
From: Barrett, Paul S <[REDACTED]>
Sent: Tuesday, April 30, 2013 4:56 PM
To: Epstein, Jeffrey (jeevacation@gmail.com)
Cc: Ens, Amanda; Weissend, Renee E
Subject: NEW PRIME HY RMBS - \$2.726mm of SASC 03-10 B2 @ 100-00 (5.943% yield/3.14durn)

Jeffrey

We should buy these bonds to replace the sale from yesterday.

Around \$1MM spend.

Let me know

Paul

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THE BOND:

The SASC 2003-10 B2 is a seasoned Prime Fix 6% sub bond backed by 123 months seasoned 30yr Fix mortgages. The bond has 5.08% credit enhancement vs 10.04% 60+ delinquencies, for a 0.51x coverage ratio. In our recovery case scenario, we see this bond being callable starting in November 2013, giving the client a 5.29% yield for a 0.51 durn.

THE COLLATERAL:

The bond is backed by 98 Prime 30-yr Fix Rate mortgages that are 123-months seasoned and have a 47% updated LTV. The average balance of the loans is \$478k . This coupled with the lower LTVs of the pool should result in lower loss severities in the future. That being said, the last defaulted/liquidated loan print in this pool occurred in March of 2012. Since then, the deal has not experienced any default experiences.

THE STORY:

For investors looking to gain exposure to US housing recovery via a shorter duration, more levered strategy, this bond provides a healthy yield pickup with improving pool performance.

Please call the desk with all bids/inquiries related to this bond. X32124

HIGHLIGHTS

- HPI Updated LTV = 47%
- 67% 24-month perfect payers
- 123 months seasoned
- \$478k average balance

**Source: Bloomberg

SASC 2003-10 B2 Offered @ 100-00

BOND DESCRIPTION

Prepay Rate

22 ramp 20 18 CPR

26 ramp 20 22 CPR

28 ramp 20 22 CPR

Cusip:

86359AQW6

Default Rate

6 4.5 ramp 30 3.5 CDR

6 4.5 for 30 4 CDR

6 4 ramp 24 2.5 CDR

Original Face:

2,726,000

Default Severity

55 30

45 25

35 20

Current Face:

1,076,783

Delinq Rate

13 Percent

13 Percent

13 Percent

Bond Type:

Prime Fix 6% Sub

Delinq Advance (% of P&I)

60

60

60

Ratings (S&P/Moodys/Fitch):

CCC/-/-

Call

No

No

Yes

Current Coupon:

6.000%

Yield @ Base Case

5.943%

Price @ 100-00

Stress Case

Base Case

Recovery Case

WAL @ Base Case

3.65

Yield

4.325

5.943

5.286

Principal Window @ Base Case

Jun13 to Jun21

Spread over Tsy

274

539

484

Writedown %

0.00%

Duration

6.45

3.14

0.51

Current Credit Enhancement:

5.08%

WAL

8.58

3.65

0.53

60+ Delinquencies

10.04

Principal Window

Jun13 to Jun31

Jun13 to Jun21

Jun13 to Nov13

60+ Delinquency Coverage

0.51x

Principal Writedown

17.14%

0.00%

0.00%

Total Collat Loss

0.75%

0.63%

0.46%

UNDERLYING COLLATERAL DESCRIPTION

Total Liquidation

14.36%

13.58%

9.72%

Average Loan Balance (\$,000s)

478

Loan Count

98

HISTORICAL PERFORMANCE

Mortgage Type

Prime 30yr Fix

1 MOS

3 MOS

6 MOS

Wtd Avg Mortgage Coupon

6.423%

CPR

50.00

43.58

27.85

Wtd Avg FICO Score

NA

CDR

NA

NA

NA

Wtd Avg Orig Loan-to-Value

55.20%

SEV

NA

NA

NA

HPI Adj LTV

47.11%

Weighted Avg Loan Age

123

Owner Occupied

NA

Top 1 Geo Concentration

CA 40%

Top 2 Geo Concentration

NY 14%

Top 3 Geo Concentration

FL 11%

Always Current (24 mos)

66.98%

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