certificate Principal Balance of the Class M-[ ] Certificates: $_____

Initial Certificate Principal Balance of this Certificate: $_____

CUSIP: _____

ISIN: _____

Final Scheduled Distribution Date: [_____]

MORTGAGE ASSET-BACKED PASS-THROUGH CERTIFICATES
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evidencing a percentage interest in the distributions allocable to the Class M-[_] Certificates with respect to a Trust Fund consisting primarily of a pool of conventional one- to four-family fixed and adjustable interest rate, first and second lien mortgage loans sold by RESIDENTIAL ASSET MORTGAGE PRODUCTS, INC.

This Certificate is payable solely from the assets of the Trust Fund, and does not represent an obligation of or interest in Residential Asset Mortgage Products, Inc., the Master Servicer, the Trustee referred to below or GMAC Mortgage Group, Inc. or any of their affiliates. Neither this Certificate nor the underlying Mortgage Loans are guaranteed or insured by any governmental agency or instrumentality or by Residential Asset Mortgage Products, Inc., the Master Servicer, the Trustee or GMAC Mortgage Group, Inc. or any of their affiliates. None of Residential Asset Mortgage Products, Inc., the Master Servicer, GMAC Mortgage Group, Inc. or any of their affiliates will have any obligation with respect to any certificate or other obligation secured by or payable from payments on the Certificates.

This certifies that Cede & Co. is the registered owner of the Percentage Interest evidenced by this Certificate in certain distributions with respect to the Trust Fund consisting primarily of an interest in a pool of conventional one- to four-family fixed and adjustable interest rate, first and second lien mortgage loans (the "Mortgage Loans"), sold by Residential Asset Mortgage Products, Inc. (hereinafter called the "Depositor", which term includes any successor entity under the Agreement referred to below). The Trust Fund was created pursuant to a Pooling and Servicing Agreement dated as specified above (the "Agreement") among the Depositor, the Master Servicer and JPMorgan Chase Bank, N.A., as trustee (the "Trustee"), a summary of certain of the pertinent provisions of which is set forth hereafter. To the extent not defined herein, the capitalized terms used herein have the meanings assigned in the Agreement.

This Certificate is issued under and is subject to the terms, provisions and conditions of the Agreement, to which Agreement the Holder of this Certificate by virtue of the acceptance hereof assents and by which such Holder is bound.

Pursuant to the terms of the Agreement, a distribution will be made on the 25th day of each month or, if such 25th day is not a Business Day, the Business Day immediately following (the "Distribution Date"), commencing as described in the Agreement, to the Person in whose name this Certificate is registered at the close of business on the Business Day prior to such Distribution Date (the "Record Date"), from the related Available Distribution Amount in an amount equal to the product of the Percentage Interest evidenced by this Certificate and the amount (of interest and principal, if any) required to be distributed to Holders of Class M-[ ] Certificates on such Distribution Date.

Distributions on this Certificate will be made either by the Master Servicer acting on behalf of the Trustee or by a Paying Agent appointed by the Trustee in immediately available funds (by wire transfer or otherwise) for the account of the Person entitled thereto if such Person shall have so notified the Master Servicer or such Paying Agent, or by check mailed to the address of the Person entitled thereto, as such name and address shall appear on the Certificate Register.

Notwithstanding the above, the final distribution on this Certificate will be made after due notice of the pendency of such distribution and only upon presentation and surrender of this Certificate at the office or agency appointed by the Trustee for that purpose in the City and State of New York. The Initial Certificate Principal Balance of this Certificate is set forth above. The Certificate Principal Balance hereof will be reduced to the extent of the distributions allocable to principal and any Realized Losses allocable hereto.

As described above, any transferee of this Certificate will be deemed to have represented by virtue of its purchase or holding of this Certificate (or any interest herein) that either (a) such transferee is not an ERISA Plan or an ERISA Plan Investor, or (b) the transferee is a Complying Insurance Company. In addition, any purported Certificate Owner whose acquisition or holding of this Certificate (or any interest herein) was effected in violation of the restrictions in Section 5.02(f) of the Agreement shall indemnify and hold harmless the Depositor, the Trustee, the Master Servicer, any Subservicer, any Underwriter and the Trust Fund from and against any and all liabilities, claims, costs or expenses incurred by such parties as a result of such acquisition or holding.

This Certificate is one of a duly authorized issue of Certificates issued in several Classes designated as Mortgage Asset-Backed Pass-Through Certificates of the Series specified in the Agreement (herein collectively called the "Certificates").

The Certificates are limited in right of payment to certain collections and recoveries respecting the Mortgage Loans, all as more specifically set forth herein and in the Agreement. In the event Master Servicer funds are advanced with respect to any Mortgage Loan, such advance is reimbursable to the Master Servicer, to the extent provided in the Agreement, from related recoveries on such Mortgage Loan or from other cash that would have been distributable to Certificateholders.

As provided in the Agreement, withdrawals from the Custodial Account and/or the Certificate Account created for the benefit of Certificateholders may be made by the Master Servicer from time to time for purposes other than distributions to Certificateholders, such purposes including without limitation reimbursement to the Depositor and the Master Servicer of advances made, or certain expenses incurred, by either of them.

The Agreement permits, with certain exceptions therein provided, the amendment of the Agreement and the modification of the rights and obligations of the Depositor, the Master Servicer and the Trustee and the rights of the Certificateholders under the Agreement at any time by the Depositor, the Master Servicer and the Trustee with the consent of the Holders of Certificates evidencing in the aggregate not less than 66% of the Percentage Interests of each Class of Certificates affected thereby. Any such consent by the Holder of this Certificate shall be conclusive and binding on such Holder and upon all future holders of this Certificate and of any Certificate issued upon the transfer hereof or in exchange herefor or in lieu hereof whether or not notation of such consent is made upon the Certificate. The Agreement also permits the amendment thereof in certain circumstances without the consent of the Holders of any of the Certificates and, in certain additional circumstances, without the consent of the Holders of certain Classes of Certificates.

As provided in the Agreement and subject to certain limitations therein set forth, the transfer of this Certificate is registrable in the Certificate Register upon surrender of this Certificate for registration of transfer at the offices or agencies appointed by the Trustee in the City and State of New York, duly endorsed by, or accompanied by an assignment in the form below or other written instrument of transfer in form satisfactory to the Trustee and the Certificate Registrar duly executed by the Holder hereof or such Holder's attorney duly authorized in writing, and thereupon one or more new Certificates of authorized denominations evidencing the same Class and aggregate Percentage Interest will be issued to the designated transferee or transferees.

The Certificates are issuable only as registered Certificates without coupons in Classes and in denominations specified in the Agreement. As provided in the Agreement and subject to certain limitations therein set forth, Certificates are exchangeable for new Certificates of authorized denominations evidencing the same Class and aggregate Percentage Interest, as requested by the Holder surrendering the same.

No service charge will be made for any such registration of transfer or exchange, but the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The Depositor, the Master Servicer, the Trustee and the Certificate Registrar and any agent of the Depositor, the Master Servicer, the Trustee or the Certificate Registrar may treat the Person in whose name this Certificate is registered as the owner hereof for all purposes, and neither the Depositor, the Master Servicer, the Trustee nor any such agent shall be affected by notice to the contrary.

This Certificate shall be governed by and construed in accordance with the laws of the State of New York.

The obligations created by the Agreement in respect of the Certificates and the Trust Fund created thereby shall terminate upon the payment to Certificateholders of all amounts held by or on behalf of the Trustee and required to be paid to them pursuant to the Agreement following the earlier of (i) the maturity or other liquidation of the last Mortgage Loan subject thereto or the disposition of all property acquired upon foreclosure or deed in lieu of foreclosure of any Mortgage Loan and (ii) the purchase by the Master Servicer or its designee from the Trust Fund of all remaining Mortgage Loans and all property acquired in respect of such Mortgage Loans, thereby effecting early retirement of the related Certificates. The Agreement permits, but does not require, the Master Servicer or its designee to (i) purchase at a price determined as provided in the Agreement all remaining Mortgage Loans and all property acquired in respect of any Mortgage Loan or (ii) purchase in whole, but not in part, all of the Class A and Class M Certificates from the Holders thereof; provided, that any such option may only be exercised if the Pool Stated Principal Balance of the Mortgage Loans as of the Distribution Date upon which the proceeds of any such purchase are distributed is less than ten percent of the Cut-off Date Principal Balance of the Mortgage Loans.

Unless the certificate of authentication hereon has been executed by the Certificate Registrar, by manual signature, this Certificate shall not be entitled to any benefit under the Agreement or be valid for any purpose.

IN WITNESS WHEREOF, the Trustee has caused this Certificate to be duly executed.

JPMORGAN CHASE BANK, N.A.,
as Trustee

By:_____
Authorized Signatory

Dated: _____ __, 20__

CERTIFICATE OF AUTHENTICATION

This is one of the Class M Certificates referred to in the within-mentioned Agreement.

JPMORGAN CHASE BANK, N.A.,
as Certificate Registrar

By:_____
Authorized Signatory

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto [print or typewrite name and address including postal zip code of assignee] a Percentage Interest evidenced by the within Mortgage Asset-Backed Pass-Through Certificate and hereby authorize(s) the transfer of registration of such interest to assignee on the Certificate Register of the Trust Fund.

I (We) further direct the Certificate Registrar to issue a new Certificate of a like denomination and Class, to the above named assignee and deliver such Certificate to the following address:

Dated:

_____
Signature by or on behalf of assignor
Signature Guaranteed

DISTRIBUTION INSTRUCTIONS

The assignee should include the following for purposes of distribution:

Distributions shall be made, by wire transfer or otherwise, in immediately available funds to _____ for the account of _____, account number_____, or if mailed by check to _____.

Applicable statements should be mailed to_____.

This information is provided by _____, the assignee named above, or_____, as its agent.

EXHIBIT C

FORM OF CLASS SB CERTIFICATE

THIS CERTIFICATE IS SUBORDINATED IN RIGHT OF PAYMENT TO THE CLASS A CERTIFICATES AND CLASS M CERTIFICATES AS DESCRIBED IN THE AGREEMENT (AS DEFINED HEREIN).

SOLELY FOR U.S. FEDERAL INCOME TAX PURPOSES, THIS CERTIFICATE IS A "REGULAR INTEREST" IN A "REAL ESTATE MORTGAGE INVESTMENT CONDUIT", AS THOSE TERMS ARE DEFINED, RESPECTIVELY, IN SECTIONS 860G AND 860D OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED(THE "CODE").

THIS CERTIFICATE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE RESOLD OR TRANSFERRED UNLESS IT IS REGISTERED PURSUANT TO SUCH ACT AND LAWS OR IS SOLD OR TRANSFERRED IN TRANSACTIONS WHICH ARE EXEMPT FROM REGISTRATION UNDER SUCH ACT AND UNDER APPLICABLE STATE LAW AND IS TRANSFERRED IN ACCORDANCE WITH THE PROVISIONS OF SECTION 5.02 OF THE POOLING AND SERVICING AGREEMENT (THE "AGREEMENT").

NO TRANSFER OF THIS CERTIFICATE (OR ANY INTEREST HEREIN) MAY BE MADE TO ANY PERSON, UNLESS THE TRANSFEREE PROVIDES THE TRUSTEE, THE DEPOSITOR AND THE MASTER SERVICER WITH EITHER (A) A CERTIFICATION PURSUANT TO SECTION 5.02(f) OF THE AGREEMENT OR (B) AN OPINION OF COUNSEL ACCEPTABLE TO AND IN FORM AND SUBSTANCE SATISFACTORY TO THE MASTER SERVICER, THE DEPOSITOR AND THE TRUSTEE TO THE EFFECT THAT THE PURCHASE AND HOLDING OF THIS CERTIFICATE IS PERMISSIBLE UNDER APPLICABLE LAW, WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), OR SECTION 4975 OF THE CODE (OR COMPARABLE PROVISIONS OF ANY SUBSEQUENT ENACTMENTS) AND WILL NOT SUBJECT THE MASTER SERVICER, THE DEPOSITOR OR THE TRUSTEE TO ANY OBLIGATION OR LIABILITY (INCLUDING OBLIGATIONS OR LIABILITIES UNDER ERISA OR SECTION 4975 OF THE CODE) IN ADDITION TO THOSE UNDERTAKEN IN THE AGREEMENT, WHICH OPINION OF COUNSEL SHALL NOT BE AN EXPENSE OF THE TRUSTEE, THE DEPOSITOR OR THE MASTER SERVICER.

Certificate No. _

Class SB Subordinate

Date of Pooling and Servicing Agreement and Cut-off Date:
April 1, 2006

Percentage Interest: 100%

First Distribution Date:
May 25, 2006

Aggregate Initial Certificate Principal Balance of the Class SB Certificate: $_____

Master Servicer:
Residential Funding Corporation

Initial Certificate Principal Balance of this Certificate: $_____

Final Scheduled Distribution Date:
[_____]

CUSIP: _____

Maturity Date:
_____

MORTGAGE ASSET-BACKED PASS-THROUGH CERTIFICATES
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evidencing a percentage interest in the distributions allocable to the Class SB Certificates with respect to a Trust Fund consisting primarily of a pool of conventional one- to four-family fixed and adjustable interest rate, first and second lien mortgage loans sold by RESIDENTIAL ASSET MORTGAGE PRODUCTS, INC.

This Certificate is payable solely from the assets of the Trust Fund, and does not represent an obligation of or interest in Residential Asset Mortgage Products, Inc., the Master Servicer, the Trustee referred to below, GMAC Mortgage Group, Inc. or any of their affiliates. Neither this Certificate nor the underlying Mortgage Loans are guaranteed or insured by any governmental agency or instrumentality or by Residential Asset Mortgage Products, Inc., the Master Servicer, the Trustee, GMAC Mortgage Group, Inc. or any of their affiliates. None of Residential Asset Mortgage Products, Inc., the Master Servicer, GMAC Mortgage Group, Inc. or any of their affiliates will have any obligation with respect to any certificate or other obligation secured by or payable from payments on the Certificates.

This certifies that _____ is the registered owner of the Percentage Interest evidenced by this Certificate in certain distributions with respect to the Trust Fund consisting primarily of an interest in a pool of conventional one- to four-family fixed and adjustable interest rate, first and second lien mortgage loans (the "Mortgage Loans"), sold by Residential Asset Mortgage Products, Inc. (hereinafter called the "Depositor", which term includes any successor entity under the Agreement referred to below). The Trust Fund was created pursuant to a Pooling and Servicing Agreement dated as specified above (the "Agreement") among the Depositor, the Master Servicer and JPMorgan Chase Bank, N.A., as trustee (the "Trustee"), a summary of certain of the pertinent provisions of which is set forth hereafter. To the extent not defined herein, the capitalized terms used herein have the meanings assigned in the Agreement. This

Certificate is issued under and is subject to the terms, provisions and conditions of the Agreement, to which Agreement the Holder of this Certificate by virtue of the acceptance hereof assents and by which such Holder is bound.

Pursuant to the terms of the Agreement, a distribution will be made on the 25th day of each month or, if such 25th day is not a Business Day, the Business Day immediately following (the "Distribution Date"), commencing as described in the Agreement, to the Person in whose name this Certificate is registered at the close of business on the last day (or if such last day is not a Business Day, the Business Day immediately preceding such last day) of the month immediately preceding the month of such distribution (the "Record Date"), from the related Available Distribution Amount in an amount equal to the product of the Percentage Interest evidenced by this Certificate and the amount of interest and principal, if any, required to be distributed to Holders of Class SB Certificates on such Distribution Date.

Distributions on this Certificate will be made either by the Master Servicer acting on behalf of the Trustee or by a Paying Agent appointed by the Trustee in immediately available funds (by wire transfer or otherwise) for the account of the Person entitled thereto if such Person shall have so notified the Master Servicer or such Paying Agent, or by check mailed to the address of the Person entitled thereto, as such name and address shall appear on the Certificate Register.

Notwithstanding the above, the final distribution on this Certificate will be made after due notice of the pendency of such distribution and only upon presentation and surrender of this Certificate at the office or agency appointed by the Trustee for that purpose in the City and State of New York. The Notional Amount of this Class SB Certificate as of any date of determination will be calculated as described in the Agreement. The Notional Amount hereof will be reduced by interest shortfalls on the Mortgage Loans including any Prepayment Interest Shortfalls not covered by Compensating Interest or Excess Cash Flow, and the interest portion of any Realized Losses incurred in respect thereof. This Class SB Certificate will accrue interest at the Pass-Through Rate on the Notional Amount as indicated in the definition of Accrued Certificate Interest in the Agreement. This Class SB Certificate will not accrue interest on its Certificate Principal Balance.

No transfer of this Class SB Certificate will be made unless such transfer is exempt from the registration requirements of the Securities Act of 1933, as amended, and any applicable state securities laws or is made in accordance with said Act and laws. In the event that such a transfer is to be made, (i) the Trustee or the Depositor may require an opinion of counsel acceptable to and in form and substance satisfactory to the Trustee and the Depositor that such transfer is exempt (describing the applicable exemption and the basis therefor) from or is being made pursuant to the registration requirements of the Securities Act of 1933, as amended, and of any applicable statute of any state and (ii) the transferee shall execute an investment letter in the form described by the Agreement. The Holder hereof desiring to effect such transfer shall, and does hereby agree to, indemnify the Trustee, the Depositor, the Master Servicer and the Certificate Registrar acting on behalf of the Trustee against any liability that may result if the transfer is not so exempt or is not made in accordance with such Federal and state laws.

As described above, no transfer of this Certificate (or any interest herein) shall be made unless the transferee provides the Trustee, the Depositor and the Master Servicer with either (a) a certification pursuant to Section 5.02(f) of the Agreement stating that the transferee is not an employee benefit or other plan subject to the prohibited transaction provisions of ERISA or Section 4975 of the Code (each, an "ERISA Plan"), or any Person (including without limitation, an insurance company investing its general accounts, an investment manager, a named fiduciary or a trustee of any Plan) who is using "plan assets," within the meaning of the U.S. Department of Labor regulation promulgated at 29 C.F.R. § 2510.3-101, of any ERISA Plan (each, an "ERISA Plan Investor") to effect such acquisition, or (b) an opinion of counsel acceptable to and in form and substance satisfactory to the Trustee, the Depositor and the Master Servicer to the effect that the purchase and holding of this Certificate is permissible under applicable law, will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or comparable provisions of any subsequent enactments), and will not subject the Trustee, the Depositor or the Master Servicer to any obligation or liability (including obligations or liabilities under ERISA or Section 4975 of the Code) in addition to those undertaken in the Agreement, which opinion of counsel shall not be an expense of the Trustee, the Depositor or the Master Servicer.

This Certificate is one of a duly authorized issue of Certificates issued in several Classes designated as Mortgage Asset-Backed Pass-Through Certificates of the Series specified in the Agreement (herein collectively called the "Certificates").

The Certificates are limited in right of payment to certain collections and recoveries respecting the Mortgage Loans, all as more specifically set forth herein and in the Agreement. In the event Master Servicer funds are advanced with respect to any Mortgage Loan, such advance is reimbursable to the Master Servicer, to the extent provided in the Agreement, from related recoveries on such Mortgage Loan or from other cash that would have been distributable to Certificateholders.

As provided in the Agreement, withdrawals from the Custodial Account and/or the Certificate Account created for the benefit of Certificateholders may be made by the Master Servicer from time to time for purposes other than distributions to Certificateholders, such purposes including without limitation reimbursement to the Depositor and the Master Servicer of advances made, or certain expenses incurred, by either of them.

The Agreement permits, with certain exceptions therein provided, the amendment of the Agreement and the modification of the rights and obligations of the Depositor, the Master Servicer and the Trustee and the rights of the Certificateholders under the Agreement at any time by the Depositor, the Master Servicer and the Trustee with the consent of the Holders of Certificates evidencing in the aggregate not less than 66% of the Percentage Interests of each Class of Certificates affected thereby. Any such consent by the Holder of this Certificate shall be conclusive and binding on such Holder and upon all future holders of this Certificate and of any Certificate issued upon the transfer hereof or in exchange herefor or in lieu hereof whether or not notation of such consent is made upon the Certificate. The Agreement also permits the amendment thereof in certain circumstances without the consent of the Holders of any of the Certificates and, in certain additional circumstances, without the consent of the Holders of certain Classes of Certificates.

As provided in the Agreement and subject to certain limitations therein set forth, the transfer of this Certificate is registrable in the Certificate Register upon surrender of this Certificate for registration of transfer at the offices or agencies appointed by the Trustee in the City and State of New York, duly endorsed by, or accompanied by an assignment in the form below or other written instrument of transfer in form satisfactory to the Trustee and the Certificate Registrar duly executed by the Holder hereof or such Holder's attorney duly authorized in writing, and thereupon one or more new Certificates of authorized denominations evidencing the same Class and aggregate Percentage Interest will be issued to the designated transferee or transferees.

The Certificates are issuable only as registered Certificates without coupons in Classes and in denominations specified in the Agreement. As provided in the Agreement and subject to certain limitations therein set forth, Certificates are exchangeable for new Certificates of authorized denominations evidencing the same Class and aggregate Percentage Interest, as requested by the Holder surrendering the same.

No service charge will be made for any such registration of transfer or exchange, but the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The Depositor, the Master Servicer, the Trustee, the Certificate Registrar and any agent of the Depositor, the Master Servicer, the Trustee or the Certificate Registrar may treat the Person in whose name this Certificate is registered as the owner hereof for all purposes, and neither the Depositor, the Master Servicer, the Trustee nor any such agent shall be affected by notice to the contrary.

This Certificate shall be governed by and construed in accordance with the laws of the State of New York.

The obligations created by the Agreement in respect of the Certificates and the Trust Fund created thereby shall terminate upon the payment to Certificateholders of all amounts held by or on behalf of the Trustee and required to be paid to them pursuant to the Agreement following the earlier of (i) the maturity or other liquidation of the last Mortgage Loan subject thereto or the disposition of all property acquired upon foreclosure or deed in lieu of foreclosure of any Mortgage Loan, and (ii) the purchase by Residential Funding Corporation or its designee from the Trust Fund of all remaining Mortgage Loans and all property acquired in respect of such Mortgage Loans, thereby effecting early retirement of the related Certificates. The Agreement permits, but does not require, Residential Funding Corporation or its designee (i) to purchase at a price determined as provided in the Agreement all remaining Mortgage Loans and all property acquired in respect of any Mortgage Loan or (ii) subject to the terms of the Agreement, to purchase in whole, but not in part, all of the Class A Certificates and Class M Certificates from the Holders thereof; provided, that any such option may only be exercised if the aggregate Stated Principal Balance of the Mortgage Loans as of the Distribution Date upon which the proceeds of any such purchase are distributed is less than ten percent of the Cut-off Date Principal Balance of the Mortgage Loans.

Reference is hereby made to the further provisions of this Certificate set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Certificate Registrar, by manual signature, this Certificate shall not be entitled to any benefit under the Agreement or be valid for any purpose.

IN WITNESS WHEREOF, the Trustee has caused this Certificate to be duly executed.

JPMORGAN CHASE BANK, N.A.,
as Trustee

By:_____
Authorized Signatory

Dated: _____ __, 20__

CERTIFICATE OF AUTHENTICATION

This is one of the Class SB Certificates referred to in the within-mentioned Agreement.

JPMORGAN CHASE BANK, N.A.,
as Certificate Registrar

By:_____
Authorized Signatory

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto [print or typewrite name and address including postal zip code of assignee] a Percentage Interest evidenced by the within Mortgage Asset-Backed Pass-Through Certificate and hereby authorize(s) the transfer of registration of such interest to assignee on the Certificate Register of the Trust Fund.

I (We) further direct the Certificate Registrar to issue a new Certificate of a like denomination and Class, to the above named assignee and deliver such Certificate to the following address:

Dated:

_____
Signature by or on behalf of assignor
Signature Guaranteed

DISTRIBUTION INSTRUCTIONS

The assignee should include the following for purposes of distribution:

Distributions shall be made, by wire transfer or otherwise, in immediately available funds to _____ for the account of _____, account number_____, or if mailed by check to _____.

Applicable statements should be mailed to_____.

This information is provided by _____, the assignee named above, or_____, as its agent.

EXHIBIT D

FORM OF CLASS R-[_] CERTIFICATE

THE CLASS R-[_] CERTIFICATE WILL NOT BE ENTITLED TO PAYMENTS CONSTITUTING THE AVAILABLE DISTRIBUTION AMOUNT UNTIL SUCH TIME AS DESCRIBED IN THE POOLING AND SERVICING AGREEMENT REFERRED TO HEREIN (THE "AGREEMENT").

THIS CERTIFICATE MAY NOT BE HELD BY OR TRANSFERRED TO A NON-UNITED STATES PERSON OR A DISQUALIFIED ORGANIZATION (AS DEFINED BELOW).

SOLELY FOR U.S. FEDERAL INCOME TAX PURPOSES, THIS CERTIFICATE IS A "RESIDUAL INTEREST" IN A "REAL ESTATE MORTGAGE INVESTMENT CONDUIT" AS THOSE TERMS ARE DEFINED, RESPECTIVELY, IN SECTIONS 860G AND 860D OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE").

THIS CERTIFICATE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE RESOLD OR TRANSFERRED UNLESS IT IS REGISTERED PURSUANT TO SUCH ACT AND LAWS OR IS SOLD OR TRANSFERRED IN TRANSACTIONS WHICH ARE EXEMPT FROM REGISTRATION UNDER SUCH ACT AND UNDER APPLICABLE STATE LAW AND IS TRANSFERRED IN ACCORDANCE WITH THE PROVISIONS OF SECTION 5.02 OF THE AGREEMENT.

NO TRANSFER OF THIS CERTIFICATE (OR ANY INTEREST HEREIN) MAY BE MADE TO ANY PERSON, UNLESS THE TRANSFEREE PROVIDES THE TRUSTEE, THE DEPOSITOR AND THE MASTER SERVICER WITH EITHER (A) A CERTIFICATION PURSUANT TO SECTION 5.02(f) OF THE AGREEMENT OR (B) AN OPINION OF COUNSEL ACCEPTABLE TO AND IN FORM AND SUBSTANCE SATISFACTORY TO THE MASTER SERVICER, THE DEPOSITOR AND THE TRUSTEE TO THE EFFECT THAT THE PURCHASE AND HOLDING OF THIS CERTIFICATE IS PERMISSIBLE UNDER APPLICABLE LAW, WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), OR SECTION 4975 OF THE CODE (OR COMPARABLE PROVISIONS OF ANY SUBSEQUENT ENACTMENTS) AND WILL NOT SUBJECT THE MASTER SERVICER, THE DEPOSITOR OR THE TRUSTEE TO ANY OBLIGATION OR LIABILITY (INCLUDING OBLIGATIONS OR LIABILITIES UNDER ERISA OR SECTION 4975 OF THE CODE) IN ADDITION TO THOSE UNDERTAKEN IN THE AGREEMENT, WHICH OPINION OF COUNSEL SHALL NOT BE AN EXPENSE OF THE TRUSTEE, THE DEPOSITOR OR THE MASTER SERVICER.

ANY RESALE, TRANSFER OR OTHER DISPOSITION OF THIS CERTIFICATE MAY BE MADE ONLY IF THE PROPOSED TRANSFEREE PROVIDES A TRANSFER AFFIDAVIT TO THE MASTER SERVICER AND THE TRUSTEE THAT (1) SUCH TRANSFEREE IS NOT (A) THE UNITED STATES, ANY STATE OR POLITICAL SUBDIVISION THEREOF, ANY FOREIGN GOVERNMENT, ANY INTERNATIONAL ORGANIZATION, OR ANY AGENCY OR INSTRUMENTALITY OF ANY OF THE FOREGOING, (B) ANY ORGANIZATION (OTHER THAN A COOPERATIVE DESCRIBED IN SECTION 521 OF THE CODE) WHICH IS EXEMPT FROM THE TAX IMPOSED BY CHAPTER 1 OF THE CODE UNLESS SUCH ORGANIZATION IS SUBJECT TO THE TAX IMPOSED BY SECTION 511 OF THE CODE, (C) ANY ORGANIZATION DESCRIBED IN SECTION 1381(a)(2)(C) OF THE CODE (ANY SUCH PERSON DESCRIBED IN THE FOREGOING CLAUSES (A), (B) OR (C) BEING HEREIN REFERRED TO AS A "DISQUALIFIED ORGANIZATION") OR (D) AN AGENT OF A DISQUALIFIED ORGANIZATION, (2) NO PURPOSE OF SUCH TRANSFER IS TO IMPEDE THE ASSESSMENT OR COLLECTION OF TAX AND (3) SUCH TRANSFEREE SATISFIES CERTAIN ADDITIONAL CONDITIONS RELATING TO THE FINANCIAL CONDITION OF THE PROPOSED TRANSFEREE. NOTWITHSTANDING THE REGISTRATION IN THE CERTIFICATE REGISTER OR ANY TRANSFER, SALE OR OTHER DISPOSITION OF THIS CERTIFICATE TO A DISQUALIFIED ORGANIZATION OR AN AGENT OF A DISQUALIFIED ORGANIZATION, SUCH REGISTRATION SHALL BE DEEMED TO BE OF NO LEGAL FORCE OR EFFECT WHATSOEVER AND SUCH PERSON SHALL NOT BE DEEMED TO BE A CERTIFICATEHOLDER FOR ANY PURPOSE HEREUNDER, INCLUDING, BUT NOT LIMITED TO, THE RECEIPT OF DISTRIBUTIONS ON THIS CERTIFICATE. EACH HOLDER OF THIS CERTIFICATE BY ACCEPTANCE OF THIS CERTIFICATE SHALL BE DEEMED TO HAVE CONSENTED TO THE PROVISIONS OF THIS PARAGRAPH.

Class R-[_]

Certificate No. _

Date of Pooling and Servicing Agreement and Cut-off Date: April 1, 2006

Percentage Interest: 100%

First Distribution Date: May 25, 2006

Initial Certificate Principal Balance of this Certificate: $0.00

Master Servicer: Residential Funding Corporation

MORTGAGE ASSET-BACKED PASS-THROUGH CERTIFICATES,
SERIES 2006-RP2

evidencing a percentage interest in any distributions allocable to the Class [R-_] Certificates with respect to the Trust Fund consisting primarily of a pool of conventional one- to four-family fixed and adjustable interest rate, first and second lien mortgage loans sold by RESIDENTIAL ASSET MORTGAGE PRODUCTS, INC.

This Certificate is payable solely from the assets of the Trust Fund and does not represent an obligation of or interest in Residential Asset Mortgage Products, Inc., the Master Servicer, the Trustee referred to below, GMAC Mortgage Group, Inc. or any of their affiliates. Neither this Certificate nor the underlying Mortgage Loans are guaranteed or insured by any governmental agency or instrumentality or by Residential Asset Mortgage Products, Inc., the Master Servicer, the Trustee, GMAC Mortgage Group, Inc. or any of their affiliates. None of Residential Asset Mortgage Products, Inc., the Master Servicer, GMAC Mortgage Group, Inc. or any of their affiliates will have any obligation with respect to any certificate or other obligation secured by or payable from payments on the Certificates.

This certifies that Residential Funding Corporation is the registered owner of the Percentage Interest evidenced by this Certificate in certain distributions with respect to the Trust Fund consisting primarily of a pool of conventional one- to four-family fixed and adjustable interest rate, first and second lien mortgage loans (the "Mortgage Loans"), sold by Residential Asset Mortgage Products, Inc. (hereinafter called the "Depositor", which term includes any successor entity under the Agreement referred to below). The Trust Fund was created pursuant to a Pooling and Servicing Agreement dated as specified above (the "Agreement") among the Depositor, the Master Servicer and JPMorgan Chase Bank, N.A., as trustee (the "Trustee"), a summary of certain of the pertinent provisions of which is set forth hereafter. To the extent not defined herein, the capitalized terms used herein have the meanings assigned in the Agreement. This Certificate is issued under and is subject to the terms, provisions and conditions of the Agreement, to which Agreement the Holder of this Certificate by virtue of the acceptance hereof assents and by which such Holder is bound.

Pursuant to the terms of the Agreement, a distribution will be made on the 25th day of each month or, if such 25th day is not a Business Day, the Business Day immediately following (the "Distribution Date"), commencing as described in the Agreement, to the Person in whose name this Certificate is registered at the close of business on the last day (or if such last day is not a Business Day, the Business Day immediately preceding such last day) of the month immediately preceding the month of such distribution (the "Record Date"), from the related Available Distribution Amount in an amount equal to the product of the Percentage Interest evidenced by this Certificate and the amount of interest and principal, if any, required to be distributed to Holders of Class R-[_] Certificates on such Distribution Date.

Each Holder of this Certificate will be deemed to have agreed to be bound by the restrictions set forth in the Agreement to the effect that (i) each person holding or acquiring any Ownership Interest in this Certificate must be a United States Person and a Permitted Transferee, (ii) the transfer of any Ownership Interest in this Certificate will be conditioned upon the delivery to the Trustee of, among other things, an affidavit to the effect that it is a United States Person and Permitted Transferee, (iii) any attempted or purported transfer of any Ownership Interest in this Certificate in violation of such restrictions will be absolutely null and void and will vest no rights in the purported transferee, and (iv) if any person other than a United States Person and a Permitted Transferee acquires any Ownership Interest in this Certificate in violation of such restrictions, then the Master Servicer will have the right, in its sole discretion and without notice to the Holder of this Certificate, to sell this Certificate to a purchaser selected by the Master Servicer, which purchaser may be the Master Servicer, or any affiliate of the Master Servicer, on such terms and conditions as the Master Servicer may choose.

Notwithstanding the above, the final distribution on this Certificate will be made after due notice of the pendency of such distribution and only upon presentation and surrender of this Certificate at the office or agency appointed by the Trustee for that purpose in the City and State of New York. The Holder of this Certificate may have additional obligations with respect to this Certificate, including tax liabilities.

No transfer of this Class R-[_] Certificate will be made unless such transfer is exempt from the registration requirements of the Securities Act of 1933, as amended, and any applicable state securities laws or is made in accordance with said Act and laws. In the event that such a transfer is to be made, (i) the Trustee or the Depositor may require an opinion of counsel acceptable to and in form and substance satisfactory to the Trustee and the Depositor that such transfer is exempt (describing the applicable exemption and the basis therefor) from or is being made pursuant to the registration requirements of the Securities Act of 1933, as amended, and of any applicable statute of any state and (ii) the transferee shall execute an investment letter in the form described by the Agreement. The Holder hereof desiring to effect such transfer shall, and does hereby agree to, indemnify the Trustee, the Depositor, the Master Servicer and the Certificate Registrar acting on behalf of the Trustee against any liability that may result if the transfer is not so exempt or is not made in accordance with such Federal and state laws.

As described above, no transfer of this Certificate (or any interest herein) shall be made unless the transferee provides the Trustee, the Depositor and the Master Servicer with either (a) a certification pursuant to Section 5.02(f) of the Agreement stating that the transferee is not an employee benefit or other plan subject to the prohibited transaction provisions of ERISA or Section 4975 of the Code (each, an "ERISA Plan"), or any Person (including without limitation, an insurance company investing its general accounts, an investment manager, a named fiduciary or a trustee of any Plan) who is using "plan assets," within the meaning of the U.S. Department of Labor regulation promulgated at 29 C.F.R. § 2510.3-101, of any ERISA Plan (each, an "ERISA Plan Investor") to effect such acquisition, or (b) an opinion of counsel acceptable to and in form and substance satisfactory to the Trustee, the Depositor and the Master Servicer to the effect that the purchase and holding of this Certificate is permissible under applicable law, will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or comparable provisions of any subsequent enactments), and will not subject the Trustee, the Depositor or the Master Servicer to any obligation or liability (including obligations or liabilities under ERISA or Section 4975 of the Code) in addition to those undertaken in the Agreement, which opinion of counsel shall not be an expense of the Trustee, the Depositor or the Master Servicer.

This Certificate is one of a duly authorized issue of Certificates issued in several Classes designated as Mortgage Asset-Backed Pass-Through Certificates of the Series specified in the Agreement (herein collectively called the "Certificates").

The Certificates are limited in right of payment to certain collections and recoveries respecting the Mortgage Loans, all as more specifically set forth herein and in the Agreement. In the event Master Servicer funds are advanced with respect to any Mortgage Loan, such advance is reimbursable to the Master Servicer, to the extent provided in the Agreement, from related recoveries on such Mortgage Loan or from other cash that would have been distributable to Certificateholders.

As provided in the Agreement, withdrawals from the Custodial Account and/or the Certificate Account created for the benefit of Certificateholders may be made by the Master Servicer from time to time for purposes other than distributions to Certificateholders, such purposes including without limitation reimbursement to the Depositor and the Master Servicer of advances made, or certain expenses incurred, by either of them.

The Agreement permits, with certain exceptions therein provided, the amendment of the Agreement and the modification of the rights and obligations of the Depositor, the Master Servicer and the Trustee and the rights of the Certificateholders under the Agreement at any time by the Depositor, the Master Servicer and the Trustee with the consent of the Holders of Certificates evidencing in the aggregate not less than 66% of the Percentage Interests of each Class of Certificates affected thereby. Any such consent by the Holder of this Certificate shall be conclusive and binding on such Holder and upon all future holders of this Certificate and of any Certificate issued upon the transfer hereof or in exchange herefor or in lieu hereof whether or not notation of such consent is made upon the Certificate. The Agreement also permits the amendment thereof in certain circumstances without the consent of the Holders of any of the Certificates and, in certain additional circumstances, without the consent of the Holders of certain Classes of Certificates.

As provided in the Agreement and subject to certain limitations therein set forth, the transfer of this Certificate is registrable in the Certificate Register upon surrender of this Certificate for registration of transfer at the offices or agencies appointed by the Trustee in the City and State of New York, duly endorsed by, or accompanied by an assignment in the form below or other written instrument of transfer in form satisfactory to the Trustee and the Certificate Registrar duly executed by the Holder hereof or such Holder's attorney duly authorized in writing, and thereupon one or more new Certificates of authorized denominations evidencing the same Class and aggregate Percentage Interest will be issued to the designated transferee or transferees.

The Certificates are issuable only as registered Certificates without coupons in Classes and in denominations specified in the Agreement. As provided in the Agreement and subject to certain limitations therein set forth, Certificates are exchangeable for new Certificates of authorized denominations evidencing the same Class and aggregate Percentage Interest, as requested by the Holder surrendering the same.

No service charge will be made for any such registration of transfer or exchange, but the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The Depositor, the Master Servicer, the Trustee, the Certificate Registrar and any agent of the Depositor, the Master Servicer, the Trustee or the Certificate Registrar may treat the Person in whose name this Certificate is registered as the owner hereof for all purposes, and neither the Depositor, the Master Servicer, the Trustee nor any such agent shall be affected by notice to the contrary.

This Certificate shall be governed by and construed in accordance with the laws of the State of New York.

The obligations created by the Agreement in respect of the Certificates and the Trust Fund created thereby shall terminate upon the payment to Certificateholders of all amounts held by or on behalf of the Trustee and required to be paid to them pursuant to the Agreement following the earlier of (i) the maturity or other liquidation of the last Mortgage Loan subject thereto or the disposition of all property acquired upon foreclosure or deed in lieu of foreclosure of any Mortgage Loan, and (ii) the purchase by Residential Funding Corporation or its designee from the Trust Fund of all remaining Loans and all property acquired in respect of such Mortgage Loans, thereby effecting early retirement of the related Certificates. The Agreement permits, but does not require, Residential Funding Corporation or its designee (i) to purchase at a price determined as provided in the Agreement all remaining Mortgage Loans and all property acquired in respect of any Mortgage Loan or (ii) subject to the terms of the Agreement, to purchase in whole, but not in part, all of the Class A and Class M Certificates from the Holders thereof; provided, that any such option may only be exercised if the aggregate Stated Principal Balance of the related Mortgage Loans, as of the Distribution Date upon which the proceeds of any such purchase are distributed is less than ten percent of the Cut-off Date Principal Balance of the related Mortgage Loans.

Unless the certificate of authentication hereon has been executed by the Certificate Registrar, by manual signature, this Certificate shall not be entitled to any benefit under the Agreement or be valid for any purpose.

IN WITNESS WHEREOF, the Trustee has caused this Certificate to be duly executed.

JPMORGAN CHASE BANK, N.A.,
as Trustee

By:_____
Authorized Signatory

Dated: _____ __, 20__

CERTIFICATE OF AUTHENTICATION

This is one of the Class R-[_] Certificates referred to in the within-mentioned Agreement.

JPMORGAN CHASE BANK, N.A.,
as Certificate Registrar

By:_____
Authorized Signatory

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto [print or typewrite name and address including postal zip code of assignee] a Percentage Interest evidenced by the within Mortgage Asset-Backed Pass-Through Certificate and hereby authorize(s) the transfer of registration of such interest to assignee on the Certificate Register of the Trust Fund.

I (We) further direct the Certificate Registrar to issue a new Certificate of a like denomination and Class, to the above named assignee and deliver such Certificate to the following address:

Dated:

_____
Signature by or on behalf of assignor
Signature Guaranteed

DISTRIBUTION INSTRUCTIONS

The assignee should include the following for purposes of distribution:

Distributions shall be made, by wire transfer or otherwise, in immediately available funds to _____ for the account of _____, account number_____, or if mailed by check to _____.

Applicable statements should be mailed to_____.

This information is provided by _____, the assignee named above, or_____, as its agent.

EXHIBIT E

FORM OF CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT (as amended and supplemented from time to time, the "Agreement"), dated as of April 1, 2006, by and among JPMORGAN CHASE BANK, N.A., as trustee (including its successors under the Pooling Agreement defined below, the "Trustee"), RESIDENTIAL ASSET MORTGAGE PRODUCTS, INC. (together with any successor in interest, the "Company"), RESIDENTIAL FUNDING CORPORATION, as master servicer (together with any successor in interest or successor under the Pooling Agreement referred to below, the "Master Servicer") and WELLS FARGO BANK, NATIONAL ASSOCIATION, as custodian (together with any successor in interest or any successor appointed hereunder, the "Custodian").

W I T N E S S E T H T H A T

WHEREAS, the Company, the Master Servicer and the Trustee have entered into a Pooling and Servicing Agreement, dated as of April 1, 2006, relating to the issuance of Residential Asset Mortgage Products, Inc., Mortgage Asset-Backed Pass-Through Certificates, Series 2006-RP2 (as in effect on the date of this Agreement, the "Original Pooling Agreement," and as amended and supplemented from time to time, the "Pooling Agreement"); and

WHEREAS, the Custodian has agreed to act as agent for the Trustee for the purposes of receiving and holding certain documents and other instruments delivered by the Company and the Master Servicer under the Pooling Agreement, all upon the terms and conditions and subject to the limitations hereinafter set forth;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter set forth, the Trustee, the Company, the Master Servicer and the Custodian hereby agree as follows:

ARTICLE I

Definitions

Capitalized terms used in this Agreement and not defined herein shall have the meanings assigned in the Original Pooling Agreement, unless otherwise required by the context herein.

ARTICLE II

Custody of Mortgage Documents

Section 2.1 Custodian to Act as Agent: Acceptance of Mortgage Files. The Company and the Master Servicer hereby direct the Trustee to appoint Wells Fargo Bank, National Association, as Custodian. The Custodian, as the duly appointed agent of the Trustee for these purposes, acknowledges receipt of the Mortgage Files relating to the Mortgage Loans identified on the schedule attached hereto (the "Mortgage Files") and declares that it holds and will hold the Mortgage Files as agent for the Trustee, in trust, for the use and benefit of all present and future Certificateholders.

Section 2.2 Recordation of Assignments. If any Mortgage File includes one or more assignments of the related Mortgage Loans to the Trustee that have not been recorded, each such assignment shall be delivered by the Custodian to the Company for the purpose of recording it in the appropriate public office for real property records, and the Company, at no expense to the Custodian, shall promptly cause to be recorded in the appropriate public office for real property records each such assignment and, upon receipt thereof from such public office, shall return each such assignment to the Custodian.

Section 2.3 Review of Mortgage Files. (a) On or prior to the Closing Date, the Custodian shall deliver to the Trustee an Initial Certification in the form annexed hereto as Exhibit One evidencing receipt of a Mortgage File for each Mortgage Loan listed on the Schedule attached hereto (the "Mortgage Loan Schedule"). The parties hereto acknowledge that certain documents referred to in Section 2.01(b)(i) of the Pooling Agreement may be missing on or prior to the Closing Date and such missing documents shall be listed as a Schedule to Exhibit One.

(b) Within 45 days from the Closing Date, the Custodian agrees, for the benefit of Certificateholders, to review in accordance with the provisions of Section 2.02 of the Pooling Agreement each Mortgage File and to deliver to the Trustee an Interim Certification in the form annexed hereto as Exhibit Two to the effect that all documents required to be delivered pursuant to Section 2.01(b) of the Pooling Agreement have been executed and received and that such documents relate to the Mortgage Loans identified on the Mortgage Loan Schedule, except for any exceptions listed on Schedule A attached to such Interim Certification. For purposes of such review, the Custodian shall compare the following information in each Mortgage File to the corresponding information in the Mortgage Loan Schedule: (i) the loan number, (ii) the borrower name and (iii) the original principal balance. The Custodian shall be under no duty or obligation to inspect, review or examine said documents, instruments, certificates or other papers to determine that the same are genuine, enforceable, or appropriate for the represented purpose or that they have actually been recorded or that they are other than what they purport to be on their face, or that the MIN is accurate. If in performing the review required by this Section 2.3 the Custodian finds any document or documents constituting a part of a Mortgage File to be missing or defective in respect of the items reviewed as described in this Section 2.3(b), the Custodian shall promptly so notify the Company, the Master Servicer and the Trustee.

(c) Upon receipt of all documents required to be in the Mortgage Files the Custodian shall deliver to the Trustee a Final Certification in the form annexed hereto as Exhibit Three evidencing the completeness of the Mortgage Files.

Upon receipt of written request from the Trustee, the Company or the Master Servicer, the Custodian shall as soon as practicable supply the Trustee with a list of all of the documents relating to the Mortgage Loans required to be delivered pursuant to Section 2.01(b) of the Pooling Agreement not then contained in the Mortgage Files. Upon the request of the Master Servicer, the Custodian shall send to the Master Servicer copies of any documents contained in the Mortgage File.

Section 2.4 Notification of Breaches of Representations and Warranties. If the Custodian discovers, in the course of performing its custodial functions, a breach of a representation or warranty made by the Master Servicer or the Company as set forth in the Pooling Agreement with respect to a Mortgage Loan relating to a Mortgage File, the Custodian shall give prompt written notice to the Company, the Master Servicer and the Trustee.

Section 2.5 Custodian to Cooperate: Release of Mortgage Files. Upon the repurchase or substitution of any Mortgage Loan pursuant to Article II of the Pooling Agreement or payment in full of any Mortgage Loan, or the receipt by the Master Servicer of a notification that payment in full will be escrowed in a manner customary for such purposes, the Master Servicer shall immediately notify the Custodian by delivering to the Custodian a Request for Release (in the form of Exhibit Four attached hereto or a mutually acceptable electronic form) and shall request delivery to it of the Mortgage File. The Custodian agrees, upon receipt of such Request for Release, promptly to release to the Master Servicer the related Mortgage File. Upon written notification of a substitution, the Master Servicer shall deliver to the Custodian and the Custodian agrees to accept the Mortgage Note and other documents constituting the Mortgage File with respect to any Qualified Substitute Mortgage Loan, upon receiving written notification from the Master Servicer of such substitution.

From time to time as is appropriate for the servicing or foreclosures of any Mortgage Loan, including, for this purpose, collection under any Primary Insurance Policy or any Mortgage Pool Insurance Policy, the Master Servicer shall deliver to the Custodian a Request for Release certifying as to the reason for such release. Upon receipt of the foregoing, the Custodian shall deliver the Mortgage File or such document to the Master Servicer. The Master Servicer shall cause each Mortgage File or any document therein so released to be returned to the Custodian when the need therefor by the Master Servicer no longer exists, unless (i) the Mortgage Loan has been liquidated and the Liquidation Proceeds relating to the Mortgage Loan have been deposited in the Custodial Account or (ii) the Mortgage File or such document has been delivered to an attorney, or to a public trustee or other public official as required by law, for purposes of initiating or pursuing legal action or other proceedings for the foreclosure of the Mortgaged Property either judicially or non-judicially, and the Master Servicer has delivered to the Custodian an updated Request for Release signed by a Servicing Officer certifying as to the name and address of the Person to which such Mortgage File or such document was delivered and the purpose or purposes of such delivery. Immediately upon receipt of any Mortgage File returned to the Custodian by the Master Servicer, the Custodian shall deliver a signed acknowledgment to the Master Servicer, confirming receipt of such Mortgage File.

Upon receipt of a Request for Release from the Master Servicer, signed by a Servicing Officer, stating that (i) the Master Servicer or a Subservicer, as the case may be, has made a deposit into the Certificate Account in payment for the purchase of the related Mortgage Loan in an amount equal to the Purchase Price for such Mortgage Loan or (ii) the Company has chosen to substitute a Qualified Substitute Mortgage Loan for such Mortgage Loan, the Custodian shall release to the Master Servicer the related Mortgage File. Upon the request of the Master Servicer, the Custodian shall send to the Master Servicer copies of any documents contained in the mortgage file.

Section 2.6 Assumption Agreements. In the event that any assumption agreement or substitution of liability agreement is entered into with respect to any Mortgage Loan subject to this Agreement in accordance with the terms and provisions of the Pooling Agreement, the Master Servicer shall notify the Custodian that such assumption or substitution agreement has been completed by forwarding to the Custodian the original of such assumption or substitution agreement, which shall be added to the related Mortgage File and, for all purposes, shall be considered a part of such Mortgage File to the same extent as all other documents and instruments constituting parts thereof.

ARTICLE III

CONCERNING THE CUSTODIAN

Section 3.1 Custodian a Bailee and Agent of the Trustee. With respect to each Mortgage Note, Mortgage and other documents constituting each Mortgage File which are delivered to the Custodian, the Custodian is exclusively the bailee and agent of the Trustee and has no instructions to hold any Mortgage Note or Mortgage for the benefit of any person other than the Trustee and the Certificateholders and undertakes to perform such duties and only such duties as are specifically set forth in this Agreement. Except in compliance with the provisions of Section 2.5 of this Agreement, no Mortgage Note, Mortgage or other document constituting a part of a Mortgage File shall be delivered by the Custodian to the Company or the Master Servicer or otherwise released from the possession of the Custodian.

The Master Servicer shall promptly notify the Custodian in writing if it shall no longer be a member of MERS, or if it otherwise shall no longer be capable of registering and recording Mortgage Loans using MERS. In addition, the Master Servicer shall (i) promptly notify the Custodian in writing when a MERS Mortgage Loan is no longer registered with and recorded under MERS and (ii) concurrently with any such deregistration of a MERS Mortgage Loan, prepare, execute and record an original assignment from MERS to the Trustee and deliver such assignment to the Custodian.

Section 3.2 Indemnification. The Company hereby agrees to indemnify and hold the Custodian harmless from and against all claims, liabilities, losses, actions, suits or proceedings at law or in equity, or any other expenses, fees or charges of any character or nature, which the Custodian may incur or with which the Custodian may be threatened by reason of its acting as custodian under this Agreement, including indemnification of the Custodian against any and all expenses, including attorney's fees if counsel for the Custodian has been approved by the Company, and the cost of defending any action, suit or proceedings or resisting any claim. Notwithstanding the foregoing, it is specifically understood and agreed that in the event any such claim, liability, loss, action, suit or proceeding or other expense, fee or charge shall have been caused by reason of any negligent act, negligent failure to act or willful misconduct on the part of the Custodian, or which shall constitute a willful breach of its duties hereunder, the indemnification provisions of this Agreement shall not apply.

Section 3.3 Custodian May Own Certificates. The Custodian in its individual or any other capacity may become the owner or pledgee of Certificates with the same rights it would have if it were not Custodian.

Section 3.4 Master Servicer to Pay Custodian's Fees and Expenses. The Master Servicer covenants and agrees to pay to the Custodian from time to time, and the Custodian shall be entitled to, reasonable compensation for all services rendered by it in the exercise and performance of any of the powers and duties hereunder of the Custodian, and the Master Servicer will pay or reimburse the Custodian upon its request for all reasonable expenses, disbursements and advances incurred or made by the Custodian in accordance with any of the provisions of this Agreement (including the reasonable compensation and the expenses and disbursements of its counsel and of all persons not regularly in its employ), except any such expense, disbursement or advance as may arise from its negligence or bad faith.

Section 3.5 Custodian May Resign: Trustee May Remove Custodian. The Custodian may resign from the obligations and duties hereby imposed upon it as such obligations and duties relate to its acting as Custodian of the Mortgage Loans. Upon receiving such notice of resignation, the Trustee shall either take custody of the Mortgage Files itself and give prompt notice thereof to the Company, the Master Servicer and the Custodian, or promptly appoint a successor Custodian by written instrument, in duplicate, one copy of which instrument shall be delivered to the resigning Custodian and one copy to the successor Custodian. If the Trustee shall not have taken custody of the Mortgage Files and no successor Custodian shall have been so appointed and have accepted appointment within 30 days after the giving of such notice of resignation, the resigning Custodian may petition any court of competent jurisdiction for the appointment of a successor Custodian.

The Trustee, at the direction of the Master Servicer and the Company, may remove the Custodian at any time, with or without cause. In such event, the Trustee shall appoint, or petition a court of competent jurisdiction to appoint, a successor Custodian hereunder. Any successor Custodian shall be a depository institution subject to supervision or examination by federal or state authority and shall be able to satisfy the other requirements contained in Section 3.7 and shall be unaffiliated with the Master Servicer or the Company.

Any resignation or removal of the Custodian and appointment of a successor Custodian pursuant to any of the provisions of this Section 3.5 shall become effective upon acceptance of appointment by the successor Custodian. The Trustee shall give prompt notice to the Company and the Master Servicer of the appointment of any successor Custodian. No successor Custodian shall be appointed by the Trustee without the prior approval of the Company and the Master Servicer.

Section 3.6 Merger or Consolidation of Custodian. Any Person into which the Custodian may be merged or converted or with which it may be consolidated, or any Person resulting from any merger, conversion or consolidation to which the Custodian shall be a party, or any Person succeeding to the business of the Custodian, shall be the successor of the Custodian hereunder, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 3.7 Representations of the Custodian. The Custodian hereby represents that it is a depository institution subject to supervision or examination by a federal or state authority, has a combined capital and surplus of at least $15,000,000 and is qualified to do business in the jurisdictions in which it will hold any Mortgage File.

ARTICLE IV

MISCELLANEOUS PROVISIONS

Section 4.1 Notices. All notices, requests, consents and demands and other communications required under this Agreement or pursuant to any other instrument or document delivered hereunder shall be in writing and, unless otherwise specifically provided, may be delivered personally, by telegram or telex, or by registered or certified mail, postage prepaid, return receipt requested, at the addresses specified on the signature page hereof (unless changed by the particular party whose address is stated herein by similar notice in writing), in which case the notice will be deemed delivered when received.

Section 4.2 Amendments. No modification or amendment of or supplement to this Agreement shall be valid or effective unless the same is in writing and signed by all parties hereto, and neither the Company, the Master Servicer nor the Trustee shall enter into any amendment hereof except as permitted by the Pooling Agreement. The Trustee shall give prompt notice to the Custodian of any amendment or supplement to the Pooling Agreement and furnish the Custodian with written copies thereof.

Section 4.3 GOVERNING LAW. THIS AGREEMENT SHALL BE DEEMED A CONTRACT MADE UNDER THE LAWS OF THE STATE OF NEW YORK AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK (WITHOUT REGARD TO THE CONFLICTS OF LAW PRINCIPLES THEREOF, OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

Section 4.4 Recordation of Agreement. To the extent permitted by applicable law, this Agreement is subject to recordation in all appropriate public offices for real property records in all the counties or other comparable jurisdictions in which any or all of the properties subject to the Mortgages are situated, and in any other appropriate public recording office or elsewhere, such recordation to be effected by the Master Servicer and at its expense on direction by the Trustee (pursuant to the request of holders of Certificates evidencing undivided interests in the aggregate of not less than 25% of the Trust Fund), but only upon direction accompanied by an Opinion of Counsel reasonably satisfactory to the Master Servicer to the effect that the failure to effect such recordation is likely to materially and adversely affect the interests of the Certificateholders.

For the purpose of facilitating the recordation of this Agreement as herein provided and for other purposes, this Agreement may be executed simultaneously in any number of counterparts, each of which counterparts shall be deemed to be an original, and such counterparts shall constitute but one and the same instrument.

Section 4.5 Severability of Provisions. If any one or more of the covenants, agreements, provisions or terms of this Agreement shall be for any reason whatsoever held invalid, then such covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants, agreements, provisions or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement or of the Certificates or the rights of the holders thereof.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, this Agreement is executed as of the date first above written.

Address:

600 Travis Street, 9th Floor
Houston, Texas 77002

Attention: Residential Asset Mortgage Products, Inc., Series 2006-RP2

JPMORGAN CHASE BANK, N.A.,
as Trustee

By:_____
Name:
Title:

Address:

8400 Normandale Lake Boulevard
Suite 250
Minneapolis, Minnesota 55437

RESIDENTIAL ASSET MORTGAGE PRODUCTS, INC.

By:_____
Name: Christopher Martinez
Title: Vice President

Address:

8400 Normandale Lake Boulevard
Suite 250
Minneapolis, Minnesota 55437

RESIDENTIAL FUNDING CORPORATION, as Master Servicer

By:_____
Name: Christopher Martinez
Title: Associate

Address:

Mortgage Document Custody
One Meridian Crossings - 3rd Floor
Richfield, Minnesota 55423

WELLS FARGO BANK,
NATIONAL ASSOCIATION

By:_____
Name:
Title:

STATE OF TEXAS)
) ss.:
COUNTY OF HARRIS)

On the _____ day of March, 2006, before me, a notary public in and for said State, personally appeared _____, known to me to be a _____ of JPMorgan Chase Bank, N.A., a national banking association, who executed the within instrument, and also known to me to be the person who executed it on behalf of said national banking association and acknowledged to me that such national banking association executed the within instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

_____
Notary Public

[SEAL]

STATE OF MINNESOTA)
) ss.:
COUNTY OF HENNEPIN)

On the _____ day of March, 2006, before me, a notary public in and for said State, personally appeared Christopher Martinez, known to me to be a Vice President of Residential Asset Mortgage Products, Inc., one of the corporations that executed the within instrument, and also known to me to be the person who executed it on behalf of said corporation, and acknowledged to me that such corporation executed the within instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

_____
Notary Public

[Notarial Seal]

STATE OF MINNESOTA)
) ss.:
COUNTY OF HENNEPIN)

On the _____ day of March, 2006, before me, a notary public in and for said State, personally appeared Christopher Martinez, known to me to be an Associate of Residential Funding Corporation, one of the corporations that executed the within instrument, and also known to me to be the person who executed it on behalf of said corporation, and acknowledged to me that such corporation executed the within instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

_____
Notary Public

[Notarial Seal]

STATE OF MINNESOTA)
) ss.:
COUNTY OF HENNEPIN)

On the _____ day of March, 2006, before me, a notary public in and for said State, personally appeared _____, known to me to be a(n) _____of Wells Fargo Bank, National Association, one of the institutions that executed the within instrument, and also known to me to be the person who executed it on behalf of said national banking association, and acknowledged to me that such national banking association executed the within instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

_____
Notary Public

EXHIBIT ONE

FORM OF CUSTODIAN
INITIAL CERTIFICATION

_____ _____, 2006

JPMorgan Chase Bank, N.A.
600 Travis Street, 9th Floor
Houston, Texas 77002

Attention: Residential Asset Mortgage Products, Inc., Series 2006-RP2

Re: Custodial Agreement, dated as of April 1, 2006, by and among JPMorgan Chase Bank, N.A., Residential Asset Mortgage Products, Inc., Residential Funding Corporation and Wells Fargo Bank, National Association, relating to Mortgage Asset-Backed Pass-Through Certificates, Series 2006-RP2

Ladies and Gentlemen:

In accordance with Section 2.3 of the above-captioned Custodial Agreement, and subject to Section 2.02 of the Pooling Agreement, the undersigned, as Custodian, hereby certifies that it has received a Mortgage File (which contains an original Mortgage Note or an original Lost Note Affidavit with a copy of the related Mortgage Note) to the extent required in Section 2.01(b) of the Pooling Agreement with respect to each Mortgage Loan listed in the Mortgage Loan Schedule, with any exceptions listed on Schedule A attached hereto.

Capitalized words and phrases used herein shall have the respective meanings assigned to them in the above-captioned Custodial Agreement.

WELLS FARGO BANK,
NATIONAL ASSOCIATION

By:_____
Name:_____
Title:_____

EXHIBIT TWO

FORM OF CUSTODIAN INTERIM CERTIFICATION

_____ _____, 2006

JPMorgan Chase Bank, N.A.
600 Travis Street, 9th Floor
Houston, Texas 77002

Attention: Residential Asset Mortgage Products, Inc., Series 2006-RP2

Re: Custodial Agreement, dated as of April 1, 2006, by and among JPMorgan Chase Bank, N.A., Residential Asset Mortgage Products, Inc., Residential Funding Corporation and Wells Fargo Bank, National Association, relating to Mortgage Asset-Backed Pass-Through Certificates, Series 2006-RP2

Ladies and Gentlemen:

In accordance with Section 2.3 of the above-captioned Custodial Agreement, the undersigned, as Custodian, hereby certifies that it has received a Mortgage File to the extent required pursuant to Section 2.01(b) of the Pooling Agreement with respect to each Mortgage Loan listed in the Mortgage Loan Schedule, and it has reviewed the Mortgage File and the Mortgage Loan Schedule and has determined that: all required documents have been executed and received and that such documents relate to the Mortgage Loans identified on the Mortgage Loan Schedule, with any exceptions listed on Schedule A attached hereto.

Capitalized words and phrases used herein shall have the respective meanings assigned to them in the above-captioned Custodial Agreement.

WELLS FARGO BANK,
NATIONAL ASSOCIATION

By:_____
Name:_____
Title:_____

EXHIBIT THREE

FORM OF CUSTODIAN FINAL CERTIFICATION

_____ _____, 2006

JPMorgan Chase Bank, N.A.
600 Travis Street, 9th Floor
Houston, Texas 77002

Attention: Residential Asset Mortgage Products, Inc., Series 2006-RP2

Re: Custodial Agreement, dated as of April 1, 2006, by and among JPMorgan Chase Bank, N.A., Residential Asset Mortgage Products, Inc., Residential Funding Corporation and Wells Fargo Bank, National Association, relating to Mortgage Asset-Backed Pass-Through Certificates, Series 2006-RP2

Ladies and Gentlemen:

In accordance with Section 2.3 of the above-captioned Custodial Agreement, the undersigned, as Custodian, hereby certifies that it has received a Mortgage File with respect to each Mortgage Loan listed in the Mortgage Loan Schedule and it has reviewed the Mortgage File and the Mortgage Loan Schedule and has determined that: all required documents referred to in Section 2.01(b) of the Pooling Agreement have been executed and received and that such documents relate to the Mortgage Loans identified on the Mortgage Loan Schedule.

Capitalized words and phrases used herein shall have the respective meanings assigned to them in the above-captioned Custodial Agreement.

WELLS FARGO BANK,
NATIONAL ASSOCIATION

By:_____
Name:_____
Title:_____

EXHIBIT FOUR

FORM OF REQUEST FOR RELEASE

DATE:
TO:
RE: REQUEST FOR RELEASE OF DOCUMENTS

In connection with the administration of the pool of Mortgage Loans held by you for the referenced pool, we request the release of the Mortgage Loan File described below.

Series Supplement, to the Standard Terms of Pooling and Servicing Agreement, Dated:
Series#:
Account#:
Pool#:
Loan#:
MIN#:
Borrower Name(s):
Reason for Document Request: (circle one) Mortgage Loan Prepaid in Full
Mortgage Loan Repurchased

"We hereby certify that all amounts received or to be received in connection with such payments which are required to be deposited have been or will be so deposited as provided in the Pooling and Servicing Agreement."

_____
Residential Funding Corporation
Authorized Signature

****

TO CUSTODIAN/TRUSTEE: Please acknowledge this request, and check off documents being enclosed with a copy of this form. You should retain this form for your files in accordance with the terms of the Pooling and Servicing Agreement.

Enclosed Documents:
[ ] Promissory Note
[ ] Primary Insurance Policy
[ ] Mortgage or Deed of Trust
[ ] Assignment(s) of Mortgage or Deed of Trust
[ ] Title Insurance Policy
[ ] Other: _____

_____
Name

_____
Title

_____
Date

EXHIBIT F

MORTGAGE LOAN SCHEDULE

[On file with RFC]

EXHIBIT G

FORMS OF REQUEST FOR RELEASE

DATE:
TO:
RE: REQUEST FOR RELEASE OF DOCUMENTS

In connection with the administration of the pool of Mortgage Loans held by you for the referenced pool, we request the release of the Mortgage Loan File described below.

Series Supplement, to the Standard Terms of Pooling and Servicing Agreement, Dated:
Series#:
Account#:
Pool#:
Loan#:
MIN#:
Borrower Name(s):
Reason for Document Request: (circle one) Mortgage Loan Prepaid in Full
Mortgage Loan Repurchased

"We hereby certify that all amounts received or to be received in connection with such payments which are required to be deposited have been or will be so deposited as provided in the Pooling and Servicing Agreement."

_____
Residential Funding Corporation
Authorized Signature

****

TO CUSTODIAN/TRUSTEE: Please acknowledge this request, and check off documents being enclosed with a copy of this form. You should retain this form for your files in accordance with the terms of the Pooling and Servicing Agreement.

Enclosed Documents:

[ ] Promissory Note
[ ] Primary Insurance Policy
[ ] Mortgage or Deed of Trust
[ ] Assignment(s) of Mortgage or Deed of Trust
[ ] Title Insurance Policy
[ ] Other: _____

_____
Name

_____
Title

_____
Date

EXHIBIT H-1

FORM OF TRANSFER AFFIDAVIT AND AGREEMENT

STATE OF_____)
) ss.:
COUNTY OF_____)

[NAME OF OFFICER], being first duly sworn, deposes and says:

1. That he/she is a [Title of Officer] of [Name of Owner] (record or beneficial owner of the Mortgage Asset-Backed Pass-Through Certificates, Series 2006-RP2, Class R-I and Class R-II Certificates (the "Class R Certificates"), (the "Owner"), a [savings institution] [corporation] duly organized and existing under the laws of the State of Delaware, on behalf of which he makes this affidavit and agreement.

2. That the Owner (i) is not and will not be, as of [date of transfer], a "disqualified organization" within the meaning of Section 860E(e)(5) of the Internal Revenue Code of 1986, as amended (the "Code") or an "electing large partnership" within the meaning of Section 775(a) of the Code, (ii) will endeavor to remain other than a disqualified organization and an electing large partnership for so long as it retains its ownership interest in the Class R Certificates, and (iii) is acquiring the Class R Certificates for its own account or for the account of another Owner from which it has received an affidavit and agreement in substantially the same form as this affidavit and agreement. (For this purpose, a "disqualified organization" means an electing large partnership under Section 775 of the Code, the United States, any state or political subdivision thereof, any agency or instrumentality of any of the foregoing (other than an instrumentality all of the activities of which are subject to tax and, except for the Federal Home Loan Mortgage Corporation, a majority of whose board of directors is not selected by any such governmental entity) or any foreign government, international organization or any agency or instrumentality of such foreign government or organization, any rural electric or telephone cooperative, or any organization (other than certain farmers' cooperatives) that is generally exempt from federal income tax unless such organization is subject to the tax on unrelated business taxable income).

3. That the Owner is aware (i) of the tax that would be imposed on transfers of Class R Certificates to disqualified organizations or electing large partnerships under the Code, that applies to all transfers of Class R Certificates after March 31, 1988; (ii) that such tax would be on the transferor (or, with respect to transfers to electing large partnerships, on each such partnership), or, if such transfer is through an agent (which person includes a broker, nominee or middleman) for a disqualified organization, on the agent; (iii) that the person (other than with respect to transfers to electing large partnerships) otherwise liable for the tax shall be relieved of liability for the tax if the transferee furnishes to such person an affidavit that the transferee is not a disqualified organization and, at the time of

transfer, such person does not have actual knowledge that the affidavit is false; and (iv) that the Class R Certificates may be "noneconomic residual interests" within the meaning of Treasury regulations promulgated pursuant to the Code and that the transferor of a noneconomic residual interest will remain liable for any taxes due with respect to the income on such residual interest, unless no significant purpose of the transfer was to impede the assessment or collection of tax.

4. That the Owner is aware of the tax imposed on a "pass-through entity" holding Class R Certificates if either the pass-through entity is an electing large partnership under Section 775 of the Code or if at any time during the taxable year of the pass-through entity a disqualified organization is the record holder of an interest in such entity. (For this purpose, a "pass through entity" includes a regulated investment company, a real estate investment trust or common trust fund, a partnership, trust or estate, and certain cooperatives.)

5. The Owner is either (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity treated as a corporation or a partnership for U.S. federal income tax purposes and created or organized in or under the laws of the United States, any state thereof or the District of Columbia (other than a partnership that is not treated as a United States person under any applicable Treasury regulations), (iii) an estate that is described in Section 7701(a)(30)(D) of the Code, or (iv) a trust that is described in Section 7701(a)(30)(E) of the Code.

6. The Owner hereby agrees that it will not cause income from the Class R Certificates to be attributable to a foreign permanent establishment or fixed base (within the meaning of an applicable income tax treaty) of the Owner of another United States taxpayer.

7. That the Owner is aware that the Trustee will not register the transfer of any Class R Certificates unless the transferee, or the transferee's agent, delivers to it an affidavit and agreement, among other things, in substantially the same form as this affidavit and agreement. The Owner expressly agrees that it will not consummate any such transfer if it knows or believes that any of the representations contained in such affidavit and agreement are false.

8. That the Owner has reviewed the restrictions set forth on the face of the Class R Certificates and the provisions of Section 5.02(g) of the Pooling and Servicing Agreement under which the Class R Certificates were issued (in particular, clauses (iii)(A) and (iii)(B) of Section 5.02(f) of the Pooling and Servicing Agreement which authorize the Trustee to deliver payments to a person other than the Owner and negotiate a mandatory sale by the Trustee in the event the Owner holds such Certificates in violation of Section 5.02(e) of the Pooling and Servicing Agreement). The Owner expressly agrees to be bound by and to comply with such restrictions and provisions.

9. That the Owner consents to any additional restrictions or arrangements that shall be deemed necessary upon advice of counsel to constitute a reasonable arrangement to ensure that the Residual Certificates will only be owned, directly or indirectly, by an Owner that is not a disqualified organization.

10. The Owner's Taxpayer Identification Number is _____.

11. This affidavit and agreement relates only to the Class R Certificates held by the Owner and not to any other holder of the Class R Certificates. The Owner understands that the liabilities described herein relate only to the Class R Certificates.

12. That no purpose of the Owner relating to the transfer of any of the Class R Certificates by the Owner is or will be to impede the assessment or collection of any tax; in making this representation, the Owner warrants that the Owner is familiar with (i) Treasury Regulation Section 1.860E-1(c) and recent amendments thereto, effective as of July 19, 2002, and (ii) the preamble describing the adoption of the amendments to such regulation, which is attached hereto as Exhibit 1.

13. That the Owner has no present knowledge or expectation that it will be unable to pay any United States taxes owed by it so long as any of the Certificates remain outstanding. In this regard, the Owner hereby represents to and for the benefit of the person from whom it acquired the Class R Certificates that the Owner intends to pay taxes associated with holding such Class R Certificates as they become due, fully understanding that it may incur tax liabilities in excess of any cash flows generated by the Class R Certificates.

14. That the Owner has no present knowledge or expectation that it will become insolvent or subject to a bankruptcy proceeding for so long as any of the Class R Certificates remain outstanding.

15. (a) The Owner is not an employee benefit plan or other plan subject to the prohibited transaction provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code") (an "ERISA Plan") or any other Person (including without limitation, an insurance company investing its general accounts, an investment manager, a named fiduciary or a trustee of any ERISA Plan who is using "plan assets"), within the meaning of the U.S. Department of Labor regulation promulgated at 29 C.F.R. §2510-3.101, of any ERISA Plan (an "ERISA Plan Investor") to effect such acquisition; or

(b) The Owner has provided the Trustee, the Company and the Master Servicer with an opinion of counsel acceptable to and in form and substance satisfactory to the Trustee, the Company and the Master Servicer to the effect that the purchase and holding of Certificates is permissible under applicable law, will not constitute or result in any non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or comparable provisions of any subsequent enactments) and will not subject the Trustee, the Company or the Master Servicer to any obligation or liability (including obligations or liabilities under ERISA or Section 4975 of the Code) in addition to those undertaken in the Pooling and Servicing Agreement, which opinion of counsel shall not be an expense of the Trustee, the Company or the Master Servicer.

In addition, the Owner hereby certifies, represents and warrants to, and covenants with, the Company, the Trustee and the Master Servicer that the Owner will not transfer such Certificates to any transferee unless such transferee meets the requirements set forth in (a) or (b) above.

Capitalized terms used but not defined herein shall have the meanings assigned in the Pooling and Servicing Agreement.

IN WITNESS WHEREOF, the Owner has caused this instrument to be executed on its behalf, pursuant to the authority of its Board of Directors, by a [Title of Officer] and its corporate seal to be hereunto attached, attested by a _____, this _____ day of _____, 20____.

[NAME OF OWNER]

By:_____
Name: [Name of Officer]
Title: [Title of Officer]

[Corporate Seal]

ATTEST:

_____

Personally appeared before me the above-named [Name of Officer], known or proven to me to be the same person who executed the foregoing instrument and to be a [Title of Officer] of the Owner, and acknowledged to me that he/she executed the same as his/her free act and deed and the free act and deed of the Owner.

Subscribed and sworn before me this _____ day of _____, 20_____.

_____
NOTARY PUBLIC

COUNTY OF
STATE OF
My Commission expires the _____ day
of _____, 20_____.

EXHIBIT H-2

FORM OF TRANSFEROR CERTIFICATE

_____, _____

Residential Asset Mortgage Products, Inc.
8400 Normandale Lake Boulevard
Suite 250
Minneapolis, Minnesota 55437

JPMorgan Chase Bank, N.A.
4 New York Plaza, 6th Floor
New York, New York 10004

Re: Mortgage Asset-Backed Pass-Through Certificates,
Series 2006-RP2, Class R-I and Class R-II

Ladies and Gentlemen:

This letter is delivered to you in connection with the transfer by _____ (the "Seller") to _____ (the "Purchaser") of $ _____ Initial Certificate Principal Balance of Mortgage Asset-Backed Pass-Through Certificates, Series 2006-RP2, Class R-I and Class R-II (the "Class R Certificates"), pursuant to Section 5.02 of the Pooling and Servicing Agreement (the "Pooling and Servicing Agreement"), dated as of April 1, 2006, among Residential Asset Mortgage Products, Inc., as depositor (the "Depositor"), Residential Funding Corporation, as master servicer, and JPMorgan Chase Bank, N.A., as trustee (the "Trustee"). All terms used herein and not otherwise defined shall have the meanings set forth in the Pooling and Servicing Agreement. The Seller hereby certifies, represents and warrants to, and covenants with, the Depositor and the Trustee that:

1. No purpose of the Seller relating to the transfer of the Class R Certificates by the Seller to the Purchaser is or will be to impede the assessment or collection of any tax.

2. The Seller understands that the Purchaser has delivered to the Trustee and the Master Servicer a transfer affidavit and agreement in the form attached to the Pooling and Servicing Agreement as Exhibit H-1. The Seller does not know or believe that any representation contained therein is false.

3. The Seller has at the time of the transfer conducted a reasonable investigation of the financial condition of the Purchaser as contemplated by Treasury Regulations Section 1.860E- 1(c)(4)(i) and, as a result of that investigation, the Seller has determined that the Purchaser has historically paid its debts as they become due and has found no significant evidence to indicate that the Purchaser will not continue to pay its debts as they become due in the future. The Seller understands that the transfer of a Class R Certificate may not be respected for United States income tax purposes (and the Seller may continue to be liable for United States income taxes associated therewith) unless the Seller has conducted such an investigation.

4. The Seller has no actual knowledge that the proposed Purchaser is not both a United States Person and a Permitted Transferee.

Very truly yours,
(Seller)

By: _____
Name:_____
Title:_____

EXHIBIT I

FORM OF INVESTOR REPRESENTATION LETTER

_____, _____

Residential Asset Mortgage Products, Inc.
8400 Normandale Lake Boulevard
Suite 250
Minneapolis, Minnesota 55437

Residential Funding Corporation
8400 Normandale Lake Boulevard
Suite 250
Minneapolis, MN 55437

JPMorgan Chase Bank, N.A.
4 New York Plaza, 6th Floor
New York, New York 10004

Re: Mortgage Asset-Backed Pass-Through Certificates,
Series 2006-RP2, [Class R-I and Class R-II] [Class SB]

Ladies and Gentlemen:

_____ (the "Purchaser") intends to purchase from _____ (the "Seller") $_____ Initial Certificate Principal Balance of Mortgage Asset-Backed Pass--Through Certificates, Series 2006-RP2, [Class R-I and Class R-II] [Class SB] (the "Certificates"), issued pursuant to the Pooling and Servicing Agreement (the "Pooling and Servicing Agreement"), dated as of April 1, 2006 among Residential Asset Mortgage Products, Inc., as seller (the "Depositor"), Residential Funding Corporation, as master servicer (the "Master Servicer") and JPMorgan Chase Bank, N.A., as trustee (the "Trustee"). All terms used herein and not otherwise defined shall have the meanings set forth in the Pooling and Servicing Agreement. The Purchaser hereby certifies, represents and warrants to, and covenants with, the Depositor, the Master Servicer and the Trustee that:

1. The Purchaser understands that (a) the Certificates have not been and will not be registered or qualified under the Securities Act of 1933, as amended (the "Act") or any state securities law, (b) the Depositor is not required to so register or qualify the Certificates, (c) the Certificates may be resold only if registered and qualified pursuant to the provisions of the Act or any state securities law, or if an exemption from such registration and qualification is available, (d) the Pooling and Servicing Agreement contains restrictions regarding the transfer of the Certificates and (e) the Certificates will bear a legend to the foregoing effect.

2. The Purchaser is acquiring the Certificates for its own account for investment only and not with a view to or for sale in connection with any distribution thereof in any manner that would violate the Act or any applicable state securities laws.

3. The Purchaser is (a) a substantial, sophisticated [institutional] investor having such knowledge and experience in financial and business matters, and, in particular, in such matters related to securities similar to the Certificates, such that it is capable of evaluating the merits and risks of investment in the Certificates, (b) able to bear the economic risks of such an investment and (c) an "accredited investor" within the meaning of Rule 501(a) promulgated pursuant to the Act.

4. The Purchaser has been furnished with, and has had an opportunity to review (a) [a copy of the Offering Circular and the Offering Circular Supplement together, the "Offering Documents"), dated [_____], relating to the Certificates (b)] a copy of the Pooling and Servicing Agreement and [b] [c] such other information concerning the Certificates, the Mortgage Loans and the Depositor as has been requested by the Purchaser from the Depositor or the Seller and is relevant to the Purchaser's decision to purchase the Certificates. The Purchaser has had any questions arising from such review answered by the Depositor or the Seller to the satisfaction of the Purchaser. [If the Purchaser did not purchase the Certificates from the Seller in connection with the initial distribution of the Certificates and was provided with a copy of the Offering Documents relating to the original sale (the "Original Sale") of the Certificates by the Depositor, the Purchaser acknowledges that such Offering Documents was provided to it by the Seller, that the Offering Documents were prepared by the Depositor solely for use in connection with the Original Sale and the Depositor did not participate in or facilitate in any way the purchase of the Certificates by the Purchaser from the Seller, and the Purchaser agrees that it will look solely to the Seller and not to the Depositor with respect to any damage, liability, claim or expense arising out of, resulting from or in connection with (a) error or omission, or alleged error or omission, contained in the Offering Documents, or (b) any information, development or event arising after the date of the Offering Documents.]

5. The Purchaser has not and will not nor has it authorized or will it authorize any person to (a) offer, pledge, sell, dispose of or otherwise transfer any Certificate, any interest in any Certificate or any other similar security to any person in any manner, (b) solicit any offer to buy or to accept a pledge, disposition of other transfer of any Certificate, any interest in any Certificate or any other similar security from any person in any manner, (c) otherwise approach or negotiate with respect to any Certificate, any interest in any Certificate or any other similar security with any person in any manner, (d) make any general solicitation by means of general advertising or in any other manner or (e) take any other action, that (as to any of (a) through (e) above) would constitute a distribution of any Certificate under the Act, that would render the disposition of any Certificate a violation of Section 5 of the Act or any state securities law, or that would require registration or qualification pursuant thereto. The Purchaser will not sell or otherwise transfer any of the Certificates, except in compliance with the provisions of the Pooling and Servicing Agreement.

Very truly yours,
(Seller)

By: _____
Name:_____
Title:_____

EXHIBIT J

FORM OF TRANSFEROR REPRESENTATION LETTER

_____, _____

Residential Asset Mortgage Products, Inc.
8400 Normandale Lake Boulevard
Suite 250
Minneapolis, Minnesota 55437

JPMorgan Chase Bank, N.A.
4 New York Plaza, 6th Floor
New York, New York 10004

Re: Mortgage Asset-Backed Pass-Through Certificates,
Series 2006-RP2, [Class R-I and Class R-II] [Class SB]

Ladies and Gentlemen:

In connection with the sale by _____ (the "Seller") to _____ (the "Purchaser") of $_____ Initial Certificate Principal Balance of Mortgage Asset-Backed Pass-Through Certificates, Series 2006-RP2, [Class R-I and Class R-II] [Class SB] (the "Certificates"), issued pursuant to the Pooling and Servicing Agreement (the "Pooling and Servicing Agreement"), dated as of April 1, 2006 among Residential Asset Mortgage Products, Inc., as depositor (the "Depositor"), Residential Funding Corporation, as master servicer, and JPMorgan Chase Bank, N.A., as trustee (the "Trustee"). The Seller hereby certifies, represents and warrants to, and covenants with, the Depositor and the Trustee that:

Neither the Seller nor anyone acting on its behalf has (a) offered, pledged, sold, disposed of or otherwise transferred any Certificate, any interest in any Certificate or any other similar security to any person in any manner, (b) has solicited any offer to buy or to accept a pledge, disposition or other transfer of any Certificate, any interest in any Certificate or any other similar security from any person in any manner, (c) has otherwise approached or negotiated with respect to any Certificate, any interest in any Certificate or any other similar security with any person in any manner, (d) has made any general solicitation by means of general advertising or in any other manner, or (e) has taken any other action, that (as to any of (a) through (e) above) would constitute a distribution of the Certificates under the Securities Act of 1933 (the "Act"), that would render the disposition of any Certificate a violation of Section 5 of the Act or any state securities law, or that would require registration or qualification pursuant thereto. The Seller will not act in any manner set forth in the foregoing sentence with respect to any Certificate. The Seller has not and will not sell or otherwise transfer any of the Certificates, except in compliance with the provisions of the Pooling and Servicing Agreement.

Very truly yours,
(Seller)

By: _____
Name:_____
Title:_____

EXHIBIT K

TEXT OF AMENDMENT TO POOLING
AND SERVICING AGREEMENT PURSUANT
TO SECTION 11.01(e) FOR A LIMITED GUARANTY

ARTICLE XII

Subordinate Certificate Loss Coverage; Limited Guaranty

Section 12.01. Subordinate Certificate Loss Coverage; Limited Guaranty. (a) Subject to subsection (c) below, prior to the later of the third Business Day prior to each Distribution Date or the related Determination Date, the Master Servicer shall determine whether it or any Subservicer will be entitled to any reimbursement pursuant to Section 4.04(b) on such Distribution Date for Advances or Subservicer Advances previously made (which will not be Advances or Subservicer Advances that were made with respect to delinquencies which were subsequently determined to be Excess Special Hazard Losses, Excess Fraud Losses, Excess Bankruptcy Losses or Extraordinary Losses) and, if so, the Master Servicer shall demand payment from Residential Funding of an amount equal to the amount of any Advances or Subservicer Advances reimbursed pursuant to Section 4.04(b), to the extent such Advances or Subservicer Advances have not been included in the amount of the Realized Loss in the related Mortgage Loan, and shall distribute the same to the Class SB Certificateholders in the same manner as if such amount were to be distributed pursuant to Section 4.04(b).

(b) Subject to subsection (c) below, prior to the later of the third Business Day prior to each Distribution Date or the related Determination Date, the Master Servicer shall determine whether any Realized Losses (other than Excess Special Hazard Losses, Excess Bankruptcy Losses, Excess Fraud Losses and Extraordinary Losses) will be allocated to the Class SB Certificates on such Distribution Date pursuant to Section 4.05, and, if so, the Master Servicer shall demand payment from Residential Funding of the amount of such Realized Loss and shall distribute the same to the Class SB Certificateholders in the same manner as if such amount were to be distributed pursuant to Section 4.02(c); provided, however, that the amount of such demand in respect of any Distribution Date shall in no event be greater than the sum of (i) the additional amount of Accrued Certificate Interest that would have been paid for the Class SB Certificateholders on such Distribution Date had such Realized Loss or Losses not occurred plus (ii) the amount of the reduction in the Certificate Principal Balances of the Class SB Certificates on such Distribution Date due to such Realized Loss or Losses. Notwithstanding such payment, such Realized Losses shall be deemed to have been borne by the Certificateholders for purposes of Section 4.05. Excess Special Hazard Losses, Excess Fraud Losses, Excess Bankruptcy Losses and Extraordinary Losses allocated to the Class SB Certificates will not be covered by the Subordinate Certificate Loss Obligation.

(c) Demands for payments pursuant to this Section shall be made prior to the later of the third Business Day prior to each Distribution Date or the related Determination Date by the Master Servicer with written notice thereof to the Trustee. The maximum amount that Residential Funding shall be required to pay pursuant to this Section on any Distribution Date (the "Amount Available") shall be equal to the lesser of (X) _____ minus the sum of (i) all previous payments made under subsections (a) and (b) hereof and (ii) all draws under the Limited Guaranty made in lieu of such payments as described below in subsection (d) and (Y) the then outstanding Certificate Principal Balances of the Class SB Certificates, or such lower amount as may be established pursuant to Section 12.02. Residential Funding's obligations as described in this Section are referred to herein as the "Subordinate Certificate Loss Obligation."

(d) The Trustee will promptly notify General Motors Acceptance Corporation of any failure of Residential Funding to make any payments hereunder and shall demand payment pursuant to the limited guaranty (the "Limited Guaranty"), executed by General Motors Acceptance Corporation, of Residential Funding's obligation to make payments pursuant to this Section, in an amount equal to the lesser of (i) the Amount Available and (ii) such required payments, by delivering to General Motors Acceptance Corporation a written demand for payment by wire transfer, not later than the second Business Day prior to the Distribution Date for such month, with a copy to the Master Servicer.

(e) All payments made by Residential Funding pursuant to this Section or amounts paid under the Limited Guaranty shall be deposited directly in the Certificate Account, for distribution on the Distribution Date for such month to the Class SB Certificateholders.

(f) The Depositor shall have the option, in its sole discretion, to substitute for either or both of the Limited Guaranty or the Subordinate Certificate Loss Obligation another instrument in the form of a corporate guaranty, an irrevocable letter of credit, a surety bond, insurance policy or similar instrument or a reserve fund; provided that (i) the Depositor obtains (subject to the provisions of Section 10.01(f) as if the Depositor was substituted for the Master Servicer solely for the purposes of such provision) an Opinion of Counsel (which need not be an opinion of Independent counsel) to the effect that obtaining such substitute corporate guaranty, irrevocable letter of credit, surety bond, insurance policy or similar instrument or reserve fund will not cause either (a) any federal tax to be imposed on the Trust Fund, including without limitation, any federal tax imposed on "prohibited transactions" under Section 860(F)(a)(1) of the Code or on "contributions after the startup date" under Section 860(G)(d)(1) of the Code or (b) the Trust Fund to fail to qualify as a REMIC at any time that any Certificate is outstanding, and (ii) no such substitution shall be made unless (A) the substitute Limited Guaranty or Subordinate Certificate Loss Obligation is for an initial amount not less than the then current Amount Available and contains provisions that are in all material respects equivalent to the original Limited Guaranty or Subordinate Certificate Loss Obligation (including that no portion of the fees, reimbursements or other obligations under any such instrument will be borne by the Trust Fund), (B) the long term debt obligations of any obligor of any substitute Limited Guaranty or Subordinate Certificate Loss Obligation (if not supported by the Limited Guaranty) shall be rated at least the lesser of (a) the rating of the long term debt obligations of General Motors Acceptance Corporation as of the date of issuance of the Limited Guaranty and (b) the rating of the long term debt obligations of General Motors Acceptance Corporation at the date of such

substitution and (C) the Depositor obtains written confirmation from each nationally recognized credit rating agency that rated the Class SB Certificates at the request of the Depositor that such substitution shall not lower the rating on the Class SB Certificates below the lesser of (a) the then-current rating assigned to the Class SB Certificates by such rating agency and (b) the original rating assigned to the Class SB Certificates by such rating agency. Any replacement of the Limited Guaranty or Subordinate Certificate Loss Obligation pursuant to this Section shall be accompanied by a written Opinion of Counsel to the substitute guarantor or obligor, addressed to the Master Servicer and the Trustee, that such substitute instrument constitutes a legal, valid and binding obligation of the substitute guarantor or obligor, enforceable in accordance with its terms, and concerning such other matters as the Master Servicer and the Trustee shall reasonably request. Neither the Depositor, the Master Servicer nor the Trustee shall be obligated to substitute for or replace the Limited Guaranty or Subordinate Certificate Loss Obligation under any circumstance.

Section 12.02. Amendments Relating to the Limited Guaranty. Notwithstanding Sections 11.01 or 12.01: (i) the provisions of this Article XII may be amended, superseded or deleted, (ii) the Limited Guaranty or Subordinate Certificate Loss Obligation may be amended, reduced or canceled, and (iii) any other provision of this Agreement which is related or incidental to the matters described in this Article XII may be amended in any manner; in each case by written instrument executed or consented to by the Depositor and Residential Funding but without the consent of any Certificateholder and without the consent of the Master Servicer or the Trustee being required unless any such amendment would impose any additional obligation on, or otherwise adversely affect the interests of, the Master Servicer or the Trustee, as applicable; provided that the Depositor shall also obtain a letter from each nationally recognized credit rating agency that rated the Class SB Certificates at the request of the Depositor to the effect that such amendment, reduction, deletion or cancellation will not lower the rating on the Class SB Certificates below the lesser of (a) the then-current rating assigned to the Class SB Certificates by such rating agency and (b) the original rating assigned to the Class SB Certificates by such rating agency, unless (A) the Holder of 100% of the Class SB Certificates is Residential Funding or an Affiliate of Residential Funding, or (B) such amendment, reduction, deletion or cancellation is made in accordance with Section 11.01(e) and, provided further that the Depositor obtains (subject to the provisions of Section 10.01(f) as if the Depositor was substituted for the Master Servicer solely for the purposes of such provision), in the case of a material amendment or supersession (but not a reduction, cancellation or deletion of the Limited Guaranty or the Subordinate Certificate Loss Obligation), an Opinion of Counsel (which need not be an opinion of Independent counsel) to the effect that any such amendment or supersession will not cause either (a) any federal tax to be imposed on the Trust Fund, including without limitation, any federal tax imposed on "prohibited transactions" under Section 860F(a)(1) of the Code or on "contributions after the startup date" under Section 860G(d)(1) of the Code or (b) the Trust Fund to fail to qualify as a REMIC at any time that any Certificate is outstanding. A copy of any such instrument shall be provided to the Trustee and the Master Servicer together with an Opinion of Counsel that such amendment complies with this Section 12.02.

EXHIBIT L

FORM OF LIMITED GUARANTY

LIMITED GUARANTY

RESIDENTIAL ASSET MORTGAGE PRODUCTS, INC.

Mortgage Asset-Backed Pass-Through Certificates

SERIES 2006-RP2

_____, 20___

JPMorgan Chase Bank, N.A.
4 New York Plaza, 6th Floor
New York, New York 10004

Ladies and Gentlemen:

WHEREAS, Residential Funding Corporation, a Delaware corporation ("Residential Funding"), an indirect wholly-owned subsidiary of General Motors Acceptance Corporation, a New York corporation ("GMAC"), plans to incur certain obligations as described under Section 12.01 of the Pooling and Servicing Agreement dated as of April 1, 2006 (the "Servicing Agreement"), among Residential Asset Mortgage Products, Inc. (the "Depositor"), Residential Funding and JPMorgan Chase Bank, N.A. (the "Trustee") as amended by Amendment No. 1 thereto, dated as of _____, with respect to the Mortgage Asset-Backed Pass-Through Certificates, Series 2006-RP2 (the "Certificates"); and

WHEREAS, pursuant to Section 12.01 of the Servicing Agreement, Residential Funding agrees to make payments to the Holders of the Class SB Certificates with respect to certain losses on the Mortgage Loans as described in the Servicing Agreement; and

WHEREAS, GMAC desires to provide certain assurances with respect to the ability of Residential Funding to secure sufficient funds and faithfully to perform its Subordinate Certificate Loss Obligation;

NOW THEREFORE, in consideration of the premises herein contained and certain other good and valuable consideration, the receipt of which is hereby acknowledged, GMAC agrees as follows:

1. Provision of Funds. (a) GMAC agrees to contribute and deposit in the Certificate Account on behalf of Residential Funding (or otherwise provide to Residential Funding, or to cause to be made available to Residential Funding), either directly or through a subsidiary, in any case prior to the related Distribution Date, such moneys as may be required by Residential Funding to perform its Subordinate Certificate Loss Obligation when and as the same arises from time to time upon the demand of the Trustee in accordance with Section 11.01 of the Servicing Agreement.

   (b) The agreement set forth in the preceding clause (a) shall be absolute, irrevocable and unconditional and shall not be affected by the transfer by GMAC or any other person of all or any part of its or their interest in Residential Funding, by any insolvency, bankruptcy, dissolution or other proceeding affecting Residential Funding or any other person, by any defense or right of counterclaim, set-off or recoupment that GMAC may have against Residential Funding or any other person or by any other fact or circumstance. Notwithstanding the foregoing, GMAC's obligations under clause (a) shall terminate upon the earlier of (x) substitution for this Limited Guaranty pursuant to Section 12.01(f) of the Servicing Agreement, or (y) the termination of the Trust Fund pursuant to the Servicing Agreement.

2. Waiver. GMAC hereby waives any failure or delay on the part of Residential Funding, the Trustee or any other person in asserting or enforcing any rights or in making any claims or demands hereunder. Any defective or partial exercise of any such rights shall not preclude any other or further exercise of that or any other such right. GMAC further waives demand, presentment, notice of default, protest, notice of acceptance and any other notices with respect to this Limited Guaranty, including, without limitation, those of action or nonaction on the part of Residential Funding or the Trustee.

3. Modification, Amendment and Termination. This Limited Guaranty may be modified, amended or terminated only by the written agreement of GMAC and the Trustee and only if such modification, amendment or termination is permitted under Section 12.02 of the Servicing Agreement. The obligations of GMAC under this Limited Guaranty shall continue and remain in effect so long as the Servicing Agreement is not modified or amended in any way that might affect the obligations of GMAC under this Limited Guaranty without the prior written consent of GMAC.

4. Successor. Except as otherwise expressly provided herein, the guarantee herein set forth shall be binding upon GMAC and its respective successors.

5. Governing Law. This Limited Guaranty shall be governed by the laws of the State of New York.

6. Authorization and Reliance. GMAC understands that a copy of this Limited Guaranty shall be delivered to the Trustee in connection with the execution of Amendment No. 1 to the Servicing Agreement and GMAC hereby authorizes the Depositor and the Trustee to rely on the covenants and agreements set forth herein.

7. Definitions. Capitalized terms used but not otherwise defined herein shall have the meaning given them in the Servicing Agreement.

8. Counterparts. This Limited Guaranty may be executed in any number of counterparts, each of which shall be deemed to be an original and such counterparts shall constitute but one and the same instrument.

IN WITNESS WHEREOF, GMAC has caused this Limited Guaranty to be executed and delivered by its respective officers thereunto duly authorized as of the day and year first above written.

GENERAL MOTORS ACCEPTANCE CORPORATION

By:_____
Name:_____
Title:_____

Acknowledged by:
JPMorgan Chase Bank, N.A.,
as Trustee

By:_____
Name:_____
Title:_____

RESIDENTIAL ASSET MORTGAGE PRODUCTS, INC.

By:_____
Name:_____
Title:_____

EXHIBIT M

FORM OF LENDER CERTIFICATION FOR ASSIGNMENT OF MORTGAGE LOAN

_____, _____

Residential Asset Mortgage Products, Inc.
8400 Normandale Lake Boulevard
Suite 250
Minneapolis, Minnesota 55437

JPMorgan Chase Bank, N.A.
4 New York Plaza, 6th Floor
New York, New York 10004

Re: Mortgage Asset-Backed Pass-Through Certificates,
Series 2006-RP2, Assignment of Mortgage Loan

Ladies and Gentlemen:

This letter is delivered to you in connection with the assignment by _____ (the "Trustee") to _____ (the "Lender") of _____ (the "Mortgage Loan") pursuant to Section 3.12(d) of the Pooling and Servicing Agreement (the "Pooling and Servicing Agreement"), dated as of April 1, 2006, among Residential Asset Mortgage Products, Inc., as depositor (the "Depositor"), Residential Funding Corporation, as master servicer, and the Trustee. All terms used herein and not otherwise defined shall have the meanings set forth in the Pooling and Servicing Agreement. The Lender hereby certifies, represents and warrants to, and covenants with, the Master Servicer and the Trustee that:

(i) the Mortgage Loan is secured by Mortgaged Property located in a jurisdiction in which an assignment in lieu of satisfaction is required to preserve lien priority, minimize or avoid mortgage recording taxes or otherwise comply with, or facilitate a refinancing under, the laws of such jurisdiction;

(ii) the substance of the assignment is, and is intended to be, a refinancing of such Mortgage Loan and the form of the transaction is solely to comply with, or facilitate the transaction under, such local laws;

(iii) the Mortgage Loan following the proposed assignment will be modified to have a rate of interest at least 0.25 percent below or above the rate of interest on such Mortgage Loan prior to such proposed assignment; and

(iv) such assignment is at the request of the borrower under the related Mortgage Loan.

Very truly yours,

[Lender]

By:_____
Name:_____
Title:_____

EXHIBIT N

FORM OF RULE 144A INVESTMENT REPRESENTATION

Description of Rule 144A Securities ("Rule 144A Securities"), including numbers:

_____

_____

The undersigned seller, as registered holder (the "Seller"), intends to transfer the Rule 144A Securities described above to the undersigned buyer (the "Buyer").

1. In connection with such transfer and in accordance with the agreements pursuant to which the Rule 144A Securities were issued, the Seller hereby certifies the following facts: Neither the Seller nor anyone acting on its behalf has offered, transferred, pledged, sold or otherwise disposed of the Rule 144A Securities, any interest in the Rule 144A Securities or any other similar security to, or solicited any offer to buy or accept a transfer, pledge or other disposition of the Rule 144A Securities, any interest in the Rule 144A Securities or any other similar security from, or otherwise approached or negotiated with respect to the Rule 144A Securities, any interest in the Rule 144A Securities or any other similar security with, any person in any manner, or made any general solicitation by means of general advertising or in any other manner, or taken any other action, that would constitute a distribution of the Rule 144A Securities under the Securities Act of 1933, as amended (the "1933 Act"), or that would render the disposition of the Rule 144A Securities a violation of Section 5 of the 1933 Act or require registration pursuant thereto, and that the Seller has not offered the Rule 144A Securities to any person other than the Buyer or another "qualified institutional buyer" as defined in Rule 144A under the 1933 Act.

2. The Buyer warrants and represents to and covenants with the Seller, the Trustee and the Master Servicer (as defined in the Pooling and Servicing Agreement (the "Agreement")), dated as of April 1, 2006 among Residential Funding Corporation, as Master Servicer (the "Master Servicer"), Residential Asset Mortgage Products, Inc., as Depositor and JPMorgan Chase Bank, N.A., as Trustee (the "Trustee"), pursuant to Section 5.02 of the Agreement, as follows:

a. The Buyer understands that the Rule 144A Securities have not been registered under the 1933 Act or the securities laws of any state.

b. The Buyer considers itself a substantial, sophisticated institutional investor having such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of investment in the Rule 144A Securities.

c. The Buyer has been furnished with all information regarding the Rule 144A Securities that it has requested from the Seller, the Trustee or the Servicer.

d. Neither the Buyer nor anyone acting on its behalf has offered, transferred, pledged, sold or otherwise disposed of the Rule 144A Securities, any interest in the Rule 144A Securities or any other similar security to, or solicited any offer to buy or accept a transfer, pledge or other disposition of the Rule 144A Securities, any interest in the Rule 144A Securities or any other similar security from, or otherwise approached or negotiated with respect to the Rule 144A Securities, any interest in the Rule 144A Securities or any other similar security with, any person in any manner, or made any general solicitation by means of general advertising or in any other manner, or taken any other action, that would constitute a distribution of the Rule 144A Securities under the 1933 Act or that would render the disposition of the Rule 144A Securities a violation of Section 5 of the 1933 Act or require registration pursuant thereto, nor will it act, nor has it authorized or will it authorize any person to act, in such manner with respect to the Rule 144A Securities.

e. The Buyer is a "qualified institutional buyer" as that term is defined in Rule 144A under the 1933 Act and has completed either of the forms of certification to that effect attached hereto as Annex 1 or Annex 2. The Buyer is aware that the sale to it is being made in reliance on Rule 144A. The Buyer is acquiring the Rule 144A Securities for its own account or the accounts of other qualified institutional buyers, understands that such Rule 144A Securities may be resold, pledged or transferred only (i) to a person reasonably believed to be a qualified institutional buyer that purchases for its own account or for the account of a qualified institutional buyer to whom notice is given that the resale, pledge or transfer is being made in reliance on Rule 144A, or (ii) pursuant to another exemption from registration under the 1933 Act.

3. The Buyer

a. is not an employee benefit plan or other plan subject to the prohibited transaction provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code") (each, an "ERISA Plan"), or any person (including, without limitation, an insurance company investing its general accounts, an investment manager, a named fiduciary or a trustee of any ERISA Plan) who is using "plan assets", within the meaning of the U.S. Department of Labor ("DOL") regulation promulgated at 29 C.F.R. § 2510.3 101, of any ERISA Plan (each, an "ERISA Plan Investor"), to effect such acquisition; or

b. has provided the Trustee, the Depositor and the Master Servicer with an opinion of counsel acceptable to and in form and substance satisfactory to the Trustee, the Depositor and the Master Servicer to the effect that the purchase and holding of the Certificates is permissible under applicable law, will not constitute or result in any non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or comparable provisions of any subsequent provisions) and will not subject the Trustee, the Depositor or the Master Servicer to any obligation or liability (including obligations or liabilities under ERISA or Section 4975 of the Code) in addition to those undertaken in the Pooling and Servicing Agreement which opinion of counsel shall not be an expense of the Trustee, the Depositor or the Master Servicer.

4. This document may be executed in one or more counterparts and by the different parties hereto on separate counterparts, each of which, when so executed, shall be deemed to be an original; such counterparts, together, shall constitute one and the same document.

IN WITNESS WHEREOF, each of the parties has executed this document as of the date set forth below.

_____	_____
Print Name of Seller	Print Name of Buyer
By:_____	By_____
Name:	Name
Title:	Title:
Taxpayer Identification:	Taxpayer Identification:
No:_____	No:_____
Date:_____	Date:_____

ANNEX 1 TO EXHIBIT N

QUALIFIED INSTITUTIONAL BUYER STATUS UNDER SEC RULE 144A

[FOR BUYERS OTHER THAN REGISTERED INVESTMENT COMPANIES]

The undersigned hereby certifies as follows in connection with the Rule 144A Investment Representation to which this Certification is attached:

1. As indicated below, the undersigned is the President, Chief Financial Officer, Senior Vice President or other executive officer of the Buyer.

2. In connection with purchases by the Buyer, the Buyer is a "qualified institutional buyer" as that term is defined in Rule 144A under the Securities Act of 1933 ("Rule 144A") because (i) the Buyer owned and/or invested on a discretionary basis $_____ in securities (except for the excluded securities referred to below) as of the end of the Buyer's most recent fiscal year (such amount being calculated in accordance with Rule 144A) and (ii) the Buyer satisfies the criteria in the category marked below.

____ Corporation, etc. The Buyer is a corporation (other than a bank, savings and loan association or similar institution), Massachusetts or similar business trust, partnership, or charitable organization described in Section 501(c)(3) of the Internal Revenue Code.

____ Bank. The Buyer (a) is a national bank or banking institution organized under the laws of any State, territory or the District of Columbia, the business of which is substantially confined to banking and is supervised by the State or territorial banking commission or similar official or is a foreign bank or equivalent institution, and (b) has an audited net worth of at least $25,000,000 as demonstrated in its latest annual financial statements, a copy of which is attached hereto.

____ Savings and Loan. The Buyer (a) is a savings and loan association, building and loan association, cooperative bank, homestead association or similar institution, which is supervised and examined by a State or Federal authority having supervision over any such institutions or is a foreign savings and loan association or equivalent institution and (b) has an audited net worth of at least $25,000,000 as demonstrated in its latest annual financial statements.

____ Broker-Dealer. The Buyer is a dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934.

____ Insurance Depositor. The Buyer is an insurance company whose primary and predominant business activity is the writing of insurance or the reinsuring of risks underwritten by insurance companies and which is subject to supervision by the insurance commissioner or a similar official or agency of a State or territory or the District of Columbia.

____ State or Local Plan. The Buyer is a plan established and maintained by a State, its political subdivisions, or any agency or instrumentality of the State or its political subdivisions, for the benefit of its employees.

____ ERISA Plan. The Buyer is an employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974.

____ Investment Adviser. The Buyer is an investment adviser registered under the Investment Advisers Act of 1940.

____ SBIC. The Buyer is a Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958.

____ Business Development Depositor. The Buyer is a business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940.

____ Trust Fund. The Buyer is a trust fund whose trustee is a bank or trust company and whose participants are exclusively (a) plans established and maintained by a State, its political subdivisions, or any agency or instrumentality of the State or its political subdivisions, for the benefit of its employees, or (b) employee benefit plans within the meaning of Title I of the Employee Retirement Income Security Act of 1974, but is not a trust fund that includes as participants individual retirement accounts or H.R. 10 plans.

3. The term "securities" as used herein does not include (i) securities of issuers that are affiliated with the Buyer, (ii) securities that are part of an unsold allotment to or subscription by the Buyer, if the Buyer is a dealer, (iii) bank deposit notes and certificates of deposit, (iv) loan participations, (v) repurchase agreements, (vi) securities owned but subject to a repurchase agreement and (vii) currency, interest rate and commodity swaps.

4. For purposes of determining the aggregate amount of securities owned and/or invested on a discretionary basis by the Buyer, the Buyer used the cost of such securities to the Buyer and did not include any of the securities referred to in the preceding paragraph. Further, in determining such aggregate amount, the Buyer may have included securities owned by subsidiaries of the Buyer, but only if such subsidiaries are consolidated with the Buyer in its financial statements prepared in accordance with generally accepted accounting principles and if the investments of such subsidiaries are managed under the Buyer's direction. However, such securities were not included if the Buyer is a majority-owned, consolidated subsidiary of another enterprise and the Buyer is not itself a reporting company under the Securities Exchange Act of 1934.

5. The Buyer acknowledges that it is familiar with Rule 144A and understands that the seller to it and other parties related to the Certificates are relying and will continue to rely on the statements made herein because one or more sales to the Buyer may be in reliance on Rule 144A.

____	____	Will the Buyer be purchasing the Rule 144A
Yes	No	Securities only for the Buyer's own account?

6. If the answer to the foregoing question is "no", the Buyer agrees that, in connection with any purchase of securities sold to the Buyer for the account of a third party (including any separate account) in reliance on Rule 144A, the Buyer will only purchase for the account of a third party that at the time is a "qualified institutional buyer" within the meaning of Rule 144A. In addition, the Buyer agrees that the Buyer will not purchase securities for a third party unless the Buyer has obtained a current representation letter from such third party or taken other appropriate steps contemplated by Rule 144A to conclude that such third party independently meets the definition of "qualified institutional buyer" set forth in Rule 144A.

7. The Buyer will notify each of the parties to which this certification is made of any changes in the information and conclusions herein. Until such notice is given, the Buyer's purchase of Rule 144A Securities will constitute a reaffirmation of this certification as of the date of such purchase.

_____
Print Name of Buyer
By:
Name:
Title:

Date:

ANNEX 2 TO EXHIBIT N

QUALIFIED INSTITUTIONAL BUYER STATUS UNDER SEC RULE 144A

[FOR BUYERS THAT ARE REGISTERED INVESTMENT COMPANIES]

The undersigned hereby certifies as follows in connection with the Rule 144A Investment Representation to which this Certification is attached:

1. As indicated below, the undersigned is the President, Chief Financial Officer or Senior Vice President of the Buyer or, if the Buyer is a "qualified institutional buyer" as that term is defined in Rule 144A under the Securities Act of 1933 ("Rule 144A") because Buyer is part of a Family of Investment Companies (as defined below), is such an officer of the Adviser.

2. In connection with purchases by Buyer, the Buyer is a "qualified institutional buyer" as defined in SEC Rule 144A because (i) the Buyer is an investment company registered under the Investment Company Act of 1940, and (ii) as marked below, the Buyer alone, or the Buyer's Family of Investment Companies, owned at least $100,000,000 in securities (other than the excluded securities referred to below) as of the end of the Buyer's most recent fiscal year. For purposes of determining the amount of securities owned by the Buyer or the Buyer's Family of Investment Companies, the cost of such securities was used.

The Buyer owned $_____ in securities (other than the excluded securities referred to below) as of the end of the Buyer's most recent fiscal year (such amount being calculated in accordance with Rule 144A).

The Buyer is part of a Family of Investment Companies which owned in the aggregate $_____ in securities (other than the excluded securities referred to below) as of the end of the Buyer's most recent fiscal year (such amount being calculated in accordance with Rule 144A).

3. The term "Family of Investment Companies" as used herein means two or more registered investment companies (or series thereof) that have the same investment adviser or investment advisers that are affiliated (by virtue of being majority owned subsidiaries of the same parent or because one investment adviser is a majority owned subsidiary of the other).

4. The term "securities" as used herein does not include (i) securities of issuers that are affiliated with the Buyer or are part of the Buyer's Family of Investment Companies, (ii) bank deposit notes and certificates of deposit, (iii) loan participations, (iv) repurchase agreements, (v) securities owned but subject to a repurchase agreement and (vi) currency, interest rate and commodity swaps.

5. The Buyer is familiar with Rule 144A and understands that each of the parties to which this certification is made are relying and will continue to rely on the statements made herein because one or more sales to the Buyer will be in reliance on Rule 144A. In addition, the Buyer will only purchase for the Buyer's own account.

6. The undersigned will notify each of the parties to which this certification is made of any changes in the information and conclusions herein. Until such notice, the Buyer's purchase of Rule 144A Securities will constitute a reaffirmation of this certification by the undersigned as of the date of such purchase.

_____
Print Name of Buyer
By:
Name:
Title:

IF AN ADVISER:

_____
Print Name of Buyer
Date:

EXHIBIT O

HIGH COST LOANS

[On file with RFC]

EXHIBIT P-1

ERISA REPRESENTATION LETTER

[date]

Residential Funding Corporation
8400 Normandale Lake Boulevard
Suite 250
Minneapolis, Minnesota 55437

Residential Asset Mortgage Products, Inc.
8400 Normandale Lake Boulevard
Suite 250
Minneapolis, Minnesota 55437

JPMorgan Chase Bank, N.A.
4 New York Plaza, 6th Floor,
New York, New York 10004

Attention: Residential Asset Mortgage Products Inc. Series 2006-RP2

Re: Residential Asset Mortgage Products, Inc. Mortgage Asset-Backed Pass-Through Certificates, Series 2006-RP2, Class [__]

Ladies and Gentlemen:

[_____] (the "Purchaser") intends to purchase from [_____] (the "Seller") $[_____] Initial Certificate Principal Balance of the above-referenced certificates (the "Certificates"), issued pursuant to the Pooling and Servicing Agreement, dated as of April 1, 2006 (the "Pooling and Servicing Agreement"), among Residential Asset Mortgage Products, Inc., as depositor (the "Depositor"), Residential Funding Corporation, as master servicer (the "Master Servicer") and JPMorgan Chase Bank, N.A., as trustee (the "Trustee"). All terms used in this ERISA Representation Letter and not otherwise defined shall have the meanings set forth in the Pooling and Servicing Agreement.

The Purchaser hereby certifies, represents and warrants to, and covenants with the Depositor, the Trustee and the Master Servicer that, either:

(a) The Purchaser is not an employee benefit plan or other plan subject to the prohibited transaction provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code") (an "ERISA Plan"), or any other Person (including without limitation, an investment manager, a named fiduciary or a trustee of any ERISA Plan) who is using "plan assets," within the meaning of the U.S. Department of Labor ("DOL") regulation promulgated at 29 C.F.R. §2510.3-101, of any ERISA Plan (an "ERISA Plan Investor") to effect such acquisition; or

(b) The following conditions are satisfied: (i) such Purchaser is an insurance company, (ii) the source of funds used to purchase or hold such Certificate (or interest therein) is an "insurance company general account" (as defined in DOL Prohibited Transaction Class Exemption ("PTCE") 95-60, and (iii) the conditions set forth in Sections I and III of PTCE 95-60 have been satisfied.

In addition, the Purchaser hereby certifies, represents and warrants to, and covenants with, the Depositor, the Trustee and the Master Servicer that the Purchaser will not transfer the certificates to any transferee unless that transferee meets the requirements in either (a) or (b) above.

Very truly yours,

By: _____
Name:_____
Title:_____

EXHIBIT P-2

FORM OF ERISA LETTER

_____, ____

Residential Asset Mortgage Products, Inc.
8400 Normandale Lake Boulevard
Suite 250
Minneapolis, Minnesota 55437

JPMorgan Chase Bank, N.A.
4 New York Plaza, 6th Floor
New York, New York 10004

Residential Funding Corporation
8400 Normandale Lake Boulevard
Suite 250
Minneapolis, MN 55437

Attention: Residential Funding Corporation Series 2006-RP2

Re: Residential Asset Mortgage Products, Inc. Mortgage Asset-Backed Pass-Through Certificates, Series 2006-RP2, Class SB

Ladies and Gentlemen:

_____ (the "Purchaser") intends to purchase from _____ (the "Seller") $_____ Initial Certificate Principal Balance of Mortgage Asset-Backed Pass-Through Certificates, Series 2006-RP2, Class SB (the "Certificates"), issued pursuant to the Pooling and Servicing Agreement (the "Pooling and Servicing Agreement"), dated as of April 1, 2006 among Residential Asset Mortgage Products, Inc., as the company (the "Depositor"), Residential Funding Corporation, as master servicer (the "Master Servicer") and JPMorgan Chase Bank, N.A., as trustee (the "Trustee"). All terms used herein and not otherwise defined shall have the meanings set forth in the Pooling and Servicing Agreement.

The Purchaser hereby certifies, represents and warrants to, and covenants with, the Depositor, the Trustee and the Master Servicer that, either:

(a) The Purchaser is not an employee benefit plan or other plan subject to the prohibited transaction provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code") (an "ERISA Plan"), or any other Person (including without limitation, an insurance company investing its general accounts, an investment manager, a named fiduciary or a trustee of any ERISA Plan) who is using "plan assets," within the meaning of the U.S. Department of

Labor ("DOL") regulation promulgated at 29 C.F.R. §2510.3-101, of any ERISA Plan (an "ERISA Plan Investor") to effect such acquisition; or

(b) The Purchaser has provided the Trustee, the Depositor and the Master Servicer with an opinion of counsel acceptable to and in form and substance satisfactory to the Trustee, the Depositor and the Master Servicer to the effect that the purchase or holding of Certificates is permissible under applicable law, will not constitute or result in any non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or comparable provisions of any subsequent enactments) and will not subject the Trustee, the Depositor or the Master Servicer to any obligation or liability (including obligations or liabilities under ERISA or Section 4975 of the Code) in addition to those undertaken in the Pooling and Servicing Agreement, which opinion of counsel shall not be an expense of the Trustee, the Depositor or the Master Servicer.

In addition, the Purchaser hereby certifies, represents and warrants to, and covenants with, the Depositor, the Trustee and the Master Servicer that the Purchaser will not transfer such Certificates to any transferee unless such transferee meets the requirements set forth in either (a) or (b) above.

Very truly yours,

[Purchaser]

By: _____
Name:_____
Title:_____

EXHIBIT Q

[RESERVED]

EXHIBIT R

LIST OF RE-PERFORMING LOANS

[On file with RFC]

EXHIBIT S

FORM OF CERTIFICATE TO BE GIVEN BY EUROCLEAR OR CLEARSTREAM

JPMorgan Chase Bank, N.A.

Re: Residential Asset Mortgage Products, Inc., Mortgage Asset-Backed Pass-Through Certificates, Series 2006-RP2, Class [A-[_] M-[_]], issued pursuant to the Pooling and Servicing Agreement dated as of April 1, 2006 among Residential Asset Mortgage Products, Inc., Residential Funding Corporation, And JPMorgan Chase Bank, N.A., as Trustee (the "Certificates")

This is to certify that, based solely on certifications we have received in writing, by tested telex or by electronic transmission from member organizations appearing in our records as persons being entitled to a portion of the principal amount set forth below (our "Member Organizations") as of the date hereof, $_____ principal amount of the Certificates is owned by persons who purchased their Certificates (or interests therein) in a transaction or transactions that did not require registration under the Securities Act of 1933 as amended (the "Securities Act").

We further certify that as of the date hereof we have not received any notification from any of our Member Organizations to the effect that the statements made by them with respect to any portion of the part submitted herewith for exchange are no longer true and cannot be relied upon as of the date hereof.

We understand that this certification is required in connection with certain securities laws of the United States of America. If administrative or legal proceedings are commenced or threatened in connection with which this certification is or would be relevant, we irrevocably authorize you to produce this certification or a copy hereof to any interested party in such proceedings.

Date: _____

Yours faithfully,

_____

* To be dated no earlier By: _____ than the Effective Date. Morgan Guaranty Trust Company of New York, Brussels Office, as Operator of the Euroclear Clearance System Clearstream Banking, societe anonyme

EXHIBIT V

LIST OF FORECLOSURE RESTRICTED LOANS

[On file with RFC]

EXHIBIT W

SCHEDULE OF YIELD MAINTENANCE AGREEMENT NOTIONAL BALANCES

Distribution Date	Notional Balance
May 2006	266,418,138.01
June 2006	259,363,023.06
July 2006	252,493,167.38
August 2006	245,803,724.84
September 2006	239,289,976.02
October 2006	232,947,324.76
November 2006	225,043,247.41
December 2006	218,019,600.90
January 2007	210,747,194.05
February 2007	204,482,268.80
March 2007	198,980,652.58
April 2007	193,704,492.14
May 2007	188,401,332.54
June 2007	183,120,389.74
July 2007	178,176,854.93
August 2007	169,925,614.39
September 2007	163,118,679.36
October 2007	139,315,273.13
November 2007	82,587,499.35
December 2007	77,598,293.47
January 2008	75,120,086.80
February 2008	73,136,769.97
March 2008	71,266,313.11
April 2008	69,442,663.51
May 2008	67,664,664.35
June 2008	65,810,685.29
July 2008	64,124,005.95
August 2008	61,053,210.81
September 2008	59,275,234.81
October 2008	56,558,456.50
November 2008	53,935,794.66
December 2008	52,262,792.00
January 2009	50,764,524.67
February 2009	48,592,100.97
March 2009	47,350,505.72
April 2009	46,140,770.91
May 2009	44,895,536.37
June 2009	43,747,971.88
July 2009	42,629,250.92

Distribution Date	Notional Balance
August 2009	41,538,634.01
September 2009	40,475,282.19
October 2009	39,438,390.97
November 2009	38,427,312.97
December 2009	37,441,416.45
January 2010	36,480,085.01
February 2010	35,542,717.21
March 2010	34,628,726.12
April 2010	33,737,539.00
May 2010	32,868,597.05
June 2010	32,004,234.87
July 2010	31,178,634.15
August 2010	30,242,035.62
September 2010	29,376,813.41
October 2010	28,617,373.07
November 2010	27,855,345.99
December 2010	27,113,378.07
January 2011	26,411,030.15
February 2011	25,727,589.14
March 2011	25,061,252.99
April 2011	24,411,601.98

EXHIBIT Y

SCHEDULE OF MONTHLY STRIKE RATES

Distribution Date	Monthly Strike Rate
May 2006	5.23900
June 2006	5.33386
July 2006	5.44232
August 2006	5.47722
September 2006	5.48601
October 2006	5.52395
November 2006	5.52426
December 2006	5.53029
January 2007	5.51875
February 2007	5.51496
March 2007	5.44216
April 2007	5.46175
May 2007	5.50946
June 2007	5.55778
July 2007	5.60754
August 2007	5.65680
September 2007	5.70365
October 2007	5.74615
November 2007	5.78238
December 2007	5.81041
January 2008	5.82831
February 2008	5.83417
March 2008	5.82605
April 2008	5.80203
May 2008	5.76335
June 2008	5.72180
July 2008	5.68141
August 2008	5.64330
September 2008	5.60858
October 2008	5.57839
November 2008	5.55383
December 2008	5.53603
January 2009	5.52610
February 2009	5.52516
March 2009	5.53433
April 2009	5.55474
May 2009	5.58518

Distribution Date	Monthly Strike Rate
June 2009	5.61706
July 2009	5.64782
August 2009	5.67706
September 2009	5.70443
October 2009	5.72953
November 2009	5.75200
December 2009	5.77145
January 2010	5.78750
February 2010	5.79978
March 2010	5.80791
April 2010	5.81152
May 2010	5.81114
June 2010	5.81028
July 2010	5.80989
August 2010	5.81006
September 2010	5.81087
October 2010	5.81238
November 2010	5.81468
December 2010	5.81784
January 2011	5.82194
February 2011	5.82707
March 2011	5.83328
April 2011	5.84067

Exhibit 98

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) July 28, 2006

RESIDENTIAL FUNDING MORTGAGE SECURITIES II, INC. (as depositor under an Amended and Restated Trust Agreement, dated as of July 28, 2006, and pursuant to which an Indenture was entered into, providing for, inter alia, the issuance of Home Equity Loan-Backed Term Notes, Series 2006-HSA4)

Residential Funding Mortgage Securities II, Inc.
(Exact name of registrant as specified in its charter)

DELAWARE	333-131196-04	41-1808858
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

8400 Normandale Lake Blvd., Suite 250, Minneapolis, Minnesota 55437
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code, is (952) 857-7000
N/A
(Former name or address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

[ ] Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

EXECUTI

HOME EQUITY LOAN TRUST 2006-HSA4

Issuer

AND

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION

Indenture Trustee

INDENTURE

Dated as of July 28, 2006

HOME EQUITY LOAN-BACKED TERM NOTES

HOME EQUITY LOAN-BACKED VARIABLE FUNDING NOTES

RECONCILIATION AND TIE BETWEEN TRUST INDENTURE
ACT OF 1939 AND INDENTURE PROVISIONS*

Trust Indenture Act Section	Indenture Section
310(a)(1)	6.11
(a)(2)	6.11
(a)(3)	6.10
(a)(4)	Not Applicable
(a)(5)	6.11
(b)	6.08, 6.11
(c)	Not Applicable
311(a)	6.12
(b)	6.12
(c)	Not Applicable
312(a)	7.01, 7.02(a)
(b)	7.02(b)
(c)	7.02(c)
313(a)	7.04
(b)	7.04
(c)	7.03(a)(iii), 7.04
(d)	7.04
314(a)	3.10, 7.03(a)
(b)	3.07
(c)(1)	8.05(c), 10.01(a)
(c)(2)	8.05(c), 10.01(a)
(c)(3)	Not Applicable
(d)(1)	8.05(c), 10.01(b)
(d)(2)	8.05(c), 10.01(b)
(d)(3)	8.05(c), 10.01(b)
(e)	10.01(a)
315(a)	6.01(b)
(b)	6.05
(c)	6.01(a)
(d)	6.01(c)
(d)(1)	6.01(c)
(d)(2)	6.01(c)
(d)(3)	6.01(c)
(e)	5.13
316(a)(1)(A)	5.11
316(a)(1)(B)	5.12
316(a)(2)	Not Applicable
316(b)	5.07
317(a)(1)	5.04
317(a)(2)	5.03(d)
317(b)	3.03(a)
318(a)	10.07

*This reconciliation and tie shall not, for any purpose, be deemed to be part of the within indenture.

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EXHIBIT

Exhibit A-1 .....Form of Class A Notes A-1
Exhibit A-2 .....Form of Variable Funding Notes A-2
Exhibit B .....Form of Rule 144A Investment Representation B-1
Exhibit C .....Form of Investor Representation Letter C-1
Exhibit D .....Form of Transferor Representation Letter D-1

This Indenture, dated as of July 28, 2006, between HOME EQUITY LOAN TRUST 2006-HSA4, a Delaware statutory tr Issuer (the "Issuer"), and JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, as Indenture Trustee (the "Indenture Trustee"),

WITNESSETH THAT:

Each party hereto agrees as follows for the benefit of the other party and for the equal and ratable benefit Holders of the Issuer's Series 2006-HSA4 Home Equity Loan-Backed Term Notes and Home Equity Loan-Backed Variable Funding (together, the "Notes") and the Credit Enhancer.

GRANTING CLAUSE

The Issuer hereby Grants to the Indenture Trustee at the Closing Date, as trustee for the benefit of the Hol the Notes, all of the Issuer's right, title and interest in and to the Home Equity Loans and to all accounts, chattel paper, intangibles, payment intangibles, contract rights, certificates of deposit, deposit accounts, instruments, documents, let credit, money, advices of credit, investment property, goods and other property consisting of, arising under or related to now existing or hereafter created in (a) the Home Equity Loans, including, without limitation, the benefit of the representati warranties made by the Seller in Section 3.1(a) and Section 3.1(b) of the Purchase Agreement concerning the Home Equity Loans right to enforce the remedies against the Seller provided in such Section 3.1 to the same extent as though such representatio warranties were made directly to the Indenture Trustee, (b) the Payment Account, all funds on deposit or credited thereto fr to time and all proceeds thereof and (c) all present and future claims, demands, causes and choses in action in respect of any of the foregoing and all payments on or under, and all proceeds of every kind and nature whatsoever in respect of, any or all foregoing and all payments on or under, and all proceeds of every kind and nature whatsoever in the conversion thereof, volun involuntary, into cash or other liquid property, all cash proceeds, accounts, accounts receivable, notes, drafts, accep checks, deposit accounts, rights to payment of any and every kind, and other forms of obligations and receivables, instrume other property which at any time constitute all or part of or are included in the proceeds of any of the foregoing (collectivel "Trust Estate" or the "Collateral").

The foregoing Grant is made in trust to secure the payment of principal of and interest on, and any other owing in respect of, the Notes, equally and ratably without prejudice, priority or distinction, and to secure compliance w provisions of this Indenture, all as provided in this Indenture.

The foregoing Grant shall inure to the benefit of the Credit Enhancer in respect of draws made on the Pol amounts owing to the Credit Enhancer from time to time pursuant to the Insurance Agreement and payable to the Credit E pursuant to this Indenture, and such Grant shall continue in full force and effect for the benefit of the Credit Enhancer un such amounts owing to it have been repaid in full.

The Indenture Trustee, as trustee on behalf of the Holders of the Notes, (i) acknowledges such Grant, (ii) the trust under this Indenture in accordance with the provisions hereof, (iii) agrees to perform its duties as Indenture Tru required herein and (iv) acknowledges receipt of the Policy and shall hold such Policy in accordance with the terms of this In for the benefit of the Holders of the Notes.

ARTICLE I

Definitions

Section 1.01. Definitions. For all purposes of this Indenture, except as otherwise expressly provided herein or unl context otherwise requires, capitalized terms not otherwise defined herein shall have the meanings assigned to such terms Definitions attached hereto as Appendix A which is incorporated by reference herein. All other capitalized terms used herei have the meanings specified herein.

Section 1.02. Incorporation by Reference of Trust Indenture Act. Whenever this Indenture refers to a provision of th Indenture Act (the "TIA"), the provision is incorporated by reference in and made a part of this Indenture. The following TI used in this Indenture have the following meanings:

"Commission" means the Securities and Exchange Commission.

"indenture securities" means the Notes.

"indenture security holder" means a Noteholder.

"indenture to be qualified" means this Indenture.

"indenture trustee" or "institutional trustee" means the Indenture Trustee.

"obligor" on the indenture securities means the Issuer and any other obligor on the indenture securities.

All other TIA terms used in this Indenture that are defined by the TIA, defined by TIA reference to another or defined by Commission rule have the meaning assigned to them by such definitions.

Section 1.03. Rules of Construction. Unless the context otherwise requires:

(i) a term has the meaning assigned to it;

(ii) an accounting term not otherwise defined has the meaning assigned to it in accordance with generally accepted acc principles as in effect from time to time;

(iii) "or" is not exclusive;

(iv) "including" means including without limitation;

(v) words in the singular include the plural and words in the plural include the singular; and

(vi) any agreement, instrument or statute defined or referred to herein or in any instrument or certificate delive connection herewith means such agreement, instrument or statute as from time to time amended, modified or supplemented and i (in the case of agreements or instruments) references to all attachments thereto and instruments incorporated therein; refere a Person are also to its permitted successors and assigns.

ARTICLE II

Original Issuance of Notes

Section 2.01. Form. The Term Notes and the Variable Funding Notes, in each case together with the Indenture Trustee's cert of authentication, shall be in substantially the forms set forth in Exhibits A-1 and A-2, respectively, with such appr insertions, omissions, substitutions and other variations as are required or permitted by this Indenture and may have such l numbers or other marks of identification and such legends or endorsements placed thereon as may, consistently herewith, be det by the officers executing such Notes, as evidenced by their execution of the Notes. Any portion of the text of any Note may forth on the reverse thereof, with an appropriate reference thereto on the face of the Note.

The Notes shall be typewritten, printed, lithographed or engraved or produced by any combination of these methods (without steel engraved borders), all as determined by the Authorized Officers executing such Notes, as evidenced by their ex of such Notes.

The terms of the Notes set forth in Exhibits A-1 and A-2 are part of the terms of this Indenture.

Section 2.02. Execution, Authentication and Delivery. The Notes shall be executed on behalf of the Issuer by any Authorized Officers. The signature of any such Authorized Officer on the Notes may be manual or facsimile.

Notes bearing the manual or facsimile signature of individuals who were at any time Authorized Officers of the Issue bind the Issuer, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authent and delivery of such Notes or did not hold such offices at the date of such Notes.

The Indenture Trustee shall upon Issuer Request authenticate and deliver Term Notes for original issue in an ag initial principal amount of $402,118,000 and Variable Funding Notes for original issue in an aggregate initial principal am $0. The Security Balance of the Variable Funding Notes in the aggregate may not exceed the Maximum Variable Funding Balance.

Each Note shall be dated the date of its authentication. The Notes shall be issuable as registered Notes and the Notes shall be issuable in the minimum initial Security Balances of $100,000 and in integral multiples of $1 in excess thereof.

Each Variable Funding Note shall be initially issued with a Security Balance of $0 or, if applicable, with a S Balance in the amount equal to the Additional Balance Differential for the Collection Period related to the Payment Date fo the date of issuance of such Variable Funding Note pursuant to Section 4.01(b).

No Note shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose, unless appears on such Note a certificate of authentication substantially in the form provided for herein executed by the Indenture by the manual signature of one of its authorized signatories, and such certificate upon any Note shall be conclusive evidenc the only evidence, that such Note has been duly authenticated and delivered hereunder.

ARTICLE III

Covenants

Section 3.01. Collection of Payments with Respect to the Home Equity Loans. The Indenture Trustee shall establish and m with itself the Payment Account in which the Indenture Trustee shall, subject to the terms of this paragraph, deposit, on t day as it is received from the Master Servicer, each remittance received by the Indenture Trustee with respect to the Home Loans. The Indenture Trustee shall make all payments of principal of and interest on the Notes, subject to Section 3.03, as p in Section 3.05 herein from monies on deposit in the Payment Account.

Section 3.02. Maintenance of Office or Agency. The Issuer will maintain in the City of New York, an office or agency subject to satisfaction of conditions set forth herein, Notes may be surrendered for registration of transfer or exchange, an notices and demands to or upon the Issuer in respect of the Notes and this Indenture may be served. The Issuer hereby in appoints the Indenture Trustee to serve as its agent for the foregoing purposes. If at any time the Issuer shall fail to m any such office or agency or shall fail to furnish the Indenture Trustee with the address thereof, such surrenders, noti demands may be made or served at the Corporate Trust Office, and the Issuer hereby appoints the Indenture Trustee as its a receive all such surrenders, notices and demands.

Section 3.03. Money for Payments to Be Held in Trust; Paying Agent. (a) As provided in Section 3.01, all payments of amou and payable with respect to any Notes that are to be made from amounts withdrawn from the Payment Account pursuant to Secti shall be made on behalf of the Issuer by the Indenture Trustee or by the Paying Agent, and no amounts so withdrawn from the Account for payments of Notes shall be paid over to the Issuer except as provided in this Section 3.03.

The Issuer will cause each Paying Agent other than the Indenture Trustee to execute and deliver to the Indenture Tru instrument in which such Paying Agent shall agree with the Indenture Trustee (and if the Indenture Trustee acts as Paying Age hereby so agrees), subject to the provisions of this Section 3.03, that such Paying Agent will:

(i) hold all sums held by it for the payment of amounts due with respect to the Notes in trust for the benefit of the entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided and pay such sums Persons as herein provided;

(ii) give the Indenture Trustee and the Credit Enhancer written notice of any default by the Issuer of which it has knowledge in the making of any payment required to be made with respect to the Notes;

(iii) at any time during the continuance of any such default, upon the written request of the Indenture Trustee, forthwith the Indenture Trustee all sums so held in trust by such Paying Agent;

(iv) immediately resign as Paying Agent and forthwith pay to the Indenture Trustee all sums held by it in trust for the of Notes, if at any time it ceases to meet the standards required to be met by a Paying Agent at the time of its appointment;

(v) comply with all requirements of the Code with respect to the withholding from any payments made by it on any Notes applicable withholding taxes imposed thereon and with respect to any applicable reporting requirements in connection therewith;

(vi) deliver to the Indenture Trustee a copy of the report to Noteholders prepared with respect to each Payment Date Master Servicer pursuant to Section 4.01 of the Servicing Agreement.

The Issuer may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for an purpose, by Issuer Request direct any Paying Agent to pay to the Indenture Trustee all sums held in trust by such Paying Agent sums to be held by the Indenture Trustee upon the same trusts as those upon which the sums were held by such Paying Agent; a such payment by any Paying Agent to the Indenture Trustee, such Paying Agent shall be released from all further liabilit respect to such money.

Subject to applicable laws with respect to escheat of funds, any money held by the Indenture Trustee or any Paying A trust for the payment of any amount due with respect to any Note and remaining unclaimed for one year after such amount has due and payable shall be discharged from such trust and be paid to the Issuer on Issuer Request; and the Holder of such Not thereafter, as an unsecured general creditor, look only to the Issuer for payment thereof (but only to the extent of the amo paid to the Issuer), and all liability of the Indenture Trustee or such Paying Agent with respect to such trust money shall th cease; provided, however, that the Indenture Trustee or such Paying Agent, before being required to make any such repayment, s the expense and direction of the Issuer cause to be published once, in an Authorized Newspaper, notice that such money unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such publicatio unclaimed balance of such money then remaining will be repaid to the Issuer. The Indenture Trustee may also adopt and employ, expense and direction of the Issuer, any other reasonable means of notification of such repayment (including, but not limi mailing notice of such repayment to Holders whose Notes have been called but have not been surrendered for redemption or whos to or interest in monies due and payable but not claimed is determinable from the records of the Indenture Trustee or of any Agent, at the last address of record for each such Holder).

Section 3.04. Existence. The Issuer will keep in full effect its existence, rights and franchises as a statutory trust un laws of the State of Delaware (unless it becomes, or any successor Issuer hereunder is or becomes, organized under the laws other state or of the United States of America, in which case the Issuer will keep in full effect its existence, rig franchises under the laws of such other jurisdiction) and will obtain and preserve its qualification to do business jurisdiction in which such qualification is or shall be necessary to protect the validity and enforceability of this Indentur Notes, the Home Equity Loans and each other instrument or agreement included in the Trust Estate.

Section 3.05. Payment of Principal and Interest; Defaulted Interest. (a) On each Payment Date from amounts on deposit Payment Account (other than amounts deposited in the nature of prepayment charges), the Paying Agent shall pay to the Noteh the Certificate Paying Agent, on behalf of the Certificateholders, and to other Persons the amounts to which they are entitl set forth in the statements delivered to the Indenture Trustee pursuant to Section 4.01 of the Servicing Agreement, as se below in the following order of priority:

(i) first, to the Class A Noteholders and the Variable Funding Noteholders, the Interest Distribution Amount for the Notes and the Variable Funding Notes for such Payment Date, on a pro rata basis in accordance with their respective I Distribution Amounts;

(ii) second, to the Class A Noteholders and the Variable Funding Noteholders, as principal on the Class A Notes and V Funding Notes, the Principal Collection Distribution Amount with respect to the Class A Notes and the Variable Funding Notes f Payment Date, on a pro rata basis in accordance with the outstanding Security Balances thereof;

(iii) third, to the Class A Noteholders and the Variable Funding Noteholders, as principal on the Class A Notes and V Funding Notes, on a pro rata basis in accordance with the outstanding Security Balances thereof, the Liquidation Loss Distr Amount for such Payment Date;

(iv) fourth, to the Credit Enhancer, the amount of the premium for the Policy and any previously unpaid premiums for the with interest thereon as provided in the Insurance Agreement;

(v) fifth, to the Credit Enhancer, to reimburse it for prior draws made on the Policy related to payments of princip interest on the Class A Notes and the Variable Funding Notes with interest thereon as provided in the Insurance Agreement;

(vi) sixth, to the Class A Noteholders and the Variable Funding Noteholders, as principal on the Class A Notes and the V Funding Notes, on a pro rata basis in accordance with the outstanding Security Balances thereof, the Overcollateralization I Amount, if any, for such Payment Date;

(vii) seventh, to the Credit Enhancer, any other amounts owed to the Credit Enhancer pursuant to the Insurance Agreement;

(viii) eighth, to the Class A Noteholders and the Variable Funding Noteholders, any Net WAC Cap Shortfalls for that Payme and any Net WAC Cap Shortfalls for previous Payment Dates and not previously paid (together with interest thereon at the No (as adjusted from time to time)), on a pro rata basis in accordance with the respective amounts of Net WAC Cap Shortfalls al to each such Class for such Payment Date and any previous Payment Dates not previously paid (with interest thereon);

(ix) ninth, to pay to the holders of the Class A Notes and the Variable Funding Notes, pro rata, any Relief Act Sho incurred during the related Collection Period; and

(x) tenth, any remaining amount (other than amounts in the nature of prepayment charges) to the Certificate Paying A behalf of the holders of the Class SB Certificates and any amounts in the nature of prepayment charges to the Certificate Agent, on behalf of the holders of the Class SB Certificates;

provided, however, in the event that on a Payment Date a Credit Enhancer Default shall have occurred and be continuing, t priorities of distributions described above will be adjusted such that payments of any required payments of principal on the N each Payment Date pursuant to clause 3.05(a)(iii) above will include all Liquidation Loss Amounts for such Payment Date and previous Collection Periods until paid or covered in full, to the extent not otherwise covered by a Liquidation Loss Distr Amount, a reduction of the Overcollateralization Amount on such Payment Date or a draw on the Policy (up to the outstanding S Balance thereof).

On the Final Scheduled Payment Date or other final Payment Date for the Notes, the amount to be paid pursuant to (iii) above shall be equal to the Security Balances of the Notes immediately prior to such Payment Date. Notwithstanding a herein to the contrary, if the final Payment Date is a date on which the Master Servicer has exercised its right to purchase the Home Equity Loans pursuant to Section 8.08 of the Servicing Agreement, the priorities set forth in clauses (i) through above shall be disregarded, and amounts on deposit in the Payment Account with respect to the Home Equity Loans will be first, to pay the Interest Distribution Amount for the Class A Notes and Variable Funding Notes, on a pro rata basis in acc with their respective Interest Distribution Amounts; and second, to pay principal on the Class A Notes and Variable Funding N a pro rata basis in accordance with their respective Security Balances, until the Security Balances thereof have been reduced and then in accordance with the priorities set forth in clauses (iv) through (x) above.

(b) Relief Act Shortfalls on the Home Equity Loans will be allocated to the Class A Notes and Variable Funding Notes o rata basis in accordance with the amount of accrued interest payable on that Class for such Payment Date, absent such reductions

(c) On each Payment Date, the Certificate Paying Agent shall deposit in the Certificate Distribution Account all amo received pursuant to this Section 3.05 for the purpose of distributing such funds to the Certificateholders.

The amounts paid to Noteholders shall be paid in respect of the Term Notes or Variable Funding Notes, as t may be, in accordance with the applicable percentage as set forth in paragraph (d) below. Interest will accrue on the Notes an Interest Period, on the basis of the actual number of days in such Interest Period and a year assumed to consist of 360 days.

Any installment of interest or principal, if any, payable on any Note that is punctually paid or duly provi by the Issuer on the applicable Payment Date shall, if such Holder holds Notes of an aggregate initial Security Balance or n amount of at least $1,000,000, be paid to each Holder of record on the preceding Record Date, by wire transfer to an specified in writing by such Holder reasonably satisfactory to the Indenture Trustee as of the preceding Record Date or in al cases or if no such instructions have been delivered to the Indenture Trustee, by check to such Noteholder mailed to such H address as it appears in the Note Register the amount required to be distributed to such Holder on such Payment Date pursuant Holder's Securities; provided, however, that the Indenture Trustee shall not pay to such Holders any amount required to be w from a payment to such Holder by the Code.

(d) Principal of each Note shall be due and payable in full on the Final Scheduled Payment Date for such Note as provided related form of Note set forth in Exhibits A-1 and A-2. All principal payments on each of the Term Notes and Variable Funding shall be made in accordance with the priorities set forth in paragraphs (a) and (b) above to the Noteholders entitled the accordance with the related Percentage Interests represented thereby. Upon written notice to the Indenture Trustee by the the Indenture Trustee shall notify the Person in whose name a Note is registered at the close of business on the Recor preceding the Final Scheduled Payment Date or other final Payment Date. Such notice shall be mailed no later than five Busine prior to such Final Scheduled Payment Date or other final Payment Date and shall specify that payment of the principal amount interest due with respect to such Note at the Final Scheduled Payment Date or other final Payment Date will be payable on presentation and surrender of such Note and shall specify the place where such Note may be presented and surrendered for suc payment.

Section 3.06. Protection of Trust Estate. (a) The Issuer will from time to time execute and deliver all such supplemen amendments hereto and all such financing statements, continuation statements, instruments of further assurance and other instr and will take such other action necessary or advisable to:

(i) maintain or preserve the lien and security interest (and the priority thereof) of this Indenture or carry o effectively the purposes hereof;

(ii) perfect, publish notice of or protect the validity of any Grant made or to be made by this Indenture;

(iii) cause the Trust to enforce any of the Home Equity Loans; or

(iv) preserve and defend title to the Trust Estate and the rights of the Indenture Trustee and the Noteholders and the Enhancer in such Trust Estate against the claims of all persons and parties.

(b) Except as otherwise provided in this Indenture, the Indenture Trustee shall not remove any portion of the Trust Esta consists of money or is evidenced by an instrument, certificate or other writing from the jurisdiction in which it was held date of the most recent Opinion of Counsel delivered pursuant to Section 3.07 (or from the jurisdiction in which it was

described in the Opinion of Counsel delivered at the Closing Date pursuant to Section 3.07(a), if no Opinion of Counsel has y delivered pursuant to Section 3.07(b)) unless the Indenture Trustee shall have first received an Opinion of Counsel to the that the lien and security interest created by this Indenture with respect to such property will continue to be maintained giving effect to such action or actions.

The Issuer hereby designates the Indenture Trustee its agent and attorney-in-fact to execute any financing sta continuation statement or other instrument required to be executed pursuant to this Section 3.06.

Section 3.07. Opinions as to Trust Estate. (a) On the Closing Date, the Issuer shall furnish to the Indenture Truste Credit Enhancer and the Owner Trustee an Opinion of Counsel at the expense of the Issuer stating that, upon delivery of t Agreements relating to the Initial Home Equity Loans to the Indenture Trustee or the Custodian, the Indenture Trustee will perfected, first priority security interest in the Home Equity Loans.

(b) On or before December 31st in each calendar year, beginning in 2006, the Issuer shall furnish to the Indenture Tru Opinion of Counsel at the expense of the Issuer either stating that, in the opinion of such counsel, such action has been tak respect to the recording, filing, re-recording and refiling of this Indenture, any indentures supplemental hereto and an requisite documents and with respect to the execution and filing of any financing statements and continuation statement necessary to maintain the lien and security interest in the Home Equity Loans and reciting the details of such action or stati in the opinion of such counsel no such action is necessary to maintain such lien and security interest. Such Opinion of Counse also describe the recording, filing, re-recording and refiling of this Indenture, any indentures supplemental hereto and an requisite documents and the execution and filing of any financing statements and continuation statements that will, in the opi such counsel, be required to maintain the lien and security interest in the Home Equity Loans until December 31 in the fo calendar year.

Section 3.08. Performance of Obligations; Servicing Agreement. (a) The Issuer will punctually perform and observe all obligations and agreements contained in this Indenture, the Basic Documents and in the instruments and agreements included Trust Estate.

(b) The Issuer may contract with other Persons to assist it in performing its duties under this Indenture, and any perf of such duties by a Person identified to the Indenture Trustee in an Officer's Certificate of the Issuer shall be deemed to be taken by the Issuer.

(c) The Issuer will not take any action or permit any action to be taken by others which would release any Person from such Person's covenants or obligations under any of the documents relating to the Home Equity Loans or under any instrument i in the Trust Estate, or which would result in the amendment, hypothecation, subordination, termination or discharge of, or imp validity or effectiveness of, any of the documents relating to the Home Equity Loans or any such instrument, except such act the Master Servicer is expressly permitted to take in the Servicing Agreement.

(d) The Issuer may retain an administrator and may enter into contracts with other Persons for the performance of the I obligations hereunder, and performance of such obligations by such Persons shall be deemed to be performance of such obligat the Issuer.

Section 3.09. Negative Covenants. So long as any Notes are Outstanding, the Issuer shall not:

(a) except as expressly permitted by this Indenture, sell, transfer, exchange or otherwise dispose of the Trust Estate, directed to do so by the Indenture Trustee;

(b) claim any credit on, or make any deduction from the principal or interest payable in respect of, the Notes (oth amounts properly withheld from such payments under the Code) or assert any claim against any present or former Noteholder by of the payment of the taxes levied or assessed upon any part of the Trust Estate;

(c) (i) permit the validity or effectiveness of this Indenture to be impaired, or permit the lien of this Indenture amended, hypothecated, subordinated, terminated or discharged, or permit any Person to be released from any covenants or obli with respect to the Notes under this Indenture except as may be expressly permitted hereby, (ii) permit any lien, charge, claim, security interest, mortgage or other encumbrance (other than the lien of this Indenture) to be created on or exten otherwise arise upon or burden the Trust Estate or any part thereof or any interest therein or the proceeds thereof or (iii) the lien of this Indenture not to constitute a valid first priority security interest in the Trust Estate; or

(d) impair or cause to be impaired the Issuer's interest in the Home Equity Loans, the Purchase Agreement or in an Document, if any such action would materially and adversely affect the interests of the Noteholders or the Credit Enhancer.

Section 3.10. Annual Statement as to Compliance. The Issuer will deliver to the Indenture Trustee, within 120 days after of each fiscal year of the Issuer (commencing with the fiscal year 2006), an Officer's Certificate stating, as to the Aut Officer signing such Officer's Certificate, that:

(a) a review of the activities of the Issuer during such year and of its performance under this Indenture and th Agreement has been made under such Authorized Officer's supervision; and

(b) to the best of such Authorized Officer's knowledge, based on such review, the Issuer has complied with all conditi covenants under this Indenture and the provisions of the Trust Agreement throughout such year, or, if there has been a default compliance with any such condition or covenant, specifying each such default known to such Authorized Officer and the nat status thereof.

Section 3.11. Recording of Assignments. The Issuer shall enforce the obligation of the Seller under the Purchase Agree submit or cause to be submitted for recordation all Assignments of Mortgages within 60 days of receipt of recording informa the Master Servicer.

Section 3.12. Representations and Warranties Concerning the Home Equity Loans. The Indenture Trustee, as pledgee of t Equity Loans, has the benefit of the representations and warranties made by the Seller in Section 3.1(a) and Section 3.1(b) Purchase Agreement concerning the Home Equity Loans and the right to enforce the remedies against the Seller provided in such 3.1 to the same extent as though such representations and warranties were made directly to the Indenture Trustee.

Section 3.13. Assignee of Record of the Home Equity Loans. As pledgee of the Home Equity Loans, the Indenture Trustee sha record title to the Home Equity Loans by being named as payee in the endorsements or assignments of the Loan Agreements and a in the Assignments of Mortgage to be recorded under Section 2.1 of the Purchase Agreement. Except as expressly provided

Purchase Agreement or in the Servicing Agreement with respect to any specific Home Equity Loan, the Indenture Trustee sh execute any endorsement or assignment or otherwise release or transfer such record title to any of the Home Equity Loans unt time as the remaining Trust Estate may be released pursuant to Section 8.05(b).

Section 3.14. Master Servicer as Agent and Bailee of the Indenture Trustee. Solely for purposes of perfection under Sectio or 9-314 of the Uniform Commercial Code or other similar applicable law, rule or regulation of the state in which such prop held by the Master Servicer, the Issuer and the Indenture Trustee hereby acknowledge that the Master Servicer is acting as ag bailee of the Indenture Trustee in holding amounts on deposit in the Custodial Account pursuant to Section 3.02 of the Se Agreement that are allocable to the Home Equity Loans, as well as the agent and bailee of the Indenture Trustee in holdi Related Documents released to the Master Servicer pursuant to Section 3.06(c) of the Servicing Agreement, and any othe constituting a part of the Trust Estate which from time to time come into the possession of the Master Servicer. It is i that, by the Master Servicer's acceptance of such agency pursuant to Section 3.02 of the Servicing Agreement, the Indenture T as a pledgee of the Home Equity Loans, will be deemed to have possession of such Related Documents, such monies and such othe for purposes of Section 9-305 of the Uniform Commercial Code of the state in which such property is held by the Master Servicer.

Section 3.15. Investment Company Act. The Issuer shall not become an "investment company" or under the "control" "investment company" as such terms are defined in the Investment Company Act of 1940, as amended (or any successor or ame statute), and the rules and regulations thereunder (taking into account not only the general definition of the term "inv company" but also any available exceptions to such general definition); provided, however, that the Issuer shall be in com with this Section 3.15 if it shall have obtained an order exempting it from regulation as an "investment company" so long as i compliance with the conditions imposed in such order.

Section 3.16. Issuer May Consolidate, etc. (a) The Issuer shall not consolidate or merge with or into any other Person, un

(i) the Person (if other than the Issuer) formed by or surviving such consolidation or merger shall be a Person organi existing under the laws of the United States of America or any state or the District of Columbia and shall expressly assume, indenture supplemental hereto, executed and delivered to the Indenture Trustee, in form reasonably satisfactory to the In Trustee, the due and punctual payment of the principal of and interest on all Notes and to the Certificate Paying Agent, on be the Certificateholders and the performance or observance of every agreement and covenant of this Indenture on the part of the to be performed or observed, all as provided herein;

(ii) immediately after giving effect to such transaction, no Event of Default shall have occurred and be continuing;

(iii) the Issuer receives the prior written consent of the Credit Enhancer and the Rating Agencies shall have notified the that such transaction shall not cause the rating of the Notes to be reduced, suspended or withdrawn or to be considered by Rating Agency to be below investment grade without taking into account the Policy;

(iv) the Issuer shall have received an Opinion of Counsel (and shall have delivered copies thereof to the Indenture Trus the Credit Enhancer) to the effect that such transaction will not have any material adverse tax consequence to the Issue Noteholder or any Certificateholder;

(v) any action that is necessary to maintain the lien and security interest created by this Indenture shall have been taken

(vi) the Issuer shall have delivered to the Indenture Trustee an Officer's Certificate and an Opinion of Counsel each that such consolidation or merger and such supplemental indenture comply with this Article III and that all conditions pr herein provided for relating to such transaction have been complied with (including any filing required by the Exchange Act).

(b) The Issuer shall not convey or transfer any of its properties or assets, including those included in the Trust Esta any Person, unless:

(i) the Person that acquires by conveyance or transfer the properties and assets of the Issuer the conveyance or tran which is hereby restricted shall (i) be a United States citizen or a Person organized and existing under the laws of the States of America or any state, (ii) expressly assumes, by an indenture supplemental hereto, executed and delivered to the In Trustee, in form satisfactory to the Indenture Trustee, the due and punctual payment of the principal of and interest on al and the performance or observance of every agreement and covenant of this Indenture on the part of the Issuer to be perfo observed, all as provided herein, (iii) expressly agrees by means of such supplemental indenture that all right, title and i so conveyed or transferred shall be subject and subordinate to the rights of Holders of the Notes, (iv) unless otherwise prov such supplemental indenture, expressly agrees to indemnify, defend and hold harmless the Issuer against and from any loss, li or expense arising under or related to this Indenture and the Notes and (v) expressly agrees by means of such supplemental in that such Person (or if a group of Persons, then one specified Person) shall make all filings with the Commission (and an appropriate Person) required by the Exchange Act in connection with the Notes;

(ii) immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continui

(iii) the Issuer receives the prior written consent of the Credit Enhancer and the Rating Agencies shall have notified the that such transaction shall not cause the rating of the Notes to be reduced, suspended or withdrawn, if determined without re the Policy;

(iv) the Issuer shall have received an Opinion of Counsel (and shall have delivered copies thereof to the Indenture Trus the Credit Enhancer) to the effect that such transaction will not have any material adverse tax consequence to the Issuer Noteholder;

(v) any action that is necessary to maintain the lien and security interest created by this Indenture shall have been taken

(vi) the Issuer shall have delivered to the Indenture Trustee an Officer's Certificate and an Opinion of Counsel each that such conveyance or transfer and such supplemental indenture comply with this Article III and that all conditions pr herein provided for relating to such transaction have been complied with (including any filing required by the Exchange Act).

Section 3.17. Successor or Transferee. (a) Upon any consolidation or merger of the Issuer in accordance with Section 3 the Person formed by or surviving such consolidation or merger (if other than the Issuer) shall succeed to, and be substitute and may exercise every right and power of, the Issuer under this Indenture with the same effect as if such Person had been n the Issuer herein.

(b) Upon a conveyance or transfer of all the assets and properties of the Issuer pursuant to Section 3.16(b), the Issuer released from every covenant and agreement of this Indenture to be observed or performed on the part of the Issuer with res

the Notes immediately upon the delivery of written notice to the Indenture Trustee of such conveyance or transfer.

Section 3.18. No Other Business. The Issuer shall not engage in any business other than financing, purchasing, owning and and managing the Home Equity Loans and the issuance of the Notes and Certificates in the manner contemplated by this Indent the Basic Documents and all activities incidental thereto.

Section 3.19. No Borrowing. The Issuer shall not issue, incur, assume, guarantee or otherwise become liable, dire indirectly, for any indebtedness except for the Notes.

Section 3.20. Guarantees, Loans, Advances and Other Liabilities. Except as contemplated by this Indenture or the othe Documents, the Issuer shall not make any loan or advance or credit to, or guarantee (directly or indirectly or by an ins having the effect of assuring another's payment or performance on any obligation or capability of so doing or otherwise), end otherwise become contingently liable, directly or indirectly, in connection with the obligations, stocks or dividends of, purchase, repurchase or acquire (or agree contingently to do so) any stock, obligations, assets or securities of, or an interest in, or make any capital contribution to, any other Person.

Section 3.21. Capital Expenditures. The Issuer shall not make any expenditure (by long- term or operating lease or otherwi capital assets (either realty or personalty).

Section 3.22. Owner Trustee Not Liable for Certificates or Related Documents. The recitals contained herein shall be taken statements of the Depositor, and the Owner Trustee assumes no responsibility for the correctness thereof. The Owner Trustee m representations as to the validity or sufficiency of this Indenture, of any Basic Document or of the Certificates (other t signatures of the Owner Trustee on the Certificates) or the Notes, or of any Related Documents. The Owner Trustee shall at have any responsibility or liability with respect to the sufficiency of the Trust Estate or its ability to generate the paym be distributed to Certificateholders under the Trust Agreement or the Noteholders under this Indenture, including, the compli the Depositor or the Seller with any warranty or representation made under any Basic Document or in any related document accuracy of any such warranty or representation, or any action of the Certificate Paying Agent, the Certificate Registrar Indenture Trustee taken in the name of the Owner Trustee.

Section 3.23. Restricted Payments. The Issuer shall not, directly or indirectly, (i) pay any dividend or make any distr (by reduction of capital or otherwise), whether in cash, property, securities or a combination thereof, to the Owner Trustee owner of a beneficial interest in the Issuer or otherwise with respect to any ownership or equity interest or security in or Issuer, (ii) redeem, purchase, retire or otherwise acquire for value any such ownership or equity interest or security or (i aside or otherwise segregate any amounts for any such purpose; provided, however, that the Issuer may make, or cause to be ma distributions to the Owner Trustee and the Certificateholders as contemplated by, and to the extent funds are available f purpose under the Trust Agreement and (y) payments to the Master Servicer pursuant to the terms of the Servicing Agreemen Issuer will not, directly or indirectly, make payments to or distributions from the Custodial Account except in accordance wi Indenture and the other Basic Documents.

Section 3.24. Notice of Events of Default. The Issuer shall give the Indenture Trustee, the Credit Enhancer and the Agencies prompt written notice of each Event of Default hereunder and under the Trust Agreement.

Section 3.25. Further Instruments and Acts. Upon request of the Indenture Trustee or the Credit Enhancer, the Issuer will and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effe the purpose of this Indenture.

Section 3.26. Statements to Noteholders. On each Payment Date, the Indenture Trustee and the Certificate Registrar shall by mail to each Noteholder or make available on its website initially located at "www.jpmorgan.com/sfr" and Certificate respectively, the statement delivered to it, on the Business Day following the related Determination Date pursuant to Section the Servicing Agreement.

Section 3.27. Determination of Note Rates. On the second LIBOR Business Day immediately preceding (i) the Closing Date case of the first Interest Period and (ii) the first day of each succeeding Interest Period, the Indenture Trustee shall de LIBOR and the Note Rate for such Interest Period and shall inform the Issuer, the Master Servicer and the Depositor a respective facsimile numbers given to the Indenture Trustee in writing.

Section 3.28. Payments under the Policy. (a) On or prior to 12:00 noon New York City time on the second Business Day bef Payment Date, the Indenture Trustee shall make a draw on the Policy, in an amount, if any, equal to the Deficiency Amou respect to the Notes. For purposes of the foregoing, amounts in the Payment Account available for interest distributions Notes on any Payment Date shall be deemed to include all amounts distributed on the Home Equity Loans for such Payment Date, than the Principal Collection Distribution Amount distributed thereon. In addition, on the Final Scheduled Payment Dat Indenture Trustee shall make a draw on the Policy in the amount by which the Security Balances on the Notes exceeds the p otherwise available to be made to the Holders thereof on the Final Scheduled Payment Date.

(b) The Indenture Trustee shall submit, if any Deficiency Amount is specified in any statement to Holders of the Notes p by the Master Servicer pursuant to Section 4.01 of the Servicing Agreement and timely delivered to the Indenture Trustee, the (in the form attached as Exhibit A to the Policy) in the amount of the Deficiency Amount to the Credit Enhancer no later tha noon, New York City time, on the second Business Day prior to the applicable Payment Date. Upon receipt of such Deficiency Am accordance with the terms of the Policy, the Indenture Trustee shall deposit such Deficiency Amount in the Payment Acco distribution to the Noteholders pursuant to Section 3.05.

Section 3.29. Additional Representations of the Issuer.

The Issuer represents and warrants to the Indenture Trustee and the Credit Enhancer that as of the Closin unless specifically stated otherwise:

(a) This Indenture creates a valid and continuing security interest (as defined in the New York UCC) in the Mortgage N favor of the Indenture Trustee, which security interest is prior to all other Liens (except as expressly permitted other this Indenture), and is enforceable as such as against creditors of and purchasers from the Issuer.

(b) The Mortgage Notes constitute "instruments" within the meaning of the New York UCC and the Delaware UCC.

(c) The Issuer owns and has good and marketable title to the Mortgage Notes free and clear of any Lien of any Person.

(d) The original executed copy of each mortgage Note (except for any Mortgage Note with respect to which a Lost Note Af

has been delivered to the Custodian) has been delivered to the Custodian.

(e) The Issuer has received a written acknowledgment from the Custodian that the Custodian is acting solely as agent Indenture Trustee for the benefit of the Noteholders and the Credit Enhancer.

(f) Other than the security interest granted to the Indenture Trustee pursuant to this Indenture, the Issuer has not p assigned, sold, granted a security interest in, or otherwise conveyed any of the Mortgage Notes. The Issuer has not aut the filing of and is not aware of any financing statements against the Issuer that include a description of collateral c the Mortgage Notes other than any financing statement relating to the security interest granted to the Indenture hereunder or any security interest that has been terminated. The Issuer is not aware of any judgment or tax lien filings the Issuer.

(g) None of the Mortgage Notes has any marks or notations indicating that they have been pledged, assigned or otherwise c to any Person other than the Indenture Trustee, except for (i) any endorsements that are part of a complete chain of endor from the originator of the Mortgage Note to the Indenture Trustee, and (ii) any marks or notations pertaining to Liens th been terminated or released.

ARTICLE IV

The Notes; Satisfaction and Discharge of Indenture.

Section 4.01. The Notes; Increase of Maximum Variable Funding Balance; Variable Funding Notes. (a) The Term Notes s registered in the name of a nominee designated by the Depository. Beneficial Owners will hold interests in the Class A Notes forth in Section 4.06 herein in minimum initial Security Balances of $100,000 and integral multiples of $1 in excess thereo Capped Funding Notes will be issued as definitive notes in fully registered form in minimum initial Security Balances of $10, integral multiples of $1 in excess thereof, together with any additional amount necessary to cover (i) the aggregate initial S Balance of the Capped Funding Notes surrendered at the time of the initial denominational exchange thereof (with such Security Balance in each case being deemed to be the Security Balance of the Capped Funding Notes at the time of such denominational exchange thereof) or (ii) the aggregate initial Security Balance of any Capped Funding Notes issued in an e described in subsection (d) below.

The Indenture Trustee may for all purposes (including the making of payments due on the Notes) deal with the Deposi the authorized representative of the Beneficial Owners with respect to the Term Notes for the purposes of exercising the ri Holders of Term Notes hereunder. Except as provided in the next succeeding paragraph of this Section 4.01, the rights of Ben Owners with respect to the Term Notes shall be limited to those established by law and agreements between such Beneficial Own the Depository and Depository Participants. Except as provided in Section 4.08, Beneficial Owners shall not be entit definitive certificates for the Term Notes as to which they are the Beneficial Owners. Requests and directions from, and vo the Depository as Holder of the Term Notes shall not be deemed inconsistent if they are made with respect to different Ben Owners. The Indenture Trustee may establish a reasonable record date in connection with solicitations of consents from or vo Noteholders and give notice to the Depository of such record date. Without the consent of the Issuer and the Indenture Trust Term Note may be transferred by the Depository except to a successor Depository that agrees to hold such Note for the account Beneficial Owners.

In the event the Depository Trust Company resigns or is removed as Depository, the Indenture Trustee with the appr the Issuer may appoint a successor Depository. If no successor Depository has been appointed within 30 days of the effective the Depository's resignation or removal, each Beneficial Owner shall be entitled to certificates representing the N beneficially owns in the manner prescribed in Section 4.08.

The Notes shall, on original issue, be executed on behalf of the Issuer by the Owner Trustee, not in its individual c but solely as Owner Trustee, authenticated by the Note Registrar and delivered by the Indenture Trustee to or upon the order Issuer.

(b) On each Payment Date, the aggregate Security Balance of the Variable Funding Notes shall be increased by an amount e the Additional Balance Differential for such Payment Date, subject to the Maximum Variable Funding Balance and the te conditions set forth below. The Maximum Variable Funding Balance may be increased as provided in Section 9.01(a)(viii).

(c) The Variable Funding Notes issued on the Closing Date shall bear the Designation "VFN-1" and each new Variable Fundi for such Class of Variable Funding Note will bear sequential numerical designations in the order of their issuance.

(d) Subject to the following conditions, the Variable Funding Notes may be exchanged pursuant to Section 4.02 for one Capped Funding Notes. Prior to any such exchange, the party requesting the exchange must provide an Opinion of Counsel, addre the Credit Enhancer, the Issuer and the Indenture Trustee, to the effect that the Capped Funding Notes shall qualify for income tax purposes as indebtedness of the Issuer and the Issuer will not be characterized as an association (or a publicly partnership) taxable as a corporation or a taxable mortgage pool within the meaning of Section 7701(i) of the Code. If requ the Opinion of Counsel, the Capped Funding Notes may be issued concurrently with a reduction in the Security Balance of the V Funding Notes and an equivalent increase in the Security Balance of the Certificates, pursuant to Section 3.12 of th Agreement. Upon receipt of the Opinion of Counsel, the Indenture Trustee shall issue the Capped Funding Notes with a S Balance equal to the Security Balance permitted under such Opinion of Counsel, in minimum denominations as set forth in sub (a) above. The Capped Funding Notes shall bear the designation "Capped" in addition to any other applicable designati connection with such exchange, any Security Balance not represented by either a Capped Funding Note or an increase in the S Balance of the Certificates referred to above shall result in the issuance of a new Variable Funding Note having an initial S Balance equal to the excess of the outstanding Security Balance of the Variable Funding Note so surrendered over the initial S Balances of the related Capped Funding Notes and an increase in the Security Balance of the Certificates referred to abov Indenture Trustee and the Issuer agree to cooperate with each other and the party requesting the exchange of Variable Fundin for Capped Funding Notes, the Credit Enhancer, the Depositor, the Seller and the Owner Trustee and to cause no unreasonable d issuing Capped Funding Notes in connection with this Section and Section 3.12 of the Trust Agreement.

Section 4.02. Registration of and Limitations on Transfer and Exchange of Notes; Appointment of Certificate Registrar. (a) The Issuer shall cause to be kept at the Indenture Trustee's Corporate Trust Office a Note Register in which, subject

reasonable regulations as it may prescribe, the Note Registrar shall provide for the registration of Notes and of transf exchanges of Notes as herein provided.

(b) Subject to the restrictions and limitations set forth below, upon surrender for registration of transfer of a at the Corporate Trust Office, the Issuer shall execute and the Note Registrar shall authenticate and deliver, in the name designated transferee or transferees, one or more new Notes in authorized initial Security Balances evidencing the same ag Percentage Interests.

(c) No Variable Funding Note, other than any Capped Funding Notes, may be transferred. Subject to the provisi forth below, Capped Funding Notes may be transferred, provided that with respect to the initial transfer thereof by the Seller, written notification of such transfer shall have been given to the Rating Agencies and to the Credit Enhancer by the Seller.

(d) No transfer, sale, pledge or other disposition of a Capped Funding Note shall be made unless such transfer, pledge or other disposition is exempt from the registration requirements of the Securities Act of 1933, as amended, applicable state securities laws or is made in accordance with said Act and laws. In the event of any such transfer, the In Trustee or the Issuer shall require the transferee to execute either (i)(a) an investment letter in substantially the form a hereto as Exhibit B (or in such form and substance reasonably satisfactory to the Indenture Trustee and the Issuer) which inv letters shall not be an expense of the Trust, the Owner Trustee, the Indenture Trustee, the Master Servicer, the Depositor Issuer and which investment letter states that, among other things, such transferee (a) is a "qualified institutional bu defined under Rule 144A, acting for its own account or the accounts of other "qualified institutional buyers" as defined und 144A, and (b) is aware that the proposed transferor intends to rely on the exemption from registration requirements un Securities Act of 1933, as amended, provided by Rule 144A or (ii)(a) a written Opinion of Counsel (which may be in-house c acceptable to and in form and substance reasonably satisfactory to the Indenture Trustee and the Issuer that such transfer made pursuant to an exemption, describing the applicable exemption and the basis therefor, from said Act and laws or is bei pursuant to said Act and laws, which Opinion of Counsel shall not be an expense of the Indenture Trustee or the Issuer and Indenture Trustee shall require the transferee executes an investment letter in substantially the form of Exhibit C hereto transferor executes a representation letter, substantially in the form of Exhibit D hereto acceptable to and in form and su reasonably satisfactory to the Issuer and the Indenture Trustee certifying to the Issuer and the Indenture Trustee th surrounding such transfer, which investment letter shall not be an expense of the Indenture Trustee or the Issuer. The Hold Capped Funding Note desiring to effect such transfer shall, and does hereby agree to, indemnify the Indenture Trustee, the Enhancer and the Issuer against any liability that may result if the transfer is not so exempt or is not made in accordance wi federal and state laws. In addition, any Noteholder of a Capped Funding Note desiring to effect any such transfer shall deliv any private placement memorandum or other offering document prepared in connection with the offering of such Capped Fundin specifies that such delivery will be required, to the Indenture Trustee and the Master Servicer, either (i) a cert substantially to the effect of the certification set forth in Exhibit G to the Trust Agreement or (ii) an Opinion of Counse establishes to the satisfaction of the Indenture Trustee, the Credit Enhancer and the Master Servicer that the purch Certificates is permissible under applicable law, will not constitute or result in any non-exempt prohibited transaction unde or Section 4975 of the Code and will not subject the Indenture Trustee or the Master Servicer to any obligation or li (including obligations or liabilities under ERISA or Section 4975 of the Code) in addition to those undertaken in this Ind which Opinion of Counsel shall not be an expense of the Indenture Trustee or the Master Servicer. Notwithstanding the foregoin restrictions on transfer specified in this paragraph are not applicable to any Capped Funding Notes that have been registered the Securities Act of 1933 pursuant to Section 2.4 of the Purchase Agreement.

(e)(i) In the case of any Class A Note (each such Note, a "Book-Entry Non-Restricted Note") presented for registra the name of any Person, such Person shall be deemed to have represented to the Indenture Trustee, the Depositor and the Servicer that (A) the Person is not a Plan Investor, or (B) the acquisition of the Note by that Person does not constitute rise to a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code for which no statutory, regulat administrative exemption is available.

(ii) (A) If any Class A Note (or any interest therein) is acquired or held in violation of the provisions of (e)(i) above, then the last preceding Transferee that is not in violation of the provisions of clause (e)(i) above shall be re to the extent permitted by law, to all rights and obligations as Note Owner thereof retroactive to the date of such Transfer Book-Entry Non-Restricted Note. The Indenture Trustee shall be under no liability to any Person for making any payments due Note to such preceding Transferee.

(iii) Any Person investing assets of a Plan may not acquire any Note or any interest therein if the Depositor, the Servicer, the Indenture Trustee, the Owner Trustee or any affiliates of any such person (A) has investment or adminis discretion with respect to those plan assets of such Plan; (B) has authority or responsibility to give or regularly gives inv advice with respect to those plan assets for a fee and pursuant to an agreement or understanding that such advice will ser primary basis for investment decisions with respect to those plan assets and will be based on the particular investment needs Plan; or (C) unless United States Department of Labor Prohibited Transaction Class Exemption 90-1, 91-38 or 95-60 applies, employer maintaining or contributing to the Plan.

(iv) Any purported Beneficial Owner whose acquisition or holding of any Book-Entry Non-Restricted Note (or i therein) was effected in violation of the restrictions in this Section 4.02(e) shall indemnify and hold harmless the Deposito Indenture Trustee, the Underwriter, the Master Servicer, any Subservicer, and the Trust from and against any and all liabi claims, costs or expenses incurred by such parties as a result of such acquisition or holding.

(f) Subject to the foregoing, at the option of the Noteholders, Notes may be exchanged for other Notes of like te each case in authorized initial Security Balances evidencing the same aggregate Percentage Interests upon surrender of the N be exchanged at the Corporate Trust Office of the Note Registrar. With respect to any surrender of Capped Funding Notes for e the new Notes delivered in exchange therefor will bear the designation "Capped" in addition to any other applicable design Whenever any Notes are so surrendered for exchange, the Indenture Trustee shall execute and the Note Registrar shall authentic deliver the Notes which the Noteholder making the exchange is entitled to receive. Each Note presented or surrender registration of transfer or exchange shall (if so required by the Note Registrar) be duly endorsed by, or be accompanied by a instrument of transfer in form reasonably satisfactory to the Note Registrar duly executed by, the Holder thereof or his a duly authorized in writing with such signature guaranteed by a commercial bank or trust company located or having a corres located in the city of New York. Notes delivered upon any such transfer or exchange will evidence the same obligations, and entitled to the same rights and privileges, as the Notes surrendered.

(g) No service charge shall be imposed for any registration of transfer or exchange of Notes, but the Note Re shall require payment of a sum sufficient to cover any tax or governmental charge that may be imposed in connection w registration of transfer or exchange of Notes.

(h) All Notes surrendered for registration of transfer and exchange shall be cancelled by the Note Registr

delivered to the Indenture Trustee for subsequent destruction without liability on the part of either.

(i) The Issuer hereby appoints the Indenture Trustee as Certificate Registrar to keep at its Corporate Trust O Certificate Register pursuant to Section 3.09 of the Trust Agreement in which, subject to such reasonable regulations as prescribe, the Certificate Registrar shall provide for the registration of Certificates and of transfers and exchanges pursuant to Section 3.05 of the Trust Agreement. The Indenture Trustee hereby accepts such appointment.

Section 4.03. Mutilated, Destroyed, Lost or Stolen Notes. If (i) any mutilated Note is surrendered to the Indenture Trust the Indenture Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Note, and (ii) t delivered to the Indenture Trustee such security or indemnity as may be required by it to hold the Issuer and the Indenture harmless, then, in the absence of notice to the Issuer, the Note Registrar or the Indenture Trustee that such Note has been a by a bona fide purchaser, and provided that the requirements of Section 8-405 of the UCC are met, the Issuer shall execute, a its request the Indenture Trustee shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed or stolen Note, a replacement Note of the same class; provided, however, that if any such destroyed, lost or stolen Note, bu mutilated Note, shall have become or within seven days shall be due and payable, instead of issuing a replacement Note, the may pay such destroyed, lost or stolen Note when so due or payable without surrender thereof. If, after the delivery replacement Note or payment of a destroyed, lost or stolen Note pursuant to the proviso to the preceding sentence, a bo purchaser of the original Note in lieu of which such replacement Note was issued presents for payment such original Note, the and the Indenture Trustee shall be entitled to recover such replacement Note (or such payment) from the Person to whom delivered or any Person taking such replacement Note from such Person to whom such replacement Note was delivered or any assi such Person, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor extent of any loss, damage, cost or expense incurred by the Issuer or the Indenture Trustee in connection therewith.

Upon the issuance of any replacement Note under this Section 4.03, the Issuer may require the payment by the Holder Note of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and an reasonable expenses (including the fees and expenses of the Indenture Trustee) connected therewith.

Every replacement Note issued pursuant to this Section 4.03 in replacement of any mutilated, destroyed, lost or stol shall constitute an original additional contractual obligation of the Issuer, whether or not the mutilated, destroyed, lost or Note shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equal proportionately with any and all other Notes duly issued hereunder.

The provisions of this Section 4.03 are exclusive and shall preclude (to the extent lawful) all other rights and r with respect to the replacement or payment of mutilated, destroyed, lost or stolen Notes.

Section 4.04. Persons Deemed Owners. Prior to due presentment for registration of transfer of any Note, the Issuer, the In Trustee, the Credit Enhancer and any agent of the Issuer or the Indenture Trustee may treat the Person in whose name any registered (as of the day of determination) as the owner of such Note for the purpose of receiving payments of principal interest, if any, on such Note and for all other purposes whatsoever, whether or not such Note be overdue, and none of the the Indenture Trustee or any agent of the Issuer or the Indenture Trustee shall be affected by notice to the contrary.

Section 4.05. Cancellation. All Notes surrendered for payment, registration of transfer, exchange or redemption sha surrendered to any Person other than the Indenture Trustee, be delivered to the Indenture Trustee and shall be promptly cance the Indenture Trustee. The Issuer may at any time deliver to the Indenture Trustee for cancellation any Notes pre authenticated and delivered hereunder which the Issuer may have acquired in any manner whatsoever, and all Notes so delivere be promptly cancelled by the Indenture Trustee. No Notes shall be authenticated in lieu of or in exchange for any Notes cance provided in this Section 4.05, except as expressly permitted by this Indenture. All cancelled Notes may be held or dispose the Indenture Trustee in accordance with its standard retention or disposal policy as in effect at the time unless the Issue direct by an Issuer Request that they be destroyed or returned to it; provided however, that such Issuer Request is timely Notes have not been previously disposed of by the Indenture Trustee.

Section 4.06. Book-Entry Notes. The Term Notes shall initially be issued as one or more Term Notes held by the Boo Custodian or, if appointed to hold such Term Notes as provided below, the Depository Trust Company, the initial Depositor registered in the name of its nominee Cede & Co. Except as provided below, registration of such Term Notes may not be transfe the Indenture Trustee except to another Depository that agrees to hold such Term Notes for the respective Beneficial Owner Indenture Trustee is hereby initially appointed as the Book-Entry Custodian and hereby agrees to act as such in accordance h and in accordance with the agreement that it has with the Depository authorizing it to act as such. The Book-Entry Custodi and, if it is no longer qualified to act as such, the Book-Entry Custodian shall, appoint, by a written instrument delivered Depositor, the Master Servicer and, if the Indenture Trustee is not the Book-Entry Custodian, the Indenture Trustee, an transfer agent (including the Depository or any successor Depository) to act as Book-Entry Custodian under such conditions predecessor Book-Entry Custodian and the Depository or any successor Depository may prescribe, provided that the pred Book-Entry Custodian shall not be relieved of any of its duties or responsibilities by reason of any new appointment, except Depository is the successor to the Book-Entry Custodian. If the Indenture Trustee resigns or is removed in accordance w terms hereof, the successor trustee or, if it so elects, the Depository shall immediately succeed to its predecessor's du Book-Entry Custodian. The Depositor shall have the right to inspect, and to obtain copies of, any Term Notes held as Boo Notes by the Book-Entry Custodian. No Beneficial Owner will receive a Definitive Note representing such Beneficial Owner's i in such Note, except as provided in Section 4.08. Unless and until definitive, fully registered Notes (the "Definitive Notes been issued to Beneficial Owners pursuant to Section 4.08:

(i) the provisions of this Section 4.06 shall be in full force and effect;

(ii) the Note Registrar and the Indenture Trustee shall be entitled to deal with the Depository for all purposes Indenture (including the payment of principal of and interest on the Notes and the giving of instructions or directions hereun the sole holder of the Term Notes, and shall have no obligation to the Owners of Term Notes;

(iii) to the extent that the provisions of this Section 4.06 conflict with any other provisions of this Indenture, the pro of this Section 4.06 shall control;

(iv) the rights of Beneficial Owners shall be exercised only through the Depository and shall be limited to those establi law and agreements between such Owners of Term Notes and the Depository and/or the Depository Participants. Unless an Definitive Term Notes are issued pursuant to Section 4.08, the initial Depository will make book-entry transfers among the Dep Participants and receive and transmit payments of principal of and interest on the Notes to such Depository Participants; and

(v) whenever this Indenture requires or permits actions to be taken based upon instructions or directions of Holders Notes evidencing a specified percentage of the Security Balances of the Term Notes, the Depository shall be deemed to represe

percentage only to the extent that it has received instructions to such effect from Beneficial Owners and/or Depository Parti owning or representing, respectively, such required percentage of the beneficial interest in the Term Notes and has deliver instructions to the Indenture Trustee.

Section 4.07. Notices to Depository. Whenever a notice or other communication to the Term Note Holders is required und Indenture, unless and until Definitive Term Notes shall have been issued to Beneficial Owners pursuant to Section 4.08, the In Trustee shall give all such notices and communications specified herein to be given to Holders of the Term Notes to the Depo and shall have no obligation to the Beneficial Owners.

Section 4.08. Definitive Notes. If (i) the Depositor advises the Indenture Trustee in writing that the Depository is no willing or able to properly discharge its responsibilities with respect to the Term Notes and the Depositor is unable to l qualified successor, (ii) the Depositor notifies the Depository of its intent to terminate the book-entry system and, upon rec a notice of intent from the Depository, the participants holding beneficial interest in the book-entry notes agree to ini termination or (iii) after the occurrence of an Event of Default, Owners of Term Notes representing beneficial interests aggr at least a majority of the Security Balances of the Term Notes advise the Depository in writing that the continuation of a boo system through the Depository is no longer in the best interests of the Beneficial Owners, then the Depository shall not Beneficial Owners and the Indenture Trustee of the occurrence of any such event and of the availability of Definitive Term N Beneficial Owners requesting the same. Upon surrender to the Indenture Trustee of the typewritten Term Notes representi Book-Entry Notes by the Book-Entry Custodian or the Depository, as applicable, accompanied by registration instructions, the shall execute and the Indenture Trustee shall authenticate the Definitive Term Notes in accordance with the instructions Depository. None of the Issuer, the Note Registrar or the Indenture Trustee shall be liable for any delay in delivery instructions and may conclusively rely on, and shall be protected in relying on, such instructions. Upon the issuance of Def Notes, the Indenture Trustee shall recognize the Holders of the Definitive Notes as Noteholders.

In addition, if an Event of Default has occurred and is continuing, each Beneficial Owner materially adversely a thereby may at its option request a Definitive Note evidencing such Beneficial Owner's Percentage Interest in the related C Notes. In order to make such request, such Beneficial Owner shall, subject to the rules and procedures of the Depository, the Depository or the related Depository Participant with directions for the Note Registrar to exchange or cause the exchange Beneficial Owner's interest in such Class of Notes for an equivalent Percentage Interest in fully registered definitive for receipt by the Note Registrar of instructions from the Depository directing the Note Registrar to effect such exchange instructions to contain information regarding the Class of Notes and the Security Balance being exchanged, the Depository Part account to be debited with the decrease, the registered holder of and delivery instructions for the Definitive Note, and an information reasonably required by the Note Registrar), (i) the Note Registrar shall instruct the Depository to reduce the Depository Participant's account by the aggregate Security Balance of the Definitive Note, (ii) the Issuer shall execute and t Registrar shall authenticate and deliver, in accordance with the registration and delivery instructions provided by the Deposit Definitive Note evidencing such Beneficial Owner's Percentage Interest in such Class of Notes and (iii) the Issuer shall exec the Note Registrar shall authenticate a new Book-Entry Note reflecting the reduction in the aggregate Security Balance of suc of Notes by the amount of the Definitive Notes.

Section 4.09. Tax Treatment. The Issuer has entered into this Indenture, and the Notes will be issued, with the intentio for federal, state and local income, single business and franchise tax purposes, the Notes will be treated as indebtedne purposes of such taxes. The Issuer, by entering into this Indenture, and each Noteholder, by its acceptance of its Note (a Beneficial Owner by its acceptance of an interest in the applicable Book-Entry Note), agree to treat the Notes for federal, st local income, single business and franchise tax purposes as indebtedness for purposes of such taxes.

Section 4.10. Satisfaction and Discharge of Indenture. This Indenture shall cease to be of further effect with respect Notes except as to (i) rights of registration of transfer and exchange, (ii) substitution of mutilated, destroyed, lost or Notes, (iii) rights of Noteholders to receive payments of principal thereof and interest thereon, (iv) Sections 3.03, 3.04 3.09, 3.16, 3.18 and 3.19, (v) the rights, obligations and immunities of the Indenture Trustee hereunder (including the rights Indenture Trustee under Section 6.07 and the obligations of the Indenture Trustee under Section 4.11) and (vi) the ri Noteholders and the Credit Enhancer as beneficiaries hereof with respect to the property so deposited with the Indenture payable to all or any of them, and the Indenture Trustee, on demand of and at the expense of the Issuer, shall execute instruments acknowledging satisfaction and discharge of this Indenture with respect to the Notes, when

(A) either

(1) all Notes theretofore authenticated and delivered (other than (i) Notes that have been destroyed, stolen and that have been replaced or paid as provided in Section 4.03 and (ii) Notes for whose payment mo theretofore been deposited in trust or segregated and held in trust by the Issuer and thereafter repaid to the Is discharged from such trust, as provided in Section 3.03) have been delivered to the Indenture Trustee for cancellation;

(2) all Notes not theretofore delivered to the Indenture Trustee for cancellation

a. have become due and payable,

b. will become due and payable at the Final Scheduled Payment Date within one year, or

c. have been declared immediately due and payable pursuant to Section 5.02.

and the Issuer, in the case of a. or b. above, has irrevocably deposited or caused to be irrevocably deposited with the In Trustee cash or direct obligations of or obligations guaranteed by the United States of America (which will mature prior to t such amounts are payable), in trust for such purpose, in an amount sufficient to pay and discharge the entire indebtedness Notes and Certificates then outstanding not theretofore delivered to the Indenture Trustee for cancellation when due on th Scheduled Payment Date;

(B) the Issuer has paid or caused to be paid all other sums payable hereunder and under the Insurance Ag by the Issuer; and

(C) the Issuer has delivered to the Indenture Trustee and the Credit Enhancer an Officer's Certificate Opinion of Counsel, each meeting the applicable requirements of Section 10.01 and each stating that all conditions pr herein provided for relating to the satisfaction and discharge of this Indenture have been complied with and, if the of Counsel relates to a deposit made in connection with Section 4.10(A)(2)b. above, such opinion shall further be effect that such deposit will not have any material adverse tax consequences to the Issuer, any Noteholders Certificateholders.

Section 4.11. Application of Trust Money. All monies deposited with the Indenture Trustee pursuant to Section 4.10 hereo be held in trust and applied by it, in accordance with the provisions of the Notes and this Indenture, to the payment, directly or through any Paying Agent or Certificate Paying Agent, as the Indenture Trustee may determine, to the Hol Securities, of all sums due and to become due thereon for principal and interest; but such monies need not be segregated fro funds except to the extent required herein or required by law.

Section 4.12. Subrogation and Cooperation. The Issuer and the Indenture Trustee acknowledge that (i) to the extent the Enhancer makes payments under the Policy on account of principal of or interest on the Home Equity Loans, the Credit Enhancer fully subrogated to the rights of the Noteholders to receive such principal and interest from the Home Equity Loans and an Collateral and (ii) the Credit Enhancer shall be paid such principal and interest but only from the sources and in the provided herein and in the Insurance Agreement for the payment of such principal and interest.

The Indenture Trustee shall cooperate in all respects with any reasonable request or direction by the Credit Enhan action to preserve or enforce the Credit Enhancer's rights or interest under this Indenture or the Insurance Agreement, con with this Indenture and without limiting the rights of the Noteholders as otherwise set forth in the Indenture, including, limitation, upon the occurrence and continuance of a default under the Insurance Agreement, a request to take any one or more following actions:

(i) institute Proceedings for the collection of all amounts then payable on the Notes or under this Indenture in respect Notes and all amounts payable under the Insurance Agreement and to enforce any judgment obtained and collect from the Issuer adjudged due;

(ii) sell the Trust Estate or any portion thereof or rights or interest therein, at one or more public or private Sa defined in Section 5.15 hereof) called and conducted in any manner permitted by law;

(iii) file or record all assignments that have not previously been recorded;

(iv) institute Proceedings from time to time for the complete or partial foreclosure of this Indenture; and

(v) exercise any remedies of a secured party under the Uniform Commercial Code and take any other appropriate action to and enforce the rights and remedies of the Credit Enhancer hereunder.

Following the payment in full of the Notes, the Credit Enhancer shall continue to have all rights and privileges prov it under this Section and in all other provisions of this Indenture, until all amounts owing to the Credit Enhancer have been full.

Section 4.13. Repayment of Monies Held by Paying Agent. In connection with the satisfaction and discharge of this Indentu respect to the Notes, all monies then held by any Person other than the Indenture Trustee under the provisions of this Indentu respect to such Notes shall, upon demand of the Issuer, be paid to the Indenture Trustee to be held and applied according to 3.05 and thereupon such Paying Agent shall be released from all further liability with respect to such monies.

Section 4.14. Temporary Notes. Pending the preparation of any Definitive Notes, the Issuer may execute and upon its direction, the Indenture Trustee may authenticate and make available for delivery, temporary Notes that are printed, lithog typewritten, photocopied or otherwise produced, in any denomination, substantially of the tenor of the Definitive Notes in which they are issued and with such appropriate insertions, omissions, substitutions and other variations as the officers ex such Notes may determine, as evidenced by their execution of such Notes.

If temporary Notes are issued, the Issuer will cause Definitive Notes to be prepared without unreasonable delay. Af preparation of the Definitive Notes, the temporary Notes shall be exchangeable for Definitive Notes upon surrender of the te Notes at the office or agency of the Indenture Trustee, without charge to the Holder. Upon surrender for cancellation of any more temporary Notes, the Issuer shall execute and the Indenture Trustee shall authenticate and make available for delive exchange therefor, Definitive Notes of authorized denominations and of like tenor and aggregate principal amount. U exchanged, such temporary Notes shall in all respects be entitled to the same benefits under this Indenture as Definitive Notes.

ARTICLE V

Default and Remedies

Section 5.01. Events of Default. The Issuer shall deliver to the Indenture Trustee and the Credit Enhancer, within fi after learning of the occurrence any event which with the giving of notice and the lapse of time would become an Event of under clause (iii) of the definition of "Event of Default" written notice in the form of an Officer's Certificate of its sta what action the Issuer is taking or proposes to take with respect thereto.

Section 5.02. Acceleration of Maturity; Rescission and Annulment. If an Event of Default should occur and be continuing or Master Servicer shall purchase all of the Home Equity Loans pursuant to Section 8.08 of the Servicing Agreement, then and i such case the Indenture Trustee or the Holders of Notes representing not less than a majority of the Security Balances of all in each case, with the written consent of the Credit Enhancer, or the Credit Enhancer may declare the Notes to be immediately payable, by a notice in writing to the Issuer (and to the Indenture Trustee if given by Noteholders), and upon any such decl the unpaid principal amount of such class of Notes, together with accrued and unpaid interest thereon through the acceleration, shall become immediately due and payable.

At any time after such declaration of acceleration of maturity with respect to an Event of Default has been made and a judgment or decree for payment of the money due has been obtained by the Indenture Trustee as hereinafter provided in this V, the Holders of Notes representing a majority of the Security Balances of all Notes, by written notice to the Issuer Indenture Trustee with the written consent of the Credit Enhancer, or the Credit Enhancer, may in writing waive the related E Default and rescind and annul such declaration and its consequences if:

(i) the Issuer has paid or deposited with the Indenture Trustee a sum sufficient to pay:

(A) all payments of principal of and interest on the Notes and all other amounts that would

due hereunder or upon the Notes in the Event of Default giving rise to such acceleration had not occurred; and

(B) all sums paid or advanced by the Indenture Trustee hereunder and the reasonable compen expenses, disbursements and advances of the Indenture Trustee and its agents and counsel; and

(ii) all Events of Default, other than the nonpayment of the principal of the Notes that has become due solely acceleration, have been cured or waived as provided in Section 5.12.

No such rescission shall affect any subsequent default or impair any right consequent thereto.

Section 5.03. Collection of Indebtedness and Suits for Enforcement by Indenture Trustee. (a) The Issuer covenants default in the payment of (i) any interest on any Note when the same becomes due and payable, and such default continues for a of five days, or (ii) the principal of or any installment of the principal of any Note when the same becomes due and payabl Issuer shall, upon demand of the Indenture Trustee, pay to it, for the benefit of the Holders of Notes or the Credit Enhancer extent the Credit Enhancer has made a payment on the Policy, the whole amount then due and payable on the Notes for princip interest, with interest upon the overdue principal, and in addition thereto such further amount as shall be sufficient to co costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the In Trustee and its agents and counsel.

(b) In case the Issuer shall fail forthwith to pay such amounts upon such demand, the Indenture Trustee, in its own name trustee of an express trust, subject to the provisions of Section 10.17 hereof may institute a Proceeding for the collection sums so due and unpaid, and may prosecute such Proceeding to judgment or final decree, and may enforce the same against the Is other obligor upon the Notes and collect in the manner provided by law out of the property of the Issuer or other obligor u Notes, wherever situated, the monies adjudged or decreed to be payable.

(c) If an Event of Default shall occur and be continuing, the Indenture Trustee subject to the provisions of Sectio hereof may, as more particularly provided in Section 5.04, in its discretion, proceed to protect and enforce its rights rights of the Noteholders and the Credit Enhancer, by such appropriate Proceedings as the Indenture Trustee shall deem most ef to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or of the exercise of any power granted herein, or to enforce any other proper remedy or legal or equitable right vested Indenture Trustee by this Indenture or by law.

(d) In case there shall be pending, relative to the Issuer or any other obligor upon the Notes or any Person having or c an ownership interest in the Trust Estate, Proceedings under Title 11 of the United States Code or any other applicable fed state bankruptcy, insolvency or other similar law, or in case a receiver, assignee or trustee in bankruptcy or reorgani liquidator, sequestrator or similar official shall have been appointed for or taken possession of the Issuer or its property other obligor or Person, or in case of any other comparable judicial Proceedings relative to the Issuer or other obligor u Notes, or to the creditors or property of the Issuer or such other obligor, the Indenture Trustee, irrespective of whet principal of any Notes shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of the Indenture Trustee shall have made any demand pursuant to the provisions of this Section, shall be entitled and empower intervention in such Proceedings or otherwise:

(i) to file and prove a claim or claims for the entire amount of principal and interest owing and unpaid in respect of th and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Indenture (including any claim for reasonable compensation to the Indenture Trustee and each predecessor Indenture Trustee, an respective agents, attorneys and counsel, and for reimbursement of all expenses and liabilities incurred, and all advances m the Indenture Trustee and each predecessor Indenture Trustee, except as a result of negligence, willful misconduct or bad fai of the Noteholders allowed in such Proceedings;

(ii) unless prohibited by applicable law and regulations, to vote on behalf of the Holders of Notes in any election of a t a standby trustee or Person performing similar functions in any such Proceedings;

(iii) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute all received with respect to the claims of the Noteholders and of the Indenture Trustee on their behalf; and

(iv) to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the cl the Indenture Trustee or the Holders of Notes allowed in any judicial proceedings relative to the Issuer, its creditors property;

and any trustee, receiver, liquidator, custodian or other similar official in any such Proceeding is hereby authorized by such Noteholders to make payments to the Indenture Trustee, and, in the event that the Indenture Trustee shall consent to the of payments directly to such Noteholders, to pay to the Indenture Trustee such amounts as shall be sufficient to cover rea compensation to the Indenture Trustee, each predecessor Indenture Trustee and their respective agents, attorneys and counsel, other expenses and liabilities incurred, and all advances made, by the Indenture Trustee and each predecessor Indenture except as a result of negligence, willful misconduct or bad faith.

(e) Nothing herein contained shall be deemed to authorize the Indenture Trustee to authorize or consent to or vote for or or adopt on behalf of any Noteholder any plan of reorganization, arrangement, adjustment or composition affecting the Notes rights of any Holder thereof or to authorize the Indenture Trustee to vote in respect of the claim of any Noteholder in a proceeding except, as aforesaid, to vote for the election of a trustee in bankruptcy or similar Person.

(f) All rights of action and of asserting claims under this Indenture, or under any of the Notes, may be enforced Indenture Trustee without the possession of any of the Notes or the production thereof in any trial or other Proceedings r thereto, and any such action or proceedings instituted by the Indenture Trustee shall be brought in its own name as truste express trust, and any recovery of judgment, subject to the payment of the expenses, disbursements and compensation of the In Trustee, each predecessor Indenture Trustee and their respective agents and attorneys, shall be for the ratable benefit Holders of the Term Notes or the Variable Funding Notes, as applicable.

(g) In any Proceedings brought by the Indenture Trustee (and also any Proceedings involving the interpretation of any pr of this Indenture to which the Indenture Trustee shall be a party), the Indenture Trustee shall be held to represent all the of the Notes, and it shall not be necessary to make any Noteholder a party to any such Proceedings.

Section 5.04. Remedies; Priorities. (a) If an Event of Default shall have occurred and be continuing, the Indenture subject to the provisions of Section 10.17 hereof may with the written consent of the Credit Enhancer, or shall at the direction of the Credit Enhancer do one or more of the following (subject to Section 5.05):

(i) institute Proceedings in its own name and as trustee of an express trust for the collection of all amounts then pay the Notes or under this Indenture with respect thereto, whether by declaration or otherwise, and all amounts payable un Insurance Agreement, enforce any judgment obtained, and collect from the Issuer and any other obligor upon such Notes monies a due;

(ii) institute Proceedings from time to time for the complete or partial foreclosure of this Indenture with respect to th Estate;

(iii) exercise any remedies of a secured party under the UCC and take any other appropriate action to protect and enfo rights and remedies of the Indenture Trustee and the Holders of the Notes; and

(iv) sell the Trust Estate or any portion thereof or rights or interest therein, at one or more public or private sales and conducted in any manner permitted by law;

provided, however, that the Indenture Trustee may not sell or otherwise liquidate the Trust Estate following an Event of D unless (A) the Indenture Trustee obtains the consent of the Credit Enhancer, which consent will not be unreasonably withheld, a Credit Enhancer Default has occurred and is continuing, the consent of the Holders of 100% of the aggregate Security Bala the Notes, (B) the proceeds of such sale or liquidation distributable to Holders are sufficient to discharge in full all amoun due and unpaid upon the Notes for principal and interest and to reimburse the Credit Enhancer for any amounts drawn under the and any other amounts due the Credit Enhancer under the Insurance Agreement or (C) the Indenture Trustee determines that t Equity Loans will not continue to provide sufficient funds for the payment of principal of and interest on the Notes as the have become due if the Notes had not been declared due and payable, and the Indenture Trustee obtains the consent of the Enhancer, which consent will not be unreasonably withheld; provided further that the Indenture Trustee shall not sell or ot liquidate the Trust Estate if the proceeds of such sale or liquidation together with amounts drawn under the Policy will sufficient to discharge in full all amounts then due and unpaid upon the Notes for principal and interest and to reimburse the Enhancer for any amounts drawn under the Policy and any other amounts due the Credit Enhancer under the Insurance Agreement the Indenture Trustee obtains the consent of the Holders of 66-2/3% of the aggregate Security Balances of the Notes. In dete such sufficiency or insufficiency with respect to clause (B) and (C), the Indenture Trustee may, but need not, obtain and re an opinion of an Independent investment banking or accounting firm of national reputation as to the feasibility of such p action and as to the sufficiency of the Trust Estate for such purpose. Notwithstanding the foregoing, so long as a Servicing has not occurred, any Sale of the Trust Estate shall be made subject to the continued servicing of the Home Equity Loans Master Servicer as provided in the Servicing Agreement.

(b) If the Indenture Trustee collects any money or property pursuant to this Article V, it shall pay out the money or p in the following order:

FIRST: to the Indenture Trustee for amounts due under Section 6.07;

SECOND: to Holders of the Class A Notes and Variable Funding Notes for amounts due and unpaid on the relate for interest, ratably, without preference or priority of any kind, according to the amounts due and payable on suc for interest from amounts available in the Trust Estate for such Noteholders;

THIRD: to Holders of the Class A Notes and Variable Funding Notes for amounts due and unpaid on the relate for principal, ratably, without preference or priority of any kind, according to the amounts due and payable on suc for principal, from amounts available in the Trust Estate for such Noteholders, until the Security Balances of suc have been reduced to zero;

FOURTH: to the payment of all amounts due and owing to the Credit Enhancer under the Insurance Agreement;

FIFTH: to the Certificate Paying Agent for amounts due under Article VIII of the Trust Agreement; and

SIXTH: to the payment of the remainder, if any, to the Issuer or any other person legally entitled thereto.

The Indenture Trustee may fix a record date and payment date for any payment to Noteholders pursuant to this Sectio At least 15 days before such record date, the Indenture Trustee shall mail to each Noteholder a notice that states the recor the payment date and the amount to be paid.

Section 5.05. Optional Preservation of the Trust Estate. If the Notes have been declared to be due and payable under Secti following an Event of Default and such declaration and its consequences have not been rescinded and annulled, the Indenture may, but need not, (but shall at the written direction of the Credit Enhancer) elect to take and maintain possession of th Estate. It is the desire of the parties hereto and the Noteholders that there be at all times sufficient funds for the pay principal of and interest on the Notes and other obligations of the Issuer including payment to the Credit Enhancer, Indenture Trustee shall take such desire into account when determining whether or not to take and maintain possession of th Estate. In determining whether to take and maintain possession of the Trust Estate, the Indenture Trustee may, but need not, and rely upon an opinion of an Independent investment banking or accounting firm of national reputation as to the feasibility proposed action and as to the sufficiency of the Trust Estate for such purpose.

Section 5.06. Limitation of Suits. No Holder of any Note shall have any right to institute any Proceeding, judicial or oth with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unl subject to the provisions of Section 10.17 hereof:

(i) such Holder has previously given written notice to the Indenture Trustee of a continuing Event of Default;

(ii) the Holders of not less than 25% of the Security Balances of the Notes have made written request to the Indenture Tru institute such Proceeding in respect of such Event of Default in its own name as Indenture Trustee hereunder;

(iii) such Holder or Holders have offered to the Indenture Trustee reasonable indemnity against the costs, expens liabilities to be incurred in complying with such request;

(iv) the Indenture Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to in such Proceedings; and

(v) no direction inconsistent with such written request has been given to the Indenture Trustee during such 60-day period Holders of a majority of the Security Balances of the Notes or by the Credit Enhancer.

It is understood and intended that no one or more Holders of Notes shall have any right in any manner whatever by virtue of availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Holders of Notes or to ob to seek to obtain priority or preference over any other Holders or to enforce any right under this Indenture, except in the herein provided.

In the event the Indenture Trustee shall receive conflicting or inconsistent requests and indemnity from two or more of Holders of Notes, each representing less than a majority of the Security Balances of the Notes, the Indenture Trustee in i discretion may determine what action, if any, shall be taken, notwithstanding any other provisions of this Indenture.

Section 5.07. Unconditional Rights of Noteholders to Receive Principal and Interest. Notwithstanding any other provisions Indenture, the Holder of any Note shall have the right, which is absolute and unconditional, to receive payment of the princ and interest, if any, on such Note on or after the respective due dates thereof expressed in such Note or in this Indenture institute suit for the enforcement of any such payment, and such right shall not be impaired without the consent of such Holder.

Section 5.08. Restoration of Rights and Remedies. If the Indenture Trustee or any Noteholder has instituted any Procee enforce any right or remedy under this Indenture and such Proceeding has been discontinued or abandoned for any reason or h determined adversely to the Indenture Trustee or to such Noteholder, then and in every such case the Issuer, the Indenture and the Noteholders shall, subject to any determination in such Proceeding, be restored severally and respectively to their positions hereunder, and thereafter all rights and remedies of the Indenture Trustee and the Noteholders shall continue as th such Proceeding had been instituted.

Section 5.09. Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Indenture Truste Credit Enhancer or to the Noteholders is intended to be exclusive of any other right or remedy, and every right and remedy sh the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or he existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, sh prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.10. Delay or Omission Not a Waiver. No delay or omission of the Indenture Trustee, the Credit Enhancer or any Ho any Note to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or const waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article V or by law Indenture Trustee or to the Noteholders may be exercised from time to time, and as often as may be deemed expedient, by the In Trustee or by the Noteholders, as the case may be.

Section 5.11. Control by the Credit Enhancer or Noteholders. The Holders of a majority of the Security Balances of Notes w consent of the Credit Enhancer, or the Credit Enhancer (so long as no Credit Enhancer Default exists) shall have the right to the time, method and place of conducting any Proceeding for any remedy available to the Indenture Trustee with respect to th or exercising any trust or power conferred on the Indenture Trustee; provided that:

(i) such direction shall not be in conflict with any rule of law or with this Indenture;

(ii) subject to the express terms of Section 5.04, any direction to the Indenture Trustee to sell or liquidate the Trust shall be by Holders of Notes representing not less than 100% of the Security Balances of Notes with the consent of the Enhancer, or the Credit Enhancer (so long as no Credit Enhancer Default exists);

(iii) if the conditions set forth in Section 5.05 have been satisfied and the Indenture Trustee elects to retain the Trust pursuant to such Section, then any direction to the Indenture Trustee by Holders of Notes representing less than 100% of the S Balances of Notes to sell or liquidate the Trust Estate shall be of no force and effect; and

(iv) the Indenture Trustee may take any other action deemed proper by the Indenture Trustee that is not inconsistent wi direction.

Notwithstanding the rights of Noteholders set forth in this Section, subject to Section 6.01, the Indenture Trustee need not t action that it determines might involve it in liability or might materially adversely affect the rights of any Noteholde consenting to such action unless the Indenture Trustee has received satisfactory indemnity from the Credit Enhancer Noteholders.

Section 5.12. Waiver of Past Default. Prior to the declaration of the acceleration of the maturity of the Notes as prov Section 5.02, the Holders of Notes of not less than a majority of the Security Balances of the Notes with the consent of the Enhancer, or the Credit Enhancer (so long as no Credit Enhancer Default exists) may waive any past Event of Default consequences except an Event of Default (i) with respect to payment of principal of or interest on any of the Notes or respect of a covenant or provision hereof which cannot be modified or amended without the consent of the Holder of each Note. case of any such waiver, the Issuer, the Indenture Trustee and the Holders of the Notes shall be restored to their respective positions and rights hereunder; but no such waiver shall extend to any subsequent or other Event of Default or impair an consequent thereto.

Upon any such waiver, any Event of Default arising therefrom shall be deemed to have been cured and not to have oc for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Event of Default or impair an consequent thereto.

Section 5.13. Undertaking for Costs. All parties to this Indenture agree, and each Holder of any Note by such Holder's acc thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any r remedy under this Indenture, or in any suit against the Indenture Trustee for any action taken, suffered or omitted b Indenture Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that suc may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this 5.13 shall not apply to (a) any suit instituted by the Indenture Trustee, (b) any suit instituted by any Noteholder, or g Noteholders, in each case holding in the aggregate more than 10% of the Security Balances of the Notes or (c) any suit instit any Noteholder for the enforcement of the payment of principal of or interest on any Note on or after the respective du expressed in such Note and in this Indenture.

Section 5.14. Waiver of Stay or Extension Laws. The Issuer covenants (to the extent that it may lawfully do so) that it w at any time insist upon, or plead or in any manner whatsoever, claim or take the benefit or advantage of, any stay or extens wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; Issuer (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and co that it shall not hinder, delay or impede the execution of any power herein granted to the Indenture Trustee, but will suf

permit the execution of every such power as though no such law had been enacted.

Section 5.15. Sale of Trust Estate. (a) The power to effect any sale or other disposition (a "Sale") of any portion of th Estate pursuant to Section 5.04 is expressly subject to the provisions of Section 5.05 and this Section 5.15. The power to any such Sale shall not be exhausted by any one or more Sales as to any portion of the Trust Estate remaining unsold, bu continue unimpaired until the entire Trust Estate shall have been sold or all amounts payable on the Notes and under this In and under the Insurance Agreement shall have been paid. The Indenture Trustee may from time to time postpone any public public announcement made at the time and place of such Sale. The Indenture Trustee hereby expressly waives its right to any fixed by law as compensation for any Sale.

(b) The Indenture Trustee shall not in any private Sale sell the Trust Estate, or any portion thereof, unless:

(1) the Holders of all Notes and the Credit Enhancer consent to, or direct the Indenture Trustee to mak Sale, or

(2) the proceeds of such Sale would be not less than the entire amount which would be payable Noteholders under the Notes, the Certificateholders under the Certificates and the Credit Enhancer in respect of drawn under the Policy and any other amounts due the Credit Enhancer under the Insurance Agreement, in full payment in accordance with Section 5.02, on the Payment Date next succeeding the date of such Sale, or

(3) the Indenture Trustee determines, in its sole discretion, that the conditions for retention of th Estate set forth in Section 5.05 cannot be satisfied (in making any such determination, the Indenture Trustee may re an opinion of an Independent investment banking firm obtained and delivered as provided in Section 5.05), and the Enhancer consents to such Sale, which consent will not be unreasonably withheld and the Holders representing a 66-2/3% of the Security Balances of the Notes consent to such Sale.

The purchase by the Indenture Trustee of all or any portion of the Trust Estate at a private Sale shall not be deemed a Sale o disposition thereof for purposes of this Section 5.15(b).

(c) Unless the Holders and the Credit Enhancer have otherwise consented or directed the Indenture Trustee, at any public all or any portion of the Trust Estate at which a minimum bid equal to or greater than the amount described in paragraph subsection (b) of this Section 5.15 has not been established by the Indenture Trustee and no Person bids an amount equa greater than such amount, the Indenture Trustee shall bid an amount at least $1.00 more than the highest other bid.

(d) In connection with a Sale of all or any portion of the Trust Estate:

(1) any Holder or Holders of Notes may bid for and with the consent of the Credit Enhancer purcha property offered for sale, and upon compliance with the terms of sale may hold, retain and possess and dispose property, without further accountability, and may, in paying the purchase money therefor, deliver any Notes or cla interest thereon in lieu of cash up to the amount which shall, upon distribution of the net proceeds of such sa payable thereon, and such Notes, in case the amounts so payable thereon shall be less than the amount due thereon, s returned to the Holders thereof after being appropriately stamped to show such partial payment;

(2) the Indenture Trustee may bid for and acquire the property offered for Sale in connection with a thereof, and, subject to any requirements of, and to the extent permitted by, applicable law in connection therewit purchase all or any portion of the Trust Estate in a private sale, and, in lieu of paying cash therefor, may make set for the purchase price by crediting the gross Sale price against the sum of (A) the amount which would be distributa the Holders of the Notes and Holders of Certificates and amounts owing to the Credit Enhancer as a result of such accordance with Section 5.04(b) on the Payment Date next succeeding the date of such Sale and (B) the expenses of t and of any Proceedings in connection therewith which are reimbursable to it, without being required to produce the N order to complete any such Sale or in order for the net Sale price to be credited against such Notes, and any prop acquired by the Indenture Trustee shall be held and dealt with by it in accordance with the provisions of this Indentur

(3) the Indenture Trustee shall execute and deliver an appropriate instrument of conveyance transferri interest in any portion of the Trust Estate in connection with a Sale thereof;

(4) the Indenture Trustee is hereby irrevocably appointed the agent and attorney- in-fact of the Is transfer and convey its interest in any portion of the Trust Estate in connection with a Sale thereof, and to t action necessary to effect such Sale; and

(5) no purchaser or transferee at such a Sale shall be bound to ascertain the Indenture Trustee's aut inquire into the satisfaction of any conditions precedent or see to the application of any monies.

Section 5.16. Action on Notes. The Indenture Trustee's right to seek and recover judgment on the Notes or under this In shall not be affected by the seeking, obtaining or application of any other relief under or with respect to this Indenture. the lien of this Indenture nor any rights or remedies of the Indenture Trustee or the Noteholders shall be impaired by the r of any judgment by the Indenture Trustee against the Issuer or by the levy of any execution under such judgment upon any por the Trust Estate or upon any of the assets of the Issuer. Any money or property collected by the Indenture Trustee shall be in accordance with Section 5.04(b).

Section 5.17. Performance and Enforcement of Certain Obligations. (a) Promptly following a written request from the Enhancer or the Indenture Trustee with the written consent of the Credit Enhancer to do so, the Issuer, in its capacity as ho the Home Equity Loans, shall, with the written consent of the Credit Enhancer, take all such lawful action as the Indenture may request to cause the Issuer to compel or secure the performance and observance by the Seller and the Master Servic applicable, of each of their obligations to the Issuer under or in connection with the Purchase Agreement and the Se Agreement, and to exercise any and all rights, remedies, powers and privileges lawfully available to the Issuer unde connection with the Purchase Agreement and the Servicing Agreement to the extent and in the manner directed by the Indenture T as pledgee of the Home Equity Loans, including the transmission of notices of default on the part of the Seller or the Servicer thereunder and the institution of legal or administrative actions or proceedings to compel or secure performance Seller or the Master Servicer of each of their obligations under the Purchase Agreement and the Servicing Agreement.

(b) If an Event of Default has occurred and is continuing, the Indenture Trustee, as pledgee of the Home Equity Loans, to the rights of the Credit Enhancer under the Servicing Agreement may, and at the direction (which direction shall be in wri by telephone (confirmed in writing promptly thereafter)) of the Credit Enhancer (or if a Credit Enhancer Default has occurre is continuing, Holders of 66-2/3% of the Security Balances of the Notes) shall, exercise all rights, remedies, powers, privile

claims of the Issuer against the Seller or the Master Servicer under or in connection with the Purchase Agreement and the Se Agreement, including the right or power to take any action to compel or secure performance or observance by the Seller or the Servicer, as the case may be, of each of their obligations to the Issuer thereunder and to give any consent, request, direction, approval, extension or waiver under the Purchase Agreement and the Servicing Agreement, as the case may be, and an of the Issuer to take such action shall not be suspended. In connection therewith, as determined by the Indenture Truste Issuer shall take all actions necessary to effect the transfer of the Home Equity Loans to the Indenture Trustee.

ARTICLE VI

The Indenture Trustee

Section 6.01. Duties of Indenture Trustee. (a) If an Event of Default has occurred and is continuing, the Indenture shall exercise the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exerci prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default:

(i) the Indenture Trustee undertakes to perform such duties and only such duties as are specifically set forth in this In and no implied covenants or obligations shall be read into this Indenture against the Indenture Trustee; and

(ii) in the absence of bad faith on its part, the Indenture Trustee may conclusively rely, as to the truth of the stateme the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Indenture Trustee and confor the requirements of this Indenture; provided, however, the Indenture Trustee shall examine the certificates and opinions to de whether or not they conform to the requirements of this Indenture.

(c) The Indenture Trustee may not be relieved from liability for its own negligent action, its own negligent failure to its own willful misconduct, except that:

(i) this paragraph does not limit the effect of paragraph (b) of this Section 6.01;

(ii) the Indenture Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer unles proved that the Indenture Trustee was negligent in ascertaining the pertinent facts; and

(iii) the Indenture Trustee shall not be liable with respect to any action it takes or omits to take in good faith in acc with a direction received by it (A) pursuant to Section 5.11 or (B) from the Credit Enhancer, which it is entitled to give un of the Basic Documents.

(d) The Indenture Trustee shall not be liable for interest on any money received by it except as the Indenture Trustee ma in writing with the Issuer.

(e) Money held in trust by the Indenture Trustee need not be segregated from other funds except to the extent required by the terms of this Indenture or the Trust Agreement.

(f) No provision of this Indenture shall require the Indenture Trustee to expend or risk its own funds or otherwise financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if i have reasonable grounds to believe that repayment of such funds or adequate indemnity against such risk or liability reasonably assured to it.

(g) Every provision of this Indenture relating to the conduct or affecting the liability of or affording protection Indenture Trustee shall be subject to the provisions of this Section and to the provisions of the TIA.

Section 6.02. Rights of Indenture Trustee. (a) The Indenture Trustee may rely on any document believed by it to be genu to have been signed or presented by the proper person. The Indenture Trustee need not investigate any fact or matter stated document.

(b) Before the Indenture Trustee acts or refrains from acting, it may require an Officer's Certificate or an Opi Counsel. The Indenture Trustee shall not be liable for any action it takes or omits to take in good faith in reliance Officer's Certificate or Opinion of Counsel.

(c) The Indenture Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either dire by or through agents or attorneys or a custodian or nominee, and the Indenture Trustee shall not be responsible for any miscon negligence on the part of, or for the supervision of, any such agent, attorney, custodian or nominee appointed with due car hereunder.

(d) The Indenture Trustee shall not be liable for any action it takes or omits to take in good faith which it believes authorized or within its rights or powers; provided, however, that the Indenture Trustee's conduct does not constitute misconduct, negligence or bad faith.

(e) The Indenture Trustee may consult with counsel, and the advice or opinion of counsel with respect to legal matters r to this Indenture and the Notes shall be full and complete authorization and protection from liability in respect to any taken, omitted or suffered by it hereunder in good faith and in accordance with the advice or opinion of such counsel.

Section 6.03. Individual Rights of Indenture Trustee. The Indenture Trustee in its individual or any other capacity may the owner or pledgee of Notes and may otherwise deal with the Issuer or its Affiliates with the same rights it would have if not Indenture Trustee. Any Note Registrar, co-registrar or co-paying agent may do the same with like rights. However, the In Trustee must comply with Sections 6.11 and 6.12.

Section 6.04. Indenture Trustee's Disclaimer. The Indenture Trustee shall not be (i) responsible for and makes no represe as to the validity or adequacy of this Indenture or the Notes, (ii) accountable for the Issuer's use of the proceeds from th or (iii) responsible for any statement of the Issuer in this Indenture or in any document issued in connection with the sale

Notes or in the Notes other than the Indenture Trustee's certificate of authentication.

Section 6.05. Notice of Event of Default. If an Event of Default occurs and is continuing and if it is known to a Resp Officer of the Indenture Trustee, the Indenture Trustee shall give notice thereof to the Credit Enhancer. The Indenture shall mail to each Noteholder notice of the Event of Default within 90 days after it occurs. Except in the case of an E Default in payment of principal of or interest on any Note, the Indenture Trustee may withhold the notice if and so lo committee of its Responsible Officers in good faith determines that withholding the notice is in the interests of Noteholders.

Section 6.06. Reports by Indenture Trustee to Holders. The Indenture Trustee shall deliver to each Noteholder such info as may be required to enable such holder to prepare its federal and state income tax returns. In addition, upon the Issuer's request, the Indenture Trustee shall promptly furnish information reasonably requested by the Issuer that is reasonably avail the Indenture Trustee to enable the Issuer to perform its federal and state income tax reporting obligations.

Section 6.07. Compensation and Indemnity. The Indenture Trustee shall be compensated and indemnified by the Master Serv accordance with Section 6.06 of the Servicing Agreement. The Indenture Trustee's compensation shall not be limited by any compensation of a trustee of an express trust.

Section 6.08. Replacement of Indenture Trustee. No resignation or removal of the Indenture Trustee and no appointmen successor Indenture Trustee shall become effective until the acceptance of appointment by the successor Indenture Trustee purs this Section 6.08. The Indenture Trustee may resign at any time by so notifying the Issuer and the Credit Enhancer. The Hol a majority of Security Balances of the Notes or the Credit Enhancer may remove the Indenture Trustee by so notifying the In Trustee and the Credit Enhancer and may appoint a successor Indenture Trustee. The Issuer shall remove the Indenture Trustee if

(i) the Indenture Trustee fails to comply with Section 6.11;

(ii) the Indenture Trustee is adjudged a bankrupt or insolvent;

(iii) a receiver or other public officer takes charge of the Indenture Trustee or its property; or

(iv) the Indenture Trustee otherwise becomes incapable of acting.

If the Indenture Trustee resigns or is removed or if a vacancy exists in the office of the Indenture Trustee for any (the Indenture Trustee in such event being referred to herein as the retiring Indenture Trustee), the Issuer shall promptly ap successor Indenture Trustee with the consent of the Credit Enhancer which consent will not be unreasonably withheld. In ad the Indenture Trustee will resign to avoid being directly or indirectly controlled by the Issuer.

A successor Indenture Trustee shall deliver a written acceptance of its appointment to the retiring Indenture Trustee the Issuer. Thereupon, the resignation or removal of the retiring Indenture Trustee shall become effective, and the su Indenture Trustee shall have all the rights, powers and duties of the Indenture Trustee under this Indenture. The su Indenture Trustee shall mail a notice of its succession to Noteholders. The retiring Indenture Trustee shall promptly trans property held by it as Indenture Trustee to the successor Indenture Trustee.

If a successor Indenture Trustee does not take office within 60 days after the retiring Indenture Trustee resign removed, the retiring Indenture Trustee, the Issuer or the Holders of a majority of Security Balances of the Notes may petit court of competent jurisdiction for the appointment of a successor Indenture Trustee.

If the Indenture Trustee fails to comply with Section 6.11, any Noteholder may petition any court of competent juris for the removal of the Indenture Trustee and the appointment of a successor Indenture Trustee.

Notwithstanding the replacement of the Indenture Trustee pursuant to this Section, the Issuer's obligations under 6.07 shall continue for the benefit of the retiring Indenture Trustee.

Section 6.09. Successor Indenture Trustee by Merger. If the Indenture Trustee consolidates with, merges or converts i transfers all or substantially all its corporate trust business or assets to, another corporation or banking associatio resulting, surviving or transferee corporation without any further act shall be the successor Indenture Trustee; provided, th corporation or banking association shall be otherwise qualified and eligible under Section 6.11. The Indenture Trustee shall the Rating Agencies written notice of any such transaction occurring after the Closing Date.

In case at the time such successor or successors by merger, conversion or consolidation to the Indenture Truste succeed to the trusts created by this Indenture any of the Notes shall have been authenticated but not delivered, any such su to the Indenture Trustee may adopt the certificate of authentication of any predecessor trustee, and deliver such N authenticated; and in case at that time any of the Notes shall not have been authenticated, any successor to the Indenture may authenticate such Notes either in the name of any predecessor hereunder or in the name of the successor to the Indenture T and in all such cases such certificates shall have the full force which it is anywhere in the Notes or in this Indenture p that the certificate of the Indenture Trustee shall have.

Section 6.10. Appointment of Co-Indenture Trustee or Separate Indenture Trustee. (a) Notwithstanding any other provis this Indenture, at any time, for the purpose of meeting any legal requirement of any jurisdiction in which any part of th Estate may at the time be located, the Indenture Trustee shall have the power and may execute and deliver all instruments to one or more Persons to act as a co-trustee or co-trustees, or separate trustee or separate trustees, of all or any part of th Estate, and to vest in such Person or Persons, in such capacity and for the benefit of the Noteholders, such title to th Estate, or any part thereof, and, subject to the other provisions of this Section, such powers, duties, obligations, rig trusts as the Indenture Trustee may consider necessary or desirable. No co-trustee or separate trustee hereunder shall be r to meet the terms of eligibility as a successor trustee under Section 6.11 and no notice to Noteholders of the appointment co-trustee or separate trustee shall be required under Section 6.08 hereof.

(b) Every separate trustee and co-trustee shall, to the extent permitted by law, be appointed and act subject to the fo provisions and conditions:

(i) all rights, powers, duties and obligations conferred or imposed upon the Indenture Trustee shall be conferred or upon and exercised or performed by the Indenture Trustee and such separate trustee or co-trustee jointly (it being understoo such separate trustee or co-trustee is not authorized to act separately without the Indenture Trustee joining in such act), ex the extent that under any law of any jurisdiction in which any particular act or acts are to be performed the Indenture Truste be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations (includ holding of title to the Trust Estate or any portion thereof in any such jurisdiction) shall be exercised and performed singly

separate trustee or co-trustee, but solely at the direction of the Indenture Trustee;

(ii) no trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder; and

(iii) the Indenture Trustee may at any time accept the resignation of or remove any separate trustee or co-trustee.

(c) Any notice, request or other writing given to the Indenture Trustee shall be deemed to have been given to each of t separate trustees and co-trustees, as effectively as if given to each of them. Every instrument appointing any separate tru co-trustee shall refer to this Indenture and the conditions of this Article VI. Each separate trustee and co-trustee, u acceptance of the trusts conferred, shall be vested with the estates or property specified in its instrument of appointment, jointly with the Indenture Trustee or separately, as may be provided therein, subject to all the provisions of this Ind specifically including every provision of this Indenture relating to the conduct of, affecting the liability of, or af protection to, the Indenture Trustee. Every such instrument shall be filed with the Indenture Trustee.

(d) Any separate trustee or co-trustee may at any time constitute the Indenture Trustee, its agent or attorney-in-fact wi power and authority, to the extent not prohibited by law, to do any lawful act under or in respect of this Indenture on its and in its name. If any separate trustee or co-trustee shall die, become incapable of acting, resign or be removed, all estates, properties, rights, remedies and trusts shall vest in and be exercised by the Indenture Trustee, to the extent permi law, without the appointment of a new or successor trustee.

Section 6.11. Eligibility; Disqualification. The Indenture Trustee shall at all times satisfy the requirements of TIAss. The Indenture Trustee shall have a combined capital and surplus of at least $50,000,000 as set forth in its most recent pu annual report of condition and it or its parent shall have a long-term debt rating of A or better by Moody's. The Indenture shall comply with TIAss.310(b), including the optional provision permitted by the second sentence of TIAss.310(b)(9); pr however, that there shall be excluded from the operation of TIAss.310(b)(1) any indenture or indentures under which other sec of the Issuer are outstanding if the requirements for such exclusion set forth in TIAss.310(b)(1) are met.

Within 90 days after ascertaining the occurrence of an Event of Default which shall not have been cured or unless authorized by the Securities and Exchange Commission, the Indenture Trustee shall resign with respect to one or more of Notes in accordance with Section 6.08 of this Indenture, and the Issuer shall appoint a successor Indenture Trustee f Classes in accordance with Section 6.08 of this Indenture. In the event the Indenture Trustee fails to comply with the terms preceding sentence, the Indenture Trustee shall comply with clause (ii) of TIAss.310(b).

In the case of the appointment hereunder of a successor Indenture Trustee with respect to any Class o pursuant to this Section 6.11, the Issuer, the retiring Indenture Trustee and the successor Indenture Trustee with respect Class of Notes shall execute and deliver an indenture supplemental hereto wherein each successor Indenture Trustee shall acce appointment and which (i) shall contain such provisions as shall be necessary or desirable to transfer and confirm to, and in, the successor Indenture Trustee all the rights, powers, trusts and duties of the retiring Indenture Trustee with respect Notes of the Class to which the appointment of such successor Indenture Trustee relates, (ii) if the retiring Indenture Tru not retiring with respect to all Classes of Notes, shall contain such provisions as shall be deemed necessary or desirable to that all the rights, powers, trusts and duties of the retiring Indenture Trustee with respect to the Notes of each Class as t the retiring Indenture Trustee is not retiring shall continue to be vested in the Indenture Trustee, and (iii) shall add to or any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts he by more than one Indenture Trustee, it being understood that nothing herein or in such supplemental indenture shall constitu Indenture Trustees co-trustees of the same trust and that each such Indenture Trustee shall be trustee of a trust or trusts he separate and apart from any trust or trusts hereunder administered by any other such Indenture Trustee; and upon the removal retiring Indenture Trustee shall become effective to the extent provided therein.

Section 6.12. Preferential Collection of Claims Against Issuer. The Indenture Trustee shall comply with TIAss.311(a), ex any creditor relationship listed in TIAss.311(b). An Indenture Trustee who has resigned or been removed shall be subject t 311(a) to the extent indicated.

Section 6.13. Representations and Warranties. The Indenture Trustee hereby represents that:

(i) The Indenture Trustee is duly organized, validly existing and in good standing under the laws of the United Stat power and authority to own its properties and to conduct its business as such properties are currently owned and such busi presently conducted.

(ii) The Indenture Trustee has the power and authority to execute and deliver this Indenture and to carry out its terms; execution, delivery and performance of this Indenture have been duly authorized by the Indenture Trustee by all necessary co action.

(iii) The consummation of the transactions contemplated by this Indenture and the fulfillment of the terms hereof do not c with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time) a under, the articles of organization or bylaws of the Indenture Trustee or any agreement or other instrument to which the In Trustee is a party or by which it is bound.

(iv) To the Indenture Trustee's best knowledge, there are no proceedings or investigations pending or threatened bef court, regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Indenture Tru its properties: (A) asserting the invalidity of this Indenture (B) seeking to prevent the consummation of any of the trans contemplated by this Indenture or (C) seeking any determination or ruling that might materially and adversely affect the perf by the Indenture Trustee of its obligations under, or the validity or enforceability of, this Indenture.

(v) The Indenture Trustee does not have notice of any adverse claim (as such terms are used in Delaware UCC Section 8-30 respect to the Home Equity Loans.

Section 6.14. Directions to Indenture Trustee. The Indenture Trustee is hereby directed:

(a) to accept the pledge of the Home Equity Loans and hold the assets of the Trust in trust for the Noteholders and the Enhancer;

(b) to authenticate and deliver the Notes substantially in the form prescribed by Exhibit A in accordance with the terms Indenture; and

(c) to take all other actions as shall be required to be taken by the terms of this Indenture.

Section 6.15. Indenture Trustee May Own Securities. The Indenture Trustee, in its individual or any other capacity may bec owner or pledgee of Securities with the same rights it would have if it were not Indenture Trustee.

ARTICLE VII

Noteholders' Lists and Reports

Section 7.01. Issuer to Furnish Indenture Trustee Names and Addresses of Noteholders. The Issuer will furnish or caus furnished to the Indenture Trustee (a) not more than five days after each Record Date, a list, in such form as the Indenture may reasonably require, of the names and addresses of the Holders of Notes as of such Record Date and, (b) at such other times Indenture Trustee and the Credit Enhancer may request in writing, within 30 days after receipt by the Issuer of any such requ list of similar form and content as of a date not more than 10 days prior to the time such list is furnished; provided, howeve so long as the Indenture Trustee is the Note Registrar, no such list shall be required to be furnished.
Section 7.02. Preservation of Information; Communications to Noteholders. (a) The Indenture Trustee shall preserve, current a form as is reasonably practicable, the names and addresses of the Holders of Notes contained in the most rece furnished to the Indenture Trustee as provided in Section 7.01 and the names and addresses of Holders of Notes received Indenture Trustee in its capacity as Note Registrar. The Indenture Trustee may destroy any list furnished to it as provided Section 7.01 upon receipt of a new list so furnished.

(b) Noteholders may communicate pursuant to TIAss.312(b) with other Noteholders with respect to their rights und Indenture or under the Notes.

(c) The Issuer, the Indenture Trustee and the Note Registrar shall have the protection of TIAss.312(c).

Section 7.03. Reports by Issuer. (a) The Issuer shall:

(i) file with the Indenture Trustee, within 15 days after the Issuer is required to file the same with the Commission, co the annual reports and the information, documents and other reports (or copies of such portions of any of the foregoing Commission may from time to time by rules and regulations prescribe) that the Issuer may be required to file with the Com pursuant to Section 13 or 15(d) of the Exchange Act;

(ii) file with the Indenture Trustee, and the Commission in accordance with rules and regulations prescribed from time to the Commission such additional information, documents and reports with respect to compliance by the Issuer with the conditi covenants of this Indenture as may be required from time to time by such rules and regulations; and

(iii) supply to the Indenture Trustee (and the Indenture Trustee shall transmit by mail to all Noteholders described i 313(c)) such summaries of any information, documents and reports required to be filed by the Issuer pursuant to clauses (i) a of this Section 7.03(a) and by rules and regulations prescribed from time to time by the Commission.

(b) Unless the Issuer otherwise determines, the fiscal year of the Issuer shall end on December 31 of each year.

Section 7.04. Reports by Indenture Trustee. If required by TIAss.313(a), within 60 days after each January 1, beginnin January 1, 2007, the Indenture Trustee shall mail to each Noteholder as required by TIAss.313(c) and to the Credit Enhancer report dated as of such date that complies with TIAss.313(a). The Indenture Trustee also shall comply with TIAss.313(b).

A copy of each report at the time of its mailing to Noteholders shall be filed by the Indenture Trustee with the Comm if required, and each stock exchange, if any, on which the Term Notes are listed. The Issuer shall notify the Indenture Tru and when the Term Notes are listed on any stock exchange.

Section 7.05. Exchange Act Reporting In connection with the preparation and filing of periodic reports by the Master S pursuant to Section 4.01 of the Servicing Agreement, the Indenture Trustee shall timely provide to the Master Servicer (I) a Holders as shown on the Note Register or Certificate Register as of the end of each calendar year, (II) copies of all ple other legal process and any other documents relating to any claims, charges or complaints involving the Indenture Trust indenture trustee hereunder, or the Trust Estate that are received by the Indenture Trustee, (III) notice of all matters that, actual knowledge of a Responsible Officer of the Indenture Trustee, have been submitted to a vote of the Holders, other tha matters that have been submitted to a vote of the Holders at the request of the Depositor or the Master Servicer, and (IV) no any failure of the Indenture Trustee to make any payment to the Holders as required pursuant to this Indenture. Neither the Servicer nor the Indenture Trustee shall have any liability with respect to the Master Servicer's failure to properly prepare such periodic reports resulting from or relating to the Master Servicer's inability or failure to obtain any informati resulting from the Master Servicer's own negligence or willful misconduct.

ARTICLE VIII

Accounts, Disbursements and Releases

Section 8.01. Collection of Money. Except as otherwise expressly provided herein, the Indenture Trustee may demand pay delivery of, and shall receive and collect, directly and without intervention or assistance of any fiscal agent o intermediary, all money and other property payable to or receivable by the Indenture Trustee pursuant to this Indentur Indenture Trustee shall apply all such money received by it as provided in this Indenture. Except as otherwise expressly prov this Indenture, if any default occurs in the making of any payment or performance under any agreement or instrument that is the Trust Estate, the Indenture Trustee may take such action as may be appropriate to enforce such payment or performance, in the institution and prosecution of appropriate Proceedings. Any such action shall be without prejudice to any right to Default or Event of Default under this Indenture and any right to proceed thereafter as provided in Article V.

Section 8.02. Trust Accounts. (a) On or prior to the Closing Date, the Issuer shall cause the Indenture Trustee to establ

maintain, in the name of the Indenture Trustee, for the benefit of the Noteholders and the Certificate Paying Agent, on behalf Certificateholders and the Credit Enhancer, the Payment Account as provided in Section 3.01 of this Indenture.

(b) All monies deposited from time to time in the Payment Account pursuant to the Servicing Agreement and all deposits pursuant to this Indenture are for the benefit of the Noteholders and the Credit Enhancer and the Certificate Paying Agent, on of the Certificateholders and all investments made with such monies including all income or other gain from such investments the benefit of the Master Servicer as provided in Section 5.01 of the Servicing Agreement.

On each Payment Date, the Indenture Trustee shall distribute all amounts on deposit in the Payment Account to Notehol respect of the Notes and in its capacity as Certificate Paying Agent to Certificateholders in the order of priority set f Section 3.05 (except as otherwise provided in Section 5.04(b).

The Master Servicer shall direct the Indenture Trustee in writing to invest any funds in the Payment Account in Pe Investments maturing no later than the Business Day preceding each Payment Date and shall not be sold or disposed of prior maturity.

Section 8.03. Officer's Certificate. The Indenture Trustee shall receive at least seven days notice when requested by the to take any action pursuant to Section 8.05(a), accompanied by copies of any instruments to be executed, and the Indenture shall also require, as a condition to such action, an Officer's Certificate, in form and substance satisfactory to the In Trustee, stating the legal effect of any such action, outlining the steps required to complete the same, and concluding t conditions precedent to the taking of such action have been complied with.

Section 8.04. Termination Upon Distribution to Noteholders. This Indenture and the respective obligations and responsibili the Issuer and the Indenture Trustee created hereby shall terminate upon the distribution to the Noteholders, the Certificate Agent (on behalf of the Certificateholders) and the Indenture Trustee of all amounts required to be distributed pursuant to III and the Insurance Agreement; provided, however, that in no event shall the trust created hereby continue beyond the expira 21 years from the death of the survivor of the descendants of Joseph P. Kennedy, the late ambassador of the United States Court of St. James's, living on the date hereof.

Section 8.05. Release of Trust Estate. (a) Subject to the payment of its fees and expenses, the Indenture Trustee may, a required by the provisions of this Indenture or the Servicing Agreement shall, execute instruments to release property from t of this Indenture, or convey the Indenture Trustee's interest in the same, in a manner and under circumstances that inconsistent with the provisions of this Indenture. No party relying upon an instrument executed by the Indenture Tru provided in Article VIII hereunder shall be bound to ascertain the Indenture Trustee's authority, inquire into the satisfac any conditions precedent, or see to the application of any monies.

(b) The Indenture Trustee shall, at such time as (i) there are no Notes Outstanding, (ii) all sums due the Indenture pursuant to this Indenture have been paid, and (iii) all sums due the Credit Enhancer have been paid, release any remaining of the Trust Estate that secured the Notes from the lien of this Indenture.

(c) The Indenture Trustee shall release property from the lien of this Indenture pursuant to this Section 8.05 only upon of a request from the Issuer accompanied by an Officers' Certificate and a letter from the Credit Enhancer, stating that the Enhancer has no objection to such request from the Issuer.

(d) The Indenture Trustee shall, at the request of the Issuer or the Depositor, surrender the Policy to the Credit Enhan cancellation, upon final payment of principal of and interest on the Notes.

Section 8.06. Surrender of Notes Upon Final Payment. By acceptance of any Note, the Holder thereof agrees to surrender su to the Indenture Trustee promptly, prior to such Noteholder's receipt of the final payment thereon.

ARTICLE IX

SUPPLEMENTAL INDENTURES

Section 9.01. Supplemental Indentures Without Consent of Noteholders. (a) Without the consent of the Holders of any No with prior notice to the Rating Agencies and with the written consent of the Credit Enhancer (which consent shall not be unrea withheld), unless a Credit Enhancer Default shall have occurred and is continuing, the Issuer and the Indenture Trustee authorized by an Issuer Request, at any time and from time to time, may enter into one or more indentures supplemental hereto shall conform to the provisions of the TIA as in force at the date of the execution thereof), in form satisfactory to the In Trustee, for any of the following purposes:

(i) to correct or amplify the description of any property at any time subject to the lien of this Indenture, or be assure, convey and confirm unto the Indenture Trustee any property subject or required to be subjected to the lien of this Ind or to subject to the lien of this Indenture additional property;

(ii) to evidence the succession, in compliance with the applicable provisions hereof, of another person to the Issuer, assumption by any such successor of the covenants of the Issuer herein and in the Notes contained;

(iii) to add to the covenants of the Issuer, for the benefit of the Holders of the Notes or the Credit Enhancer, or to su any right or power herein conferred upon the Issuer;

(iv) to convey, transfer, assign, mortgage or pledge any property to or with the Indenture Trustee;

(v) to cure any ambiguity, to correct any error or to correct or supplement any provision herein or in any suppl indenture that may be inconsistent with any other provision herein or in any supplemental indenture;

(vi) to make any other provisions with respect to matters or questions arising under this Indenture or in any suppl indenture; provided, that such action shall not materially and adversely affect the interests of the Holders of the Notes Credit Enhancer;

(vii) to evidence and provide for the acceptance of the appointment hereunder by a successor trustee with respect to the No to add to or change any of the provisions of this Indenture as shall be necessary to facilitate the administration of the hereunder by more than one trustee, pursuant to the requirements of Article VI;

(viii) to increase the Maximum Variable Funding Balance with the written consent of the Credit Enhancer; or

(ix) to modify, eliminate or add to the provisions of this Indenture to such extent as shall be necessary to effe qualification of this Indenture under the TIA or under any similar federal statute hereafter enacted and to add to this In such other provisions as may be expressly required by the TIA;

provided, however, that no such supplemental indenture shall be entered into unless the Indenture Trustee and the Credit E shall have received an Opinion of Counsel to the effect that the execution of such supplemental indenture will not give rise material adverse tax consequence to the Noteholders.

The Indenture Trustee is hereby authorized to join in the execution of any such supplemental indenture and to m further appropriate agreements and stipulations that may be therein contained.

(b) The Issuer and the Indenture Trustee, when authorized by an Issuer Request, may, also without the consent of any Holders of the Notes but with prior notice to the Rating Agencies and with the consent of the Credit Enhancer, enter indenture or indentures supplemental hereto for the purpose of adding any provisions to, or changing in any manner or eliminat of the provisions of, this Indenture or of modifying in any manner the rights of the Holders of the Notes under this Ind provided, however, that such action shall not, as evidenced by an Opinion of Counsel, (i) adversely affect in any material the interests of any Noteholder or the Credit Enhancer or (ii) cause the Issuer to be subject to an entity level tax.

Section 9.02. Supplemental Indentures With Consent of Noteholders. The Issuer and the Indenture Trustee, when authorize Issuer Request, also may, with prior notice to the Rating Agencies and with the consent of the Holders of not less than a majo the Security Balances of the Notes affected thereby and the Credit Enhancer, by Act (as defined in Section 10.03 hereof) Holders delivered to the Issuer and the Indenture Trustee, enter into an indenture or indentures supplemental hereto for the of adding any provisions to, or changing in any manner or eliminating any of the provisions of, this Indenture or of modifying manner the rights of the Holders of the Notes under this Indenture; provided, however, that no such supplemental indenture without the consent of the Holder of each Note affected thereby and the Credit Enhancer:

(i) change the date of payment of any installment of principal of or interest on any Note, or reduce the principal thereof or the Note Rate thereon, change the provisions of this Indenture relating to the application of collections on, proceeds of the sale of, the Trust Estate to payment of principal of or interest on the Notes, or change any place of payment or the coin or currency in which, any Note or the interest thereon is payable, or impair the right to institute suit enforcement of the provisions of this Indenture requiring the application of funds available therefor, as provided in Articl the payment of any such amount due on the Notes on or after the respective due dates thereof;

(ii) reduce the percentage of the Security Balances of any Class of Notes, the consent of the Holders of which is requi any such supplemental indenture, or the consent of the Holders of which is required for any waiver of compliance with provisions of this Indenture or certain defaults hereunder and their consequences provided for in this Indenture;

(iii) modify or alter the provisions of the proviso to the definition of the term "Outstanding" or modify or alter the ex in the definition of the term "Noteholder";

(iv) modify or alter the provisions of this Indenture regarding the voting of Notes held by the Issuer, the Depositor or them;

(v) reduce the percentage of the Security Balances of the Notes required to direct the Indenture Trustee to direct the Is sell or liquidate the Trust Estate pursuant to Section 5.04;

(vi) modify any provision of this Section 9.02 except to increase any percentage specified herein or to provide that additional provisions of this Indenture or the other Basic Documents cannot be modified or waived without the consent of the of each Note affected thereby;

(vii) modify any of the provisions of this Indenture in such manner as to affect the calculation of the amount of any pay interest or principal due on any Note on any Payment Date (including the calculation of any of the individual components calculation); or

(viii) permit the creation of any lien ranking prior to or on a parity with the lien of this Indenture with respect to any the Trust Estate or, except as otherwise permitted or contemplated herein, terminate the lien of this Indenture on any prop any time subject hereto or deprive the Holder of any Note or the Credit Enhancer of the security provided by the lien Indenture;

and provided, further, that any action listed in clauses (i) through (viii) above shall not, as evidenced by an Opinion of C cause the Issuer to be subject to an entity level tax.

The Indenture Trustee may in its discretion determine whether or not any Notes would be affected by any suppl indenture and any such determination shall be conclusive upon the Holders of all Notes, whether theretofore or the authenticated and delivered hereunder. The Indenture Trustee shall not be liable for any such determination made in good faith.

It shall not be necessary for any Act (as defined in Section 10.03 hereof) of Noteholders under this Section 9.02 to the particular form of any proposed supplemental indenture, but it shall be sufficient if such Act shall approve the su thereof.

Promptly after the execution by the Issuer and the Indenture Trustee of any supplemental indenture pursuant to this 9.02, the Indenture Trustee shall mail to the Holders of the Notes to which such amendment or supplemental indenture relates a setting forth in general terms the substance of such supplemental indenture. Any failure of the Indenture Trustee to ma notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture.

So long as there does not exist a failure by the Credit Enhancer to make a required payment under the Policy, the Enhancer shall have the right to exercise all rights of the Holders of the Notes under this Indenture without any consent Holders, and such Holders may exercise such rights only with the prior written consent of the Credit Enhancer, except as p

herein.

Section 9.03. Execution of Supplemental Indentures. In executing, or permitting the additional trusts created b supplemental indenture permitted by this Article IX or the modification thereby of the trusts created by this Indentur Indenture Trustee shall be entitled to receive, and subject to Sections 6.01 and 6.02, shall be fully protected in relying u Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indentur Indenture Trustee may, but shall not be obligated to, enter into any such supplemental indenture that affects the Indenture Tr own rights, duties, liabilities or immunities under this Indenture or otherwise.

Section 9.04. Effect of Supplemental Indenture. Upon the execution of any supplemental indenture pursuant to the pro hereof, this Indenture shall be and shall be deemed to be modified and amended in accordance therewith with respect to th affected thereby, and the respective rights, limitations of rights, obligations, duties, liabilities and immunities und Indenture of the Indenture Trustee, the Issuer and the Holders of the Notes shall thereafter be determined, exercised and e hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such suppl indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 9.05. Conformity with Trust Indenture Act. Every amendment of this Indenture and every supplemental indenture e pursuant to this Article IX shall conform to the requirements of the TIA as then in effect so long as this Indenture shall qualified under the TIA.

Section 9.06. Reference in Notes to Supplemental Indentures. Notes authenticated and delivered after the execution supplemental indenture pursuant to this Article IX may, and if required by the Indenture Trustee shall, bear a notation approved by the Indenture Trustee as to any matter provided for in such supplemental indenture. If the Issuer or the In Trustee shall so determine, new Notes so modified as to conform, in the opinion of the Indenture Trustee and the Issuer, to a supplemental indenture may be prepared and executed by the Issuer and authenticated and delivered by the Indenture Tru exchange for Outstanding Notes.

ARTICLE X

MISCELLANEOUS

Section 10.01. Compliance Certificates and Opinions, etc. (a) Upon any application or request by the Issuer to the In Trustee to take any action under any provision of this Indenture, the Issuer shall furnish to the Indenture Trustee and to the Enhancer (i) an Officer's Certificate stating that all conditions precedent, if any, provided for in this Indenture relating proposed action have been complied with and (ii) an Opinion of Counsel stating that in the opinion of such counsel a conditions precedent, if any, have been complied with, except that, in the case of any such application or request as to wh furnishing of such documents is specifically required by any provision of this Indenture, no additional certificate or opini be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture include:

(i) a statement that each signatory of such certificate or opinion has read or has caused to be read such covenant or co and the definitions herein relating thereto;

(ii) a brief statement as to the nature and scope of the examination or investigation upon which the statements or o contained in such certificate or opinion are based;

(iii) a statement that, in the opinion of each such signatory, such signatory has made such examination or investigation necessary to enable such signatory to express an informed opinion as to whether or not such covenant or condition has been c with;

(iv) a statement as to whether, in the opinion of each such signatory, such condition or covenant has been complied with; an

(v) if the signer of such certificate or Opinion is required to be Independent, the statement required by the definition term "Independent".

(b) (i) Prior to the deposit of any Collateral or other property or securities with the Indenture Trustee that is to the basis for the release of any property or securities subject to the lien of this Indenture, the Issuer shall, in addition obligation imposed in Section 10.01(a) or elsewhere in this Indenture, furnish to the Indenture Trustee an Officer's Cert certifying or stating the opinion of each person signing such certificate as to the fair value (within 90 days of such depo the Issuer of the Collateral or other property or securities to be so deposited.

(ii) Whenever the Issuer is required to furnish to the Indenture Trustee an Officer's Certificate certifying or stat opinion of any signer thereof as to the matters described in clause (i) above, the Issuer shall also deliver to the Indenture an Independent Certificate as to the same matters, if the fair value to the Issuer of the securities to be so deposited and other such securities made the basis of any such withdrawal or release since the commencement of the then-current fiscal year Issuer, as set forth in the certificates delivered pursuant to clause (i) above and this clause (ii), is 10% or more of the S Balances of the Notes, but such a certificate need not be furnished with respect to any securities so deposited, if the fai thereof to the Issuer as set forth in the related Officer's Certificate is less than $25,000 or less than one percent of the S Balances of the Notes.

(iii) Whenever any property or securities are to be released from the lien of this Indenture, the Issuer shall also furnish Indenture Trustee an Officer's Certificate certifying or stating the opinion of each person signing such certificate as to t value (within 90 days of such release) of the property or securities proposed to be released and stating that in the opinion person the proposed release will not impair the security under this Indenture in contravention of the provisions hereof.

(iv) Whenever the Issuer is required to furnish to the Indenture Trustee an Officer's Certificate certifying or stat opinion of any signer thereof as to the matters described in clause (iii) above, the Issuer shall also furnish to the In Trustee an Independent Certificate as to the same matters if the fair value of the property or securities and of all other pr

other than property as contemplated by clause (v) below or securities released from the lien of this Indenture since the comme of the then-current calendar year, as set forth in the certificates required by clause (iii) above and this clause (iv), equ or more of the Security Balances of the Notes, but such certificate need not be furnished in the case of any release of prop securities if the fair value thereof as set forth in the related Officer's Certificate is less than $25,000 or less than one of the then Security Balances of the Notes.

(v) Notwithstanding any provision of this Indenture, the Issuer may, without compliance with the requirements of th provisions of this Section 10.01, (A) collect upon, sell or otherwise dispose of the Home Equity Loans as and to the extent pe or required by the Basic Documents or (B) make cash payments out of the Payment Account as and to the extent permitted or requ the Basic Documents, so long as the Issuer shall deliver to the Indenture Trustee every six months, commencing December 31, 2 Officer's Certificate of the Issuer stating that all the dispositions of Collateral described in clauses (A) or (B) abo occurred during the preceding six calendar months were in the ordinary course of the Issuer's business and that the proceeds were applied in accordance with the Basic Documents.

Section 10.02. Form of Documents Delivered to Indenture Trustee. In any case where several matters are required to be ce by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may cer give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an Authorized Officer of the Issuer may be based, insofar as it relates to legal matters a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion i are erroneous. Any such certificate of an Authorized Officer or Opinion of Counsel may be based, insofar as it relates to matters, upon a certificate or opinion of, or representations by, an officer or officers of the Seller or the Issuer, stati the information with respect to such factual matters is in the possession of the Seller or the Issuer, unless such counsel kn in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matt erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certif statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

Whenever in this Indenture, in connection with any application or certificate or report to the Indenture Trustee, provided that the Issuer shall deliver any document as a condition of the granting of such application, or as evidence Issuer's compliance with any term hereof, it is intended that the truth and accuracy, at the time of the granting of such appl or at the effective date of such certificate or report (as the case may be), of the facts and opinions stated in such documen in such case be conditions precedent to the right of the Issuer to have such application granted or to the sufficiency certificate or report. The foregoing shall not, however, be construed to affect the Indenture Trustee's right to rely upon th and accuracy of any statement or opinion contained in any such document as provided in Article VI.

Section 10.03. Acts of Noteholders. (a) Any request, demand, authorization, direction, notice, consent, waiver or other provided by this Indenture to be given or taken by Noteholders may be embodied in and evidenced by one or more instrume substantially similar tenor signed by such Noteholders in person or by agents duly appointed in writing; and except as otherwise expressly provided such action shall become effective when such instrument or instruments are delivered to the In Trustee, and, where it is hereby expressly required, to the Issuer. Such instrument or instruments (and the action embodied and evidenced thereby) are herein sometimes referred to as the "Act" of the Noteholders signing such instrument or instr Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose Indenture and (subject to Section 6.01) conclusive in favor of the Indenture Trustee and the Issuer, if made in the manner p in this Section 10.03.

(b) The fact and date of the execution by any person of any such instrument or writing may be proved in any manner t Indenture Trustee deems sufficient.

(c) The ownership of Notes shall be proved by the Note Registrar.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other action by the Holder of any Note sha the Holder of every Note issued upon the registration thereof or in exchange therefor or in lieu thereof, in respect of a done, omitted or suffered to be done by the Indenture Trustee or the Issuer in reliance thereon, whether or not notation action is made upon such Note.

Section 10.04. Notices, etc., to Indenture Trustee, Issuer, Credit Enhancer and Rating Agencies. Any request, authorization, direction, notice, consent, waiver or Act of Noteholders or other documents provided or permitted by this In shall be in writing and if such request, demand, authorization, direction, notice, consent, waiver or Act of Noteholders i made upon, given or furnished to or filed with:

(i) the Indenture Trustee by any Noteholder or by the Issuer shall be sufficient for every purpose hereunder if made, furnished or filed in writing to or with the Indenture Trustee at the Corporate Trust Office. The Indenture Trustee shall p transmit any notice received by it from the Noteholders to the Issuer, or

(ii) the Issuer by the Indenture Trustee or by any Noteholder shall be sufficient for every purpose hereunder if in writ mailed first-class, postage prepaid to the Issuer addressed to: Home Equity Loan Trust 2006-HSA4, in care of Wilmington Company, or at any other address previously furnished in writing to the Indenture Trustee by the Issuer. The Issuer shall p transmit any notice received by it from the Noteholders to the Indenture Trustee, or

(iii) the Credit Enhancer by the Issuer, the Indenture Trustee or by any Noteholders shall be sufficient for every hereunder to in writing and mailed, first-class postage pre-paid, or personally delivered or telecopied to: MBIA In Corporation, 113 King Street, Armonk, New York 10504, Attention: IPM-SF, Re: Home Equity Loan Trust 2006-HSA4. The Credit E shall promptly transmit any notice received by it from the Issuer, the Indenture Trustee or the Noteholders to the Is Indenture Trustee, as the case may be.

Any consent or waiver under this Indenture or any Basic Document by the Credit Enhancer must be in writing and signed Credit Enhancer to be effective.

Notices required to be given to the Rating Agencies by the Issuer, the Indenture Trustee or the Owner Trustee shal writing, personally delivered or mailed by certified mail, return receipt requested, to (i) in the case of Standard & Poor's,

following address: Standard & Poor's Ratings Services, 55 Water Street, New York, New York 10041, Attention of Asset Surveillance Department and (ii) in the case of Moody's, at the following address: Moody's Investors Service, Inc., ABS Mon Department, 99 Church Street, New York, New York 10007; or as to each of the foregoing, at such other address as shall be des by written notice to the other parties.

Section 10.05. Notices to Noteholders; Waiver. Where this Indenture provides for notice to Noteholders of any event, such shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class, postage pre each Noteholder affected by such event, at such Person's address as it appears on the Note Register, not later than the lates and not earlier than the earliest date, prescribed for the giving of such notice. In any case where notice to Noteholders i by mail, neither the failure to mail such notice nor any defect in any notice so mailed to any particular Noteholder shall aff sufficiency of such notice with respect to other Noteholders, and any notice that is mailed in the manner herein provided conclusively be presumed to have been duly given regardless of whether such notice is in fact actually received.

Where this Indenture provides for notice in any manner, such notice may be waived in writing by any Person entit receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of no Noteholders shall be filed with the Indenture Trustee but such filing shall not be a condition precedent to the validity action taken in reliance upon such a waiver.

In case, by reason of the suspension of regular mail service as a result of a strike, work stoppage or similar activi shall be impractical to mail notice of any event to Noteholders when such notice is required to be given pursuant to any provi this Indenture, then any manner of giving such notice as shall be satisfactory to the Indenture Trustee shall be deemed sufficient giving of such notice.

Where this Indenture provides for notice to the Rating Agencies, failure to give such notice shall not affect an rights or obligations created hereunder, and shall not under any circumstance constitute an Event of Default.

Section 10.06. Alternate Payment and Notice Provisions. Notwithstanding any provision of this Indenture or any of the N the contrary, the Issuer may enter into any agreement with any Holder of a Note providing for a method of payment, or notice Indenture Trustee to such Holder, that is different from the methods provided for in this Indenture for such payments or n The Issuer shall furnish to the Indenture Trustee a copy of each such agreement and the Indenture Trustee shall cause payment made and notices to be given in accordance with such agreements.

Section 10.07. Conflict with Trust Indenture Act. If any provision hereof limits, qualifies or conflicts with another pr hereof that is required to be included in this Indenture by any of the provisions of the TIA, such required provision shall cont

The provisions of TIAss.ss.310 through 317 that impose duties on any Person (including the provisions automaticall included herein unless expressly excluded by this Indenture) are a part of and govern this Indenture, whether or not phy contained herein.

Section 10.08. Effect of Headings. The Article and Section headings herein are for convenience only and shall not aff construction hereof.

Section 10.09. Successors and Assigns. All covenants and agreements in this Indenture and the Notes by the Issuer shall b successors and assigns, whether so expressed or not. All agreements of the Indenture Trustee in this Indenture shall b successors, co-trustees and agents.

Section 10.10. Separability. In case any provision in this Indenture or in the Notes shall be held invalid, ille unenforceable, the validity, legality, and enforceability of the remaining provisions hereof shall not in any way be affe impaired thereby.

Section 10.11. Benefits of Indenture. Nothing in this Indenture or in the Notes, express or implied, shall give to any other than the parties hereto and their successors hereunder, and the Noteholders, the Credit Enhancer, and any other party hereunder, and any other Person with an ownership interest in any part of the Trust Estate, any benefit or any legal or eq right, remedy or claim under this Indenture. The Credit Enhancer is a third-party beneficiary of this Indenture.

Section 10.12. Legal Holidays. In any case where the date on which any payment is due shall not be a Business Day (notwithstanding any other provision of the Notes or this Indenture) payment need not be made on such date, but may be made next succeeding Business Day with the same force and effect as if made on the date on which nominally due, and no interest accrue for the period from and after any such nominal date.

Section 10.13. GOVERNING LAW. THIS INDENTURE SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, REFERENCE TO ITS CONFLICTS OF LAW PROVISIONS (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW), OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

Section 10.14. Counterparts. This Indenture may be executed in any number of counterparts, each of which so executed s deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 10.15. Recording of Indenture. If this Indenture is subject to recording in any appropriate public recording offices recording is to be effected by the Issuer and at its expense accompanied by an Opinion of Counsel (which may be counsel Indenture Trustee or any other counsel reasonably acceptable to the Indenture Trustee) to the effect that such recording is ne either for the protection of the Noteholders or any other Person secured hereunder or for the enforcement of any right or granted to the Indenture Trustee under this Indenture.

Section 10.16. Issuer Obligation. No recourse may be taken, directly or indirectly, with respect to the obligations of the the Owner Trustee or the Indenture Trustee on the Notes or under this Indenture or any certificate or other writing deliv connection herewith or therewith, against (i) the Indenture Trustee or the Owner Trustee in its individual capacity, (ii) an of a beneficial interest in the Issuer or (iii) any partner, owner, beneficiary, agent, officer, director, employee or agent Indenture Trustee or the Owner Trustee in its individual capacity, any holder of a beneficial interest in the Issuer, th Trustee or the Indenture Trustee or of any successor or assign of the Indenture Trustee or the Owner Trustee in its ind capacity, except as any such Person may have expressly agreed (it being understood that the Indenture Trustee and the Owner have no such obligations in their respective individual capacities) and except that any such partner, owner or beneficiary s fully liable, to the extent provided by applicable law, for any unpaid consideration for stock, unpaid capital contribut failure to pay any installment or call owing to such entity. For all purposes of this Indenture, in the performance of any du obligations of the Issuer hereunder, the Owner Trustee shall be subject to, and entitled to the benefits of, the terms and pro of Articles VI, VII and VIII of the Trust Agreement.

Section 10.17. No Petition. The Indenture Trustee, by entering into this Indenture, and each Noteholder, by its acceptan Note, hereby covenant and agree that they will not at any time institute against the Depositor or the Issuer, or join institution against the Depositor or the Issuer of, any bankruptcy, reorganization, arrangement, insolvency or liqu proceedings, or other proceedings under any United States federal or state bankruptcy or similar law in connection w obligations relating to the Notes, this Indenture or any of other the Basic Documents.

Section 10.18. Inspection. The Issuer agrees that, on reasonable prior notice, it shall permit any representative of the In Trustee, during the Issuer's normal business hours, to examine all the books of account, records, reports and other papers Issuer, to make copies and extracts therefrom, to cause such books to be audited by Independent certified public accountants, discuss the Issuer's affairs, finances and accounts with the Issuer's officers, employees, and Independent certified accountants, all at such reasonable times and as often as may be reasonably requested. The Indenture Trustee shall and shal its representatives to hold in confidence all such information except to the extent disclosure may be required by law (reasonable applications for confidential treatment are unavailing) and except to the extent that the Indenture Trustee may rea determine that such disclosure is consistent with its obligations hereunder.

IN WITNESS WHEREOF, the Issuer and the Indenture Trustee have caused their names to be signed hereto by their res officers thereunto duly authorized, all as of the day and year first above written.

HOME EQUITY LOAN TRUST 2006-HSA4,
as Issuer

By: WILMINGTON TRUST COMPANY,
not in its individual capacity
but solely as Owner Trustee

By: /s/ Robert J. Perkins
Name: Robert J. Perkins
Title: Sr. Financial Services Officer

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION,
as Indenture Trustee

By: /s/Joanne Murray
Name: Joanne Murray
Title: Assistant Vice President

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION
hereby accepts the appointment as
Paying Agent pursuant to Section 3.03
hereof and as Note Registrar pursuant
to Section 4.02 hereof.

By: /s/Joanne Murray
Name: Joanne Murray
Title: Assistant Vice President

STATE OF DELAWARE)
) ss.:
COUNTY OF NEWCASTLE)

On this 28th day of July, 2006, before me personally appeared Robert J. Perkins, to me known, who being by me duly did depose and say, that s/he resides at in Wilmington, DE, that s/he is the Assistant Vice President of the Owner Trustee, the corporations described in and which executed the above instrument; that s/he knows the seal of said corporation; that t affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporatio that s/he signed her/his name thereto by like order.

/s/Michele C. Harra

Notary Public

STATE OF TEXAS)
) ss.:
COUNTY OF HARRIS)

On this 28th day of July, 2006, before me personally appeared Joanne Murray, to me known, who being by me duly swo depose and say, that s/he resides at _Houston, TX_ that s/he is the Assistant Vice President of JPMorgan Chase Bank, N. Indenture Trustee, one of the corporations described in and which executed the above instrument; that s/he knows the seal corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the B Directors of said corporation; and that s/he signed her/his name thereto by like order.

/s/Mary Phu Yeung
Notary Public

NOTORIAL SEAL

EXHIBIT A-1

FORM OF CLASS A NOTES

UNLESS THIS TERM NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A N CORPORATION ("DTC"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY TERM NOTE IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAY MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OT HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN I HEREIN.

THE PRINCIPAL OF THIS TERM NOTE IS PAYABLE IN INSTALLMENTS AS SET FORTH HEREIN. ACCORDINGLY, THE OUTS PRINCIPAL AMOUNT OF THIS TERM NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF.

THIS TERM NOTE DOES NOT REPRESENT AN INTEREST IN OR OBLIGATION OF THE SELLER, THE DEPOSITOR, THE MASTER SE THE INDENTURE TRUSTEE, THE TRUSTEE OR GMAC MORTGAGE GROUP, INC. OR ANY OF THEIR RESPECTIVE AFFILIATES, EXCEPT AS EXPRESSLY P IN THE INDENTURE OR THE BASIC DOCUMENTS.

HOME EQUITY LOAN TRUST 2006-HSA4
Home Equity Loan-Backed Term Note, Class A

Registered Principal Amount: $[ ]

No. 1 Note Rate: Floating

CUSIP NO.

Home Equity Loan Trust 2006-HSA4, a statutory trust duly organized and existing under the laws of the S Delaware (herein referred to as the "Issuer"), for value received, hereby promises to pay to Cede & Co. or registered assign principal sum of $[ ], payable on each Payment Date in an amount equal to the Percentage Interest evidenced by this Term Note aggregate amount, if any, payable from the Payment Account in respect of principal on the Term Notes pursuant to Section 3.05 Indenture dated as of July 28, 2006 (the "Indenture") between the Issuer, as Issuer, and JPMorgan Chase Bank, N.A., as In Trustee (the "Indenture Trustee"); provided, however, that the entire unpaid principal amount of this Term Note shall be payable on the Payment Date in July 2036, to the extent not previously paid on a prior Payment Date. Capitalized terms used defined herein are defined in Appendix A of the Indenture.

Interest on the Class A Notes will be paid monthly on each Payment Date at the Note Rate for the related I Period subject to limitations which may result in Net WAC Cap Shortfalls (as further described in the Indenture). The Note R each Interest Period will be a floating rate equal to the least of (i) LIBOR plus 0.14% per annum, (ii) 17.25% per annum an the Net WAC Rate. LIBOR for each applicable Interest Period will be determined on the second LIBOR Business Day imme preceding (i) the Closing Date in the case of the first Interest Period and (ii) the first day of each succeeding Interest Pe the Indenture Trustee as set forth in the Indenture. All determinations of LIBOR by the Indenture Trustee shall, in the abs manifest error, be conclusive for all purposes, and each holder of this Term Note, by accepting this Term Note, agrees to be b such determination. Interest on this Term Note will accrue for each Payment Date from the most recent Payment Date on which i has been paid (in the case of the first Payment Date, from the Closing Date) to but excluding such Payment Date. Interest computed on the basis of the actual number of days in each Interest Period and a year assumed to consist of 360 days. Princ and interest on this Term Note shall be paid in the manner specified on the reverse hereof.

Principal of and interest on this Term Note are payable in such coin or currency of the United States of Ame at the time of payment is legal tender for payment of public and private debts. All payments made by the Issuer with respect Term Note shall be applied first to interest due and payable on this Term Note as provided above and then to the unpaid princ this Term Note.

Reference is made to the further provisions of this Term Note set forth on the reverse hereof, which shall h same effect as though fully set forth on the face of this Term Note.

Unless the certificate of authentication hereon has been executed by the Indenture Trustee whose name appear by manual signature, this Term Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof valid or obligatory for any purpose.

This Term Note is one of a duly authorized issue of Term Notes of the Issuer, designated as its Home Loan-Backed Term Notes, all issued under the Indenture, to which Indenture and all indentures supplemental thereto refer hereby made for a statement of the respective rights and obligations thereunder of the Issuer, the Indenture Trustee and the of the Term Notes. The Term Notes are subject to all terms of the Indenture.

The Term Notes and the Variable Funding Notes (collectively, the "Notes") are and will be equally and secured by the collateral pledged as security therefor as provided in the Indenture.

This Term Note is entitled to the benefits of an irrevocable and unconditional financial guaranty insurance issued by MBIA Insurance Corporation.

Principal of and interest on this Term Note will be payable on each Payment Date, commencing August 25, 20 described in the Indenture. "Payment Date" means the twenty-fifth day of each month, or, if any such date is not a Busines then the next Business Day.

The entire unpaid principal amount of this Term Note shall be due and payable in full on the Payment Date 2036 pursuant to the Indenture, to the extent not previously paid on a prior Payment Date. Notwithstanding the foregoing, Event of Default shall have occurred and be continuing, then the Indenture Trustee or the holders of Notes representing not le a majority of the Security Balances of all Notes with the consent of the Credit Enhancer, or the Credit Enhancer may decl Notes to be immediately due and payable in the manner provided in Section 5.02 of the Indenture. All principal payments on t Notes shall be made pro rata to the holders of Term Notes entitled thereto.

Payments of interest on this Term Note due and payable on each Payment Date, together with the installm principal, if any, to the extent not in full payment of this Term Note, shall be made by check mailed to the Person who appears as the Registered Holder of this Term Note (or one or more Predecessor Notes) on the Note Register as of the c business on each Record Date, except that with respect to Term Notes registered on the Record Date in the name of the nominee Depository Agency (initially, such nominee to be Cede & Co.), payments will be made by wire transfer in immediately availabl to the account designated by such nominee. Such checks shall be mailed to the Person entitled thereto at the address of such as it appears on the Note Register as of the applicable Record Date without requiring that this Term Note be submitted for n of payment. Any reduction in the principal amount of this Term Note (or any one or more Predecessor Notes) effected by any p made on any Payment Date shall be binding upon all future holders of this Term Note and of any Term Note issued upon the regis of transfer hereof or in exchange hereof or in lieu hereof, whether or not noted hereon. If funds are expected to be availab provided in the Indenture, for payment in full of the then remaining unpaid principal amount of this Term Note on a Paymen then the Indenture Trustee, in the name of and on behalf of the Issuer, will notify the Person who was the Registered Holder as of the Record Date preceding such Payment Date by notice mailed or transmitted by facsimile prior to such Payment Date, amount then due and payable shall be payable only upon presentation and surrender of this Term Note at the address specified notice of final payment.

As provided in the Indenture and subject to certain limitations set forth therein, the transfer of this Te may be registered on the Note Register upon surrender of this Term Note for registration of transfer at the Corporate Trust duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Indenture Trustee duly execu the holder hereof or such holder's attorney duly authorized in writing, with such signature guaranteed by an "eligible gu institution" meeting the requirements of the Note Registrar, which requirements include membership or participation in the Sec Transfer Agent's Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Note Re in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended, and th one or more new Term Notes in authorized denominations and in the same aggregate principal amount will be issued to the des transferee or transferees. No service charge will be charged for any registration of transfer or exchange of this Term Note, Note Registrar shall require payment of a sum sufficient to cover any tax or governmental charge that may be imposed in con with any registration of transfer or exchange of this Term Note.

Each holder or Beneficial Owner of a Term Note, by acceptance of a Term Note, or, in the case of a Beneficial of a Term Note, a beneficial interest in a Term Note, covenants and agrees that no recourse may be taken, directly or indi with respect to the obligations of the Issuer, the Owner Trustee, the Seller, the Master Servicer, the Depositor or the In Trustee on the Term Notes or under the Indenture or any certificate or other writing delivered in connection therewith, agai the Indenture Trustee or the Owner Trustee in its individual capacity, (ii) any owner of a beneficial interest in the Is (iii) any partner, owner, beneficiary, agent, officer, director or employee of the Indenture Trustee or the Owner Trustee individual capacity, any holder of a beneficial interest in the Issuer, the Owner Trustee or the Indenture Trustee or successor or assign of the Indenture Trustee or the Owner Trustee in its individual capacity, except as any such Person m expressly agreed and except that any such partner, owner or beneficiary shall be fully liable, to the extent provided by app law for any unpaid consideration for stock, unpaid capital contribution or failure to pay any installment or call owing entity.

Each holder or Beneficial Owner of a Term Note, by acceptance of a Term Note or, in the case of a Beneficial of a Term Note, a beneficial interest in a Term Note, covenants and agrees by accepting the benefits of the Indenture th holder or Beneficial Owner of a Term Note will not at any time institute against the Depositor or the Issuer, or join institution against the Depositor, the Seller, the Master Servicer, GMAC Mortgage Group, Inc. or the Issuer of, any bank reorganization, arrangement, insolvency or liquidation proceedings under any United States federal or state bankruptcy or simi in connection with any obligations relating to the Term Notes, the Indenture or the Basic Documents.

The Issuer has entered into the Indenture and this Term Note is issued with the intention that, for federal, and local income, single business and franchise tax purposes, the Term Notes will qualify as indebtedness of the Issuer. Each of a Term Note, by acceptance of a Term Note (and each Beneficial Owner of a Term Note by acceptance of a beneficial intere Term Note), agrees to treat the Term Notes for federal, state and local income, single business and franchise tax purp indebtedness of the Issuer.

Prior to the due presentment for registration of transfer of this Term Note, the Issuer, the Indenture Trus any agent of the Issuer or the Indenture Trustee may treat the Person in whose name this Term Note is registered (as of the determination or as of such other date as may be specified in the Indenture) as the owner hereof for all purposes, whether

this Term Note be overdue, and none of the Issuer, the Indenture Trustee or any such agent shall be affected by notice contrary.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modifica the rights and obligations of the Issuer and the Indenture Trustee and the rights of the holders of the Term Notes un Indenture at any time by the Issuer and the Indenture Trustee with the consent of the holders of Notes representing a majority Security Balances of all Notes at the time Outstanding and the Credit Enhancer and with prior notice to the Rating Agencie Indenture also contains provisions permitting the holders of Notes representing specified percentages of the Security Balances Notes, on behalf of the holders of all the Notes, to waive compliance by the Issuer with certain provisions of the Indent certain past defaults under the Indenture and their consequences. Any such consent or waiver by the holder of this Term Note one of more Predecessor Notes) shall be conclusive and binding upon such holder and upon all future holders of this Term Note any Term Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation consent or waiver is made upon this Term Note. The Indenture also permits the Issuer and the Indenture Trustee to amend o certain terms and conditions set forth in the Indenture without the consent of holders of the Term Notes issued thereunder b prior notice to the Rating Agencies and the Credit Enhancer.

The term "Issuer" as used in this Term Note includes any successor or the Issuer under the Indenture.

The Issuer is permitted by the Indenture, under certain circumstances, to merge or consolidate, subject rights of the Indenture Trustee and the holders of Term Notes under the Indenture.

The Term Notes are issuable only in registered form in denominations as provided in the Indenture, sub certain limitations therein set forth.

This Term Note and the Indenture shall be construed in accordance with the laws of the State of New York, reference to its conflict of law provisions and the obligations, rights and remedies of the parties hereunder and thereunder s determined in accordance with such laws.

No reference herein to the Indenture and no provision of this Term Note or of the Indenture shall alter or the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on this Term Note times, place and rate, and in the coin or currency herein prescribed.

Anything herein to the contrary notwithstanding, except as expressly provided in the Basic Documents, Wilmington Trust Company in its individual capacity, JPMorgan Chase Bank, N.A., in its individual capacity, any owner of a ben interest in the Issuer, or any of their respective partners, beneficiaries, agents, officers, directors, employees or succes assigns shall be personally liable for, nor shall recourse be had to any of them for, the payment of principal of or interest Term Note or performance of, or omission to perform, any of the covenants, obligations or indemnifications contained Indenture. The holder of this Term Note by its acceptance hereof agrees that, except as expressly provided in the Basic Doc in the case of an Event of Default under the Indenture, the holder shall have no claim against any of the foregoing deficiency, loss or claim therefrom; provided, however, that nothing contained herein shall be taken to prevent recourse enforcement against, the assets of the Issuer for any and all liabilities, obligations and undertakings contained in the Inden in this Term Note.

IN WITNESS WHEREOF, the Owner Trustee, on behalf of the Issuer and not in its individual capacity, has caused this Term Note to be duly executed.

HOME EQUITY LOAN TRUST 2006-HSA4,

By WILMINGTON TRUST COMPANY, not
in its individual capacity but solely as
Owner Trustee

Dated: July 28, 2006

By: _____
Authorized Signatory

CERTIFICATE OF AUTHENTICATION

This is one of the Term Notes referred to in the within mentioned Indenture.

JPMORGAN CHASE BANK, N.A., not in
its individual capacity but solely as Indenture
Trustee

Dated: July 28, 2006

By: _____
Authorized Signatory

Exhibit 99

In re Residential Capital, LLC, et al., Chapter 11 Case No. 12-12020 (MG)

Log of Documents Withheld for Privilege
Communications Authored by Gary Lee On or Before 5/13/12

NO.	Sent Date	Begin Doc. No.	End Doc. No.	From	Recipients	CC	Subject	Emails authored by Lee on or before 5/13/12
1	3/1/2012	MFR9019_00280834	MFR9019_00280835	Beck, Melissa D.	Newton, James A.; Clark, Daniel E.	Levitt, Jamie A.	FW: PRIVILEGED RE:	1
2	3/6/2012	MFR9019_00280882	MFR9019_00280882	Levitt, Jamie A.	Hamzehpour, Tammy; Lee, Gary S.		RE: Meeting mon	1
3	3/14/2012	MFR9019_00281070	MFR9019_00281071	Levitt, Jamie A.	Zellmann, Patty; Hamzehpour, Tammy	Lee, Gary S.	materials from Litigation Summit	1
4	3/29/2012	MFR9019_00281215	MFR9019_00281216	Barrage, Alexandra Steinberg	Lee, Gary S.; Levitt, Jamie A.; Princi, Anthony	Newton, James A.	RE: Rescap	2
5	3/29/2012	MFR9019_00281217	MFR9019_00281217	Lee, Gary S.	Barrage, Alexandra Steinberg; Levitt, Jamie A.; Princi, Anthony	Newton, James A.; Lee, Gary S.	Re: Rescap	2
6	4/3/2012	MFR9019_00281411	MFR9019_00281414	Clark, Daniel E.	Barrage, Alexandra Steinberg; Levitt, Jamie A.; Lee, Gary S.; Beck, Melissa D.	Princi, Anthony; Newton, James A.	RE: Bounce PLS Summary of Arguments Chart - 1.DOC	3
7	4/3/2012	MFR9019_00281742	MFR9019_00281742	Levitt, Jamie A.	Lee, Gary S.; Princi, Anthony		Trustee claims	1
8	4/5/2012	MFR9019_00281748	MFR9019_00281748	Lee, Gary S.	Levitt, Jamie A.		Re: Did you talk to tony re whether pls have 2 claims?	2
9	4/5/2012	MFR9019_00238779	MFR9019_00238780	Lee, Gary S.	Cancelliere, Jeff; Renzi, Mark; Levitt, Jamie A.	Whitlinger, Jim; Hamzehpour, Tammy; Nashelsky, Larren M.; Princi, Anthony; Lee, Gary S.	Re: Pls etc	2
10	4/10/2012	MFR9019_00281749	MFR9019_00281750	Lee, Gary S.	Levitt, Jamie A.; Beck, Melissa D.; Newton, James A.		Fw: Financials	3
11	4/13/2012	MFR9019_00281771	MFR9019_00281772	Newton, James A.	Levitt, Jamie A.		RE: Pls etc	1
12	4/13/2012	MFR9019_00075875	MFR9019_00075876	Lee, Gary S.	Hamzehpour, Tammy	Lee, Gary S.	Re: Tim Devine	3
13	4/16/2012	MFR9019_00075891	MFR9019_00075891	Lee, Gary S.	Lee, Gary S.		2pm	1
14	4/18/2012	MFR9019_00102428	MFR9019_00102428	Lee, Gary S.	Levitt, Jamie A.		RE: Memo re call w/Devine re Kathy Patrick	1
15	4/18/2012	MFR9019_00075923	MFR9019_00075923	Chopra, Karn	Lee, Gary S.; Renzi, Mark	Levitt, Jamie A.; Puntus, Marc; Greene, Sam	RE: Pls	1

Log of Documents Withheld for Privilege
Communications Authored by Gary Lee On or Before 5/13/12

NO.	Sent Date	Begin Doc. No.	End Doc. No.	From	Recipients	CC	Subject	Emails authored by Lee on or before 5/13/12
16	4/18/2012	MFR9019_00281848	MFR9019_00281848	Princi, Anthony	Lee, Gary S.; Levitt, Jamie A.		Re: Waterfall 101	1
17	4/19/2012	MFR9019_00102453	MFR9019_00102453	Lee, Gary S.	Levitt, Jamie A.		FW: Prep for Kathy Patrick Meeting ((866) 203-0920; Code 1389301002) Host 5963	1
18	4/19/2012	MFR9019_00102454	MFR9019_00102454	Lee, Gary S.	Park, Liz; Levitt, Jamie A.	Nolan, William; Renzi, Mark	Re: Deck for Lazard	1
19	4/24/2012	MFR9019_00282942	MFR9019_00282943	Renzi, Mark	Lee, Gary S.; Nolan, William	Chopra, Karn; Levitt, Jamie A.; Nashelsky, Larren M.; Szymik, Filip; Park, Liz	RE: Prep for KP	1
20	4/24/2012	MFR9019_00281931	MFR9019_00281934	Clark, Daniel E.	Levitt, Jamie A.		RE: Rescap -- plan/disclosure statement	1
21	4/24/2012	MFR9019_00076194	MFR9019_00076196	Nolan, William	Lee, Gary S.	Renzi, Mark; Park, Liz; Szymik, Filip	RE: Latest Kathy Patrick Deck	1
22	4/26/2012	MFR9019_00281936	MFR9019_00281936	Levitt, Jamie A.	Newton, James A.		RE: R+w	1
23	4/27/2012	MFR9019_00102969	MFR9019_00102971	Lee, Gary S.	Levitt, Jamie A.	Lee, Gary S.	Re: Follow up to KP meeting and Data requests	1
24	4/27/2012	MFR9019_00102992	MFR9019_00102995	Cancelliere, Jeff	Lee, Gary S.; Renzi, Mark; Levitt, Jamie A.; Ruckdaschel, John	Nolan, William; McDonagh, Tim	RE: Privileged and Confidential	1
25	4/30/2012	MFR9019_00103075 RC-9019_00047812	MFR9019_00103076RC-9019_00047813	Lee, Gary S.	Beasley, Duane; Ruckdaschel, John; Hamzehpour, Tammy; Devine, Timothy	Bent, Dennis; Howard, Martin; Levitt, Jamie A.; Lee, Gary S.; Newton, James A.	Re: 04-28-12 Draft - Memo re_ Cash Flow Questions on Insured Securitizations	1
26	4/30/2012	MFR9019_00282974	MFR9019_00282976	Renzi, Mark	Lee, Gary S.; Devine, Timothy; Ruckdaschel, John	Hamzehpour, Tammy; Thompson, William; Cieri, Richard M.; Schrock, Ray C.; Zellmann, Patty; Levitt, Jamie A.; Cancelliere, Jeff	RE: Kathy Patrick, FHFA, MBIA, etc	2

Log of Documents Withheld for Privilege
Communications Authored by Gary Lee On or Before 5/13/12

NO.	Sent Date	Begin Doc. No.	End Doc. No.	From	Recipients	CC	Subject	Emails authored by Lee on or before 5/13/12
27	4/30/2012	MFR9019_00282989	MFR9019_00282991	Devine, Timothy	Lee, Gary S.; Ruckdaschel, John	Hamzehpour, Tammy; Thompson, William; Cieri, Richard M.; Schrock, Ray C.; Zellmann, Patty; Levitt, Jamie A.; Renzi, Mark	RE: Kathy Patrick, FHFA, MBIA, etc	1
28	4/30/2012	MFR9019_00076255	MFR9019_00076256	Lee, Gary S.	Renzi, Mark; Levitt, Jamie A.	Nolan, William; Lee, Gary S.	Re: Bounce - Discussion Materials (04-25-12)_Distribution File.pptx	1
29	5/2/2012	MFR9019_00076262	MFR9019_00076262	Renzi, Mark	Lee, Gary S.	Nolan, William	Contains Privileged Attorney Work Product	1
30	5/3/2012	MFR9019_00076310	MFR9019_00076311	Hamzehpour, Tammy	Lee, Gary S.; Kielty, Ryan		Re: Kp	2
31	5/3/2012	MFR9019_00208297	MFR9019_00208298	Lee, Gary S.	Puntus, Marc; Kielty, Ryan; Hamzehpour, Tammy	Greene, Sam; Chopra, Karn; Weingarten, Benjamin H.	Re: Kathy Patrick Diligence	1
32	5/3/2012	MFR9019_00208303	MFR9019_00208305	Lee, Gary S.	Chopra, Karn; Kielty, Ryan; Hamzehpour, Tammy	Puntus, Marc; Greene, Sam; Weingarten, Benjamin H.	RE: Kathy Patrick Diligence	2
33	5/3/2012	MFR9019_00076389	MFR9019_00076389	Lee, Gary S.	Lee, Gary S.	Levitt, Jamie A.	Kp asks	1
34	5/4/2012	MFR9019_00283004	MFR9019_00283005	Devine, Timothy	Lee, Gary S.; Hamzehpour, Tammy	Levitt, Jamie A.	RE: Kathy Patrick	1
35	5/4/2012	MFR9019_00283009	MFR9019_00283009	Lee, Gary S.	Rosten, Linda; Schrock, Richard; Cieri, Richard	Devine, Timothy; Solomo, William B.; Hamzehpour, Tammy; Lee, Gary S.	Re: Lawsuits Alleging Securities Law Violations	1
36	5/4/2012	MFR9019_00097857	MFR9019_00097858	Levitt, Jamie A.	Lee, Gary S.		Re: DRAFT: ResCap Noteholder Settlement Agreement (00315282-3).DOC	3
37	5/4/2012	MFR9019_00097859	MFR9019_00097862	Levitt, Jamie A.	Lee, Gary S.		Fw: DRAFT: ResCap Noteholder Settlement Agreement (00315282-3).DOC	1
38	5/4/2012	MFR9019_00076425	MFR9019_00076426	Lee, Gary S.	Clark, Daniel E.; Levitt, Jamie A.	Newton, James A.	RE: ResCap Call	1
39	5/4/2012	MFR9019_00166756	MFR9019_00166758	Lee, Gary S.	Levitt, Jamie A.; Cancelliere, Jeff		RE: Follow up to KP meeting and Data requests	1

Log of Documents Withheld for Privilege
Communications Authored by Gary Lee On or Before 5/13/12

NO.	Sent Date	Begin Doc. No.	End Doc. No.	From	Recipients	CC	Subject	Emails authored by Lee on or before 5/13/12
40	5/4/2012	MFR9019_00166765	MFR9019_00166767	Lee, Gary S.	Levitt, Jamie A.; Cancelliere, Jeff; Renzi, Mark		Re: KP	1
41	5/5/2012	MFR9019_00076465	MFR9019_00076467	Newton, James A.	LEE Gary S.; Levitt, Jaime A.	Goren, Todd M.; Nashelsky, Larren M.; Clark, Daniel E.	Re: Plan Support Agreement	1
42	5/5/2012	MFR9019_00103568	MFR9019_00103568	Lee, Gary S.	Lee, Gary S.; Clark, Daniel E.; Newton, James A.; Levitt, Jamie A.	Nashelsky, Larren M.; Goren, Todd M.	Psa	1
43	5/6/2012	MFR9019_00076659	MFR9019_00076659	Newton, James A.	Lee, Gary S.; Levitt, Jamie A.; Clark, Daniel E.		Re: Put back claims	1
44	5/7/2012	MFR9019_00076708	MFR9019_00076708	Levitt, Jamie A.	Lee, Gary S.		Re: KP	1
45	5/7/2012	MFR9019_00203271	MFR9019_00203271	Lee, Gary S.	Delehey, Lauren	Thompson, William	RE: KP	1
46	5/7/2012	MFR9019_00208702	MFR9019_00208702	Lee, Gary S.	Lee, Gary S.; Hamzehpour, Tammy		Tom m	1
47	5/8/2012	MFR9019_00076786	MFR9019_00076789	Beck, Melissa D.	Goren, Todd M.; Lee, Gary S.; Kohler, Kenneth E.; Nashelsky, Larren M.; Rosenbaum, Norman S.; Richards, Erica J.		RE: Kp.	4
48	5/8/2012	MFR9019_00166887	MFR9019_00166889	Cancelliere, Jeff	Lee, Gary S.; Goren, Todd M.; Beck, Melissa D.; Nashelsky, Larren M.		RE: PLS Set-off/Advances	3
49	5/9/2012	MFR9019_00591130	MFR9019_00591131	Hamzehpour, Tammy	Lee, Gary S.		RE: KP	2
50	5/9/2012	MFR9019_00203283	MFR9019_00203283	Lee, Gary S.	Hamzehpour, Tammy; Thompson, William		Kp	1
51	5/9/2012	MFR9019_00208720	MFR9019_00208721	Lee, Gary S.	Thompson, William; Hamzehpour, Tammy		RE: Kp	1

Log of Documents Withheld for Privilege
Communications Authored by Gary Lee On or Before 5/13/12

NO.	Sent Date	Begin Doc. No.	End Doc. No.	From	Recipients	CC	Subject	Emails authored by Lee on or before 5/13/12
52	5/9/2012	MFR9019_00166894	MFR9019_00166897	Cancelliere, Jeff	Beck, Melissa D.; Lee, Gary S.; Goren, Todd M.; Nashelsky, Larren M.		RE: PLS Set-off/Advances	1
53	5/9/2012	MFR9019_00195662	MFR9019_00195664	Chopra, Karn	Lee, Gary S.; Renzi, Mark; Nashelsky, Larren M.; Ruckdaschel, John; Kohler, Kenneth E.		Re: KP	1
54	5/9/2012	MFR9019_00076814	MFR9019_00076815	Nolan, William	Lee, Gary S.		RE: Kp.	1
55	5/9/2012	MFR9019_00076826	MFR9019_00076826	Tanenbaum, James R.	Lee, Gary S.		Re: Settlement	1
56	5/9/2012	MFR9019_00136249	MFR9019_00136249	Levitt, Jamie A.	Lee, Gary S.; Princi, Anthony		RE: Carpenter lipps	1
57	5/9/2012	MFR9019_00136250	MFR9019_00136250	Lee, Gary S.	Princi, Anthony; Levitt, Jamie A.		Re: Carpenter lipps	1
58	5/9/2012	MFR9019_00166937	MFR9019_00166937	Cancelliere, Jeff	Lee, Gary S.; Levitt, Jamie A.		RE: [Subject Redacted Because It Contains Privileged Information]	1
59	5/9/2012	MFR9019_00208735	MFR9019_00208735	Lee, Gary S.	Hamzehpour, Tammy		FW: Settlement_Draft.xls	1
60	5/9/2012	MFR9019_00166940	MFR9019_00166941	Cancelliere, Jeff	Levitt, Jamie A.; Lee, Gary S.; Renzi, Mark; Nashelsky, Larren M.	Hamzehpour, Tammy	Re: Settlement_Draft.xls	1
61	5/9/2012	MFR9019_00220018	MFR9019_00220018	Marano, Tom	Lee, Gary S.		Re: Settlement_Draft.xls	1
62	5/9/2012	MFR9019_00136264	MFR9019_00136264	Lee, Gary S.	Mack, John E.; Ilany, Jonathan; West, Pamela; Abreu, Steve; Smith, Ted; Whitlinger, Jim; Marano, Tom	Hamzehpour, Tammy; Evans, Nilene R.; Tanenbaum, James R.; Nashelsky, Larren M.; Moldovan, Joe; Levy, Jack; Lerner, David; Connolly, Michael	Meeting Notice - ResCap Board Meeting, May 9, 2012, 3:00 pm (ET) - privileged and confidential attorney-client communication	1
63	5/9/2012	MFR9019_00195779	MFR9019_00195780	Lee, Gary S.	Ruckdaschel, John; Levitt, Jamie A.		Re: Kp.	1

Log of Documents Withheld for Privilege
Communications Authored by Gary Lee On or Before 5/13/12

NO.	Sent Date	Begin Doc. No.	End Doc. No.	From	Recipients	CC	Subject	Emails authored by Lee on or before 5/13/12
64	5/9/2012	MFR9019_00195841	MFR9019_00195842	Ruckdaschel, John	Lee, Gary S.		RE: Phoenix Residential Securities, LLC ("PRS")	1
65	5/9/2012	MFR9019_00195863	MFR9019_00195864	Lee, Gary S.	Ruckdaschel, John; Levitt, Jamie A.		Re: Phoenix Residential Securities, LLC ("PRS")	2
66	5/9/2012	MFR9019_00203290	MFR9019_00203292	Lee, Gary S.	Delehey, Lauren; Thompson, William		RE: KP	3
67	5/9/2012	MFR9019_00203293	MFR9019_00203296	Lee, Gary S.	Thompson, William; Delehey, Lauren		RE: KP	1
68	5/9/2012	MFR9019_00076999	MFR9019_00077002	Levitt, Jamie A.	Evans, Nilene R.; Lee, Gary S.; Kohler, Kenneth E.; Chopra, Karn; Whitlinger, Jim		Re: PSA Amendment "Ask" of KP Group	2
69	5/9/2012	MFR9019_00077003	MFR9019_00077004	Levitt, Jamie A.	Lee, Gary S.		Re: PSA Amendment "Ask" of KP Group	1
70	5/9/2012	MFR9019_00077028	MFR9019_00077029	Levitt, Jamie A.	Lee, Gary S.		Re: PSA Amendment "Ask" of KP Group	2
71	5/10/2012	MFR9019_00077068	MFR9019_00077068	Lee, Gary S.	Levitt, Jamie A.; Nashelsky, Larren M.; Lee, Gary S.		Re: Timing of KP 9019	1
72	5/10/2012	MFR9019_00077229	MFR9019_00077235	Levitt, Jamie A.	Evans, Nilene R.	Lee, Gary S.	Fw: PSA Amendment "Ask" of KP Group	1
73	5/10/2012	MFR9019_00077246	MFR9019_00077248	Chopra, Karn	Levitt, Jamie A.; Lee, Gary S.; Nashelsky, Larren M.; Evans, Nilene R.		FW: Securities claims	2
74	5/10/2012	MFR9019_00220211	MFR9019_00220212	Lee, Gary S.	Hamzehpour, Tammy; Marano, Tom	Nashelsky, Larren M.; Horner, Jill; Freimuth, Renee L.	Re: Insurance.	2
75	5/11/2012	MFR9019_00078251	MFR9019_00078252	Beck, Melissa D.	Nashelsky, Larren M.; Lee, Gary S.; Goren, Todd M.	Richards, Erica J.	RE: ResCap Trustee List	1
76	5/11/2012	MFR9019_00137041	MFR9019_00137042	Lee, Gary S.	Clark, Daniel E.; Beck, David A.; Battle, Jennifer A.L.; Princi, Anthony	Lipps, Jeffrey A.; Levitt, Jamie A.; Newton, James A.	RE: Allowed Claims and Fees language	1
77	5/12/2012	MFR9019_00078428	MFR9019_00078428	Levitt, Jamie A.	Lee, Gary S.		Re: Kp	2
78	5/12/2012	MFR9019_00137523	MFR9019_00137523	Lee, Gary S.	Levitt, Jamie A.; Princi, Anthony		Re: KP	2

Log of Documents Withheld for Privilege
Communications Authored by Gary Lee On or Before 5/13/12

NO.	Sent Date	Begin Doc. No.	End Doc. No.	From	Recipients	CC	Subject	Emails authored by Lee on or before 5/13/12
79	5/12/2012	MFR9019_00137553	MFR9019_00137553	Lee, Gary S.	Princi, Anthony; Levitt, Jamie A.		Re: KP	1
80	5/12/2012	MFR9019_00137593	MFR9019_00137594	Newton, James A.	Princi, Anthony; Levitt, Jamie A.		RE: KP	1
81	5/12/2012	MFR9019_00167045	MFR9019_00167047	Cancelliere, Jeff	Lee, Gary S.; Lipps, Jeffrey A.		RE: Can you prepare a Script for us.	3
82	5/13/2012	MFR9019_00087787	MFR9019_00087792	Cancelliere, Jeff	Newton, James A.	Lee, Gary S.; Levitt, Jaime A.; Clark, Daniel E.	RE: Favor	9
83	5/13/2012	MFR9019_00078581	MFR9019_00078582	Beck, Melissa D.	Lee, Gary S.		RE: outline	1
84	5/13/2012	MFR9019_00200687	MFR9019_00200689	Lee, Gary S.	Ruckdaschel, John		RE: outline	2
85	5/13/2012	MFR9019_00200690	MFR9019_00200692	Lee, Gary S.	Ruckdaschel, John; Crost, Katharine I.; Cancelliere, Jeff		RE: outline	1
86	5/13/2012	MFR9019_00200704	MFR9019_00200708	Lee, Gary S.	Crost, Katharine I.; Cancelliere, Jeff; Ruckdaschel, John		Re: outline	1
87	5/13/2012	MFR9019_00138384	MFR9019_00138385	Lee, Gary S.	Princi, Anthony; Levitt, Jamie A.		Re: Talcott	3
88	5/13/2012	MFR9019_00138399	MFR9019_00138400	Lee, Gary S.	Levitt, Jamie A.; Princi, Anthony; Clark, Daniel E.; Nashelsky, Larren M.; Newton, James A.		Fw: Revised outline	1
89	5/13/2012	MFR9019_00078731	MFR9019_00078732	Lee, Gary S.	Lee, Gary S.		FW: Revised outline	1
90	5/13/2012	MFR9019_00138839	MFR9019_00138841	Levitt, Jamie A.	Lee, Gary S.; Clark, Daniel E.; Princi, Anthony; Newton, James A.		RE: New allowed claim language	4
91	5/13/2012	MFR9019_00200886	MFR9019_00200890	Lee, Gary S.	Crost, Katharine I.; Ruckdaschel, John; Cancelliere, Jeff		RE: outline	1
92	5/13/2012	MFR9019_00138891	MFR9019_00138894	Newton, James A.	Lee, Gary S.; Levitt, Jamie A.; Clark, Daniel E.; Princi, Anthony		RE: New allowed claim language	1

Log of Documents Withheld for Privilege
Communications Authored by Gary Lee On or Before 5/13/12

NO.	Sent Date	Begin Doc. No.	End Doc. No.	From	Recipients	CC	Subject	Emails authored by Lee on or before 5/13/12
93	5/13/2012	MFR9019_00138940	MFR9019_00138940	Lee, Gary S.	Clark, Daniel E.; Levitt, Jamie A.; Princi, Anthony; Newton, James A.		RE: Allowed claim language with indemnity excluded	1
94	5/13/2012	MFR9019_00078853	MFR9019_00078853	Lee, Gary S.	Levitt, Jamie A.	Lee, Gary S.	Re: Allowed claim language with indemnity excluded	1
95	5/13/2012	MFR9019_00078919	MFR9019_00078919	Princi, Anthony	Levitt, Jamie A.	Lee, Gary S.; Newton, James A.; Clark, Daniel E.	FW: Names	1
96	5/13/2012	MFR9019_00200942	MFR9019_00200946	Lee, Gary S.	Crost, Katharine I.; Ruckdaschel, John; Cancelliere, Jeff	Dunne, Daniel J.; Howard, Martin B.; Mitchell, Thomas C.	RE: Further revised outline	1
97	5/13/2012	MFR9019_00104438	MFR9019_00104443	Newton, James A.	Cancelliere, Jeff; Lee, Gary S.; Nashelsky, Larren M.	Levitt, Jamie A.	RE: Project Bounce - KP Settlement	1
98	5/13/2012	MFR9019_00200992	MFR9019_00200996	Ruckdaschel, John	Lee, Gary S.; Levitt, Jamie A.		RE: Further revised outline	1
99	5/13/2012	MFR9019_00203475	MFR9019_00203476	Hamzehpour, Tammy	Thompson, William		RE: KP final	1
100	5/13/2012	MFR9019_00221594	MFR9019_00221596	Lee, Gary S.	Marano, Tom; Whitlinger, Jim		RE: KP final	3
101	5/13/2012	MFR9019_00221660	MFR9019_00221662	Lee, Gary S.	Marano, Tom; Whitlinger, Jim		RE: KP final	1
102	5/13/2012	MFR9019_00281942	MFR9019_00281943	Newton, James A.	Levitt, Jamie A.; Lee, Gary S.		RE: monolines	1
103	5/13/2012	MFR9019_00307309	MFR9019_00307312	Cancelliere, Jeff	Lee, Gary S.; Newton, James A.; Nashelsky, Larren M.	Levitt, Jamie A.	RE: Project Bounce - KP Settlement	1
TOTAL number of emails authored by Lee on or before 5/13/12								**151**

Exhibit 100

REDACTED

REDACTED

REDACTED

Exhibit 101

UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

----------x

In Re: Case No:

RESIDENTIAL CAPITAL, LLC, et. al, 12-12020(MG)

Debtors.

----------x

VIDEOTAPE DEPOSITION OF JEFFREY CANCELLIERI

New York, New York

November 14, 2012

2:03 p.m.

Reported by:
ERICA L. RUGGIERI, RPR
JOB NO: 27647-B

JEFF CANCELLIERI

Q. REDACTED

A. I do not. I don't know where the additional numbers were derived.

Q. Well, in May of 2012, was your group also looking to calculate reserves that included litigation repurchase obligations and related claims over existing reserves?

A. My group was responsible for calculating reserves on repurchase claims. We were not responsible for assessing risk on litigation reserves.

Q. REDACTED

JEFF CANCELLIERI

REDACTED

Q. And the $829 million number on that page was the third quarter 2011 recorded reserves for reps and warranties?

A. Yes. I believe the 829 was the model reserve.

Q. Now, there are other numbers in that box A relating to inactive wrapped PLS. What does that refer to?

A. That refers to any wrapped deal that has not had actual repurchase claims. During the stress scenario we assumed that those deals would have become active at some point during the stress time frame.

JEFF CANCELLIERI

Q. REDACTED

A. Estimated range based on historical repurchase rates for those specific wrapped deals.

Q. All right. But these were deals that were -- strike that.

REDACTED

A. There are a number of whole loan investors where we sold loans to a private investor, we didn't issue a security, where the investors themselves are not active. Meaning they are not actively requesting repurchase on loans. That was the same concept as the inactive wrapped PLS, that those investors would become active during the stress time period.

Q. REDACTED

JEFF CANCELLIERI

A. That represented a high level calculation on the nonwrapped PLS population with expected losses over the stressed -- stress time period based on historical information.

Q. Did that number also include any adjustment for litigation risks for defenses?

A. There were high level adjustments for things such as subordinated bonds becoming active during the stressed time period. It did not include any litigation type defenses.

Q. REDACTED

Q. And you'll see that footnote C says, "Estimated lifetime losses multiplied by risks post fund audit defect rate and adjusted to litigation defenses."

Exhibit 102

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Case No. 12-12020 (MG)
RESIDENTIAL CAPITAL, LLC, et al.,	)	Chapter 11
Debtors.	)	Jointly Administered

ORDER GRANTING DEBTORS' MOTION PURSUANT TO FED. R. BANKR. P. 9019 FOR APPROVAL OF THE RMBS TRUST SETTLEMENT AGREEMENTS

1. Upon consideration of *Debtors' Motion Pursuant to Fed. R. Bankr. P. 9019 for Approval of RMBS Trust Settlement Agreements* (the "Initial Motion") of the above-captioned debtors and debtors in possession (collectively, the "Debtors" and each, a "Debtor") for entry of an order granting Debtors' Motion Pursuant to Fed. R. Bankr. P. 9019 for Approval of the RMBS Trust Settlement Agreements and the *Debtors' Supplemental Motion Pursuant to Fed. R. Bankr. P. 9019 for Approval of RMBS Trust Settlement Agreements* (the "Supplement," and together with the Initial Motion, the "Motion"), requesting the same remedy;[1] and upon the Whitlinger Affidavit and the Declarations of Jeffrey Lipps, Frank Sillman, and William J. Nolan, and the affidavits of publication and mailing to all Investors and Releasors (the "RMBS Trustee Notice Affidavits") of the notice of the Trustees (defined below) of the Motion and the RMBS Trust Settlement (the "RMBS Trustee Notice"); and it appearing that this Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that venue of these Chapter 11 cases and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that this proceeding on the Motion is a core proceeding pursuant to 28 U.S.C. §157(b); and sufficient notice of the Motion having been given; and it appearing that no

[1] Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

other or further notice need be provided; and the Court having found that the RMBS Trust Settlement is reasonable, fair and equitable and supported by adequate consideration; and that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest, including the Investors in any RMBS Trust that accepts the RMBS Trust Settlement pursuant to a Joinder (defined below); and after due deliberation and sufficient cause appearing therefore, it is hereby:

ORDERED, ADJUDGED, AND DECREED THAT:

1. The Motion is granted to the extent set forth herein.

2. The RMBS Trust Settlement Agreements between the Debtors and the Institutional Investors are hereby approved pursuant to Federal Rule of Bankruptcy Procedure 9019(a) and the applicable decisional case law, and the Parties are hereby authorized and ordered to take any and all actions as may be necessary to effectuate and implement the RMBS Trust Settlement, subject to the terms thereof.

3. Each Trust, each acting by its named trustee, or indenture trustee (*i.e.*, The Bank of New York Mellon Trust Company, N.A., Deutsche Bank Trust Company Americas, Deutsche Bank National Trust Company, U.S. Bank National Association or Wells Fargo Bank, N.A., in each case solely in their respective capacity as trustee or indenture trustee for a RMBS Trust and not in any other capacity) (collectively, the "Trustees") and the Debtors may enter into the RMBS Trust Settlement. A draft form for the acceptance by a Trust of the Trust Settlement, entitled "Trustee Joinder and Acceptance of the RMBS Trust Settlement Agreement," is attached hereto as Exhibit A (the "Joinder").

4. Each Trust that executes a Joinder to the RMBS Trust Settlement shall have an allowed general unsecured claim in these cases under the terms of the RMBS Trust Settlement.

5. The RMBS Trust Settlement, including the releases given therein, meet the standards established by the Second Circuit for the approval of a compromise and settlement in bankruptcy, and are fair and reasonable to, and in the best interest of, all interested parties, including but not limited to the Debtors, their respective creditors, including but not limited to the Institutional Investors, the Investors for each Trust that executes a Joinder and each such Trust, the Trustees, and other Releasors, as a compromise of each joining Trust's asserted claims against the Debtors.

6. Notice of the RMBS Trust Settlement and the Motion, including the notice given by the Debtors in these bankruptcy cases and the RMBS Trustee Notice, was sufficient and effective in satisfaction of federal and state due process requirements and other applicable law to put the parties in interest in this bankruptcy proceeding, including the Investors and Releasors, on notice of the RMBS Trust Settlement, the Motion, and the relief requested therein

7. The terms and conditions of this Order shall be effective and enforceable immediately upon entry of this Order.

8. All objections to the Motion or the relief requested therein that have not been withdrawn, waived or settled, and all reservations of rights included therein, are overruled on the merits.

9. Notwithstanding anything herein to the contrary, this Order shall not modify or affect the terms and provisions of, nor the rights and obligations under, (a) the Board of Governors of the Federal Reserve System Consent Order, dated April 13, 2011, by and among AFI, Ally Bank, ResCap, GMAC Mortgage, LLC, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation, (b) the consent judgment entered April 5, 2012 by the District Court for the District of Columbia, dated February 9, 2012,

(c) the Order of Assessment of a Civil Money Penalty Issued Upon Consent Pursuant to the Federal Deposit Insurance Act, as amended, dated February 10, 2012, and (d) all related agreements with AFI and Ally Bank and their respective subsidiaries and affiliates.

10. Upon notice to the parties and no objection having been interposed, an affiliated debtor shall be deemed to be a "Future Debtor" upon the Court's entry of an order authorizing the joint administration of such Future Debtor's Chapter 11 case with the Chapter 11 cases of the Debtors. Upon notice to the parties and no objection being timely interposed, the relief granted by this Order shall apply to the Future Debtor in these jointly-administered cases.

11. Nothing contained in the RMBS Trust Settlement Agreement, this Order, and any associated expert reports, including exhibits, schedules, declarations, and other documents attached thereto or referenced therein, or in any declarations, pleadings, or other documents or evidence submitted to, or filed in, the Bankruptcy Court in connection therewith, shall be construed as an admission of, or to prejudice in any way, Ally Financial Inc. and its non-Debtor direct and indirect subsidiaries and affiliates (collectively, "Ally") and may not be used as evidence against Ally in any court proceeding.

12. This Court shall retain jurisdiction with respect to all matters arising or related to the implementation of this Order.

Dated: _____, 2012
New York, New York

_____
THE HONORABLE MARTIN GLENN
UNITED STATES BANKRUPTCY JUDGE

Exhibit A

TRUSTEE JOINDER AND ACCEPTANCE OF THE RMBS SETTLEMENT

This joinder and acceptance ("Joinder") relates to the RMBS Trust Settlement Agreement, dated as of May 13, 2012 (as amended, the "Settlement Agreement"), by and among Residential Capital, LLC ("ResCap") and certain of its direct and indirect subsidiaries (collectively, the "Debtors") and the Institutional Investors (as defined therein), is made by [_____], as trustee or indenture trustee (the "Joining Trustee") for [_____] (the "Accepting RMBS Trust") and is executed and delivered as of [_____], 2012. Each capitalized term used herein but not otherwise defined has the meaning set forth in the Settlement Agreement.

1. ***Agreement to be Bound***. The Joining Trustee, on behalf of the Accepting RMBS Trust, hereby accepts the offer to settle set forth in Section 5.01 of the Settlement Agreement and agrees on its and the Accepting RMBS Trust's respective behalves to be bound by the terms of Articles V, VI, VII, VIII, IX and X of the Settlement Agreement and all exhibits referred to therein (as the same has been or may, with the consent of the Joining Trustee, be hereafter amended, restated or otherwise modified from time to time in accordance with the provisions hereof), applicable to Trusts and Trustees. The Accepting RMBS Trust shall be deemed to be an "Accepting RMBS Trust" for all purposes under the Settlement Agreement. For avoidance of doubt, the Joining Trustee and the Accepting RMBS Trust shall assume no obligations under the Settlement Agreement except as expressly set forth in this paragraph and nothing in this Joinder shall be deemed to represent an adoption, concurrence or consent by the Joining Trustee in or to any recital, representation or statement made by the Debtors, the Institutional Investors or any other party in interest in the Chapter 11 Cases either in the Settlement Agreement or in any motion, pleading, notice or other document relating to the Settlement Agreement or the settlement thereunder.

2. ***Representations and Warranties***. The Joining Trustee hereby represents and warrants that it is the duly appointed trustee for the Accepting RMBS Trust and that it has the authority to take the actions contemplated under the Settlement Agreement and has the authority with respect to any other entities, account holders or accounts for which or on behalf of which it is signing this Joinder. In making this representations, the Joining Trustee has, with the consent of the Debtors, relied, *inter alia* on the Bankruptcy Court's order approving the Settlement Agreement.

3. ***Governing Law***. This Joinder shall be governed by and construed in accordance with the internal laws of the State of New York, without regard to any conflicts of law provisions which would require the application of the law of any other jurisdiction.

4. ***Notice.*** All notices and other communications given or made pursuant to the Settlement Agreement shall be sent to:

To the Joining Trustee at:
[JOINING TRUSTEE]
As Trustee for [_____]

Attn.:
Facsimile:
Email:

IN WITNESS WHEREOF, the Joining Trustee has caused this Joinder to be executed as of the date first written above.

[JOINING TRUSTEE]

solely in its capacity as trustee of the Accepting RMBS Trust and not in its individual capacity

By: _____

Name:

Title: